

OUR RECIPE FOR  
**GOOD**

PURPOSE  
THAT FEEDS  
THE FUTURE

2021 Global Citizenship & Sustainability Report

Yum!



We're passionate about feeding  
a future with more purpose  
because it's our responsibility to  
create a **Recipe for Good** for all.

#### ABOUT THE PAPER USED FOR THIS REPORT



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# ////// A MESSAGE FROM **DAVID GIBBS**

The last two years have presented one of the most challenging environments that the world, along with Yum! Brands, have navigated: year two of a global pandemic, associated supply chain disruptions and persistent labor shortages. We ended 2021 stronger than ever, marking the strongest growth year in our history and setting an industry record for unit development. We opened nearly 4,200 gross units during the year – an average of one new restaurant every two hours.

Our success is a testament to our Recipe for Growth & Good, showing that a focus on environmental, social and governance (ESG) issues is not incidental to growth, but rather, an enabler of it. Our shareholders and other stakeholders understand this. As a result, we are actively embedding ESG considerations into our business strategy and adopting responsible business practices that resonate with our values.

We made significant progress in 2021 toward our three Recipe for Good priority pillars of People, Food and Planet.

One of Yum!'s defining characteristics is the culture that we create in our restaurants and professional teams and the way we take care of people in our communities. During the year, we invested in Yum!'s social purpose, unlocking opportunities for our people and communities through initiatives like the launch of the Yum! Center for Global Franchise Excellence at the University of Louisville, which will create pathways to entrepreneurship for underrepresented people of color and women interested in franchising.

2021 was a milestone year for our environmental commitments: We announced science-based targets (SBTs) to reduce greenhouse gas (GHG) emissions nearly 50% by 2030 and set an ambition to achieve net-zero emissions by 2050. We have initiated several pilot projects to help reduce emissions in our restaurants and supply chain and have introduced a harmonized packaging policy that creates a common set of standards across all four of our brands.

In terms of our food, we remain focused on safety, listening and responding to customers' evolving preferences, and improving the nutritional value of our menu items. We continue to introduce relevant and distinctive plant-based offerings at our brands, including in restaurants in the United States, Canada and Europe.

As I reflect on the past two years, I'm incredibly proud of the way our teams have collaborated to serve our customers and community while fueling growth for our franchisees and shareholders. Our performance in 2021 demonstrates that our iconic brands can thrive and win in any environment, and as we make our way through 2022 – our 25th anniversary year – I'm confident and energized about what lies ahead.

Thanks for your support.



**David Gibbs**

Chief Executive Officer  
Yum! Brands, Inc.

“Our success is a testament to our Recipe for Growth & Good, showing that a focus on environmental, social and governance issues is not incidental to growth, but rather, an enabler of it.”



# YUM! RECIPE FOR GOOD AT A GLANCE

## 4 BRANDS



**1 MILLION+**

franchise system  
employees

**1.5K**

franchisees

**53K**

restaurants

**155+**

countries &  
territories

## ESG RANKINGS & RATINGS

### Named to

2021 Dow Jones Sustainability  
North America Index

### Achieved

A- Score on 2021  
CDP Palm Oil & Water Security,  
B Score on CDP Climate,  
Cattle & Timber

### Scored

100 on the Human Rights  
Campaign Foundation's 2022  
Corporate Equality Index

### Listed on

3BL Media's 100 Best Corporate  
Citizens of 2022 ranking

### Ranked on

Newsweek's list of America's Most  
Responsible Companies

## OUR HIGHLIGHTS

### ALMOST 30 PROGRAMS

supported through the  
Unlocking Opportunity Initiative

### GALVANIZED INAUGURAL LEADERSHIP SUMMIT

for Black and Hispanic leaders and  
high-potential employees

### YUM! FRANCHISE ACCELERATOR LAUNCHED

within the Yum! Center for Global  
Franchise Excellence at the  
University of Louisville

### SET SCIENCE-BASED TARGETS

to reduce GHG emissions  
nearly 50% by 2030

### 1,000 YUM! RESTAURANTS

converted to renewable energy  
using credits in 2022

### JOINED SUPPLIER LEADERSHIP ON CLIMATE TRANSITION

a training program for our suppliers of  
poultry, beef and dairy

### NEW HARMONIZED PACKAGING POLICY INTRODUCED

for all brands

Committed to source

### 100% CAGE-FREE EGGS BY 2026

at the majority of our restaurants

# ////// **APPROACH** We Feed the Future



# APPROACH

## Citizenship & Sustainability Goals and Commitments

### ANIMAL WELFARE

#### Annually

Maintain existing verification programs for poultry and disclose progress on cage-free eggs

#### 2022

Pizza Hut to remove antibiotics important to human medicine from wings as the final step in fulfilling its commitments to source chicken raised without antibiotics important to human medicine in the U.S.

#### 2025

Taco Bell to reduce antibiotics used in human medicine by 25% in U.S. and Canada beef supply chain

#### 2026

Source 100% cage-free eggs across at least 25,000 restaurants, including the U.S., Western Europe and other markets for all menu items and ingredients

#### 2030

Source 100% cage-free eggs for all menu items and ingredients

### CLIMATE

#### Annually

Report progress to CDP and use the Task Force on Climate-related Financial Disclosures (TCFD) framework.

#### 2021

Move 1,000 restaurants to renewable energy.

#### 2030

Reduce Scope 1 and 2 GHG emissions generated by corporate restaurants and offices to 46% below 2019 levels.

Reduce emissions per franchisee restaurant and per metric ton of beef, poultry, dairy and packaging to 46% below 2019 levels.

#### 2050

Ambition to achieve net-zero emissions.

### DEFORESTATION

#### Annually

Source 100% of palm oil used for cooking from responsible and sustainable sources.

Report progress to CDP.

#### 2022

Purchase 100% of paper-based packaging with fiber from responsibly managed forests and recycled sources.

#### 2030

End natural forest loss by 2030 in accordance with the New York Declaration on Forests.

### EQUITY & INCLUSION

#### Annually

Publish U.S. Workforce Diversity Report, including board of directors data.

#### 2030

Achieve gender parity in leadership globally by 2030 in alignment with Paradigm for Parity®.

### NUTRITION

#### Annually

Report against our nutrition and clean label goals.

#### 2025

Remove artificial colors, flavors and partially hydrogenated oils (PHOs) from core food ingredients globally.

By 2025, Taco Bell will achieve a 25% sodium reduction across the menu from its 2008 baseline.

#### 2030

Offer 50% of menu items consistent with Yum! global nutrition criteria for meal options.

### PACKAGING

#### Annually

Support expansion of recycling and composting programs, infrastructure systems and food recovery through strategic partnerships and advocacy.

Disclose progress made on our packaging goals.

#### 2022

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

#### 2023

Conduct assessment to better understand areas where more recycled content can be included to inform goal-setting across all brands.

#### 2025

Eliminate unnecessary plastics across all brands.

Reduce virgin plastic content by 10% across all brands.

Move consumer-facing plastic packaging to be reusable, recyclable or compostable across all brands.

Divert 50% of operational waste, measured by weight, generated in U.S. restaurants.

Taco Bell to provide recycling and/or composting bins in restaurants, where infrastructure permits.

#### 2030

Reduce food loss waste 50% in U.S. with Food Loss and Waste 2030 Champions.

### WATER

#### Annually

Report progress to CDP and use World Resources Institute's (WRI) Aqueduct biannually to evaluate water risk.

#### 2025

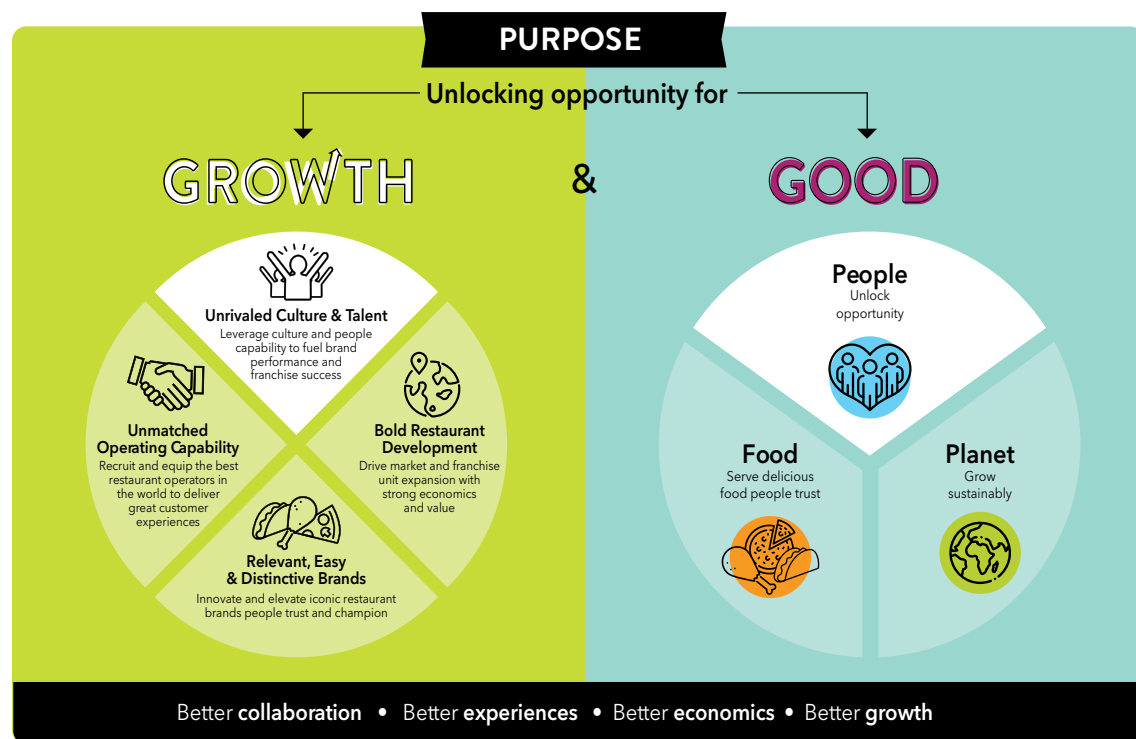
Reduce average restaurant water consumption by 10%, from 2017 baseline.



# APPROACH

Yum!'s role as a global restaurant company and a leading franchisor means that the decisions we make have ripple effects around the world. Our business strategy is known as our Recipe for Growth & Good. Our Recipe for Growth includes four growth drivers and is the foundation on which our sustainable, long-term results are built. These drivers allow us to keep our promises to serve delicious food, make our food accessible to customers, give employees a place to grow and make a difference, offer opportunities for franchisees and deliver strong returns and long-term value creation for our stakeholders. These growth capabilities are the key drivers of same-store sales and net-new unit growth and serve as our guiding principles in all business decisions.

Our Recipe for Good embodies our ESG strategy and is the critical lens through which we deliver growth – it reflects our priorities for social responsibility, risk management and sustainable stewardship of our people, food and planet. While our Recipe for Growth & Good strategies were formally integrated at the beginning of 2020, we continue to find ways to further cascade our business and ESG priorities across the company. For example, we are providing more frequent updates to our board on ESG topics and investing in capacity and capability planning to meet our ESG goals.



## OUR FRANCHISE MODEL

As of the end of 2021, **over 98% of our restaurants were franchise-owned**. Our franchisees are an incredibly important part of our business. Yum!, through its brands, connects franchisees with suppliers of food, packaging, marketing materials and restaurant equipment, while these independent business owners control how their stores are run, where to build, how to recruit and train team members, what benefits to provide, and how to compensate employees. We work to cultivate strong relationships with franchisees in all parts of the world, and they're crucial partners as we continue to make progress on our ESG journey.

# APPROACH

## Corporate Governance

Good corporate governance is a critical factor in achieving business success, and we embrace practices that align with management and shareholder interests. The Yum! board of directors consists of 12 directors, 11 of whom are independent, based on New York Stock Exchange rules for director independence. In 2021, the board was led by an independent, nonexecutive chair. Our board believes that its independence and oversight of management are effectively maintained through a strong independent chair or lead director and through the board's composition, committee system and policy of having regular executive sessions of nonemployee directors. The board has three independent committees:

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

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

## ESG GOVERNANCE & LEADERSHIP

Oversight for ESG issues ultimately resides with the Yum! board of directors. The board is briefed a couple times a year on current issues and focus areas through its Audit Committee and is updated on a weekly basis through

broader business updates. Our cross-brand Global Leadership Team, led by our chief executive officer (CEO) and comprised of our executive team and brand CEOs, is regularly engaged with and updated on material topics.

At the operational level, the chief communications & public affairs officer oversees Yum!'s global reputation, assesses and manages ESG risks and shapes the Global Citizenship & Sustainability strategy in partnership with the chief sustainability officer & vice president of Global Government Affairs and other senior leaders who comprise our ESG Council, including:

- chief operating officer & chief people officer
- chief financial officer
- chief communications & public affairs officer
- chief sustainability officer & vice president of global government affairs
- chief strategy officer
- chief food safety officer
- chief equity & inclusion officer
- chief legal & franchise officer & corporate secretary
- chief food innovation officer
- chief development officer
- vice president, supply chain



## BOARD DIVERSITY

A diverse range of experiences and perspectives among our directors support the success of the board in overseeing our complex, varied global businesses. When recruiting new directors, we look for leaders from different backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. For complete selection criteria and policies, please see our corporate governance principles. Currently, five of our 12 directors are women, and three are people of color.

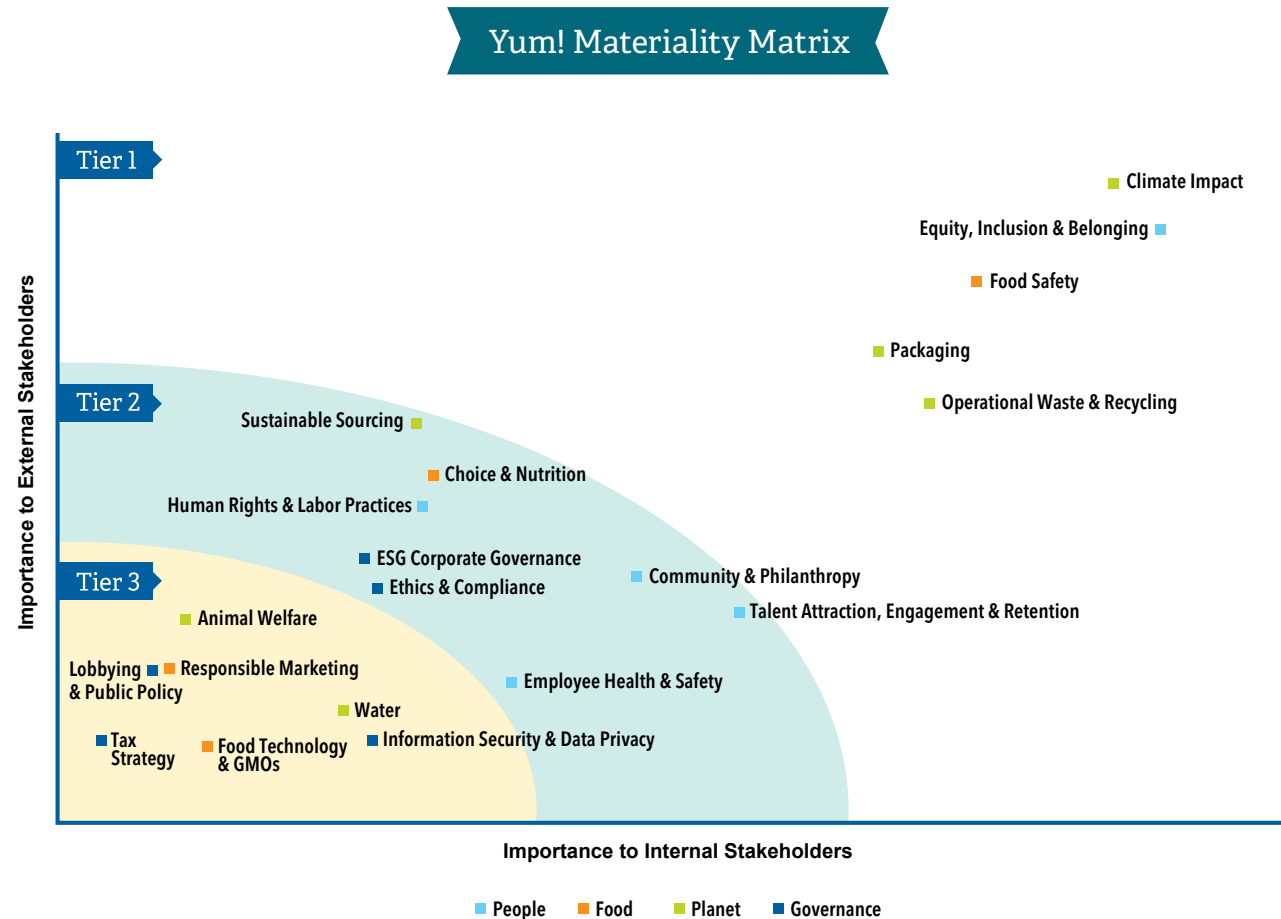


# APPROACH

## Materiality

Regular materiality assessments help us identify and prioritize our most significant ESG impacts, risks and opportunities. We conducted our most recent assessment in 2021, soliciting input from a diverse range of key internal and external stakeholders that have expertise and a vested interest on the ESG issues impacting our industry, including company leaders, investors, franchisees, suppliers, non-governmental organizations (NGOs), industry associations and thought leaders. The result is a list of 20 priority topics, mapped in the materiality matrix at right. Animal Welfare was categorized under the Planet pillar when this materiality assessment was conducted; however, it is now captured within the Food section of our Recipe for Good structure.

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





# APPROACH

## Transparency & Verification

High integrity data is a key element to help us drive progress against our commitments and enable regular, transparent disclosure.

Attention to ESG issues, such as addressing climate change and inequality, must be part of any company's approach to enterprise risk management (ERM), and Yum! is no exception. We continue to evaluate how priority ESG issues integrate into our global ERM activities. This allows us to sharpen our top ESG issues from an ERM perspective and prioritize them according to their importance to our business and stakeholders.

To support further data transparency and disclosure, we are increasing our investments in technology. TrueView™, our data collection tool, captures information gathered throughout the company, such as by our food safety and supply chain teams, providing a comprehensive picture of our business. In 2021, the tool was used to collect important ESG data such as equity and inclusion, food safety, utility consumption, supply chain procurement and philanthropy metrics, and was used across all business units and almost all functions in 2022. We plan to have it fully rolled out to all functions for ESG survey activities by 2023.

We have also established a global membership in Sedex, an organization that works with businesses to strengthen [responsible supply chain](#) practices with our initial focus on improving working conditions in global supply chains.



## TRUEVIEW INSIGHTS ACROSS OUR BUSINESS

**2,500**  
surveys issued

**155**  
countries



Tracking suppliers' compliance  
with animal welfare standards



Auditing for safety hazards to food,  
packaging and people



Generating reports that we can use to inform planning



Becoming more intelligent and predictive over time



# APPROACH

## Reporting & Disclosures

Regular reporting is the primary way that we share our progress and show transparency around our ESG practices. In addition to publishing annual updates on our Recipe for Good, which is completed in accordance with core Global Reporting Initiative (GRI) standards, we participate in comprehensive, voluntary disclosures such as the Bloomberg Gender-Equality Index; CDP Climate Change, Forests and Water Security; the Dow Jones Sustainability Index; and the Roundtable on Sustainable Palm Oil (RSPO) Annual Communication of Progress. We also align our priority areas of work with the United Nations Sustainable Development Goals (UN SDGs).

We continue to seek ways to better meet the needs of our stakeholders. To that end, we are building on our first response to the Sustainability Accounting Standards Board (SASB) framework for the Food & Beverage sector and Restaurant industry, with a more robust data set this year. Investors have identified this industry-specific approach as useful for comparison of restaurant companies.

Yum! also discloses our climate-related risks and opportunities through a [TCFD report](#). The results of our TCFD assessment, conducted in 2021, provide an analysis of the physical and regulatory risks that directly impact our restaurants and supply chain across regions and brands. This helps guide the prioritization of our work in addressing and mitigating risks of climate issues.

In addition to our TCFD assessment, Yum! reports on other priority areas including [workforce diversity](#) and [responsible supply chain](#).

We continue to monitor other emerging frameworks for reporting on and responding to the risks we face, including the Taskforce on Nature-related Financial Disclosures.





# /// APPROACH

## Stakeholder Engagement

Our key stakeholders include system employees, customers, franchisees, shareholders, suppliers, NGOs and communities. We follow a process for identifying, prioritizing and engaging with stakeholders on a range of issues that aligns with our materiality assessment in addition to a number of other factors such as brand alignment, potential impact, risk mitigation and shared values. Throughout this report, you can read examples of how Yum! engages with stakeholders as part of our daily work. A few issues on which we engage – and examples of our partners – include:



**Entrepreneurship**  
University of Louisville



**Food insecurity**  
Food Donation  
Connection



**Antibiotics in food**  
International Consortium  
for Antimicrobial  
Stewardship in Agriculture



**Economic equality**  
OneTen Coalition



**Human rights and  
working conditions  
in our supply chain**  
Sedex



**Renewable energy  
certificates (RECs)**  
3Degrees



**Employee training  
& education**  
Initiative for a  
Competitive Inner City



**Animal welfare**  
International Poultry  
Welfare Alliance



**Deforestation**  
New York Declaration  
on Forests



**Circular economy**  
NextGen Consortium

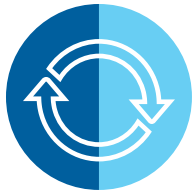
### Other key partners include:

- Academy of Nutrition and Dietetics
- American Potato Trade Alliance
- American Vegetarian Association
- Ashoka
- CEO Action for Diversity & Inclusion™
- Clean Energy Buyers Association
- Conference for Food Protection
- Consortium for Graduate Studies in Management
- Dairy Farmers of America
- Dairy Management Incorporated™
- FAI Farms Ltd
- Food Industry Asia
- Food Waste Reduction Alliance
- Hatch Enterprise
- Innovation Center's Dairy Sustainability Alliance®
- Institute for Food Technologists
- International Franchise Association
- International Poultry Council
- Louisville Sustainability Council
- Multicultural Foodservice & Hospitality Alliance™
- National Chicken Council
- National Pork Board
- National Restaurant Association®
- National Retail Federation®
- Ocean Plastics Leadership Network
- Paradigm for Parity®
- Roundtable on Sustainable Palm Oil™
- Serving Europe
- Sevalanka Foundation
- Socialbee
- STOP THE TRAFFIK
- Sustainable Packaging Coalition
- Tropical Forest Alliance
- The UK Roundtable on Sustainable Soya
- USA Poultry & Egg Export Council
- U.S. Chamber Business Councils
- U.S. Green Building Council
- U.S. Roundtable for Sustainable Beef
- U.S. Roundtable for Sustainable Poultry & Eggs
- We Are All Human-Hispanic Promise
- Women's Foodservice Forum
- World Wildlife Fund

# PEOPLE We Unlock Opportunity



# PEOPLE



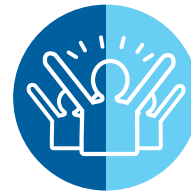
## OPPORTUNITIES & CHALLENGES

- Fostering an engaging and effective culture across four brands, thousands of global locations and both company- and franchise-owned restaurants
- Retaining employees in a competitive labor market by offering a range of benefits and providing opportunities for people to grow their careers
- Promoting equity, inclusion and belonging within the system and in the communities where we and our franchisees operate
- Ensuring that we are gathering the right metrics as we seek to make progress



## KEY TAKEAWAYS

- Approved over \$50 million in funding to almost 30 social impact programs across nine countries through our Unlocking Opportunity Initiative (UOI) to fight inequality inside and outside Yum! through equity and inclusion, education and entrepreneurship.
- We launched Coach Academy, a global, virtual program for people managers and continued to expand the availability of Heartstyles, a leadership development program, in restaurants.
- The New Legacy Summit provided a forum for high-potential Black and Hispanic employees to network and interact with Yum! leadership.
- We continue to learn about the complexities of our supply chain and its intersections with human rights and are beginning to develop phased onboarding plans for our global markets to the Sedex supply chain platform.



## MATERIAL ISSUES

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



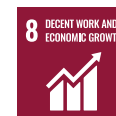
## ALIGNED UN SDGs



Harvest, Yum!'s prepared food donation program, continues to feed people through donations to hunger relief organizations.



Education is one of the focus areas of the UOI, through which we will make investments to help system employees and community members grow their skills.



Our franchise restaurants provide jobs for more than 1 million people worldwide, and we're constantly evaluating opportunities to support our franchisees as they address the development needs and aspirations of system restaurant teams and leaders.



As part of the UOI, key markets for each brand are implementing programs that address local inequities in communities.

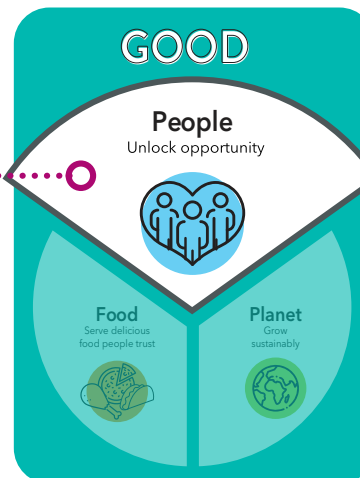
# PEOPLE

## Connections Across Our Recipe for Growth & Good

While we're known for our food, everything that we do is made possible by our people. We're building on our strengths and taking on new challenges by investing in strategic initiatives that unlock opportunity and create an inclusive culture for all talent to thrive at work and at home. That means investing in globally scalable development programs that franchisees can leverage to benefit system employees, with a focus on restaurant general managers (RGMs), so we can unlock growth for our 1,500 franchisees and make a difference in the world.

## Unlocking Opportunity

Yum! Brands' social purpose is to unlock opportunity for our restaurant team members, franchisees and communities. We do this by providing employment and professional development opportunities that allow people to build rewarding careers. By investing in tools and resources to support our franchisees, particularly those from underrepresented backgrounds. And by making strategic investments in the thousands of communities that we operate in around the world. We are focused in three areas: Equity & Inclusion, Education and Entrepreneurship.



### Equity & Inclusion

Deepening our investments in efforts to create equity, inclusion and belonging across all aspects of our brands and throughout our franchise businesses and beyond.



### Education

Expanding access and funding of education and skills training to empower restaurant team members and other frontline workers, to build their best lives and also uplift our communities.



### Entrepreneurship

Creating pathways to entrepreneurship for restaurant employees wanting to lead a business, franchise or social enterprise, as well as for small businesses and social entrepreneurs looking to make a meaningful difference in their communities.

## SUPPORTING OUR EMPLOYEES

Attracting and retaining unrivaled talent gives us a competitive advantage. For our above-restaurant corporate employees, that means offering flexible, hybrid work options, knowing that geographic flexibility gives us access to ever-wider pools of talent.

Yum! is also evolving the way we care for employees by expanding paid sick time, employee assistance programs and mental health benefits for corporate employees. In the U.S., we added dedicated mental health counselors that employees can call or meet with directly and began offering our programs in more international markets and to franchisees.

We assess our people's satisfaction with the work environment we've created with biennial engagement surveys. Our most recent survey revealed record-high levels of engagement, well above industry benchmarks.

# PEOPLE

Yum! has been investing in our people-first culture for 25 years. The launch of the UOI in 2020 marked another milestone in our journey and is a critical way for us to achieve our social purpose. Unlocking Opportunity Initiative (UOI) is a five-year, \$100 million commitment to have a positive and sustainable social impact on the communities where we operate and the restaurant team members who work on the front lines of our brands around the world. To date, we have awarded funding for almost 30 social impact programs across nine countries, with several more underdevelopment.

UOI was designed around the following key principles:

- Provide a global framework for local relevance, enabling each of our brands to bring UOI to life in its own unique way, based on market relevancy and brand purpose
- Deliver systemic change by closely partnering with nonprofit organizations that are tackling the root cause of societal issues
- Create measurable impact that ladders up to selected UN SDGs
- Be self-sustaining, utilizing UOI as seed investment to build lasting programs and funding mechanisms that endure

UOI is supported by robust governance, which includes working with third-party vendors to conduct due diligence on possible grantees, a cross-functional investment committee, which reviews program proposals and approves funding levels and a third-party impact measurement partner who works directly with nonprofits to report on program KPIs.

In 2021, Yum! helped unlock opportunity in each of our three focus areas, inside and outside our company, through UOI funding and other initiatives.

## EQUITY, INCLUSION & BELONGING

As a major employer, a global franchisor and an important part of cultures and communities around the world, fostering equity, inclusion & belonging (EIB) is a top priority. Whether in our board rooms or our four brands' restaurants, we're making room for all people and voices at our tables.

### Employee Initiatives

Yum!'s chief equity & inclusion officer oversees all equity, inclusion and belonging initiatives. However, to truly deliver against our bold ambitions, we are also democratizing accountability for this work amongst other Yum! leaders, including our chief operating officer & chief people officer, chief communications & public affairs officer, chief legal & franchise officer and chief financial officer. This allows us to reach all our key stakeholders – employees, customers, franchisees, suppliers and communities – and keep EIB top of mind and embedded in our decision-making.

We are making space for conversations about these important topics through forums like Yum!'s new internal podcast, "Belonging." The podcast has hosted discussions between Yum! employees at all levels on topics such as reverse mentoring and confronting stereotypes about certain/specific ethnicities and cultures. Employee resource groups (ERGs) remain a way for like-minded employees to connect. In 2021, Yum! launched a new Women in Technology ERG, and The Habit Burger Grill launched its first ERG, C.R.A.F.T., for multicultural employees.



Yum! supports leaders on their EIB journeys in many ways—as well as creating pathways for people from historically underrepresented backgrounds to succeed. Some of our development opportunities include:

- **Inclusive Leadership** — A training program on unconscious bias, developed in partnership with Heartstyles. The program has been offered to corporate employees, RGMs and, most recently, to franchisees.
- **New Legacy Summit** — An in-person gathering designed for Black and Hispanic employees and attended by Yum!'s executive leadership team. This new program will help create community and understanding and build future leaders throughout the organization.
- **Reverse Mentorship** — Intentional relationships between employees at different levels and from different backgrounds that create deep understanding between mentors and mentees, as well as opportunities for advancement.
- **Leadership Pipeline Program** — Cultivating relationships with high-potential Black and Hispanic talent so that they consider Yum! in future career decisions.



# PEOPLE

## External Commitments

In addition to the internal actions taken within Yum! and our brands, we have joined several national and global commitments designed to make an impact on a larger scale. In recent years, we have significantly increased the number of women in senior leadership across the organization and are on track to achieve gender parity in leadership globally by 2030 in alignment with Paradigm for Parity®.

We have also committed to the Hispanic Promise, a national pledge to hire, promote, retain and celebrate Hispanics in the workplace, and the CEO Action for Diversity & Inclusion. And as a member of the OneTen coalition, we are partnering with a group of U.S. businesses to create career mobility and advancement opportunities for 1 million Black individuals over the next 10 years. In 2021, Yum! hired or promoted employees into family-sustaining-wage jobs at

our equity-owned stores and corporate offices at a significantly higher rate than the OneTen signatory average of 50 new jobs.

Yum! is also a member of the Publicis Media Once & For All Coalition, a multiyear, cross-industry collaboration to build a more equitable advertising ecosystem for ethnically diverse media suppliers, content creators and production partners, with an initial focus on Black and Hispanic suppliers. We have established a U.S. Multicultural Marketing Leadership Council to drive cross-brand implementation of our multicultural marketing strategies, including multiyear partnerships with diverse-owned media, content creators and production properties, and are committed to significantly increasing our marketing spend with agencies owned by people from underrepresented communities.



## CONNECTING FRANCHISEES & COMMUNITIES

Taco Bell is creating deeper connections with consumers, employees and franchisees as culture and social priorities continue to advance. As part of this work, the brand partnered with cultural impact agency Cashmere who helped pilot a series of interactive events. Select franchisees sat down with local community leaders for discussions around emerging cultural spaces, intersectional identities and what it means for Taco Bell. These events aimed to empower franchisees with a better understanding of the changing consumer base and to equip them to become culture leaders.

## KEY EQUITY & INCLUSION PARTNERSHIPS



CEO **ACT!ON** FOR  
DIVERSITY & INCLUSION

ONCE  
& FOR ALL  
COALITION

POWERED BY  
PUBLICIS  
MEDIA



PARADIGM  
FOR PARITY

# PEOPLE

## EDUCATION

An education is an asset that can open many doors. Yum! invests in both personal and professional development programs for employees and education initiatives in local communities.

In 2021, we introduced Coach Academy, a global, virtual program for managers on how to be an effective leader and coach. More than 750 employees participated in the first cohort of this program. We also rolled out the Heartstyles leadership development program, Leading with Heart, now available in 26 languages, to franchisees and RGMs worldwide. Evidence from multiple markets suggests that participation in this program helps reduce turnover and improves customer satisfaction. Within Pizza Hut, more than 5,500 RGMs have been trained in the brand's custom leadership course, Leading With a Growth Mindset.



We have an important role to play in helping people further their educations—particularly in the foodservice and restaurant industries. At Pizza Hut South Africa, the LeadHERship program, in partnership with the nonprofit, YES4Youth, is connecting young females from marginalized communities, with access to education and career opportunities. The Youth Employability Program has been developed with the Sevalanka Foundation and Pizza Hut to provide vocational education (food preparation, service, soft skills, hygiene and grooming, financial management and English language) and certification for people with disabilities and marginalized youth. Over four years, the program will refurbish and develop 31 vocational training centers and train more than 3,000 students.



## ENTREPRENEURSHIP

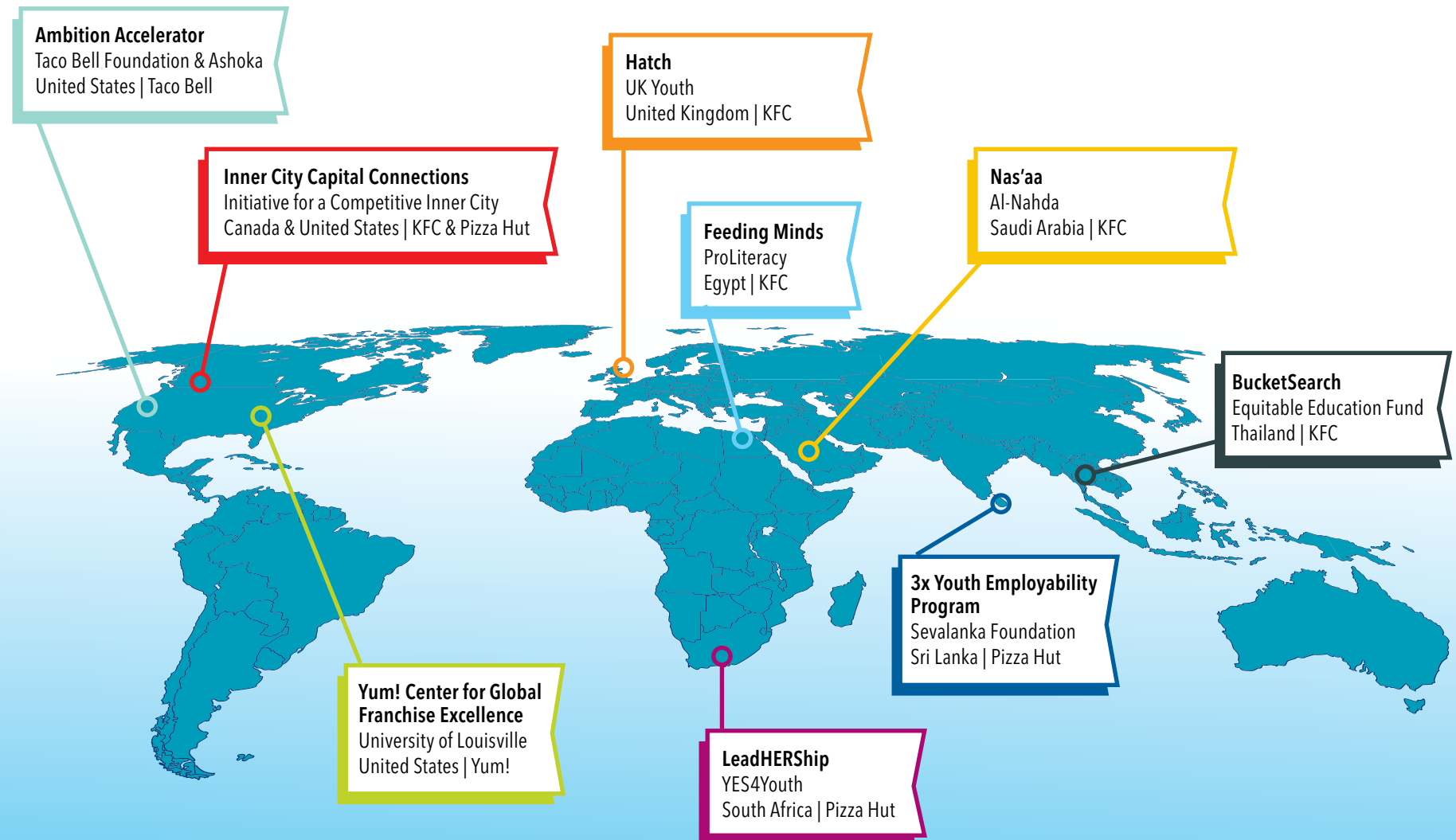
As a global franchisor, helping people realize the benefits of franchise ownership is something we're uniquely positioned to do. The Yum! Center for Global Franchise Excellence at the University of Louisville is creating new opportunities in franchising for underrepresented individuals. In 2021, we launched the Yum! Franchise Accelerator, a one-of-a-kind MBA elective opportunity supporting underrepresented people of color and women interested in the franchise restaurant industry. Meanwhile, Taco Bell launched the Taco Bell Business School, a six-week program specifically designed to help turn Taco Bell restaurant leaders into entrepreneurs. Pizza Hut recently hosted a Pathways to Possibility conference that highlighted the benefits of franchise ownership.

In the U.S. and Canada, KFC and Pizza Hut are partnering with Initiative for a Competitive Inner City on a free executive education and virtual training program designed to help strengthen and grow minority, immigrant, indigenous and disabled-owned small businesses. Other entrepreneurship programs include the Taco Bell Ambition Accelerator Program, a new program through which we will provide funding to young social entrepreneurs to develop their business ideas.

# PEOPLE

## Social Purpose Activated at Our Brands

Below is a selection of programs funded by the UOI, demonstrating our global reach and the potential impact we can have in our three focus areas when our brands partner with experienced nonprofits.





# PEOPLE

## Brand Community Impact

Our brands have been giving back to their communities for decades, particularly in the areas of hunger relief, literacy and youth education. We continue to respond to the numerous natural and human-made disasters around the world that impact communities and have continued to provide assistance to those still acutely affected by the COVID-19 pandemic.

### EDUCATION

The **Taco Bell Foundation** reached its goal of awarding:

a cumulative  
**\$21 MILLION**  
in Live Más Scholarships  
by the end of 2021.

The Taco Bell Foundation awarded \$8 million in Live Más Scholarships in 2022, with more than \$2 million supporting Taco Bell team members. The Taco Bell Foundation is also awarding more than \$7 million to 400 youth-serving nonprofit organizations across the country through its Community Grants program.

In the U.S., **Pizza Hut** has operated the BOOK IT! reading program for students since 1984. The program – designed by educators, implemented by teachers, and encouraged by parents – was created in an effort to foster a lifelong love of reading and increase literacy rates across the country. The brand continues to offer the BOOK IT! Bundle, a meal deal that donates \$1 from every purchase to its nonprofit literacy partner, First Book, to provide access to book and educational resources.

**The Habit Burger Grill** has engaged with ProStart, a culinary education organization, and other partners on a culinary competition through which prospective students can earn scholarships.

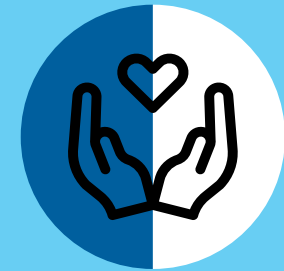
### HUNGER RELIEF

Harvest is Yum!'s signature food donation program, through which surplus food from **KFC and Pizza Hut** restaurants is donated to food banks and other organizations in need. Since 1992, this program has enabled us to:

donate  
**213 MILLION**  
pounds of food and avoid the negative  
environmental impacts of food waste.

**KFC South Africa** continued its popular Add Hope program, which became even more essential in light of chronic food shortages in the country. The program is funded by customers rounding up the cost of their meals.

**The Habit Burger Grill** has a long-term partnership with No Kid Hungry and provides both food donations and monetary support to local food-security organizations, including Second Harvest Food Bank.



## DISASTER & PANDEMIC RELIEF

Yum! Brands' social purpose initiatives are enabled by the Yum! Brands Foundation. The foundation also supports our priorities related to hunger relief, literacy and COVID-19 relief, as well as responding to disasters that affect our employees and franchisees in all parts of the world. We use matching gift programs to multiply the support these causes receive. In 2021 and early 2022, the foundation responded to disasters including:

- Tropical Depression Eta (Honduras)
- Johor flooding (Malaysia)
- Winter Storm Uri (U.S.)
- New South Wales and Queensland flooding (Australia)
- Civil unrest (South Africa)
- Tropical Storm Elsa (Barbados)
- Hurricane Ida (U.S.)
- Midwest tornado (U.S.)
- Typhoon Rai (Philippines)
- Russia-Ukraine War (Ukraine)



## Ethics & Human Rights

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

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



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

## SUPPLY CHAIN RESPONSIBILITY & HUMAN RIGHTS

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

Our [Supplier Code of Conduct](#) is a mandatory declaration for all suppliers seeking to work with Yum! Brands and clearly articulates our expectations of compliance on operational standards, ethics and human rights. In addition, we have commitments in key sourcing areas, including palm oil through our membership to the RSPO and fresh produce as part of the Fair Food Standards Council.

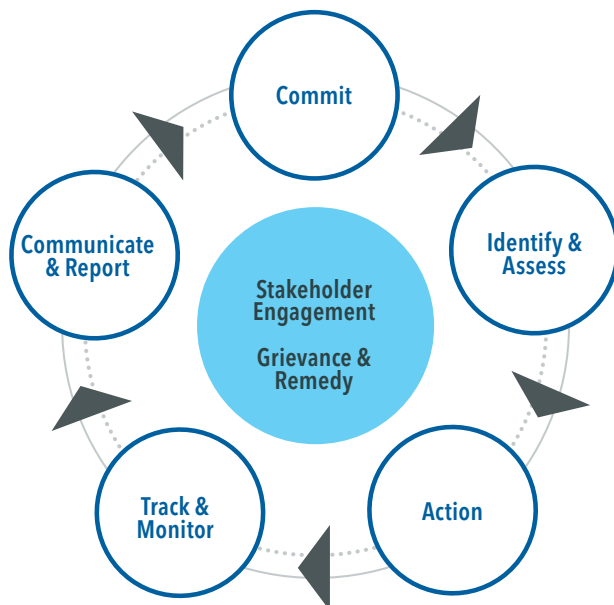
Our suppliers have always been subject to assessments, audits and inspections to verify compliance with our Supplier Code of Conduct and the terms of their contract. Where corrective action is required, we strive to work collaboratively with suppliers to address areas of concern and effect real change, but reserve our right to termination.



# PEOPLE

While responding to identified issues is important, we are committed to building a more proactive response to managing ethical risks within our supply chain. In 2020, Yum! established a global membership with Sedex, one of the world's leading ethical trade membership organizations that works with businesses to create more responsible and sustainable business practices. Sedex assesses risk at each supplier site, across four main areas – labor standards, health and safety, business ethics and environment – and uses a combination of self-assessments and third-party, ethical audits to determine both potential and actual exposure. Gaining this additional visibility further strengthens our existing supply chain auditing capabilities, adding increased focus on human rights and labor practices, within responsible sourcing more broadly.

## Supplier Engagement Due Diligence Approach



To date, our KFC U.K. & Ireland, KFC Western Europe and KFC South Pacific (SOPAC) markets are active in Sedex and have undergone a rigorous supplier onboarding process over several years. We are leveraging learnings from these markets to develop the global strategic implementation plan to drive system-wide adoption and, in doing so, are reassessing our timeline for execution given the complexities encountered. Our initial focus remains core, direct food suppliers in higher-risk markets where we believe we can have the most impact. Our work is informed by our recent inherent risk assessment, which indicated potential areas of concern in developing geographies, and within the manufacturing and agriculture, forestry and fishing industries (specifically meat packing and processing, palm oil and hand-picked agriculture).

The recent and continuing supply chain challenges highlight the importance of embedding further resilience into our supply chain. We consider Sedex a powerful tool to achieve this by gaining better data and insights into our suppliers' operations and establishing a broader set of values upon which we do business.

Markets around the world, such as Australia and the U.K., have strengthened regulations regarding human rights issues that include modern slavery, forced labor and the rights of migrant workers. While our restaurants are not particularly at risk for these issues, our brands are working to improve their own due diligence around these topics in order to comply. KFC U.K. & Ireland is working with STOP THE TRAFFIK, a human trafficking prevention organization, on a supply chain risk mapping focused on high-risk packaging and food suppliers for Western Europe. In addition, an e-learning package will be launched to help our restaurant teams identify modern slavery issues.



//// **FOOD** We Serve Food People Trust





## OPPORTUNITIES & CHALLENGES

- Using data to better manage and respond to risks related to food safety and quality
- Responding to consumer trends and balancing preferences for craveable menu items with commitments to improve the nutritional profile of our food
- Creating transparency around how animals used for our food are cared for at every phase of life and communicating animal welfare practices to stakeholders



## KEY TAKEAWAYS

- We added a risk-sensing tool to our food safety management system that gives us real-time visibility into potential food safety risks around the world.
- Despite pandemic-related disruptions, in 2021, Yum! achieved our highest level of supplier compliance and performance to date.
- We transitioned from annual to quarterly collection of animal welfare data from poultry suppliers, allowing us to better track and drive progress.
- In 2021, we published a report on the antimicrobial resistance (AMR) landscape and continue to work with industry partners to make progress on this issue.



## MATERIAL ISSUES

- Food Safety
- Choice & Nutrition
- Food Technology & GMOs
- Responsible Marketing
- Animal Welfare



## ALIGNED UN SDGs



Harvest, Yum!'s prepared food donation program, continues to feed people through donations to hunger relief organizations.



Harvest also allows us to address the challenge of food waste by diverting food from the landfill and reducing GHG emissions.

# FOOD



Trust in every bite™...

## Food Safety

Maintaining food safety and quality are foundational to protecting customers and upholding their trust. Food safety is not a competitive advantage, but rather a public health imperative, and there is always room for us to improve. Throughout the challenges of the pandemic and beyond, we are proud of the work our food safety teams around the globe have done to ensure we've upheld our standards and protected guests. We attribute our success to consistent communication about – and leadership focus on – food safety.



## EVOLVING OUR PROGRAMS

In 2021, Yum! expanded our food safety management system to include new risk-sensing capabilities. Our risk-sensing tool constantly scans for potential risks to food, packaging or people, and notifies us of hazards and their potential impacts to our suppliers or business.

For example, droughts can lead to water potability issues, which can, in turn, impact suppliers and restaurants in affected areas. Early awareness of possible drought conditions allows us to work with experts in water quality and sanitation and implement protective measures like improved filtration systems. The tool relies on predictive analytics, and will become more effective over time, allowing us to continuously improve how we respond to risks.

Innovation is a top priority at Yum! and testing ideas for potential adoption across our restaurants. Many concepts are relevant to food safety, such as sensors and cameras that simplify manual tasks and enable us to identify and address issues in real time.

While technology is allowing us to work smarter, there is no substitute for the expert judgment that our food safety teams can provide. Today, our leaders are evolving from compliance managers to risk managers, and we are investing in their continued development at Yum!. Twice per year, we conduct global talent assessments of our food safety organization to identify high-potential talent and expose them to opportunities such as job shadows, professional conferences and new roles across our brands. This increased knowledge and experience, in turn, leads to a stronger food safety organization.

## EXTERNAL ENGAGEMENT

Yum! food safety leaders are in constant conversation with our suppliers and franchisees through audits, conferences and other communications. We have end-to-end visibility of our global and local supply chain, including active management with each supplier to our rigorous standards. As a result of this close engagement, in 2021, Yum! achieved our highest level of supplier compliance and performance to date.

We also engage globally and locally with industry partners and regulators to align on food safety risks and mitigation strategies. In 2020, we formed virtual "colleges" that convened suppliers, franchisees and third-party auditors for continuing education and discussion of food safety topics. While these were initially established in response to pandemic-related travel limitations, we continue to offer this virtual format, which has significantly increased participation and engagement.





# FOOD

## Balanced Choices Across Our Portfolio

Yum! strives to offer choice on our menus and evolve our offerings in ways that matter most to our consumers. We pay close attention to consumer trends regarding nutrients or ingredients to add or limit in our menu items, and we strive to provide options that meet a wide range of consumer values, lifestyle choices and dietary needs.

In 2021, we announced a global strategic partnership with Beyond Meat, Inc. Through this partnership, we're leveraging our brands' industry-leading research and development capabilities to co-create new plant-based protein menu items.

Some of these changes result in new menu items designed to catch consumers' attention. Other changes are made more quietly designed to improve our food's nutritional profile without compromising delicious taste.

Here are a few highlights:



### Plant-based proteins

Pizza Hut has made Beyond Pepperoni a permanent menu item in some markets.

### Balanced options

By 2030, we intend to represent 50% of menu food offerings to be consistent with Yum! global nutrition criteria for meal options. As of 2021, our brands were 64% of the way there, putting us on track to meet the goal.



### Clean labeling

We continue our efforts to remove artificial colors, artificial flavors and PHOs from core food ingredients globally by 2025.



### Better beverages

In the U.S., Taco Bell aims to meet its 2022 goal of offering at least 50% of its medium (20 fl oz) fountain beverages at 100 calories or less and 20 grams of sugar or less.

### Plant-based cheeses

Offered at a growing number of Pizza Hut restaurants including in Portugal, Spain and the U.K.



### Sodium reduction

In 2021, the U.S. Federal Drug Administration (FDA) released its voluntary guidance for sodium reduction for the food industry, and after conducting an analysis we found that, on average, 75% of our individual products in the U.S. meet its upper bound sodium concentration targets.



# FOOD

## Animal Welfare

At Yum! Brands, we have a responsibility to be a good steward of the animals raised for food throughout our supply chain. Our approach is articulated in our Global Animal Welfare Policy and guided by our Sustainable Animal Protein Principles and the experts on our Animal Welfare Advisory Council. We also support the [Five Freedoms](#) for all animals used for food.

Visibility into our supply chain is an important part of how we make progress because Yum! itself does not raise or process animals. In 2021, we transitioned from annual to quarterly collection of chicken welfare data from our suppliers to better track progress and identify and address gaps more quickly. To better support data collection, we also established animal welfare leaders within each of our regional markets that are responsible for responding to this data and engaging with suppliers as appropriate.

### CHICKEN

The welfare of chickens – both those who lay eggs used in products across our brands and broiler chickens used for meat – is a material topic for our stakeholders and the greatest focus of our animal welfare programs.

In 2021, Yum! announced a new cage-free egg commitment, pledging to:

transition to

## 100% CAGE-FREE EGGS

for the majority of restaurants by 2026, including the U.S., Western Europe and other leading markets, across all brands and for all menu items and ingredients.

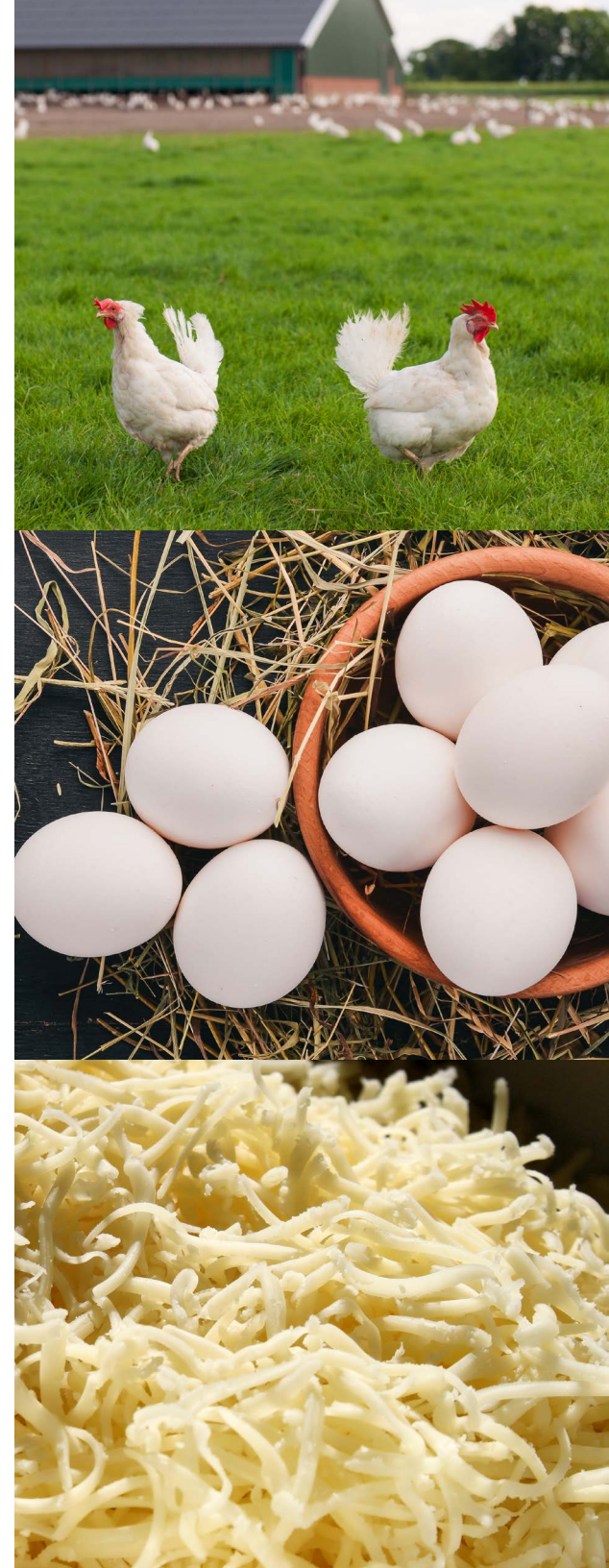
Longer-term, we hope to transition to 100% cage-free eggs by 2030. We expect supply challenges as we work toward this goal and will be transparent about the challenges we face and the progress we make in the years to come.

These commitments build upon previous actions, including Taco Bell's transition to cage-free eggs for the U.S. in 2016 and Canada in 2018, and transitions in other market areas including KFC Western Europe and Pizza Hut U.K. To help us work toward this goal, Yum!'s supply chain management organization has created a transition plan that identifies all menu items with egg ingredients and the suppliers associated with each.

Regarding broiler chicken welfare, we are working to increase transparency and create consistency across our brands and around the world. KFC has established global chicken key welfare indicators (KWIs) and in 2022, shared its [global chicken welfare platform](#). KFC U.K. & Ireland and KFC Western Europe published a second welfare progress report in 2021, and [KFC U.S.](#) published a similar report earlier this year. Membership in the International Poultry Welfare Alliance and the U.S. Roundtable for Sustainable Poultry & Eggs allows us to give input to emerging industry-level indicators and reporting frameworks and ensure we are aligned with our peers.

### OTHER PROTEINS

Beyond poultry, our company is taking action on other proteins of interest to our stakeholders. Dairy-based cheese is a major sourcing category for Pizza Hut. The brand conducted a survey of select core cheese suppliers' welfare practices and confirmed that all have animal welfare programs in place.





# FOOD

## Limiting Antibiotic Use

Keeping farm animals healthy occasionally requires the use of antibiotics. Yum! shares concerns regarding the rising threat of AMR and supports the thoughtful and judicious use of these treatments. We also support One Health, a holistic and multi-sector, long-term effort to combat AMR by the United Nations World Health Organization (WHO), the Food and Agriculture Organization, the World Organisation for Animal Health and other key stakeholders.

In 2021, Yum! published a [report](#) detailing potential strategies for eliminating the systemwide costs of AMR. By continuing to better understand the broader AMR landscape and existing research, we will continue to make progress around programs and policies that will improve the global AMR challenge. We remain compliant with our previously met KFC, Pizza Hut and Taco Bell public commitments to reduce antibiotics important to human medicine in our U.S. poultry supply chains. Additionally, Pizza Hut U.S. is working toward removing antibiotics from chicken used for wings and expects to meet this goal by the end of 2022.



## NATIONAL PROGRESS TOWARD ANTIBIOTICS REDUCTION

Reducing the use of medically important antimicrobials is an important priority across our industry. Through a combination of government and private sector actions, a reduction of antimicrobial use has been seen by the FDA.

### MEDICALLY IMPORTANT ANTIMICROBIAL DRUGS APPROVED FOR USE IN FOOD-PRODUCING ANIMALS DOMESTIC SALES ACTIVELY MARKETED IN 2016-2020

Species	2016 Estimated Annual Totals (kg) <sup>3</sup>	2017 Estimated Annual Totals (kg) <sup>3</sup>	2018 Estimated Annual Totals (kg) <sup>3</sup>	2019 Estimated Annual Totals (kg) <sup>3</sup>	2020 Estimated Annual Totals (kg) <sup>3</sup>	% Change 2016-2020	% Change 2019-2020
Cattle	3,605,543	2,333,839	2,517,386	2,529,281	2,449,441	-32%	-3%

Source: FDA Antimicrobials Sold or Distributed for Use in Food-Producing Animals Summary Report

In 2019, Taco Bell committed to reduce antibiotics important to human health in its U.S. and Canada beef supply chain by 25% by 2025 and pledged to provide an interim update on its progress in 2022. At the halfway mark toward this goal, the brand is seeing a decline in the use of medically important antibiotics across the animal protein industry. In 2019, Taco Bell published a Beef Policy and has since made progress with approximately 15% of its raw beef supply being procured from reduced antibiotic sources.

The brand is engaging with industry partners on best practices and next steps to improve antibiotic use. Taco Bell has been an active member of the U.S. Roundtable for Sustainable Beef (USRSB) since 2017 and shares sustainability aspirations with the organization, including its recently announced climate goal. In 2021, Taco Bell joined the International Consortium for Antimicrobial Stewardship in Agriculture (ICASA). Through ICASA, industry participants and public sector funding have authorized \$4.4 million in antimicrobial research.

# PLANET We Grow Sustainably



# PLANET Dashboard



## OPPORTUNITIES & CHALLENGES

- Tracking climate impacts of the products we source across a multitiered and global supply chain, while also mitigating risk of disruption and meeting customer demands
- Moving the needle on renewable energy and emissions reduction for our company and franchisees
- Responding to fragmented global regulations around sustainable packaging and leading in circularity



## KEY TAKEAWAYS

- Following a multiyear process of data collection and analyzing impacts across our value chain, we announced our first SBTs in 2021.
- Yum! initiated a global study on renewable energy markets in 2022 to identify and invest in low carbon solutions at restaurants across the globe.
- To educate and engage with suppliers on the subject of GHG, we joined Supplier LoCT, a training program, where our focus is on beef, poultry and dairy emission reductions in support of our science-based targets.
- A variety of partnerships and programs with suppliers, NGOs, governments and industry are underway to address deforestation and related risks.
- A harmonized packaging policy has been created for all brands, with a focus on eliminating unnecessary packaging, shifting materials, supporting better recovery and recycling systems, and investing in circularity.
- Less than 1% of reported plastic packaging is EPS as we move toward achieving our target to remove 100% of EPS by the end of 2022.



## MATERIAL ISSUES

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



## ALIGNED UN SDGs



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



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



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

# PLANET

## Climate Action

Addressing climate change is one of Yum!'s top priorities, we've been on a journey to reduce our carbon footprint for more than 15 years.



## OUR CLIMATE JOURNEY

### 1 GETTING STARTED

Yum! has a long history of energy reduction work rooted in running more sustainable and efficient restaurants and data collection and reporting.

- Set first energy conservation goal (2006)
- Opened first green building (2009)
- Started CDP Climate disclosure (2010)
- Introduced Green Building standard (2014)

### 2 EXPANDING THE SCOPE

Over the years, we've strengthened our climate work by making commitments beyond restaurants energy usage and assessing our systemwide carbon footprint.

- Set first palm oil goal (2015)
- Committed major supply chains to no deforestation (2019)
- Conducted GHG inventory (2019)
- Set target to transition 1,000 of our restaurants to renewable electricity

### 3 DRIVING CHANGE

On the heels of setting climate targets and conducting a climate risk assessment, Yum! is focused on climate action through projects that offer scalability while addressing key risk areas.

- Establishing SBTs and net-zero pledge (2021)
- Prioritizing climate actions through the TCFD (2021)

## OUR KEY CLIMATE ACTIVITIES





# PLANET

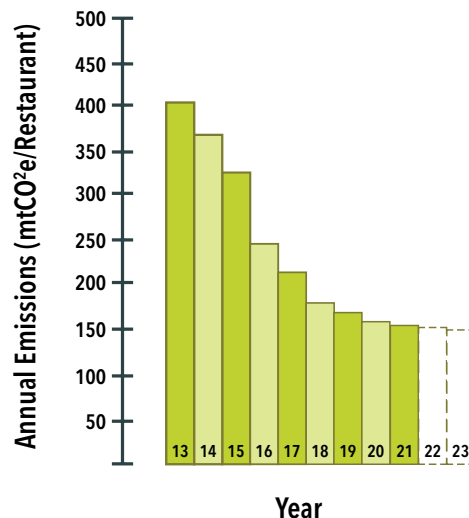
Over the past several years, we have further prioritized our work on climate. In 2021, we set our first SBTs and pledged our ambition to achieve net-zero emissions by 2050. We will reduce Scope 1 and 2 GHG emissions at our corporate restaurants and offices 46% below 2019 levels and will work across our value chain to reduce Scope 3 emissions 46% below 2019 levels by 2030 on an intensity basis.

To arrive at this target, we conducted an in-depth assessment of each area of our GHG impact, as well as options for abatement. This includes impact areas both within our business, such as the efficiency of offices

and restaurants, and within our supply chain, such as the agricultural and land use practices employed when raising animals. Within our Scope 1 and 2 emissions, 89% are attributable to our company-owned restaurants, and 11% are associated with our offices. Through this exercise, we also learned that 76% of our supply chain emissions from purchased food come from poultry, beef and dairy. We are working closely with brands, franchisees, suppliers and producers to cut emissions from franchisee restaurants on a per-restaurant basis and on a per-metric ton basis for poultry, beef, dairy and packaging.

## Yum! GHG Reduction History

**Annual Corporate Restaurant & Offices GHG Emissions**  
(Scope 1 & 2)

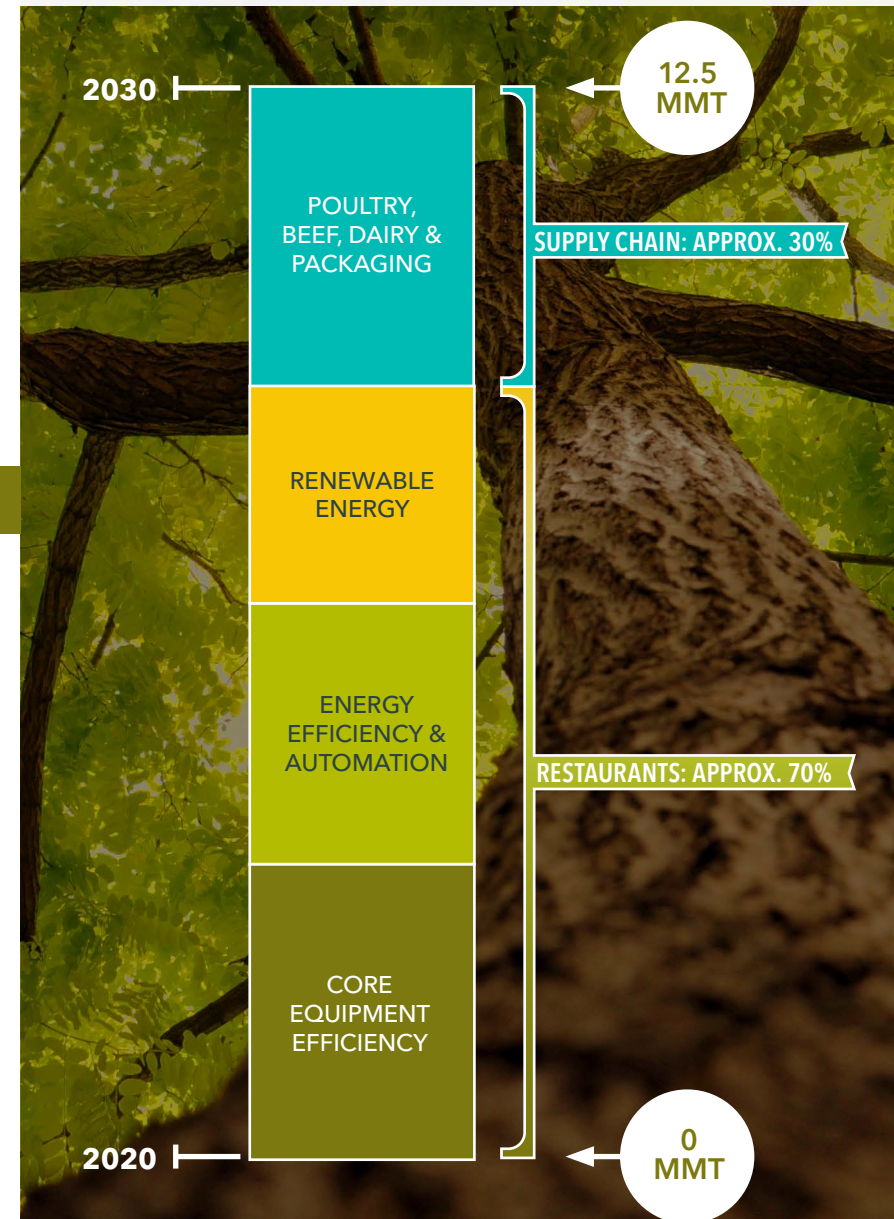


We have made long-term steady progress due to development of more efficient new buildings, energy conservation measures in existing buildings, refranchising and improvement in utility use of renewable energy.

Emissions data shown are location based for 2013-2018 and market based since 2019

## Initial Areas for Emissions Reduction

As included in our approved submission to the Science Based Targets initiative (SBTi), initial research shows that our path to remove 12.5 million metric tons (MMT) of GHG emissions by 2030 reflects restaurants accounting for approximately 9 MMT and supply chain accounting for 3.5 MMT. The roadmap below outlines our approach for the 46% GHG reduction.



# PLANET

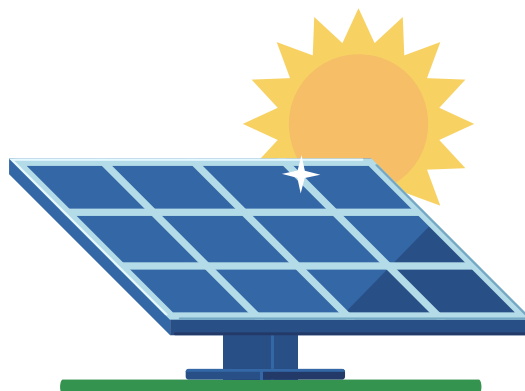
## RESTAURANTS & OFFICES

Reducing our Scope 1 and 2 emissions requires us to transition to lower-carbon energy sources to power our offices and restaurants. Our lower-carbon energy journey started early on through energy efficiency at the restaurant level as part of our LEED building development. We are now exploring renewable energy options to benefit both equity and franchisee restaurants. Key lessons from this work will further our renewable energy plan. At the corporate level, Yum!'s U.S. offices have been powered 100% by renewables since 2020 through the use of renewable energy certificates (RECs) and a power purchase agreement (PPA). In 2022, we moved 1,000 of our restaurants to renewable electricity by purchasing RECs equivalent to the restaurants' estimated, anticipated energy consumption. This phase is an interim step as we explore ways to convert more restaurants and find longer-term solutions for renewable energy procurement.

In 2021, KFC U.K. & Ireland announced a commitment to be net-zero by 2040 or sooner, and a new partnership with the University of Liverpool's Zero Carbon Research Institute. KFC U.K. & Ireland is working with the Institute to review the carbon footprint of its restaurants and how each of those restaurants can become net-zero carbon through sustainable design, operations and integration of renewable energy. With these learnings, the market plans to build its first net-zero carbon restaurant and develop a scalable playbook that can be used across the Yum! system.

Collaboration with climate-forward partners helps us to innovate around clean energy and stay accountable. These partnerships include organizations such as 3Degrees who is partnering with Yum! on a global study on renewable energy markets in 2022, to identify approaches in low-carbon solutions at its restaurants worldwide. It also includes other important partners in this space such as the Clean Energy Buyers Association, U.S. Green Building Council and Guidehouse.

Beyond contributing toward our SBT, reducing energy use, as well as decreasing water consumption and waste can reduce expenses for Yum! and our franchisees. Yum!'s corporate-owned restaurants serve as testbeds for innovation, allowing us to pilot new equipment and approaches that can then be introduced across our system, such as integrating Internet of Things-based solutions into our energy management systems. Our tried-and-true green building approaches are captured in our Blueline standard and adopted by brand requirements to provide franchisees a roadmap for reaching their environmental and business goals.



## GREEN BUILDING PRACTICES ACROSS BRANDS & MARKETS

### FRANCHISEE ENGAGEMENT

Pizza Hut developed a **GREEN BUILDING PLAYBOOK** that franchisees can use to improve sustainable building practices, stemming from Yum!'s Blueline standards.

### ENERGY OPTIMIZATION

KFC is piloting multiple energy optimization systems across its markets. A recent test in Malaysia led to

**18%**  
overall energy savings.

### SUSTAINABLE FURNISHINGS



The Habit Burger Grill is continuing to incorporate sustainable materials such as upholstery, lighting and efficiency-focused equipment into its restaurants.

### PROCESS IMPLEMENTATION

In 2021, our brands reported over 125,000 implementations of the Blueline approaches in their buildings. These save energy and water, as well as reducing our GHG emissions.

# PLANET

## SUPPLY CHAIN

Reducing emissions in our supply chain is a critical priority on the path to reach our climate goals. According to the Environmental Protection Agency, agriculture made up 11% of GHG emissions in the U.S. in 2020. Reducing emissions from the food that we purchase and achieving our SBTs requires us to work closely with our suppliers. This includes both educating suppliers on sustainable practices and learning from those who are already leaders in this space. In 2021, we joined the Supplier LoCT, a consortium of multinational companies created to accelerate action throughout the supply chain in the march toward net-zero GHG emissions. Currently, 56% of our suppliers of beef, poultry and dairy in the U.S. and Canada already have climate targets in place or are part of the Supplier LoCT program. The program helps suppliers build climate knowledge, calculate emissions, set their own SBTs and share climate roadmaps and playbooks. We are planning to roll out Supplier LoCT more broadly around the world in the future.

Changing animals' diets is another way to reduce emissions on the farm. In the U.S., Pizza Hut is partnering with the Dairy Farmers of America (DFA), and dairy suppliers on a joint dairy project to provide participating farmers with technology and data needed to help reduce GHG emissions. Pizza Hut has begun working alongside DFA and dairy suppliers to enroll interested dairy farm families within their supply chain, where they'll participate in annual farm-level GHG and energy foot-printing through the Farmers Assuring Responsible Management and Environmental Stewardship (FARM ES) evaluation over a three-year period. By 2025, the end of the three-year period, Pizza Hut aims to source 50% of the dairy used to make its pizza cheese in the U.S. from dairy farms enrolled in

the FARM ES program. Additionally, farmers participating in the program will have the chance to adopt other practices and technologies such as feed management enhancements and energy-efficient lighting.

An additional source of emissions reduction will be the continued expansion of [plant-based protein](#) on our menus. We continue to innovate around Taco Bell's plant-based beef alternative products in the U.S., Pizza Hut's plant-based toppings and KFC's chicken substitutes.

Pizza Hut U.K. introduced a

**“CARBON-NEUTRAL”**

flatbread, for which we purchase carbon offsets from a local partner for each item sold.

Raising animals for food can also contribute to climate change in areas where deforestation occurs. Soy, which is a primary ingredient in our chicken feed, has a complex supply chain, involving soybean farmers, processors, feed mills, poultry suppliers and finally Yum! restaurants. While our business is at least five steps removed from the soybean field, we continue to work across our supply chain to achieve greater levels of visibility and accountability. Yum! worked with FAI Farms in 2021 to understand and address sourcing soy from areas with high risk for deforestation. In early 2022, we expanded our data collection process to begin accounting for global soy usage used as feed in our supply chain. In addition to animal products, we are also working to ensure responsible sourcing of other raw materials whose cultivation can contribute to deforestation, including palm oil and fibers used for packaging.



## INDUSTRY PARTNERS DEDICATED TO CLIMATE ACTION

### **Dairy Farmers of America**

Set SBT to reduce direct and value chain GHG emissions by 30% by 2030

### **National Chicken Council**

Carbon footprint down 18% between 2010 and 2020

### **U.S. Roundtable for Sustainable Beef**

Achieve U.S. beef supply chain climate neutrality by 2040



# HOW YUM! IS MAKING A DIFFERENCE FOR FORESTS

What do trees have to do with the meal on your plate? More than you might think. Yum!'s supply chain intersects with land use change in numerous ways, which means there are many actions we can take to make a difference. We are collaborating with suppliers, NGOs, governments and industry partners and employing innovative technology to address deforestation and related risks. We aspire and support efforts to eliminate deforestation from our supply chain by 2025, and remain committed to ending natural forest loss by 2030 in accordance with the NYDF. View our [Global Forest Stewardship](#) policy for more details.

## HOW OUR SUPPLY CHAIN IMPACTS DEFORESTATION



### Raising Animals & Their Food

How poultry and livestock are raised is important to their environmental impact. We seek to minimize or avoid livestock that are raised and feed that is grown in areas of deforestation. We estimate that 98% of our beef supply was sourced from regions of lower risk of tropical deforestation in 2021 with about 80% coming from the U.S. and Canada.



### Growing Oil Palm Trees

Conversion of land to grow the trees that produce palm oil can have adverse impacts on ecosystems and communities. As a member of the RSPO, we are committed to sourcing palm oil used for cooking from responsible and sustainable sources and give preference to suppliers that are certified by the RSPO.



### Growing Trees For Paper-Based Packaging

Globally, demand for virgin paper products is a significant driver of deforestation. We recognized this issue nearly a decade ago and set our first paper-based packaging goal in 2014.

## HOW WE PROTECT FOREST RESOURCES



### Industry Engagement

As an active member of the New York Declaration on Forests, Tropical Forest Alliance, and UK Roundtable on Sustainable Soya, Yum! and our brands are monitoring legislation worldwide and participating in discussions about how governments and businesses can protect forests.



### Advanced Technology

Yum! uses Global Forest Watch Pro, a satellite technology, to analyze and mitigate deforestation risks across our palm oil supply chain.



### Sustainable Packaging

We are committed to purchasing 100% of our paper-based packaging with fiber from responsibly managed forests and recycled sources and are exploring sustainable alternative fibers like bamboo.



### Supply Chain Mapping

Through a partnership with FAI Farms, in 2021, we mapped our sourcing of Brazilian soy for chicken feed going to Western Europe. We also recently revised our beef and soy supply chain plan, which is based on the Accountability Framework initiative. Through this plan, we will partner with suppliers to reduce deforestation in key landscapes and support deforestation-free supply chains.



### Sourcing Locations

The impact of agriculture is greater when crops or animals are grown on freshly deforested or converted land, because carbon can no longer be sequestered by trees. Many of our suppliers are aligned with Brazil's Amazon Soy Moratorium to avoid purchasing soybeans from areas deforested after 2008. In addition, KFC U.K. & Ireland is a signatory to the UK Soy Manifesto and together with the KFC Western Europe supply chain team, is creating a roadmap toward deforestation- and conversion-free soy.



# PLANET

## Sustainable Packaging & Waste Reduction

Another way we can reduce our environmental footprint and mitigate our carbon impact is by reducing the volume of materials that go to waste. We do this by diverting unused [food for donation](#), recycling cooking oil and corrugated board into new products, and rethinking our food packaging. Packaging has been a significant focus of our efforts over the past year, given its importance to our customers and other stakeholders. In 2021, we held a Global Leadership meeting with leaders from across Yum! and our brands to address the importance of sustainable packaging and hear from external influencers in the space.

Historically, our brands have set packaging goals specific to the main types of packaging they use and unique challenges they face. But we recognize that we can make more progress when we work together, across Yum! and externally.

Yum! introduced a  
**HARMONIZED  
PACKAGING POLICY.**

[VIEW NEW POLICY IN  
OUR ESG LIBRARY.](#)



The policy is grounded in the time-honored wisdom of waste reduction: reduce, reuse, then recycle.

- 1 Removing unnecessary packaging from our system
- 2 Choosing packaging that is made from reusable or renewable materials
- 3 Taking steps to ensure that packaging can be recycled once again at the end of its life and supporting policies and systems to help make this possible

This policy builds upon Taco Bell and KFC's existing packaging goals, providing a single aspiration for all of our brands to work toward by 2025, including moving all consumer-facing packaging to be reusable, recyclable or compostable. We've engaged with our stakeholders, including our brands, NGOs, investors and regulators, to ensure the policy is comprehensive and inclusive of multiple perspectives given the complex nature of packaging opportunities at the local, national and global

levels. We also continue to work closely with World Wildlife Fund (WWF) on this topic, which has helped elevate our data collection processes for plastics and packaging.

### ELIMINATING UNNECESSARY PACKAGING

Less packaging translates to less carbon. As a result, we are working to remove substances of concern from our packaging, including EPS, which we are on track to remove from all of our brands' products by the end of 2022. Taco Bell is in the process of testing a new paper wrap suite that will be recyclable and industrial compostable, eliminating the need for wax coatings and per- and polyfluoroalkyl substances.

Reduction of plastics is another priority. Plastics in consumer-facing packaging have been eliminated from Pizza Hut restaurants across Australia, India and Sri Lanka. Meanwhile, The Habit has transitioned from plastic to-go bags to paper ones in 2022, eliminating 288,000 pounds of plastic annually. The Habit has set new commitments to eliminate plastic from burger and sandwich wrappers, which currently contain recycled plastic.

# PLANET



## SHIFTING TO MORE SUSTAINABLE MATERIALS

As we remove plastics and other compounds from our packaging, we are making a transition to materials that are either compostable or recyclable. We are also exploring ways to use recycled content to help drive a more circular model. In many cases, this means using paper fibers, which can be recycled and reused many times over. It is estimated that 13% of plastic in our system is resin types 1 and 2, which are typically highly recyclable in many municipalities.

Taco Bell and The Habit Burger Grill are leading the way with over 97% of their paper-based packaging originating with fiber from responsibly managed forests and recycled sources in 2021. Our brands are committed to achieving 100% by the end of 2022, except in China where the goal is to be 100% FSC-certified by 2025.

KFC Canada has replaced all plastic straws and bags with fiber-based alternatives and, introduced a fully compostable bucket in 2021. The market is also exploring compostable cutlery made from bamboo, corn and sugarcane, which will eliminate 40 million pieces of plastic cutlery each year when scaled across the restaurant system. All of KFC Canada's consumer-facing packaging will be 100% home compostable by 2025.

## SUPPORTING BETTER RECOVERY & RECYCLING SYSTEMS

Transitioning to recyclable packaging is only one step in moving to more sustainable, circular packaging systems. For packaging to actually be recycled or composted, each municipality must adopt recovery infrastructures and consumers must understand how to recycle or compost properly. In an effort to help educate consumers on recycling Yum! packaging, in 2021 we joined How2Recycle, the leading recycling labeling system in North America. Using How2Recycle's standardized labeling system, we're now providing clear and consistent instructions on our packaging to enable more and better recycling. Yum! is also working with partners in the National Restaurant Association and Foodservice Packaging Institute to understand emerging legislation related to extended producer responsibility. On the international stage, Yum! was an active participant in the Global Plastics Treaty Dialogues, an activist-to-industry series of online summits focused on a global treaty for plastics convened by the Ocean Plastics Leadership Network (OPLN). Yum! continues to engage with OPLN and its member organizations on the challenges and solutions that surround plastic waste.

## INVESTING IN CIRCULARITY

Sometimes the best packaging is no packaging at all. While quick-service restaurants do not typically offer reusable dishware and silverware, we are beginning to explore what this might mean for our brands. Pilots underway at Taco Bell in California and KFC in France will serve as learning labs that will help us determine next steps in this area. As members of the NextGen Consortium, we are also exploring ways to design and commercialize reusable to-go cups. Reusable models must consider the full life cycle, including the infrastructure, to support this method.

## GIVING SAUCE PACKETS AN EXTRA KICK

Whether Mild, Hot or Fire, Taco Bell's sauces help make meals that much more delicious. And now, sauce packets can continue to do good even when the sauce inside is gone. Taco Bell recently renewed its partnership with TerraCycle, an international recycling leader that collects traditionally nonrecyclable items, cleans them, then melts and remolds them into hard plastic that can be used to make recycled products. Together, we are undertaking a pilot to transform these packets and give them a second life.

Since the majority of Taco Bell transactions currently take place at the drive-thru and most consumers eat their meal out-of-restaurant, U.S. customers can use a prepaid label to mail their empty sauce packets to TerraCycle. We've introduced the program to consumers through our app, website, emails and in-store signage. We completed a pilot with John Tomasulo, a New Jersey-based franchisee, to increase awareness even further. We placed collection boxes at several of his Taco Bell restaurants and over 100 locations in the surrounding community, with the goal of determining whether recycling access increases participation in the program and sales for the restaurants. Packets collected through this local pilot will be recycled into picnic tables for local parks and the Trenton Thunder Ballpark.

"In this day and age, everyone's concerned about sustainability and the environment," Tomasulo says. "This is a small way we can participate in that cause."



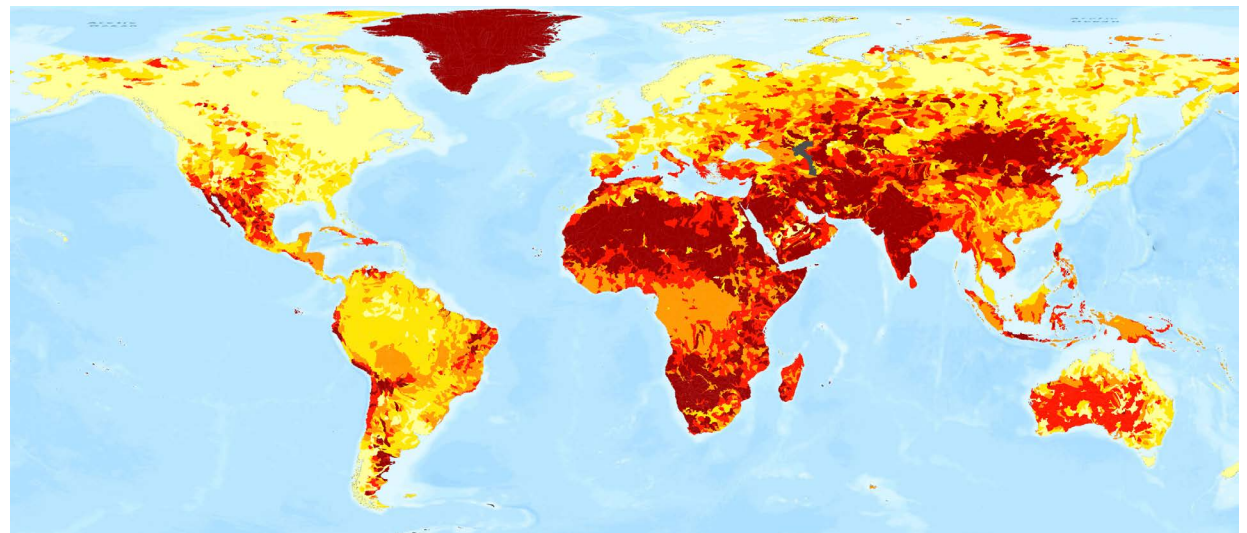


# PLANET

## Water

Water is connected to nearly all facets of our world and our business, which makes understanding location-specific conditions associated with water increasingly important. In nearly every community, there are shared water challenges that can impact our supply chain, restaurants and neighborhoods. Yum! has a long history of working to reduce water consumption. Our 2025 water goal is to reduce average restaurant water consumption by 10% from our 2017 baseline, and we have currently achieved 34% of our goal. We also continue to focus our efforts on areas of high water stress.

Every two to three years, we conduct a risk assessment using the WRI's Aqueduct tools to determine areas at highest water risk. Access to water and water quality are both evaluated due to their essentiality in restaurant operations and food production. For the first time in 2021, we included a portion of our supply chain, assessing risks to our beef, poultry, dairy and fiber suppliers, and found that 68% of our supply chain components have low water risk, and 14% are considered moderate risk. The assessment also concluded which brands and countries have the highest level of water risk. For more information, see our [CDP Water Security response](#).



### OVERALL WATER RISK




No data

Source: WRI Aqueduct, accessed on 3/2022. [Aqueduct.wri.org](https://aqueduct.wri.org)

# PEOPLE 2021 Performance Summary


## Goal

## Status

Culture & Talent	Create a culture of engagement that attracts, retains and grows the best people and creates high performance in our restaurants	Measure our employee engagement.	In 2021, Yum! conducted our bi-annual employee engagement survey with all corporate employees that revealed an engagement level of <b>88%</b> , well above industry benchmarks.
		Provide system employees with training and development that builds world-class leaders and business results.	Above-restaurant employees participated in almost <b>14,000</b> training instances in 2021 including Leading with Heart, our leadership development program, and Inclusive Leadership, our unconscious bias program, as well as our compliance policies. At the restaurant level, nearly <b>6 million</b> hours of operational training were completed.
Equity, Inclusion & Belonging		Continue building upon ongoing inclusion efforts to help create workplace environments where all people can be successful.	<ul style="list-style-type: none"> <li>We continued expanding Employee Resource Groups across corporate campuses globally and hosted regular webcasts to facilitate dialogue and awareness on how to build an inclusive culture.</li> <li>In 2021, Yum! conducted an equity, inclusion and belonging assessment for above-restaurant leaders across all brands in the U.S.</li> </ul>
	Build an inclusive culture among our employees, franchisees, suppliers and partners to reflect the diversity of our customers and communities	Significantly increase the number of women in senior leadership globally and achieve gender parity in leadership globally by 2030 in alignment with Paradigm for Parity®.	In 2021, <b>42%</b> of global corporate leadership roles were held by women, and about <b>51%</b> of our global workforce was comprised of women. 
		Significantly increase diverse representation of people of color in the U.S. among corporate employees. 	<ul style="list-style-type: none"> <li>In 2021, we continued our partnership with CEO Action for Diversity &amp; Inclusion and the Hispanic Promise.</li> <li>In 2021, we joined the OneTen coalition, a group of U.S. businesses leading a bold initiative to create career mobility and advancement opportunities for <b>1 million</b> Black individuals in the U.S. over the next <b>10 years</b>.</li> </ul>
		Continue rolling out Inclusive Leadership training across our system including company-owned and franchise restaurants.	<ul style="list-style-type: none"> <li>Continued expanding our Inclusive Leadership training to employees and franchisees around the world, part of our broader companywide training program efforts where nearly <b>14,000</b> above-restaurant employees participated holistically in 2021.</li> <li>Started to develop an online module of the program to help provide more access to the curriculum.</li> </ul>
Social Purpose & Community Impact	Advance our social purpose to fight inequality globally, support initiatives related to hunger relief, literacy and youth education, act as a strong community partner in our hometown headquarters and support employees and restaurant workers during times of disaster	Donate food, funds, time and talent to help local and global communities.	<ul style="list-style-type: none"> <li>Our global organization donated <b>\$58 million</b> in 2021, supporting brand efforts such as KFC Foundation charitable assistance programs, Pizza Hut's BOOK IT! Program and the Taco Bell Foundation's Live Más Scholarship and Community Grants program.</li> <li>We also donated <b>4.3 million</b> pounds of food through our Harvest program in 2021.</li> </ul>
		Fight inequality through our Unlocking Opportunities Initiative (UOI) by investing \$100 million over five years for employees and communities around the world.	<ul style="list-style-type: none"> <li>Approved over <b>\$50 million</b> in funding to almost <b>30</b> social impact programs across nine countries through our Unlocking Opportunity Initiative to fight inequality inside and outside Yum! through entrepreneurship, education and equity and inclusion.</li> </ul>
Ethics & Human Rights	Hold our employees, franchisees and suppliers to the highest standards of professional and ethical conduct	Remain committed to our Global Code of Conduct and Supplier Code of Conduct, which addresses guidelines for working conditions consistent with frameworks such as those of the International Labour Organization and the United Nations Guiding Principles on Human Rights.	<ul style="list-style-type: none"> <li>Published updated version of Yum!'s Human Rights &amp; Supply Chain policy.</li> <li>Through Yum!'s membership with Sedex, a leading ethical trade membership organization that works with businesses to improve working conditions in global supply chains, <b>6,000</b> core category supplier sites were pre-screened for indicators of inherent responsible sourcing risk.</li> <li>Developing strategic implementation plan to drive adoption of responsible sourcing assessment processes and supplier engagement tools.</li> <li>Over <b>18,000</b> corporate employees received training on the Global Code of Conduct.</li> </ul>



# FOOD 2021 Performance Summary

		Goal	Status
Food Safety	Maintain the safest, highest-quality food supply and preparation in the industry	Through food safety audits, we provide restaurant team member training on employee health, product handling, ingredient and product management and prevention of cross-contamination.	Since 2016, Yum! has conducted more than <b>578,400</b> restaurant food safety audits.
		Build on Yum! supplier audit track record and assess <b>100%</b> of Tier 1 suppliers annually by 2021.	In 2021, <b>80%</b> of Yum! Tier 1 suppliers required a food safety audit, of which <b>99%</b> were audited and achieved on <b>98%</b> performance.
Balanced Choices	Be the preferred restaurant for consumers seeking delicious, balanced options by offering more choice and nutritional improvements to our food	Offer lower-calorie menu options across main dishes, combos and sides, consistent with Yum!'s global nutrition standards that align with the World Health Organization and the Dietary Guidelines for Americans, to continue to improve our food's nutrition. By 2030, we intend to represent 50% of menu food offerings to be consistent with Yum! global nutrition criteria for meal options.	 <p>Together, the brands reported that they are <b>64%</b> on the way to meeting the goal.</p>
		Provide consumers with convenient access to food information regarding menu labeling and allergens.	Continue publishing online nutrition calculators for the brands' U.S. menus and providing consumers with convenient access to allergen and nutrition information. Details can be accessed online: <a href="#">KFC</a> , <a href="#">Pizza Hut</a> , <a href="#">Taco Bell</a> , <a href="#">The Habit Burger Grill</a>
		Offer plant-forward product innovations to meet the lifestyle choices of consumers.	<ul style="list-style-type: none"> <li>Taco Bell's vegetarian offerings represent more than <b>12%</b> of sales. The brand offers over <b>30</b> vegetarian ingredients on its menu which can be combined for nearly <b>1 million</b> combinations.</li> <li>Increased plant-based protein options including in Pizza Hut's markets globally. Plant-based cheeses have also been introduced in Portugal, Spain and the U.K. at Pizza Hut.</li> <li>The Habit Burger Grill launched two new Impossible Burgers.</li> </ul>
		Continue clean label efforts to remove artificial colors, artificial flavors and partially hydrogenated oils from core food ingredients globally by 2025.	<ul style="list-style-type: none"> <li>Removed <b>94%</b> of artificial coloring</li> <li>Removed <b>86%</b> of artificial flavors</li> <li>Removed <b>95%</b> of PHOs</li> </ul>
Raised Responsibly	Be a good steward of the animals raised for food throughout our supply chain	Continue engaging with beef, dairy and poultry suppliers to gather robust data on animal welfare and sustainable production systems as well as to educate them on the Five Freedoms and our Sustainable Animal Protein Principles.	<ul style="list-style-type: none"> <li>KFC introduced new global chicken key welfare indicators (KWIs) as a critical step on its animal welfare journey.</li> <li>Taco Bell continues to source <b>100%</b> cage-free eggs for all menu items and ingredients in the U.S. and Canada.</li> </ul>
		Taco Bell will reduce use of antibiotics important to human medicine in its U.S. and Canada beef supply chain by 25% by 2025, while Pizza Hut U.S. will remove them in chicken used for wings by 2022.	<ul style="list-style-type: none"> <li>KFC, Pizza Hut (chicken for its pizzas) and Taco Bell in the U.S. have met public commitments to remove antibiotics important to human medicine from our U.S. poultry supply.</li> <li>In 2019, Taco Bell published a Beef Policy and has since made progress with approximately <b>15%</b> of its raw beef supply being procured from reduced antibiotic sources.</li> <li>Pizza Hut U.S. is working toward removing antibiotics from chicken used for wings and expects to meet its goal by 2022.</li> </ul>
Responsible Marketing	Promote transparency about our food through responsible labeling and advertising practices in our restaurants and beyond	Limit marketing communications to children under 12.	We follow U.S. and international guidelines to limit marketing to children.

# PLANET 2021 Performance Summary

		Goal	Status
Green Buildings	Design, build and operate restaurants to be measurably more sustainable using green building standards to drive reductions in energy consumption, water use, greenhouse gas (GHG) emissions and waste	In line with our approved science-based targets (SBTs), cut GHG emissions generated by: <ul style="list-style-type: none"> <li>Company restaurants and offices (Scope 1 and 2) 46% below 2019 levels by 2030.</li> <li>Franchisee restaurants (Scope 3) 46% below 2019 levels by 2030 on a per-restaurant basis for franchisees.</li> </ul>	<ul style="list-style-type: none"> <li>Our Scope 1 and 2 emissions for buildings have decreased approximately <b>24%</b>, on an absolute basis, as compared to our baseline year 2019. Franchisee emissions, measured on an intensity basis, have decreased approximately <b>20%</b>.</li> </ul>
		Use renewable electricity to power 1,000 restaurants and our corporate offices in the U.S.	<ul style="list-style-type: none"> <li>Yum!'s offices in the U.S. have been using <b>100%</b> by renewable electricity since 2020 through the use of Renewable Energy Certificates (RECs) and a power purchase agreement (PPA).</li> <li>In 2022, we moved <b>1,000</b> of our restaurants to renewable electricity by purchasing RECs equivalent to the restaurants' estimated energy consumption.</li> <li>We have implemented onsite solar in Australia where <b>43</b> company-owned KFC restaurants are partially powered by rooftop photovoltaic systems. Collins Foods, a Yum! franchisee, had seven systems in 2021 and committed to adding over <b>100</b> systems over the next year.</li> </ul>
		Reduce average restaurant water withdrawals by 10%, from 2017, by the end of 2025.	<ul style="list-style-type: none"> <li>We have currently reached <b>20%</b> of our goal to reduce water withdrawals on a per-restaurant basis.</li> <li>We completed a water risk assessment using the World Resources Institute's Aqueduct tools to determine areas at highest water risk. For the first time in 2021, we included a portion of our supply chain, assessing risks to our beef, poultry, dairy and fiber suppliers and found that <b>68%</b> of our supply chain components have low water risk, and <b>14%</b> are considered moderate risk.</li> </ul>
		Divert <b>50%</b> of back-of-house operational waste, measured by weight, generated in our U.S. restaurants by the end of 2025.	<ul style="list-style-type: none"> <li>In 2021, we estimated that <b>983,629</b> tons of waste was removed from our U.S. restaurants, and we diverted an estimated <b>19%</b> of that material.</li> <li>Taco Bell will add recycling and/or composting bins to restaurants where infrastructure permits.</li> </ul>
		Reduce food loss waste by <b>50%</b> by 2030 in accordance with U.S. Food Loss and Waste 2030 Champions.	<ul style="list-style-type: none"> <li>Yum! and our franchisees donated <b>4.3 million</b> pounds of food in 2021, with <b>28</b> countries participating.</li> </ul>
Supply Chain	Engage in building a responsible supply chain that protects forests, respects human rights, supports sustainable sourcing and enables good stewardship	In line with our approved SBTs, cut GHG emissions generated by: suppliers (Scope 3) 46% below 2019 levels by 2030 on per-metric ton basis of beef, poultry, dairy and packaging procured.	<ul style="list-style-type: none"> <li>In 2021, we joined the Supplier Leadership on Climate Transition (Supplier LoCT), a consortium of multinational companies created to accelerate action throughout the supply chain in the march toward net-zero GHG emissions. Currently, <b>56%</b> of our suppliers of beef, poultry and dairy in the U.S. and Canada already have climate targets in place or are part of the Supplier LoCT program.</li> <li>In the U.S., Pizza Hut is partnering with the Dairy Farmers of America (DFA), and dairy suppliers on a joint dairy project to provide participating farmers with technology and data needed to help reduce GHG emissions.</li> </ul>
		Endorsed the New York Declaration on Forests and the private sector goal of eliminating deforestation from the production of agriculture commodities such as <b>palm oil, soy, paper and beef products</b> no later than 2020 and striving to end natural forest loss by 2030. As part of this work, we will purchase 100% of our paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2022.	<ul style="list-style-type: none"> <li>In 2021, an estimated 74% of fiber came from certified forests or recycled sources. Taco Bell has reached <b>98%</b>.</li> <li>In 2021, 100% of palm oil used for cooking supported the production of sustainable palm oil and deforestation-free supply chains.</li> <li>We estimate that <b>98%</b> of our beef supply was sourced from regions of lower risk of tropical deforestation in 2021 with about <b>80%</b> coming from the U.S. and Canada.</li> <li>Disclose progress to CDP Forests on palm oil, soy, paper and beef.</li> </ul>
		Building on KFC and Taco Bell's existing goals, Yum! established an elevated and harmonized cross-brand packaging policy that covers four focus areas: eliminating unnecessary packaging, shifting materials, supporting better recovery and recycling systems, and investing in circularity.	<ul style="list-style-type: none"> <li>Expanded polystyrene, of which Styrofoam is a component, makes up of under <b>1%</b> of the reported plastic used by our system.</li> <li>As we currently understand data submitted by suppliers, an estimated <b>16%</b> of resins come from recycled sources comprised of <b>14%</b> pre-consumer and <b>2%</b> post-consumer.</li> <li>Approximately <b>13%</b> of plastic used by our system is currently estimated to be commonly recyclable (defined as resin types 1 and 2).</li> </ul>

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The 2021 Global Citizenship & Sustainability Report is prepared according to Global Reporting Initiatives (GRI) Standards Core option. GRI is the most widely recognized framework for sustainability reporting.

## GRI Standards

Disclosure Number	Disclosure Title	Response
<b>GRI 102: GENERAL DISCLOSURES</b>		
<b>Organizational profile</b>		
<b>102-1</b>	Name of the organization	Yum! Inc. 2021 Form 10-K, Cover Page
<b>102-2</b>	Activities, brands, products, and services	Yum! does not intentionally sell items that are banned in individual markets. 2021 Form 10-K, pg. 3
<b>102-3</b>	Location of headquarters	Louisville, Kentucky 2021 Form 10-K, Cover Page
<b>102-4</b>	Location of operations	As of December 31, 2021, there were 53,424 restaurants in 157 countries and territories, 98% of which were franchised. 2021 Form 10-K, pg. 3
<b>102-5</b>	Ownership and legal form	Publicly traded company 2021 Form 10-K, Cover Page
<b>102-6</b>	Markets served	As of December 31, 2021, there were 53,424 restaurants in 157 countries and territories, 98% of which were franchised. 2021 Form 10-K, pg. 3
<b>102-7</b>	Scale of the organization	Total Number of Employees: 2021 Form 10-K, pg. 7 Total Number of Operations: 2021 Form 10-K, pg. 3 Net Revenues: 2021 Form 10-K, pg. 31 Quality of Products or Services Provided: 2021 Form 10-K, pgs. 3-7
<b>102-8</b>	Information on employees and other workers	<a href="#">Workforce Diversity Report</a> Total Number of Employees: 2021 Form 10-K, pg. 7
<b>102-9</b>	Supply chain	<a href="#">Supplier Engagement &amp; Due Diligence</a> 2021 Form 10-K, pg. 6
<b>102-10</b>	Significant changes to the organization and its supply chain	None
<b>102-11</b>	Precautionary Principle or approach	Yum! does not have an official policy as it pertains to the precautionary principle, but we do assess risks across our organization. Approach 2021 Form 10-K, pgs. 9-24
<b>102-12</b>	External initiatives	Approach > Stakeholder Engagement
<b>102-13</b>	Membership of associations	Approach > Stakeholder Engagement

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Disclosure Number	Disclosure Title	Response
<b>Strategy</b>		
<b>102-14</b>	Statement from senior decision-maker	Introduction > A Message from David Gibbs
<b>102-15</b>	Key impacts, risks, and opportunities	<a href="#">CDP Climate Change</a> , 2022 Response CDP Water Security, 2022 Response CDP Forests, 2022 Response
<b>Ethics &amp; Integrity</b>		
<b>102-16</b>	Values, principles, standards, and norms of behavior	<a href="#">Global Code of Conduct</a> <a href="#">Supplier Code of Conduct</a>
<b>102-17</b>	Mechanisms for advice and concerns about ethics	<a href="#">Global Code of Conduct</a> <a href="#">Supplier Code of Conduct</a>
<b>Governance</b>		
<b>102-18</b>	Governance structure	Approach > Corporate Governance 2022 Proxy Statement, pgs. 7-27
<b>Stakeholder Engagement</b>		
<b>102-40</b>	List of stakeholder groups	Approach > Stakeholder Engagement
<b>102-41</b>	Collective bargaining agreements	As of December 31, 2021, approximately 15% of employees reported to be represented by an independent trade union or covered by collective bargaining agreements.
<b>102-42</b>	Identifying and selecting stakeholders	Approach > Stakeholder Engagement
<b>102-43</b>	Approach to stakeholder engagement	Approach > Stakeholder Engagement
<b>102-44</b>	Key topics and concerns raised	Approach > Stakeholder Engagement
<b>Reporting Practice</b>		
<b>102-45</b>	Entities included in the consolidated financial statements	2021 Form 10-K, pg. 3
<b>102-46</b>	Defining report content and topic Boundaries	Approach > Materiality
<b>102-47</b>	List of material topics	Approach > Materiality
<b>102-48</b>	Restatements of information	Yum! has no restatements of information in this reporting cycle.
<b>102-49</b>	Changes in reporting	Approach > Materiality
<b>102-50</b>	Reporting period	About this Report
<b>102-51</b>	Date of most recent report	July 2022
<b>102-52</b>	Reporting cycle	Annual



# GRI INDEX

Disclosure Number	Disclosure Title	Response
102-53	Contact point for questions regarding the report	Please send comments or questions about this report to <a href="mailto:citizenship@yum.com">citizenship@yum.com</a> .
102-54	Claims of reporting in accordance with the GRI Standards	Approach > Reporting & Disclosure
102-55	GRI content index	2021 GRI Content Index
102-56	External assurance	Our GHG Emissions and Water Withdrawal for the year ending December 31, 2021 has been verified by an independent third-party accountant to be presented in accordance with the WRI/ WBCSD Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition for Scope 1 and 3 and the WRI/WBCSD Greenhouse Gas Protocol Scope 2 Guidance; an amendment to the GHG protocol Corporate Standard and the Water Withdrawal using attestation standards established by the American Institute of Certified Public Accountants (AICPA). We do not currently seek external assurance for <a href="#">our report</a> .

## GRI 200: ECONOMIC

### GRI 201: Economic Performance

103-1	Explanation of the material topic and its Boundary	2021 Form 10-K
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
201-1	Direct economic value generated and distributed	2021 Form 10-K, pg. 54
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">CDP Climate Change</a> , 2022 Response <a href="#">CDP Water Security</a> , 2022 Response <a href="#">CDP Forests</a> , 2022 Response <a href="#">Task Force on Climate-related Financial Disclosures (TCFD) report</a>

### GRI 205: Anti-corruption

103-1	Explanation of the material topic and its Boundary	Yum!'s success is built on the integrity and high ethical standards of our employees. Our Global Code of Conduct is the foundation for the way that we conduct ourselves and do business throughout the world. Every year, our board of directors and Yum!'s 2,000 most senior employees must certify in writing that they have read and understand the code and compile a conflicts of interest questionnaire. The code is available online in seven languages. People > Ethics & Human Rights <a href="#">Global Code of Conduct</a> <a href="#">Supplier Code of Conduct</a>
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
205-3	Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption during 2021.

### GRI 206: Anti-competitive Behavior

103-1	Explanation of the material topic and its Boundary	<a href="#">Global Code of Conduct</a> 2021 Form 10-K, pg. 7
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	No legal actions were taken for anti-competitive behavior, anti-trust or monopoly practices during 2021.

# /// GRI INDEX

Disclosure Number	Disclosure Title	Response
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## GRI 300: ENVIRONMENTAL

### GRI 301: Materials

103-1	Explanation of the material topic and its Boundary	Yum!'s sustainable sourcing policies seek to encourage the production of sustainable raw materials that support the environment and the communities that supply them. Our company is focused on eliminating deforestation in our global supply chains through key commodities of palm oil, paper, beef and soy, as well as encouraging the more responsible use and production of plastics to benefit the planet.
103-2	The management approach and its components	Approach > Citizenship & Sustainability Goals
103-3	Evaluation of the management approach	Planet > Climate Action > Supply Chain; Sustainable Packaging and Waste Reduction CDP Forests 2021 Response <a href="#">Global Forest Stewardship Policy</a> <a href="#">Palm Oil Policy</a> <a href="#">Paper-based Packaging Sourcing Policy</a> <a href="#">Sustainable Packaging Policy</a>
301-2	Recycled input materials used	As part of our approach to sustainable materials, we encourage the use of recycled sources of material in packaging and servicers as feasible and as allowed by local regulations. Most of these are either fiber or plastic-based and a directional estimate of used recycled input materials is provided below for each category. We collect this data as part of our annual sustainability survey and will continue to refine our data collection process. Fiber from recycled sources: 35% Plastic resins from recycled sources: 16% Planet > Sustainable Packaging and Waste Reduction

### GRI 302: Energy

103-1	Explanation of the material topic and its Boundary	Approach > Citizenship & Sustainability Goals
103-2	The management approach and its components	Planet > Climate Action CDP Climate Change 2022 Response
103-3	Evaluation of the management approach	<a href="#">Statement of Greenhouse Gas Emissions and Water Withdrawal</a>

# GRI INDEX

Disclosure Number	Disclosure Title	Response
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**302-1** Energy consumption within the organization

	Consumption from Renewable Sources	Consumption from Non-Renewable Sources	Total Consumption
Consumption of Fuel (MWh)	0	171,820	171,820
Consumption of purchased or acquired electricity (MWh)	109,953	164,831	274,784
Consumption of purchased or acquired heat (MWh)	0	146	146
Consumption of purchased or acquired steam (MWh)	0	0	0
Consumption of purchased or acquired cooling (MWh)	0	0	0
Consumption of self-generated non-fuel renewable energy (MWh)	511	0	511
<b>Total energy consumption (MWh)</b>	<b>110,464</b>	<b>336,797</b>	<b>447,261</b>
<b>Total energy consumption (GJ)</b>	<b>397,670</b>	<b>1,212,469</b>	<b>1,610,139</b>
<b>Total percentage of renewable energy vs. non-renewable energy</b>	<b>25%</b>	<b>75%</b>	
Renewable sources include PPA/ RECs, solar installations and estimations from grid renewables. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2022 Response.			

Total energy consumption by country within the organization is as follows:

	Consumption of Electricity	Consumption of Fuel	Total Energy Consumption
Country	MWh	MWh	MWh
Australia	21,327	2,024	23,351
Canada	615	291	906
France	102	20	122
Germany	106	0	106
India	5,972	3,331	9,303
Italy	78	37	115
Netherlands	220	104	324
Russian Federation	21,906	661	22,567
Singapore	246	0	246
South Africa	14,461	910	15,371
Spain	103	48	151
Thailand	78	0	78
United Arab Emirates	233	110	343
United Kingdom	24,901	3,988	28,889
United States	184,819	160,381	345,200
Vietnam	128	61	189

**302-2** Energy consumption outside of the organization

Total energy consumption for franchise restaurants is estimated to be 46,925,503 GJ. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2022 Response.

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Disclosure Number	Disclosure Title	Response
302-3	Energy intensity	Based on the total energy consumed for company-owned and franchise restaurants (including company offices), the energy intensity ratio is 923.5 GJ/restaurant. This includes all types of energy that we use.
302-4	Reduction of energy consumption	The anticipated annual quantity of reductions in energy consumption that will be achieved as a result of conservation and efficiency measures are 1,109,426 GJ. This includes company-owned and franchise restaurants and includes all types of energy that we use. This estimation does not include materialized savings realized from activities contributing to savings from prior years. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2022 Response.

## GRI 303: Water & Effluents

103-1	Explanation of the material topic and its Boundary	Approach > Citizenship & Sustainability Goals Planet > Water
103-2	The management approach and its components	CDP Water Security 2022 Response <a href="#">Statement of Greenhouse Gas Emissions and Water Withdrawal</a>
103-3	Evaluation of the management approach	
303-1	Interactions with water as a shared resource	Planet > Water CDP Water Security 2022 Response
303-2	Management of water discharge-related impacts	CDP Water Security 2022 Response
303-3	Water withdrawal	Total company withdrawals for the reporting year are estimated to be 2,434.77 ML. This includes withdrawals by the Habit Burger for the first time as well as corporate offices. All material withdrawals are from freshwater, third-party systems. Total water withdrawal for company locations located in water-stressed areas, as defined by WRI Aqueduct, is estimated to be 495.6 ML. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Water Security 2022 Response.
303-4	Water discharge	Total company discharges for company locations for the reporting year are estimated to be 2,069.66 ML. Material discharges to third-party water systems are estimated to be 1,217.4 ML and discharges to groundwater are 852.16 ML. Total water discharges for company locations located in water-stressed areas, as defined by WRI Aqueduct, are estimated to be 247.8 ML to third-party water systems and 173.4 ML to groundwater. Groundwater discharges are for irrigation. Discharges are fresh water. We seek to follow all local laws and regulations for frequency of monitoring, should it be required. Restaurants are designed to produce discharges of an acceptable quality for treatment by municipal facilities. Municipalities test discharge according to their regulations. Adherence to local laws is typically controlled by regulatory permits. The organization was not subject to any material penalties relating to wastewater regulations in the reporting year. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Water Security 2022 Response.
303-5	Water consumption	Total company water consumption for the reporting year is estimated to be 365.21 ML. Total consumption for company locations in water-stressed areas, as defined by WRI Aqueduct, is estimated to be 74.3 ML. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Water Security 2022 Response.

## GRI 305: Emissions

103-1	Explanation of the material topic and its Boundary	Approach > Citizenship & Sustainability Goals Planet > Climate Action
103-2	The management approach and its components	CDP Climate Change 2022 Response
103-3	Evaluation of the management approach	



Disclosure Number	Disclosure Title	Response																																		
305-1	Direct (Scope 1) GHG emissions	<p>Gross Direct (Scope 1) GHG emissions: 39,012.56 MT CO<sub>2</sub>e (location based), CDP Climate Change 2022 Response</p> <p>GHG emissions include four of the seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), nitrogen trifluoride (NF<sub>3</sub>) and sulphur hexafluoride (SF<sub>6</sub>) emissions are not included in our reporting, as we do not use coolants that generate these greenhouse gases. Biogenic carbon is not relevant to our Scope 1 GHG emissions. Source emission factors can be viewed in our <a href="#">Statement of Greenhouse Gas Emissions and Water Withdrawal</a>. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2022 Response.</p> <p>Location Based Scope 1 emissions by country are as follows (mtCO<sub>2</sub>e):</p> <table><tr><th>Country</th><th>Scope 1</th></tr><tr><td>Australia</td><td>894.20</td></tr><tr><td>Canada</td><td>156.23</td></tr><tr><td>France</td><td>186.94</td></tr><tr><td>Germany</td><td>118.66</td></tr><tr><td>India</td><td>841.88</td></tr><tr><td>Italy</td><td>50.26</td></tr><tr><td>Netherlands</td><td>63.72</td></tr><tr><td>Russian Federation</td><td>682.61</td></tr><tr><td>Singapore</td><td>104.05</td></tr><tr><td>South Africa</td><td>1,267.34</td></tr><tr><td>Spain</td><td>112.74</td></tr><tr><td>Thailand</td><td>4.78</td></tr><tr><td>United Arab Emirates</td><td>123.84</td></tr><tr><td>United Kingdom</td><td>2,424.20</td></tr><tr><td>United States</td><td>31,866.20</td></tr><tr><td>Vietnam</td><td>114.91</td></tr></table>	Country	Scope 1	Australia	894.20	Canada	156.23	France	186.94	Germany	118.66	India	841.88	Italy	50.26	Netherlands	63.72	Russian Federation	682.61	Singapore	104.05	South Africa	1,267.34	Spain	112.74	Thailand	4.78	United Arab Emirates	123.84	United Kingdom	2,424.20	United States	31,866.20	Vietnam	114.91
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Disclosure Number	Disclosure Title	Response																																																			
305-2	Energy indirect (Scope 2) GHG emissions	<p>Gross Indirect (Scope 2) GHG emissions: 117,621.18 MT CO<sub>2</sub>e (location based), CDP Climate Change 2022 Response  Gross Indirect (Scope 2) GHG emissions: 112,665.22 MT CO<sub>2</sub>e (market based), CDP Climate Change 2022 Response  GHG emissions include four of the seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbons (HFCs). Per the GHG Protocol, biogenic emissions are omitted since grid factors are used. Source emission factors can be viewed in our Statement of Greenhouse Gas Emissions and Water Withdrawal. For information regarding standards, methodologies, assumptions and calculations, refer to our <a href="#">CDP Climate Change 2022 Response</a>.</p> <p>Scope 2 emissions by country are as follows (mtCO<sub>2</sub>e):</p> <table> <tr> <th>Country</th><th>Scope 2 (location based)</th><th>Scope 2 (market based)</th></tr> <tr><td>Australia</td><td>14,317.04</td><td>14,317.04</td></tr> <tr><td>Canada</td><td>79.85</td><td>79.85</td></tr> <tr><td>France</td><td>5.50</td><td>5.98</td></tr> <tr><td>Germany</td><td>36.68</td><td>62.37</td></tr> <tr><td>India</td><td>4,336.28</td><td>4,336.28</td></tr> <tr><td>Italy</td><td>22.36</td><td>35.84</td></tr> <tr><td>Netherlands</td><td>81.23</td><td>99.33</td></tr> <tr><td>Russian Federation</td><td>8,227.89</td><td>8,227.89</td></tr> <tr><td>Singapore</td><td>95.12</td><td>95.12</td></tr> <tr><td>South Africa</td><td>13,544.24</td><td>13,544.24</td></tr> <tr><td>Spain</td><td>20.42</td><td>29.37</td></tr> <tr><td>Thailand</td><td>36.27</td><td>36.27</td></tr> <tr><td>United Arab Emirates</td><td>117.89</td><td>117.89</td></tr> <tr><td>United Kingdom</td><td>5,239.19</td><td>7,868.75</td></tr> <tr><td>United States</td><td>71,377.61</td><td>63,725.39</td></tr> <tr><td>Vietnam</td><td>83.61</td><td>83.61</td></tr> </table>	Country	Scope 2 (location based)	Scope 2 (market based)	Australia	14,317.04	14,317.04	Canada	79.85	79.85	France	5.50	5.98	Germany	36.68	62.37	India	4,336.28	4,336.28	Italy	22.36	35.84	Netherlands	81.23	99.33	Russian Federation	8,227.89	8,227.89	Singapore	95.12	95.12	South Africa	13,544.24	13,544.24	Spain	20.42	29.37	Thailand	36.27	36.27	United Arab Emirates	117.89	117.89	United Kingdom	5,239.19	7,868.75	United States	71,377.61	63,725.39	Vietnam	83.61	83.61
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Vietnam	83.61	83.61																																																			
305-3	Other indirect (Scope 3) GHG emissions	<p>Other indirect (Scope 3) GHG emissions: 35,035,897.53 MT CO<sub>2</sub>e (market based), CDP Climate Change 2022 Response  This total is comprised of the applicable category totals as follows:</p> <ul style="list-style-type: none"> <li>• Purchased Goods and Services (Food, Cooking Oil, Plastic Service Wares, Fiber-Based Packaging): 26,605,773.46 MT CO<sub>2</sub>e</li> <li>• Franchisees (Buildings Scope 1 and 2, market based): 6,887,461.16 MT CO<sub>2</sub>e</li> <li>• Upstream Transportation and Distribution: 218,554.47 MT CO<sub>2</sub>e</li> <li>• Waste Generated in Operations: 774,515.56 MT CO<sub>2</sub>e</li> <li>• Downstream Transportation and Distribution: 544,413.78 MT CO<sub>2</sub>e</li> <li>• End of Life Treatment of Sold Products: 2,456.50 MT CO<sub>2</sub>e</li> <li>• Business Travel: 2,422.60 MT CO<sub>2</sub>e</li> </ul> <p>GHG emissions include four of the seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), nitrogen trifluoride (NF<sub>3</sub>) and sulphur hexafluoride (SF<sub>6</sub>) emissions have been omitted from our reporting, as we do not generate material quantities of these greenhouse gases. Biogenic emissions, included in the totals above, resulting from Waste Generated in Operations and End of Life Treatment, are estimated at 63,688 MT CO<sub>2</sub>e. Source emission factors can be viewed in our Statement of Greenhouse Gas Emissions and Water Withdrawal. For information regarding standards, methodologies, assumptions and calculations, refer to our <a href="#">CDP Climate Change 2022 Response</a>.</p>																																																			

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Disclosure Number	Disclosure Title	Response
305-4	GHG emissions intensity	GHG emissions intensity, metric 1: 0.000070 MT CO2e per unit total company sales for Scope 1 and 2 emissions GHG emissions intensity, metric 2: 132 MT CO2e per restaurant (based on average restaurant count for the reporting year) Scope 1 and 2 emissions, including office support emissions (market based) For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2022 Response.
305-5	Reduction of GHG emissions	The anticipated annual quantity of reductions in GHG emissions that will be achieved as a result of conservation and efficiency measures implemented during the reporting year was 976,228 MT CO2e. This includes equity and franchise restaurants and includes all resulting gases. This estimate does not include materialized savings realized from activities contributing to savings from prior years. For information regarding standards, methodologies, assumptions and calculations, refer to our <a href="#">CDP Climate Change 2022 Response</a> .
305-6	Emissions of ozone-depleting substances (ODS)	We do not produce ozone depleting substances (ODS). However, we do use refrigeration and air conditioning that contains ODS, and as while the equipment is operating according to manufacturer specifications, small amounts of leakage does occur. We estimate the following: <ul style="list-style-type: none"> <li>• Scope 1 HFC: 4,871.56 MT</li> <li>• Scope 2 HFC: not applicable</li> <li>• Scope 3 HFC (franchise restaurants): 449,443.00 MT</li> </ul> Source emission factors can be viewed in our <a href="#">Statement of Greenhouse Gas Emissions and Water Withdrawal</a> .
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	The release of nitrous oxide and methane are calculated and included in our total MT CO2e calculations. The mass of these gases are estimated to be as follows: <ul style="list-style-type: none"> <li>• Scope 1 CH4: 0.63 MT</li> <li>• Scope 2 CH4: 6.99 MT</li> <li>• Scope 3 CH4: 180.75 MT</li> <li>• Scope 1 N2O: 0.07 MT</li> <li>• Scope 2 N2O: 1.52 MT</li> <li>• Scope 3 N2O: 57.03 MT</li> </ul> Perfluorocarbons (PFCs), nitrogen trifluoride (NF3) and sulphur hexafluoride (SF6) emissions is not included in our reporting, as we do not knowingly generate material quantities of these greenhouse gases. Source emission factors can be viewed in our Statement of Greenhouse Gas Emissions and Water Withdrawal.
<b>GRI 306: Waste</b>		
103-1	Explanation of the material topic and its Boundary	Approach > Citizenship & Sustainability Goals Planet > Sustainable Packaging and Waste Reduction
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
306-1	Waste generation and significant waste-related impacts	Planet > Sustainable Packaging & Waste Reduction
306-2	Management of significant waste-related impacts	Planet > Sustainable Packaging & Waste Reduction

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Disclosure Number	Disclosure Title	Response
306-3	Waste generated	<p>The collection of data regarding waste is challenging, and estimates provided are based on sample data submitted by the Australia, Canada, France, India, Japan, Mexico, Taiwan, Thailand, United Kingdom, and United States business units and extrapolated, on a per-restaurant average basis, to provide a global view. The total weight of nonhazardous waste removed from restaurants, both company-owned and franchised, is an estimated 2,530,710 MT. We do not generate material quantities of hazardous waste. It does not account for products and packaging intended for consumer consumption outside of the restaurants. Although there is variation between brands and geographic localities, our analysis yields the following order of magnitude divisions, based on percentages, of generated waste from within restaurants. Variations in totals are expected year-over-year as refinement of methodology occurs.</p> <ul style="list-style-type: none"> <li>• Organic waste: 1,012,284 MT (40%)</li> <li>• Corrugated cardboard: 379,607 MT (15%)</li> <li>• Paper packaging and other paper: 379,607 MT (15%)</li> <li>• Mixed plastics: 379,607 MT (15%)</li> <li>• Used cooking oil: 253,071 MT (10%)</li> <li>• Other: 126,636 MT (5%)</li> </ul> <p>Planet &gt; Sustainable Packaging &amp; Waste Reduction</p>
306-4	Waste diverted from disposal	<p>The collection of data regarding waste diverted from disposal is challenging, and estimates are limited to data samples submitted by the Australia, Canada, France, India, Japan, Mexico, Taiwan, Thailand, United Kingdom, and United States business units. This data has not been extrapolated due to the extreme variation in global diversion infrastructure. The total weight of non-hazardous waste diverted in those markets is estimated to be 284,767 MT with a total diversion rate of about 21%. This does not include diverted waste from other markets, although it is known to occur. We do not generate material quantities of hazardous waste. It does not account for products and packaging intended for consumer consumption outside of the restaurants. The recovery options include the following:</p> <ul style="list-style-type: none"> <li>• Recycling: 254,271 MT</li> <li>• Biofuel and/or animal feed: 31,898 MT</li> <li>• Food donation (in markets listed above): 1,598 MT</li> </ul> <p>Planet &gt; Sustainable Packaging &amp; Waste Reduction</p>

## GRI 308: Supplier Environmental Assessment

103-1	Explanation of the material topic and its Boundary	Planet > Climate > Supply Chain
103-2	The management approach and its components	<a href="#">Yum! Global Forest Stewardship Policy</a>
103-3	Evaluation of the management approach	<a href="#">Yum! Palm Oil Policy</a> <a href="#">Yum! Paper-based Packaging Sourcing Policy</a>
308-2	Negative environmental impacts in the supply chain and actions taken	CDP Forests, 2022 Response

## GRI 400: SOCIAL

### GRI 401: Employment

103-1	Explanation of the material topic and its Boundary	People, pgs. 15-23
103-2	The management approach and its components	Food > Food Safety, pg. 26
103-3	Evaluation of the management approach	



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Disclosure Number	Disclosure Title	Response
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Yum! and our franchisees offer restaurant employees a range of medical benefits, childcare discounts, educational scholarships and tuition reimbursement, and gym discounts, as well as training and development opportunities. Our corporate above-restaurant employees benefit from a total rewards package that includes wellness programs, flexible working hours, a generous 401(k) match and more. Most of the employee programs and benefits are applicable in the U.S. Internationally, benefits are tailored by market and role.
<b>GRI 402: Labor/Management Relations</b>		
103-1	Explanation of the material topic and its Boundary	Yum! is committed to maintaining a work environment that respects and supports human rights around the world. Our ethics and compliance program, based on our Global Code of Conduct, demands the highest ethical standards in all of our operations globally. This policy applies to all directors, officers and employees of Yum!, as well as to our international agents, consultants, joint venture partners and any other third-party representatives acting on our behalf. We respect the right of all employees to associate or not to associate with any group, as permitted by applicable laws and regulations. We require compliance with all local labor laws in every market where we operate. We have and will continue to partner with various stakeholders to collect input and help guide our human rights efforts. <a href="#">Yum! Human Rights &amp; Labor Policy</a> <a href="#">Global Code of Conduct</a>
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
402-1	Minimum notice periods regarding operational changes	We require our franchisees to fully comply with applicable national and/or local legal requirements for minimum notice periods regarding significant operational changes.
<b>GRI 403: Occupational Health &amp; Safety</b>		
103-1	Explanation of the material topic and its Boundary	It is Yum!'s policy to maintain a professional, safe work environment. Suppliers are also expected to provide their employees with safe and healthy working conditions. Food > Food Safety <a href="#">Global Code of Conduct</a> , pg. 22
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
403-1	Occupational health and safety management system	Food > Food Safety <a href="#">Global Code of Conduct</a> , pg. 22
403-2	Hazard identification, risk assessment, and incident investigation	Food > Food Safety <a href="#">Global Code of Conduct</a> , pg. 22
403-3	Occupational health services	Food > Food Safety <a href="#">Global Code of Conduct</a> , pg. 22
403-4	Worker participation, consultation, and communication on occupational health and safety	Food > Food Safety <a href="#">Global Code of Conduct</a> , pg. 22
403-5	Worker training on occupational health and safety	Food > Food Safety <a href="#">Global Code of Conduct</a> , pg. 22
403-6	Promotion of worker health	People > Employee Wellbeing
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Food > Food Safety <a href="#">Global Code of Conduct</a> , pg. 22
403-8	Workers covered by an occupational health and safety management system	All company restaurants are governed by safety standards and employees undertake training on those standards.

# GRI INDEX

Disclosure Number	Disclosure Title	Response																																									
GRI 404: Training & Education																																											
103-1	Explanation of the material topic and its Boundary	We sustain our winning culture by recruiting the best people and developing their potential. No matter where employees are within our organization or in their careers, continuing development is an important focus. We are proud to help restaurant employees develop skills and capabilities on the job, further their education and build successful careers. In addition to providing corporate employees with robust development plans, programs and learning platforms, we invest in them by providing meaningful roles and challenging opportunities. People > Unlocking Opportunity																																									
103-2	The management approach and its components																																										
103-3	Evaluation of the management approach																																										
404-2	Programs for upgrading employee skills and transition assistance programs	People > Unlocking Opportunity																																									
GRI 405: Diversity & Equal Opportunity																																											
103-1	Explanation of the material topic and its Boundary	Citizenship > Corporate Governance > Board Diversity, pg. 9 People > Equity, Inclusion & Belonging, Social Purpose, pgs. 17-20																																									
103-2	The management approach and its components																																										
103-3	Evaluation of the management approach																																										
405-1	Diversity of governance bodies and employees	<table><tr><th>Gender</th><th>Percent Female</th><th>Percent Male</th></tr><tr><td>Board of Directors</td><td>42%</td><td>58%</td></tr><tr><td>Executive</td><td>36%</td><td>64%</td></tr><tr><td>Leadership</td><td>42%</td><td>48%</td></tr><tr><td>Management (Restaurant and Above&gt;Restaurant)</td><td>47%</td><td>52%</td></tr><tr><td>Non&gt;Management (Above Restaurant)</td><td>56%</td><td>44%</td></tr><tr><td>Non&gt;Management (Restaurant)</td><td>51%</td><td>39%</td></tr></table> <p>Sums may be less than 100% due to employee populations not reporting</p> <table><tr><th>Age Group</th><th>Percent Under 30</th><th>Percent 30&gt;50</th><th>Percent over 50</th></tr><tr><td>Board of Directors</td><td>0%</td><td>0%</td><td>100%</td></tr><tr><td>Total Employees</td><td>59%</td><td>32%</td><td>9%</td></tr><tr><td>Above Restaurant</td><td>15%</td><td>67%</td><td>17%</td></tr><tr><td>Restaurant</td><td>66%</td><td>27%</td><td>7%</td></tr></table> <p>Sums may be less than 100% due to employee populations not reporting</p>	Gender	Percent Female	Percent Male	Board of Directors	42%	58%	Executive	36%	64%	Leadership	42%	48%	Management (Restaurant and Above>Restaurant)	47%	52%	Non>Management (Above Restaurant)	56%	44%	Non>Management (Restaurant)	51%	39%	Age Group	Percent Under 30	Percent 30>50	Percent over 50	Board of Directors	0%	0%	100%	Total Employees	59%	32%	9%	Above Restaurant	15%	67%	17%	Restaurant	66%	27%	7%
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405-2	Ratio of basic salary and remuneration of women to men	At Yum!, we are committed to paying our employees fairly and equitably. Our pay practices are grounded in market-competitive and performance-based principles to attract, retain and reward world-class talent. We leverage tools and processes to establish equitable pay decisions, including salary ranges and bonus targets by level, objective performance goals and ratings, and clear guidelines for merit increases, bonuses and long-term incentives tied to performance. In the U.S., where a significant portion of our population resides, we run an annual statistical regression analysis to establish that pay disparities by gender and ethnicity do not exist. Taking into account all job- and performance-related factors used in making pay decisions, the analysis finds we do not have any statistically significant variances in pay for any gender or ethnic group. We are committed to continuing to review and refine our practices and processes to establish we are rewarding our employees fairly.																																									

# GRI INDEX

Disclosure Number	Disclosure Title	Response
<b>GRI 407: Freedom of Association &amp; Collective Bargaining</b>		
<b>103-1</b>	Explanation of the material topic and its Boundary	We respect the right of all employees to associate or not to associate with any group as permitted by applicable laws and regulations. Suppliers must respect the rights of workers to associate, organize and bargain collectively in a lawful and peaceful manner without penalty or interference.
<b>103-2</b>	The management approach and its components	<a href="#">Yum! Human Rights &amp; Key Supply Chain Commitments Policy</a>
<b>103-3</b>	Evaluation of the management approach	<a href="#">Yum! Human Rights &amp; Labor Practices Policy</a> <a href="#">Global Code of Conduct</a> <a href="#">Supplier Code of Conduct</a>
<b>407-1</b>	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employees and suppliers who have any concerns can report those concerns to our independent, third-party system called the “Speak Up Helpline”.
<b>GRI 409: Forced or Compulsory Labor</b>		
<b>103-1</b>	Explanation of the material topic and its Boundary	Fair employment practices do more than keep Yum! in compliance with applicable labor and employment laws. They help us attract and retain the best talent for our workforce. Yum! is committed to not using forced or compulsory labor. Suppliers are also required to follow this policy.
<b>103-2</b>	The management approach and its components	People > Ethics & Human Rights <a href="#">Yum! Human Rights &amp; Key Supply Chain Commitments Policy</a>
<b>103-3</b>	Evaluation of the management approach	<a href="#">Yum! Human Rights &amp; Labor Practices Policy</a> <a href="#">Global Code of Conduct</a> <a href="#">Supplier Code of Conduct</a>
<b>409-1</b>	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Fair employment practices do more than keep Yum! in compliance with applicable labor and employment laws. They help us attract and retain the best talent for our workforce. Yum! is committed to not using forced or compulsory labor. Suppliers are also required to follow this policy. We do not view our company operations as having significant risk for incidents related to not following this policy. People > Ethics & Human Rights <a href="#">Yum! Human Rights &amp; Key Supply Chain Commitments Policy</a> <a href="#">Yum! Human Rights &amp; Labor Practices Policy</a> <a href="#">Global Code of Conduct</a> <a href="#">Supplier Code of Conduct</a>
<b>GRI 412: Human Rights Assessment</b>		
<b>103-1</b>	Explanation of the material topic and its Boundary	People > Ethics & Human Rights <a href="#">Yum! Human Rights &amp; Key Supply Chain Commitments Policy</a>
<b>103-2</b>	The management approach and its components	<a href="#">Yum! Human Rights &amp; Labor Practices Policy</a> <a href="#">Global Code of Conduct</a>
<b>103-3</b>	Evaluation of the management approach	<a href="#">Supplier Code of Conduct</a>
<b>412-2</b>	Employee training on human rights policies or procedures	The total number of hours devoted to training and communications on issues relating to human rights and the treatment of individuals by Yum! was estimated to be approximately 65,000 in the reporting year. Employees, franchisees and suppliers participated.

# GRI INDEX

Disclosure Number	Disclosure Title	Response
<b>GRI 413: Local Communities</b>		
103-1	Explanation of the material topic and its Boundary	People > Brand Community Impact
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
413-1	Employee training on human rights policies or procedures	People > Brand Community Impact
<b>GRI 414: Supplier Social Assessment</b>		
103-1	Explanation of the material topic and its Boundary	People > Ethics & Human Rights Food > Food Safety
103-2	The management approach and its components	<a href="#">Yum! Human Rights &amp; Key Supply Chain Commitments Policy</a> <a href="#">Yum! Human Rights &amp; Labor Practices Policy</a>
103-3	Evaluation of the management approach	<a href="#">Global Code of Conduct</a> <a href="#">Supplier Code of Conduct</a>
414-1	New suppliers that were screened using social criteria	Our first priority is to maintain an industry-leading, safe, high-quality food supply from farm to fork. Our vision is to deliver to society "Trust in Every Bite." To achieve this, we have strong food safety management systems in place to evaluate each step of the supply chain. We utilize internationally recognized industry standards and Yum! food safety standards in tandem. These standards address areas where key risk factors exist, such as employee health and hygiene, product handling, product temperature management, cross-contamination and more. Since 2016, Yum! has conducted more than 578,400 restaurant food safety audits. In 2021, 80% of Yum! Tier 1 suppliers required a food safety audit, of which 99% were audited and achieved on 98% performance.
<b>GRI 415: Public Policy</b>		
103-1	Explanation of the material topic and its Boundary	We believe that it is important to discuss policies that may impact our business operations, franchisees, industry and stakeholders. We adhere to all applicable laws that govern our interactions with public officials as well as our own Code of Conduct.
103-2	The management approach and its components	<a href="#">Global Code of Conduct</a> <a href="#">Political Contributions &amp; U.S. Government Advocacy Policy</a>
103-3	Evaluation of the management approach	
415-1	Political Contributions	We believe that it is important to openly discuss policies that may impact our business operations, franchisees, industry and stakeholders. We adhere to all applicable laws that govern our interactions with public officials as well as our own Code of Conduct. Direct political contributions made by our PAC (January 1 - December 31, 2021) totaled \$34,500. For detailed information regarding the contributions, please visit the Federal Election Commission website.

# GRI INDEX

Disclosure Number	Disclosure Title	Response
<b>GRI 416: Customer Health &amp; Safety</b>		
<b>103-1</b>	Explanation of the material topic and its Boundary	Food
<b>103-2</b>	The management approach and its components	
<b>103-3</b>	Evaluation of the management approach	
<b>416-1</b>	Assessment of the health and safety impacts of product and service categories	Our first priority is to maintain an industry-leading, safe, high-quality food supply from farm to fork. Our vision is to deliver to society “Trust in Every Bite.” To achieve this, we have strong food safety management systems in place to evaluate each step of the supply chain. We utilize internationally recognized industry standards and Yum! food safety standards in tandem. These standards address areas where key risk factors exist, such as employee health and hygiene, product handling, product temperature management, cross-contamination and more. Since 2016, Yum! has conducted more than 578,400 restaurant food safety audits. In 2021, 80% of Yum! Tier 1 suppliers required a food safety audit, of which 99% were audited and achieved on 98% performance.
<b>GRI 417: Marketing &amp; Labeling</b>		
<b>103-1</b>	Explanation of the material topic and its Boundary	Yum! is committed to following all laws and providing guests with accurate information. Customers rely on that information to make decisions on where to dine as well as to make menu selections. Promoting transparency about our food empowers the customer to make personal choices. We follow U.S. and international guidelines to avoid marketing to children and are committed to our goal of limiting marketing communication to children under 12.
<b>103-2</b>	The management approach and its components	
<b>103-3</b>	Evaluation of the management approach	
<b>417-3</b>	Incidents of non-compliance concerning marketing communications	In 2021, there were two incidences of non-compliance concerning marketing communications at KFC resulting in a warning. They did not result in a fine.
<b>GRI 418: Customer Privacy</b>		
<b>103-1</b>	Explanation of the material topic and its Boundary	Yum! understands that in today’s digital environment, customer and employee privacy is important and we are committed to treating personal information with care. We invest significantly in tools, systems and people to help keep information secure as threats continue to evolve.
<b>103-2</b>	The management approach and its components	<a href="#">Yum! Privacy Policy</a>
<b>103-3</b>	Evaluation of the management approach	<a href="#">Global Code of Conduct</a>
<b>418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Yum! maintains a program to address potential security and privacy incidents. The program includes processes to meet notification or other reporting obligations under applicable local laws. During the reporting year, Yum! received seven substantiated complaints regarding breaches of customer privacy from outside parties, with six of those complaints originating from regulatory bodies. None resulted in the leak, theft or loss of customer data.



## Sustainability Accounting Standards Board (SASB) Response

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

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

## Food & Packaging Waste Management

(1) Total amount of waste, (2) percentage food waste, and (3) percentage diverted	Metric tonnes (t) Percentage (%)	FB-RN-150a.1	<p>See Planet &gt; Sustainable Packaging &amp; Waste Reduction for a summary of our circular approach to food and packaging waste reduction, as well as for details on brand level packaging and waste goals. Our approach spans operational waste diversion, sustainably designed packaging and donating food waste to nonprofits through the Harvest program (see People &gt; Brand Community Impact &gt; Hunger Relief for more).</p> <p>(1) GRI 306-3 (2) GRI 306-3 (3) GRI-306-4</p>
(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	Metric tonnes (t) Percentage (%)	FB-RN-150a.2	<p>(1) Estimated 549,606 metric tons of fiber- and plastic-based packaging and customer servicewares. This is only a directional estimate, and we expect refinements in data collection in the future.</p> <p>(2) It is estimated that 35% of fiber-based and 16% of plastic-based packaging and customer servicewares are from recycled sources. This is only a directional estimate and we expect refinements in data collection in the future.</p> <p>(3) It is estimated that 13% of plastic packaging is generally considered widely recyclable in most jurisdictions (resin types 1 and 2).</p>

## Food Safety

(1) Percentage of restaurants inspected by a food safety oversight body, (2) percentage receiving critical violations	Percentage (%)	FB-RN-250a.1	<p>Yum! delivers "Trust in every bite." See Food &gt; Food Safety for the measures we take together with our suppliers and franchisees to uphold our industry-leading food safety program.</p> <p>(1) Consistent high levels of performance in restaurants, with currently over 85% of restaurants at standard despite challenging labor markets.</p> <p>(2) Significant Issues, currently at less than 0.25 average significant deviations per audit.</p>
(1) Number of recalls issued and (2) total amount of food product recalled	Number Metric tonnes (t)	FB-RN-250a.2	There were no recalls issued.
Number of confirmed foodborne illness outbreaks, percentage resulting in U.S. Centers for Disease Control and Prevention (CDC) investigation	Number Percentage (%)	FB-RN-250a.3	There were no confirmed illness outbreaks resulting in U.S. Centers for Disease Control and Prevention (CDC) investigation during the reporting year.

## Nutritional Content

(1) Percentage of meal options consistent with national dietary guidelines and (2) revenue from these options	Percentage (%) Reporting currency	FB-RN-260a.1	<p>Yum! publishes online nutrition calculators for all four brands' U.S. menus and provides consumers with convenient access to allergen and nutrition information.</p> <p>By 2030, 50% of our menu items will be consistent with our global nutrition criteria of side menu items being 200 calories or less, main menu items being 400 calories or less and combo/meal menu items being 750 calories or less. For the 2021 reporting year, 32% of meal options were consistent with our global nutrition criteria.</p> <p>See Food &gt; Balanced Choices across our Portfolio for more.</p>
(1) Percentage of children's meal options consistent with national dietary guidelines for children and (2) revenue from these options	Percentage (%) Reporting currency	FB-RN-260a.2	Yum! follows U.S. and international guidelines to avoid marketing to children and is committed to our goal of limiting marketing communication to children under 12.
Number of advertising impressions made on children, percentage promoting products that meet national dietary guidelines for children	Number Percentage (%)	FB-RN-260a.3	Yum! follows U.S. and international guidelines to avoid marketing to children and is committed to our goal of limiting marketing communication to children under 12.

## Labor Practices

(1) Voluntary and (2) involuntary turnover rate for restaurant employees	Rate	FB-RN-310a.1	<p>In building a workplace for everyone, Yum! seeks to retain and support restaurant employees. Read about our <a href="#">Unlocking Opportunity Initiative</a>, established to positively impact restaurant team members and communities through equity and inclusion, education and entrepreneurship. As an input to the Initiative, we have engaged with restaurant workers to understand the challenges they face. Additionally, we provide training and scholarship programs.</p> <p>(1) The voluntary turnover rate for restaurant employees at company-owned locations, globally was 80.6%.</p> <p>(2) The involuntary turnover rate for restaurant employees at company-owned locations, globally was 3.33%.</p>
(1) Average hourly wage, by region and (2) percentage of restaurant employees earning minimum wage, by region	Reporting currency Percentage (%)	FB-RN-310a.2	Our pay philosophy centers around market competitiveness, which is reviewed each year. Taco Bell has committed to pay an average minimum wage of \$15 per hour in company restaurants by mid-year 2024.
Total amount of monetary losses as a result of legal proceedings associated with (1) labor law violations and (2) employment discrimination	Reporting currency	FB-RN-310a.3	<p>It is our policy to deal fairly with employees; provide equal opportunity for all in recruiting, hiring, developing, promoting and compensating without regard to race, religion, color, age, gender, disability, genetic information, military or veteran status, sexual orientation, gender identity and/or expression, citizenship, national origin or other legally protected status; maintain a professional, safe and discrimination free work environment; and recognize and compensate employees based on their performance.</p> <p>(1) The total monetary losses resulting from legal proceedings associated with labor law violations in 2021 were approximately \$1.7MM.</p> <p>(2) The total monetary losses resulting from legal proceedings associated with employment discrimination 2021 were approximately \$339,000.</p>

## Supply Chain Management & Food Sourcing

Percentage of food purchased that (1) meets environmental and social sourcing standards and (2) is certified to third-party environmental and/or social standards	Percentage (%) by cost	FB-RN-430a.1	<p>In recent years, Yum! has strengthened commitments to social and environmental standards in key areas of our supply chain, including vegetables, fresh produce, palm oil and animals. Our practices are aligned with third-parties such as the Fair Food Standards Council, the Roundtable for Sustainable Palm Oil and the U.S. Roundtable for Sustainable Poultry &amp; Eggs. See also People &gt; Ethics &amp; Human Rights; Planet &gt; Supply Chain; Food &gt; Animal Welfare; Limiting Antibiotic Use</p> <p>We support One Health, a holistic and multi-sector, long-term effort to combat AMR by the United Nations World Health Organization (WHO), the Food and Agriculture Organization, the World Organization for Animal Health and other key stakeholders. We remain compliant with our public commitments to reduce antibiotics important to human medicine in our U.S. poultry supply chains. 100% of KFC U.S. poultry is certified under the USDA's Process Verified Program (PVP) as meeting the No Antibiotics Used Important to Human Medicine as defined by the World Health Organization. Pizza Hut U.S., which is working toward removing antibiotics from chicken used for wings, expects to meet its goal to do so by 2022. In 2019, Taco Bell committed to reduce antibiotics important to human health in its U.S. and Canada beef supply chain by 25% by 2025.</p>
Percentage of (1) eggs that originated from a cage-free environment and (2) pork that was produced without the use of gestation crates	Percentage (%) by number Percentage (%) by weight	FB-RN-430a.2	<p>We actively promote good stewardship of the animals raised for food throughout our supply chain. We have a goal to source 100% cage-free eggs across at least 25,000 restaurants including the U.S., Western Europe and other leading markets for all menu items and ingredients by 2026 and achieve 100% cage-free eggs for all menu items and ingredients by 2030. In the United States, Canada, Australia and Western Europe suppliers are reporting that over 75% of the egg volume comes from a cage-free source. Taco Bell U.S. continues to source 100% cage-free eggs and egg ingredients in the U.S. and Canada.</p>
Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	n/a	FB-RN-430a.3	<p>Approach &gt; Citizenship &amp; Sustainability Goals; Planet &gt; Supply Chain; Food &gt; Animal Welfare; Limiting Antibiotic Use</p>

## Activity Metrics

Number of (1) company-owned and (2) franchise restaurants	Number	FB-RN-000.A	<p>(1) On December 31, 2021, there were 1,051 company-owned restaurants.</p> <p>(2) On December 31, 2021, franchisees owned 52,373 restaurants.</p>
Number of employees at (1) company-owned and (2) franchise locations	Number	FB-RN-000.B	<p>(1) On December 31, 2021, Yum! had approximately 32,000 restaurant employees.</p> <p>(2) We do not track the number of employees at franchise-owned locations, but we would expect there to be over an estimated 1 million restaurant employees.</p>

# ABOUT THIS REPORT

We remain committed to disclosing our sustainability progress. This report covers key commitments and initiatives that have been announced since our last report was published, in addition to full-year sustainability data from January 1–December 31, 2021. Data was gathered from our corporate operations, company-owned KFC, Pizza Hut, Taco Bell and The Habit Burger Grill restaurants and select franchisees. Throughout this report, references to Yum! may include activities performed by subsidiaries of Yum! Brands, Inc., including but not limited to KFC, Pizza Hut, Taco Bell and The Habit Burger Grill entities.

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

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

For more information about our citizenship and sustainability work, visit [www.yum.com/citizenship](http://www.yum.com/citizenship).

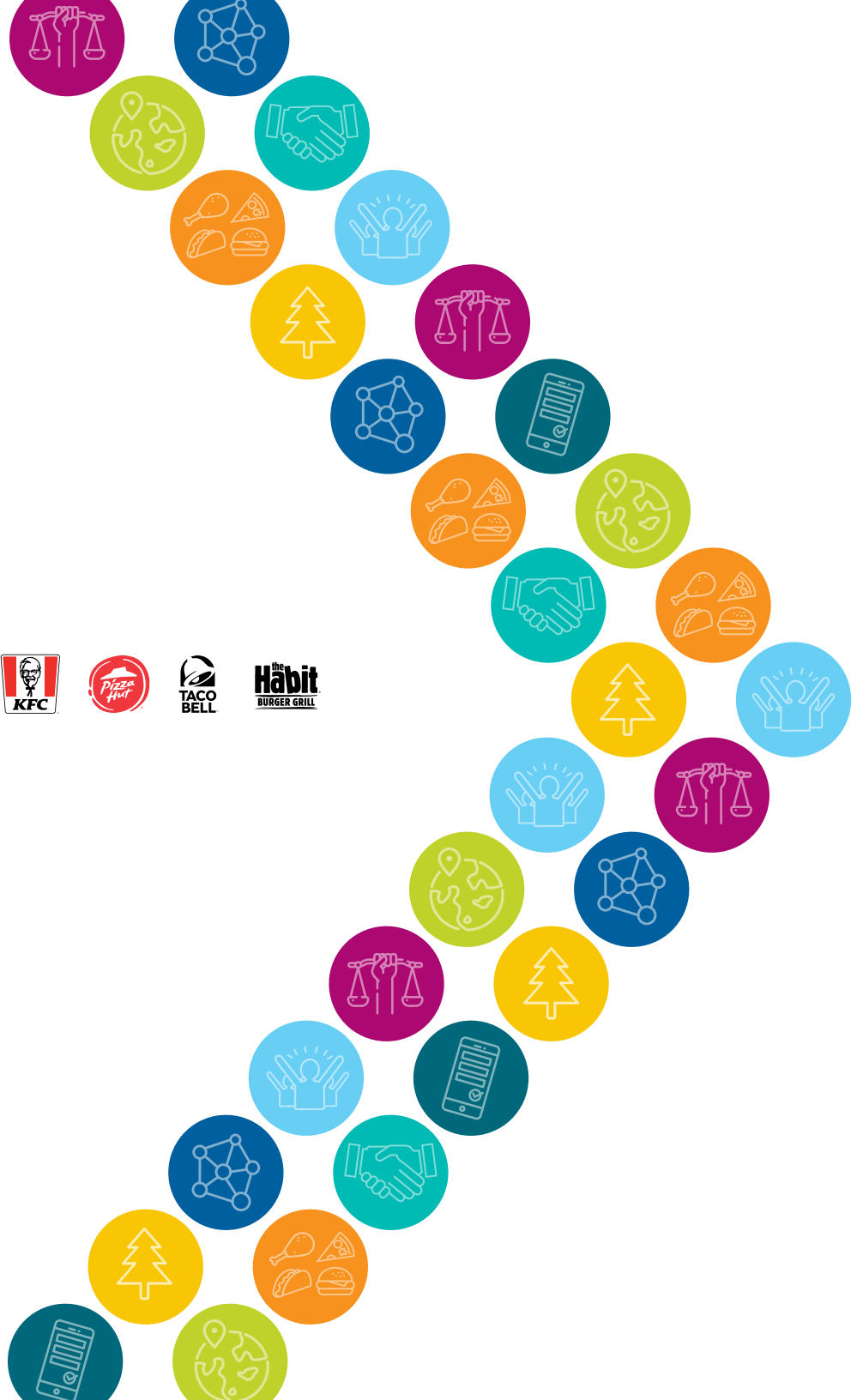
Please send comments or questions about this report to [citizenship@yum.com](mailto:citizenship@yum.com).

## FORWARD-LOOKING STATEMENTS

This report may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the fact that they do not relate strictly to historical or current facts and by the use of forward-looking words such as "expect," "expectation," "believe," "anticipate," "may," "could," "intend," "belief," "plan," "estimate," "target," "predict," "likely," "seek," "project," "model," "ongoing," "will," "should," "forecast," "outlook," "new 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!, 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.



**Yum!**



OUR RECIPE FOR  
**GOOD**

