

YUM! ESG GOVERNANCE & REPORTING APPROACH

At Yum!, being a good corporate steward is a fundamental commitment and an important part of our success. Our Global Citizenship & Sustainability Strategy, called the Recipe for Good, reflects our priorities for socially responsible growth, risk management and sustainable stewardship of our people, food and planet.

GOVERNANCE

Oversight for environmental, social and governance (ESG) issues ultimately resides with the Yum! Brands board of directors. The board is briefed at least annually on current issues and focus areas through its Audit Committee. At the operational level, the Chief Communications and Public Affairs Officer oversees the global reputation of Yum!, assesses and manages ESG risks and shapes the Global Citizenship & Sustainability Strategy in partnership with the Chief Sustainability Officer and Vice President of Global Government Affairs, along with other senior leaders who comprise our ESG Council.

The ESG Council plays a key role when it comes to championing and governing Yum!'s overall citizenship and sustainability strategy and priorities. Yum! also convenes cross-functional working groups that include employees from food safety, human resources, supply chain, development, sustainability, communications and legal teams at the corporate and brand division levels to manage day-to-day work to advance priority area agendas.

Yum's publicly-announced ESG goals are designed to encompass our aspired-to results throughout our global system, within any relevant stated time-frame. Given the global and franchised nature of Yum!'s business, our ESG goals must allow for instances where certain franchisees may need flexibility from Yum's specific ESG strategy in order to adapt and implement their own policies. This recognizes that our franchisees are a collection of diverse, separate and independently-owned business entities, which must themselves comply with the requirements of their various local regulatory schemes and, for our publicly traded franchisees, the expectations of their own investors, listing exchanges and other stakeholders.

REPORTING

Regular reporting continues to be the primary way we share our progress and show transparency around our ESG practices. In addition to publishing annual updates on our Recipe for Good, which align with the Global Reporting Initiatives (GRI) standards, we participate in comprehensive voluntary disclosures including but not limited to the Bloomberg Gender Equality Index; CDP Climate Change, Forests and Water Security; the Dow Jones Sustainability Index (DJSI), and the Roundtable on Sustainable Palm Oil (RSPO) Annual Communication of Progress. We will continue to engage with stakeholders regarding best practices for disclosure and reporting as this landscape continues to evolve.

