YUM! BRANDS SUSTAINABLE PACKAGING POLICY

At Yum!, we believe in taking a more circular approach when it comes to sustainable packaging and waste reduction. We recognize that we have an important role to play in tackling these critical issues both in the food industry and beyond.

OUR APPROACH

For Yum! and our brands, we're committed to sustainable sourcing while focusing on reducing and mindfully reusing or recycling the waste generated at our restaurants. This commitment builds on our long-standing Sustainable Fiber Sourcing Principles.

To help shape and strengthen our strategy, we engage with suppliers, franchisees, governments, non-governmental organizations (NGOs) and other partners to address key focus areas including eliminating unnecessary packaging, shifting to more sustainable materials, supporting better recovery and recycling systems, and lastly, investing in circularity.

Another element that's central to our approach is having a freedom within a framework. This provides overarching goals and areas of focus for Yum!'s organization while allowing our markets and franchisees to take tailored approaches guided by the unique factors and circumstances that influence packaging and waste where we operate while staying compliant with local governments and regulations.

FOCUS AREAS & GOALS

Reducing waste from packaging, is an important issue for the business. Yum! and our brands are working to transition existing packaging as needed and developing new packaging solutions that can be diverted from landfills through recycling or composting. The following areas outline our holistic view of packaging across the company.

Eliminating Unnecessary Packaging

- Remove Styrofoam and Expanded Polystyrene (EPS) by 2022 across all brands.
- Eliminate unnecessary plastics by 2025 across all brands.
- Reduce virgin plastic content by 10% by 2025 across all brands.

Shifting Materials

- 100% of paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2022 across all brands.
- Move consumer-facing plastic packaging to be reusable, recyclable or compostable by 2025 across all brands.
- Remove added PFAS, Phthalates and BPA from packaging by 2025 across all brands.

Supporting Better Recovery & Recycling Systems

- Support expansion of recycling and composting programs, infrastructure systems and food recovery through strategic partnerships and advocacy.
- Divert 50% of back-of-house operational waste, measured by weight, generated in U.S. restaurants by 2025.
- Reduce food loss and waste 50% by 2030 in U.S. restaurants in accordance with the U.S. Food Loss and Waste 2030 Champions.

Investing in Circularity

- Expand pilots across brands with focus on reusable packaging systems.
- Conduct assessment to better understand areas where more recycled content can be included to inform goal setting across all brands by 2023. Disclosure to show progress will start in 2024.
- Test and integrate more recoverable paper and paperboard packaging solutions.

Yum! KFC TACO BELL Habit BURGER & GRILL

YUM! SUSTAINABLE FIBER SOURCING PRINCIPLES

1. Yum! will not knowingly buy paper-based packaging products that were made with fiber that comes from illegal or the following unwanted sources:
   - **a.** Wood harvested from forests that have been converted to plantations or non-forest use
   - **b.** Wood from high conservation value forests, unless those forests are credibly certified
   - **c.** Wood where the source forest and species are unknown
   - **d.** Wood harvested in a manner that violates human rights
   - **e.** Wood harvested that violates local or international laws
2. We will give preference to suppliers who provide paper-packaging certified by a third-party, which meets the most rigorous forest management standards. Currently the Forest Stewardship Council (FSC) standard is considered the most rigorous forest certification by leading conservation organizations. However, we must manage this aspiration in the context of technical requirements, uneven supply, and other business and regulatory considerations. Therefore, we also recognize certifications from other national certifications endorsed by the Programme for the Endorsement of Forestry Certification (PEFC) and the Sustainable Forestry Initiative (SFI), provided the fiber avoids the unwanted sources listed above.
3. Yum! is committed to sustainable packaging by increasing the amount of recycled content, as permitted by regulatory and technical constraints, across our global system. This is done within packaging content regulations to help ensure food safety, as well as within performance criteria to retain functionality. Though limited availability of suitable recycled fiber restricts our access to the supply of these materials in some geographical areas, we will work to leverage sustainable practices into all of our wrappers, napkins, and containers worldwide.
4. To show compliance with this sourcing policy, suppliers should substantiate their claims that fibers used to produce the paper-packaging were legally harvested and traded and that they do not come from unwanted sources as outlined above.

TRANSPARENT REPORTING

We are committed to regular and transparent communication and disclosure around our sustainable packaging and waste reduction work. This includes annual reporting in the Yum! Brands Citizenship and Sustainability Report, as well as to CDP Forests.