

Welcome to our second Corporate Social Responsibility Report. This year, we've decided to place our CSR Report online, rather than print it, to demonstrate our commitment to Serving the World – and saving a lot of trees in the process!

In this report, you'll learn that our future back vision for Yum! is to be The Defining Global Company That Feeds the World. We're going to do that in three ways:

- First, by building a famous recognition culture where everyone counts you'll see that our biggest competitive advantage is our culture and the more than 1.4 million people who work in our system across the globe. We are committed to attract and retain the best people and inspire greatness by being world famous for recognition. We love celebrating the achievement of others and having lots of fun doing it!
- Secondly, we are making our brands dynamic and vibrant everywhere, with operational excellence as
 our foundation. We are committed to providing customers with delicious, relevant and safe food choices.
 That includes our commitment to offer balanced options and to continuously improve the nutrition of
 our products. At the same time, we are educating our customers online and in our restaurants so they
 can make informed purchase decisions about the food choices they are making. We're also committed
 to sustainability to make our restaurants more energy efficient, our packaging more environmentally
 friendly, and to reduce our overall carbon footprint. That's why we've recently created the new position of
 Chief Sustainability Officer, reporting directly to me, to underscore our commitment to sustainability and
 the importance it plays in our Serving the World.
- Lastly, we'll be The Defining Global Company that feeds the world by demonstrating we're a company with a huge heart. A company that truly cares for its employees by training them, developing them and providing the skills so they can grow their careers. And we're demonstrating we're a company with a huge heart by giving back to the community by making the world a better place. We're giving back in many ways at each of our Brands by supporting education, the arts, teen mentoring, literacy and many social services around the globe. We're also giving back across Yum! with our long-term commitment to the World Food Programme and other hunger relief agencies who are dedicated to reducing world hunger. I'm so proud of the work we do in this area we're raising awareness and funds, donating food, and volunteering our time toward hunger relief. We're truly saving lives by moving millions of people from hunger, to hope, and this has become a hallmark of our company's huge heart.

As you can see, our commitment to Corporate Social Responsibility is helping us achieve our vision of building The Defining Global Company That Feeds The World. I believe we have everything it takes to make this goal a reality over time. While we recognize we have much more to do, we are energized about how much more we can contribute to Serving the World.

Thank you for your interest in our Corporate Social Responsibility, and YUM to you!

David Novak, Chairman and CEO, Yum! Brands



About Us





Our CSR Vision: David Novak Watch Video



CSR Initiatives Around the **Globe: A Message from Our Chief Public Affairs Officer**



About Us



Yum! Brands, Inc. is the world's largest restaurant company, with nearly 38,000 restaurants in over 110 countries and territories and over 1 million associates. At Yum!, we are truly proud of the unique culture we've built, one that's filled with energy, opportunity, and fun.



Watch Video

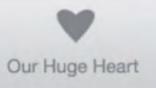
We are committed to improving the nutritional attributes of our menu, promoting physical activity programs and always providing great tasting food. Operating great restaurants that meet the highest food safety standards is also part of this commitment and is evident in every aspect of our business.



More



More



Serving the World

Becoming the Defining Global Company that Feeds the World

2010 World Hunger Relief Campaign Watch Video



Green Building Initiative: Northampton, MA Watch Video

As Yum! continues on its journey to become The Defining Global Company that Feeds the World, we feel that we have a corporate social, economic, and environmental responsibility to our customers, employees, and shareholders to be forward thinking, and intentional in our environmental sustainability vision.

More

Our Huge Heart



We believe in giving back to the communities in which we work and live, making a positive difference in the lives of our customers and associates and their families. We provide financial support to charities across the world. We know that as individuals and as a system we can make this world a better place.

More

Yum

Yum! Brands 2010 Corporate Social Responsibility Report About Us

About Us **History and Culture** +**Our CSR Methodology Governance, Public Policy** & Government Affairs **Our Associates - Our Team** + Print-friendly version

Did you know...

Yum! has awarded over \$500,000 in scholarships annually through our Andy Pearson Scholarship Program, established in memory of our founding Chairman. Since implementing the program in 2003, we have awarded just under 1,500 scholarships to associates and their legal dependents. Learn More





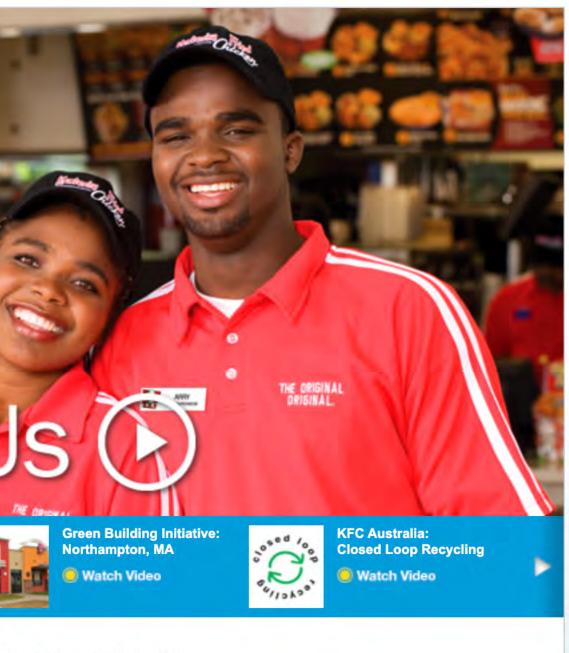
Based in Louisville, Kentucky, Yum! Brands, Inc. is the world's largest restaurant company, with more than 38,000 restaurants in over 110 countries and territories and over 1 million associates. At Yum!, we are truly proud of the unique culture we've built, one that's filled with energy, opportunity, and fun. We believe in our people, trust in their positive intentions, encourage ideas from everyone, and have actively developed a workforce that is diverse in style and background. Yum! is a place where anyone can, and does, make a difference.

This commitment to people extends to the communities we serve across the world. Corporate Social Responsibility (CSR) is central to our ability to succeed in the marketplace and to be positive, responsible corporate citizens. Because we're the largest restaurant company in the world and we're passionate about helping people better themselves and their communities, we're determined to address three critical challenges:

- The health and nutritional needs of our consumers;
- Feeding the world's hungry; and
- · Being responsible and intentional in our actions toward the sustainability of the environment and agricultural resources on which our business depends.

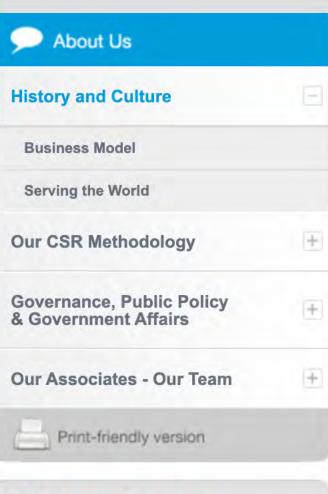








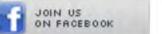
About Us



Did you know...

We believe we can have the greatest impact in advancing our health and nutrition platform throughout our system and the industry with action-oriented change. To do this we have established global nutritional guidelines for all our businesses.

Learn More



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Our History and Culture

In October 1997, Yum! Brands was spun off from PepsiCo as Tricon Global Restaurants, Inc. At that moment we established a singular goal from which we've never wavered: To be the best in the world at building great brands and running great restaurants.

Over the past 13 years, our success has been driven by our focus on building leading brands in China in every significant category; driving aggressive, international expansion and building strong brands everywhere; dramatically improving U.S. brand positions, consistency and returns; driving industry-leading, long-term shareholder and franchisee value; and building a unique, fun culture led by people who love the restaurant business. Along the way, we also broadened our focus beyond our restaurants to important emerging issues of our global society such as our impact on people, communities and the environment.

Our Future Back Vision is to Become the Defining Global Company that Feeds the World through our famous recognition culture, dynamic, vibrant brands everywhere and a company with a huge heart.

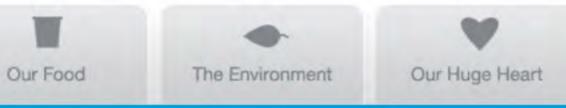
From the very beginning, we had a passion to create a company that would truly be great and lasting. We turned our passion into a roadmap, one we call the Yum! Dynasty Growth Model, because dynasties endure and lead through the generations.

We believe that our customers' experience will never exceed that of our team members. For that reason, our Dynasty Model starts with our people. We know that people don't just play a role in our success - they are the reason for our success.

Our corporate values - what we call our How We Win Together₂ Principles - are built around a "People Capability First" philosophy and lay the groundwork for the way we team together every day.

These Principles and our Dynasty Growth Model help guide and drive our Corporate Social Responsibility work as well.







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Did you know...

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Since 2005, the Yum! Brands Foundation has contributed nearly \$4 million in disaster relief assistance across the globe. These funds are in addition to donations made through our partnership with the World Food Programme. Learn More

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Yum! Brands Business Model

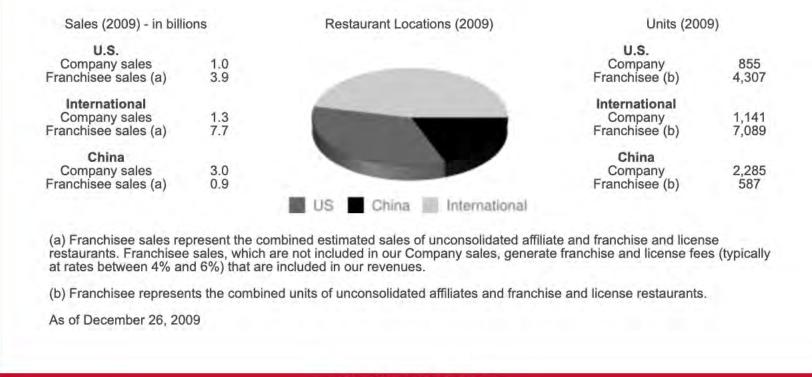


Rick Carucci, Chief Financial Officer

We're proud of our consistent record of success even in the tough economic environment we coninue to face. In 2010 we achieved 17 percent Earnings Per Share growth, excluding special items, marking the ninth consecutive year in which we exceeded our annual EPS target of at least 10 percent growth. We continue to strengthen our claim as one of the leading retail developers of units outside the United States as we opened nearly 1,400 new restaurants, the tenth straight year we've opened more than 1,000 new units.



KFC Corporation, based in Louisville, Kentucky, is the only brand in America that can boast such a rich, 58year history of success and innovation. In fact, KFC is the world's most popular chicken restaurant chain, specializing in Original Recipe®, Extra Crispy™, Kentucky Grilled Chicken™, Colonel's Crispy Strips® and Honey BBQ Wings®, with home-style sides and freshly made chicken sandwiches. Since its founding by Colonel Harland Sanders in 1952, KFC has been serving customers delicious, already prepared complete family meals at affordable prices. Every day, more than 12 million customers are served at KFC restaurants in 109 countries and territories around the world. KFC operates more than 5,160 restaurants in the United States and more than 16,000 total units around the world. Customers around the globe also enjoy more than 300 other products -- from Kentucky Grilled Chicken™ in the United States to a salmon sandwich in Japan.



⇒ VIEW 2009 STATS ≥

Pizza Hut, Inc., currently based in Dallas, Texas, is the restaurant of choice when your favorite moments call for your favorite pizzas, pastas and wings. Offering delicious value and second-to-none food choices, Pizza Hut operates nearly 10,000 restaurants in more than 90 countries, including more than 7,000 restaurants in the United States. To get social with Pizza Hut visit social.pizzahut.com.

⇒ VIEW 2009 STATS ≥



Taco Bell Corp., based in Irvine, California, is the nation's leading Mexican-style QSR chain serving tacos, burritos, signature quesadillas, Grilled Stuft Burritos, nachos, and other specialty items such as Crunchwrap Supreme®, in addition to the Why Pay More® Value Menu. Today, Taco Bell serves more than 36.8 million customers each week in more than 5,600 restaurants in the U.S. and more than 250 international locations. Since its founding by Glen Bell in 1962, the company's countless innovations have changed the very nature of the QSR industry. From revolutionizing new kitchen preparation systems and supply chain management processes to establishing its Value Leadership, Taco Bell has kept alive Glen's pioneering spirit. "Think Outside the Bun®" is more than a company tagline --- it's a way of life at Taco Bell.

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Long John Silver's, Inc., based in Louisville, Kentucky, is the world's most popular QSR seafood chain specializing in delicious, signature batter-dipped fish, chicken, shrimp and hushpuppies. Since 1969, the SILVERS, company has been bringing families together with traditional seafood items, new products such as Buttered Lobster Bites and Freshside Grille offerings, including Pacific Grilled Salmon, Grilled Tilapia and Shrimp Scampi. Today, there are more than 1,000 Long John Silver's® restaurants worldwide.

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ALL AMERICAN FOR

A&W® All-American Food®, based in Louisville, Kentucky, is the longest-running QSR franchise chain in America, Since 1919, A&W All-American Food restaurants have been proud to serve the iconic A&W Root Beer Float in a frosty mug alongside it's 100% all-American pure beef hamburgers and hot dogs. There are approximately 344 A&W All-American Food restaurants in the U.S. and more than 290 in 11 other countries.

≈ VIEW 2009 STATS ≈





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Serving the World (Where We Are)

Yum! Brands is the world's largest restaurant company with over 38,000 restaurants in over 110 countries and territories and more than 1 million associates.

Our global business consists of three segments, or reporting groups - the United States, the International Division (known as Yum! Restaurants International or YRI), and the China Division (known as Yum! China Division or Yum! Restaurants China). YRI is segmented into 14 business units, including: Africa; Asia; Canada; Caribbean and Latin America; Europe; France; Germany/Netherlands; India, Korea; Middle East, North Africa, Pakistan and Turkey; South Pacific; Thailand; United Kingdom - KFC; and United Kingdom - Pizza Hut. Yum! China includes mainland China and KFC Taiwan.

United States

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KFC - 5,162 Pizza Hut - 7,566 Taco Bell - 5,604 Long John Silver's - 989 A&W - 344 Total Number of Units - 19,665

International Division

KFC - 8,230 Pizza Hut - 5,153 Taco Bell - 251 Long John Silver's - 35 A&W - 293 Total Number of Units - 13,962

China Division

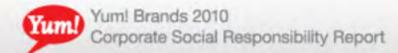
KFC - 2.872 Pizza Hut - 562 Total Number of Units - 3,453

* includes 19 East Dawning units All restaurant counts are as of December 29, 2009









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Did you know...

In China, the Health and Nutrition Advisory Committee, consisting of a panel of leading public health and nutrition specialists, analyzes trends and research in food and nutritional science. As a direct result of this, more than 40 different vegetable options have been served in our China restaurants since 2001.

Learn More





To define the scope of our second Corporate Social Responsibility (CSR) report, we continue to examine the key areas of impact of our global business operations and where we have the strongest ability to play a role.

Our objectives for this report are to:

- 1. Reinforce our global commitment to Corporate Social Responsibility;
- 2. Report on our performance to date;
- 3. Identify our future CSR direction and goals; and
- 4. Engage in constructive dialogue with our stakeholders.

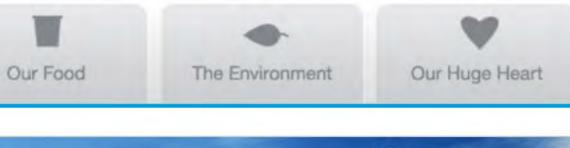
Our company has a large global footprint that continues to grow. We are excited about our business opportunities as we expand. At the same time we understand that we have a duty to improve society and a responsibility to be a good environmental steward.

Through this report we will engage internal and external stakeholders for their perspectives on our CSR efforts and impact. These discussions will help shape our actions and communications.

Our approach to CSR is dynamic, global in focus, yet always rooted in a People-First philosophy. We have worked diligently to understand the many CSR opportunities we have worldwide, and to develop a strategy and structure to address challenges and serve the world.

We've added our own assessment of this year's report using the Global Reporting Initiative (GRI) G3 guidelines, to view click here.









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Strategy

Our ability to make a positive difference in the lives of people throughout the world is virtually unlimited, and it starts with a clear focus and commitment to getting better. We have chosen to leverage our clear strengths: our expertise - we like to call it know how - and our people.

We believe that our strongest impact and contribution to sustainability lies in the critical parts of our business - the success and diversity of our associates, feeding people, health and nutrition, our supply chain, the environment, and community development. These are the areas in which we are concentrating our efforts. We are also driving stakeholder engagement, systematically involving key internal and external stakeholders to support and execute our CSR initiatives.

We will direct our tactical efforts in four ways: raising awareness of key challenges; formal programs and initiatives to address pressing issues and plan for our future; encouraging and supporting volunteerism: and leading fundraising efforts wherever needed.



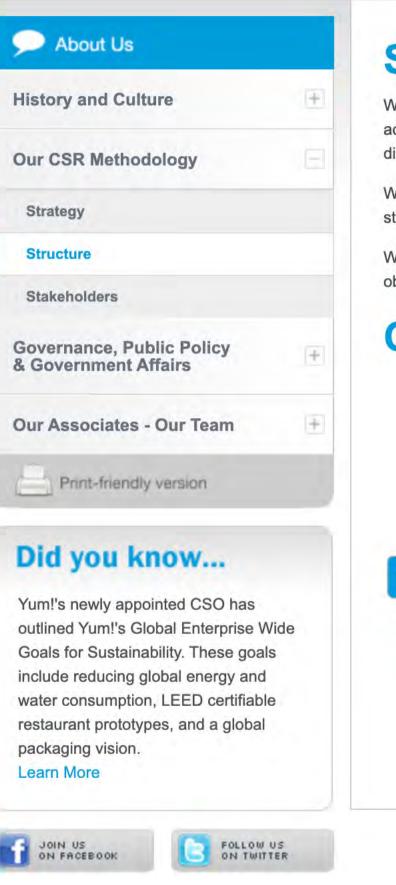


The Environment

Our Huge Heart







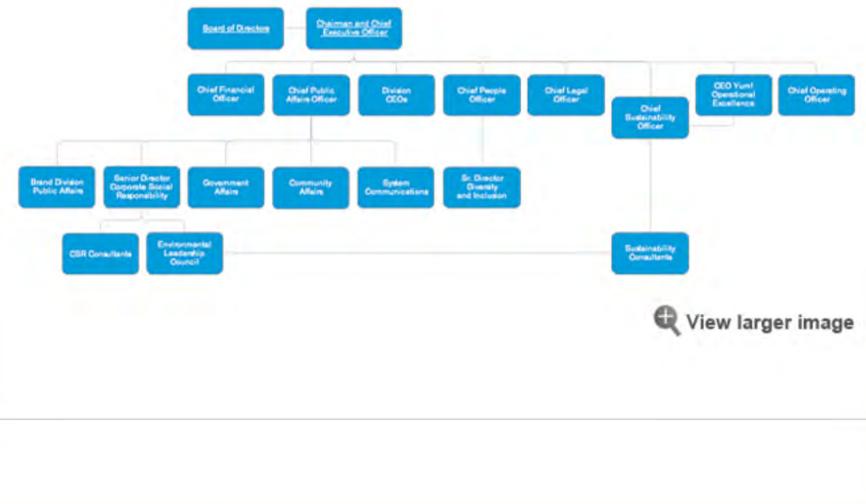
Structure

We've built an integrated, executive-level structure and process to assess, guide and oversee our worldwide CSR activities. This ensures consistency in global CSR standards and activities while allowing for local adaptation to fit diverse cultural contexts and needs.

We engaged a number of internal and external stakeholders along the way and we will continue to engage additional stakeholders as we move forward in our journey.

We will continue to refine our structure as needed, as well as the ways in which we measure progress against our objectives, to enhance our CSR capabilities and effectiveness.

CSR Organization Structure









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Did you know...

In 2004, KFC China launched a national youth three-on-three basketball tournament, the largest corporatesponsored sports program in Chinese history. The program, now in its 7th season, is the world's largest grassroots basketball program with more than 167,800 participants, that's 30,100 teams across 480 plus cities. Learn More

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Key Stakeholders in the Yum! Family

Many of the important decisions and actions related to CSR are made and taken by our key stakeholders, outside of the immediate control of the company, but within our system. Our franchisees are our most important partners in the implementation of practices regarding associates, sourcing and community impact.

Our existing structure for engaging this important group in the U.S. includes:

- Unified Foodservice Purchasing Co-op (UFPC) Board of Directors
- Brand Franchise Associations/Board of Directors

Over the past 13 years we have built strong relationships with franchise owners and leaders, who inform and challenge us. We are now expanding the team of stakeholders to include those with important perspectives in the areas related to our most important CSR impacts and we intend to share our progress with these key stakeholders:

- Diversity Outreach and Improvements
- Health and Nutrition
- Supply Chain Innovation and Management
- Animal Welfare
- Hunger Relief
- Community Development





The Environment

Our Huge Heart

• The Environment (e.g., energy and water use, building design, waste and packaging)





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Learn More





Governance, Public Policy & Government Affairs

The business and affairs of Yum! Brands are managed under the direction of the Board of Directors. The Board believes that good corporate governance and high ethical standards are critical factors in achieving business success and in fulfilling the Board's responsibilities to shareholders. The Board recognizes that its practices align management and shareholder interests: Board composition, independence, and diversity; corporate governance principles; executive compensation; ethics and compliance, and a worldwide code of conduct.

We operate in a complex and dynamic public policy environment. To influence this environment, we conduct direct and indirect advocacy efforts with policymakers at national, state and local levels, both in the United States as well as in our international markets. We participate in many other ways, including making political contributions through an associate Political Action Committee, engaging our employees and franchisees in grassroots political activities, and via our membership and active participation in several international, national and regional restaurant, retail and industry associations.



Chris Campbell, Senior Vice President, General Counsel & Secretary and Chief Franchise Policy Officer

The business and affairs of Yum! Brands are managed under the direction of the Board of Directors. A diverse range of experiences and perspectives among our directors ensures the success of the Board in overseeing our complex, varied businesses. It also enhances long-term shareholder value.

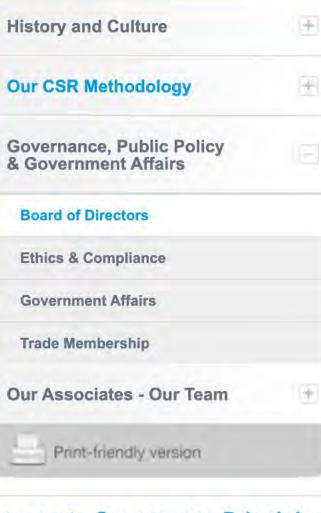








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Corporate Governance Principles

Adopted in 2001 and amended in 2007, 2008 and 2010, our Corporate Governance Principles of the Board of Directors, along with the Company's articles and bylaws, committee charters and the Worldwide Code of Conduct, provide the framework for Yum! Brands, Inc. governance. learn more

Executive Compensation

This is where information regarding executive compensation will be placed. This copy is simple placeholder text that will be replaced soon. learn more



Board Composition & Independence



Board Diversity

A diverse range of experiences and perspectives among our directors ensures the success of the Board in overseeing our complex, varied businesses.

When recruiting new directors, we look for leaders from different backgrounds that 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 at www.yum.com/governance/principles.asp.

We're proud of the diversity of our Board. As of this writing, one woman (Bonnie G. Hill) and three minorities (Ms. Hill, Robert Holland, Jr. and Jing-Shyh S. (Sam) Su) serve on our Board of Directors. Ms. Hill is President of B. Hill Enterprises, LLC, a consulting company. She was first elected to our Board in 2003. Mr. Holland has been a Managing Director and Advisory Board Member of Essex Lake Group, P.C., a strategy and management firm, since 2009. He has maintained a consulting practice for strategic development assistance to senior management of Fortune 500 companies since 2001. From 2005 to 2007, he was a member of Cordova, Smart and Williams, LLC, an investment fund manager, and a limited partner of Williams Capital Partners Advisors, LP, a private equity investment firm. He was first elected to our Board in 1997. Mr. Su, a Taiwanese national and Chinese citizen, serves as Vice Chairman of the Board, Yum! Brands, Inc. and Chairman & CEO, Yum! Brands China Division. He was first elected to our Board in 2008. The balance of our Board includes David W. Dorman, Massimo Ferragamo, J. David Grissom, Kenneth G. Langone, Jonathan S. Linen, Thomas C. Nelson, David C. Novak, Thomas M. Ryan, and Robert D. Walter.





Our Board of Directors is led by Yum! Brands Chairman & CEO, David Novak. Among the 12 directors on the Board, 10 are independent directors (based on New York Stock Exchange rules for director independence). The two nonindependent directors are David Novak, Chairman & CEO and Jing-Shyh S. (Sam) Su, Vice Chairman of the Board, Yum! Brands, Inc. and Chairman & CEO, Yum! Brands China Division. To view detailed profiles of our directors, please visit our website at www.yum.com/company/bod.asp.

The Board of Directors has established four committees:

- Audit Committee
- Management Planning and Development Committee
- Nominating and Governance Committee
- Executive/Finance Committee

Only independent directors serve on the Audit, Management Planning and Development, and Nominating and Governance Committees in accordance with our Corporate Governance Principles. The Executive/Finance Committee includes Chairman & CEO David Novak, along with independent directors J. David Grissom and Kenneth G. Langone.

To ensure continued strong performance, the Board has instituted an annual self-evaluation process led by the Nominating and Governance Committee. This assessment focuses on the Board's contribution to the Company and emphasizes those areas in which a better contribution could be made. In addition, our Audit, Management Planning and Development and Nominating and Governance Committees conduct similar self-evaluations on an annual



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Did you know...

Recognition is an integral part of our culture - we celebrate things big and small. In fact, "We love celebrating the achievement of others and have lots of fun doing it!" is one of our How We Win Together principles. Learn More



Ethics & Compliance

Yum! Brands' success is built on the integrity and high ethical standards of our associates. Our ethics and compliance program, based on our Worldwide Code of Conduct, demands the highest ethical standards in all of our operations around the globe.

Worldwide Code of Conduct

Yum!'s Worldwide Code of Conduct, adopted in 1997, is more than a document - it is the foundation for the way we conduct ourselves and do business throughout the world. It calls for the highest standards of ethical behavior from our Board members and one million-plus associates, and covers a variety of critical issues, including:

- Product Quality and Food Safety
- Relationship with Franchisees
- Employee Relations
- · Relationships with Customers, Suppliers and Competitors
- Diversity
- Gifts and Entertainment
- Safety and Environmental Protection
- Political and Community Activities and Contributions
- Substance Abuse
- Conflicts of Interest
- Bribery and Corruption
- Insider Trading and Proprietary Information
- Accounts, Record Keeping and Disclosure of Financial Information



We also know that, in any organization, raising an ethics concern - especially about a superior - can be difficult. So we have set up a system for associates to raise concerns through a safe, anonymous process. Using independent third parties, The Network, Inc., Deloitte Consulting, LLP and Employee Relations Strategies, Inc., we have opened local ethics hotlines in the U.S. and 19 countries that comprise our major markets. Our associates can use these hotlines 24 hours-a-day to anonymously raise a concern about possible Code violations or other ethical conflicts not covered by the Code. After a call, the independent third party relays the information to our management to investigate the concern.

The Audit Committee of our Board has established additional procedures for complaints and concerns of associates regarding accounting and auditing matters, including the confidential or anonymous submission of such complaints or concerns. More details on these procedures can be found at www.yum.com/governance/complaint.asp.

We also maintain a Supplier Code of Conduct to hold all suppliers to our high standards. To learn more about our Supplier Code of Conduct, click here.





The Code is published in English, Spanish, Chinese, German, and Korean. It can be found at

www.yum.com/governance/conduct.asp.

To help ensure compliance, we have developed a comprehensive program based on continuing compliance training for aboverestaurant employees.

Our Board of Directors and our most senior Company associates are also required to complete a conflict of interest questionnaire annually and certify in writing that they have read and understand the Code of Conduct.



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Tax & Trade Policy

We work to maintain tax policies at the international, federal and state levels that foster competitiveness, productivity and fairness, while ensuring an appropriate tax level for the corporation.

We support trade policies, including bilateral and multilateral trade agreements, which allow for the free movement of commodities among international markets to provide access to the highest quality ingredients at the lowest price.



Government Affairs



continuing our employment practices.

We participate in the U.S. Department of Labor's Work Opportunity Tax Credit (WOTC) program. We hire and train workers who are economically and physically disadvantaged, and we receive a tax credit for doing so. We use the program to provide thousands of first-time jobs to individuals around the country, many of whom were previously on public assistance. Through the WOTC program, we are able to provide valuable job training and skills to help them become productive members of the workforce. We have consistently advocated in Washington to have the WOTC program made a permanent part of the U.S. tax code, and to simplify it to make it more user-friendly for small employers such as our franchisees.



international markets.

Health and Nutrition

We have implemented a set of global nutrition guidelines that defines our proactive efforts to improve the nutrition profile of the foods we offer, while continuing to provide great taste, value, and convenience across our markets. We are also committed to educating our consumers and encouraging them to adopt balanced, healthy lifestyles. We support policies that limit restrictions on consumer choice and we work with governments, industry associations, and others to promote an environment that fosters freedom of choice and innovation.

We have partnered with the U.S. government and dozens of leading U.S. food corporations on an initiative -the United States Department of Agriculture (USDA) MyPyramid Corporate Challenge - to help stem the tide of increasing weight and obesity among America's young people. As a charter member of the Corporate Challenge, we have committed to incorporating MyPyramid educational information in our in-restaurant marketing materials.

We also worked with the U.S. Congress to enact uniform national menu board MyPyramid.gov guidelines for prepared food sales, providing a consistent way to educate the public about the nutritional value of the food they eat, this mandate was included in the U.S. Healthcare legislation. As a result, our U.S. divisions of KFC, Taco Bell, Pizza Hut, Long John Silver's and A&W will be placing individual serving size calorie information on their respective menu boards in company-owned restaurants in 2011. The U.S. Food and Drug Administration is currently in the process of completing actions on regulations to implement this program.

Our Associates' Voice - The Yum! Brands Good Government Fund

We established a voluntary associate Political Action Committee (PAC) that supports candidates for political office in the U.S. whose positions align with our business strategies. The PAC is non-partisan and supports candidates from both major political parties.

Our associate PAC is dedicated to the election of pro-business candidates at the federal, state, and local levels of government. We follow the general guidelines of supporting the preservation and growth of the private enterprise system; electing candidates on a non-partisan basis, using business-related issues as the key benchmark; and emphasizing political races in areas where our associates live and work. In the 2010 election cycle, our PAC contributed more than \$137,000 to candidates at the federal and state levels - almost doubling our level of giving from the previous cycle.

In addition to complying with all U.S. federal and state regulations, our PAC is annually audited by both Comerica Bank and an internal Yum! audit team . Our PAC also provides an annual report to our donors and interested parties regarding our activities. A detailed listing of the PAC's receipts and disbursements can be found by visiting the Federal Election Commission's website at www.fec.gov/.



Our goal is to educate policymakers about our business and the issues that are important to us and our franchisees. In pursuit of an environment where our restaurants, franchisees, associates, and the communities we serve can thrive, we focus our public policy efforts and governmental partnerships on a variety of issues including associate benefits, health and nutrition, tax and trade policy. We strictly follow all government regulations wherever we operate.

Associate Benefits

Our associates are our company's most important resource. And in the highly competitive environment in which we operate, we know that our success depends on our ability to attract and retain a diverse, empowered workforce. We support public policies that foster a business climate that is conducive to

Paul Carothers, VP, Public Relations - Government Affairs

We operate in a complex and dynamic public policy environment. To influence this environment, we conduct direct and indirect advocacy efforts with policymakers at national, state and local levels, both in the United States as well as in our



STEPS TO A HEALTHIER VOL



About Us **History and Culture** ÷ \pm **Our CSR Methodology** Governance, Public Policy & Government Affairs **Board of Directors Ethics & Compliance Government Affairs Trade Membership Our Associates - Our Team** Print-friendly version Did you know... Through the U.S. based Harvest

program, we donated nearly 11 million pounds of wholesome food, with a fair market value of \$60 million, to needy families and children in 2009. Since creation of the program, we've donated over 125 million pounds of food, with a value of over \$500 million, to those at risk of hunger.

Learn More

JOIN US

Our Trade Association Memberships

Trade associations enable us to join together with other companies in our industry to address common interests and issues in the public policy arena. Our trade and member-based associations act as a public advocate with the press and elected officials, develop research on relevant issues, and coordinate joint efforts to address issues and opportunities within the restaurant, retail and food industries. Our current memberships include:

- American Potato Trade Alliance (APTA)
- Association of National Advertisers (ANA)
- Business for Social Responsibility (BSR)
- China Advertising Association (Yum! China)
- China Association of Enterprises with Foreign Investment (CAEFI)
- China Chain Stores and Franchise Association (Yum! China)
- China Cuisine Association (Yum! China)
- China Food Safety Association (Yum! China)
- Conference for Food Protection (CFP)
- European Modern Restaurant Association (EMRA)
- Food Packaging Association (FPA)
- International Franchise Association (IFA)
- International Poultry Council (IPC)
- Kentucky Clean Fuels Coalition (KCFC)
- National Chicken Council (NCC)
- National Council of Chain Restaurants (NCCR)
- National Restaurant Association (NRA)
- National Retail Federation (NRF)
- National Fisheries Institute (NFI)
- Sustainable Packaging Coalition (SPC)
- U.S. ASEAN Business Council
- U.S. Chamber of Commerce
- U.S. Dairy Export Council
- U.S. Green Building Council
- U.S.-India Business Council
- U.S. Poultry & Egg Export Council
- · Various U.S., state retail and restaurant associations



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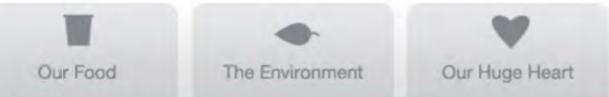






Yum.

About Us



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Learn More





Our Associates - Our Team

We feel the sustainability of our business starts with our commitment and responsibility to our associates. This commitment goes beyond just growing their professional skills. For many of our team members, working in one of our restaurants is often their first job. So we strive to develop their life skills - foundational abilities such as teamwork, responsibility, problem solving, positive energy, and a relentless drive to serve and satisfy customers - so they can grow to their full capability, be successful in whatever they do, and achieve their dreams.



goals and objectives.

The strength of our culture and commitment to associate growth is measured regularly. For example, in 2009 in our U.S. company-owned restaurants, 82 percent of our Restaurant General Managers (RGMs) and 66 percent of our Shift Managers were promoted to those positions from within the company.

Our How We Win Together Principles (HWWT₂) guide all aspects of our associates' daily work lives, professional and personal development and customer interactions. "Believe in All People" is the first of our HWWT2 principles because we believe everyone has the potential to make a difference.

We know our greatest competitive strengths are our culture and over 1 million associates in our restaurants and our Restaurant Support Centers worldwide. We also recognize that since for many of them, working in one of our restaurants is often their first job, this puts us in a unique position to help our people start their careers and develop their skills. We take this responsibility seriously. We are dedicated to teaching our front-line team members the life skills they need to be successful in whatever they do from getting to work on time, teamwork and accountability to listening to our customers, and learning how to resolve issues and recover when mistakes are made.

Our business is diverse and complex. Over 80 percent of our U.S. restaurants are owned by franchisees or licensees. In our companyowned restaurants and Restaurant Support Centers, we directly employ only about 25 percent of the total number of Yum! associates. For that reason, we cannot oversee associate practices in all of our over 38,000 restaurants. We do, however, offer guidelines, coaching and training to encourage our franchisees and licensees to implement and manage best practices in accordance with our corporate

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About Us

Our Food

The Environment Our Huge Heart

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Did you know...

Yum!'s newly appointed CSO has outlined Yum!'s Global Enterprise Wide Goals for Sustainability. These goals include reducing global energy and water consumption, LEED certifiable restaurant prototypes, and a global packaging vision. Learn More



Total Rewards: Benefits, Compensation & Energy to Win

We provide comprehensive, total rewards packages that help us attract, retain and engage talented Customer Maniacs all around the world based on principles that matter to each associate. Our programs are designed to:

- Reward individuals and our teams for driving great business results;
- Support our associates in caring for their health and preparing for their future;
- Provide resources to promote personal energy and wellness; and
- Provide opportunities for personal and professional growth and development



A variety of programs is available to our full and part-time associates. As our associates grow with the company - from Team Member to Restaurant General Manager - so do their rewards. The majority of our restaurant associates are paid on an hourly basis and work on a part-time basis. In support of this, many of our benefits for restaurant associates are available either immediately or within 60 days of employment without requiring a certain number of hours worked. Our franchise owners develop and execute their own associaterewards programs. Our compensation rewards include competitive base pay, short-term bonuses to recognize immediate results and long-term incentives to build wealth

and retention. For example, in the U.S. and in some of our larger international markets such as Australia, our restaurant managers receive YUMBUCKS stock appreciation rights, which allow them to share in the financial success of the company. Grants are given to new restaurant leaders on an annual basis to demonstrate our commitment to them as well as to existing leaders in recognition of achieving positive restaurant performance. By making each restaurant manager an owner of the company, we offer them a stake in the company's overall results, as well as his or her own restaurant's performance.

Our benefits packages are designed with the understanding that each of our associates is an individual with different needs and goals. Yum! offers a variety of benefit programs for our associates that are competitive to local market practices around the globe, including:

- Medical benefits designed to protect our associates while educating them on how to manage their healthcare and costs;
- Life insurance designed to protect our associates and their families in the event of an unexpected loss;
- · Retirement benefits designed to allow our associates the opportunity to provide for their future financial security;
- Scholarships to deliver on the promise of building people capability;
- Assistance programs to help support our associates in managing the demands of their daily work and home life; and
- Discounts for child care and auto purchases, using the company's buying power on behalf of associates.

In addition, in 2009 we developed a global strategy called "Energy to Win" to engage and support our associates in their efforts to boost their personal energy and overall well-being . As a company that believes in all people, we want to provide our associates with tools and resources that allow them to be at their best at work and at home.

Our China team has initiated several programs focused on providing useful tools and know how building around energy geared toward restaurant employees. Currently, they have been focused on providing useful tools and knowledge. Progress to date includes:

- Working with Restaurant Excellence and Operation teams to revise the current Operation Training Booklet. They will incorporate the Wellness concept into restaurant training and development systems in order to help restaurant management teams better understand these concepts and techniques. Development of the "Happy Working" training curriculum. The
- Training and Development team has conducted a "Happy Work" training curriculum, so that our employees can tackle working pressure appropriately and effectively.
- Providing know how building and tools to help associates in areas such as effective stress management, maintaining a positive attitude, appropriate exercise and rest, and balanced diet. This includes the "Healthy Self-Management Knowledge Handbook" recommended by the Shanghai Municipal Health Promotion Committee which has a comprehensive approach to living a healthly lifestyle.
- Integration of wellness promotions into various activities organized by the company, and promotion through a diverse channel of communications to our employees, such as Family System, Winning Together, Annual Conferences, RSC Communication Session, "Yum! Internal News Letter", Bulletin Boards, Emails and promotional cards etc.

We believe that we provide a rewarding workplace and working conditions, and that our compensation and benefit policies compare favorably with those of our principal competitors. For more information about the range of compensation and benefits available to our associates, please visit www.yumsuccess.com/culture/benefits.







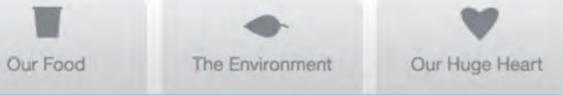
🗩 About Us + **History and Culture** $\frac{1}{2}$ **Our CSR Methodology** Governance, Public Policy +& Government Affairs **Our Associates - Our Team Total Rewards** Recognition **Training & Development** Assoc. Rights & Responsibility Diversity Print-friendly version Did you know... Since 2005, the Yum! Brands Foundation has contributed nearly \$4 million in disaster relief assistance across the globe. These funds are in addition to donations made through our partnership with the World Food Programme. Learn More JOIN US FOLLOW US ON TWITTER

Recognition

Recognition is an integral part of our culture - we celebrate things big and small. In fact, "We love celebrating the achievement of others and have lots of fun doing it!" is one of our How We Win Together₂ principles and the reason our culture is brimming with positive energy, teamwork, and fun. Chairman and CEO David Novak personally models a recognition culture in a light-hearted way with his own "Yum! Award" - a set of chomping dentures with legs given to all those who "walk the talk" of leadership. All leaders in the company have their own personal recognition awards and above are a few examples of different Yum! Recognition awards and their recipients.

We are proud to announce our Chairman and CEO David Novak was named #14 on Fortune's The 2010 Businessperson of the Year.

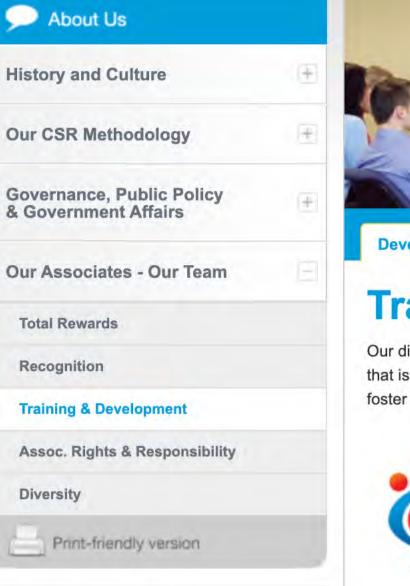












Training Results

We seek to maximize training and development opportunities for our associates wherever we operate. We've made significant progress across our global markets, for example:

- In China, 98 percent of our more than 3,300 associates in the Restaurant Support Center participated in our internal training program in 2007. In total, 3,230 associates received 26,300 hours of corporate training, an average of eight hours per associate.
- In Australia, our training program qualifies Yum! as a Registered Training Organization. This certification recognizes our high training standards and allows us to assess associate skills and competencies in line with the government's TAFE (Technical and Further Education College) standards. Associates who participate are awarded with TAFE Certificates and Diplomas. The number of hours an associate spends training each year depends on his or her role and experience, ranging from two to 25 percent of his or her time.
- In Mexico, our associates participate in 65 - 130 hours of training per year, depending on their roles and positions.
- In France, team members receive 24 hours per year in training, while managers participate in 150 hours of training per year.



Training and Development

Our diversified, decentralized operations in over 110 countries and territories demands an approach to developing talent that is customized and highly interactive. We strive to create programs across the world that unlock individual talent and foster both business and personal growth.



Yum! University is focused in three core areas that are important to our success

- 1. Culture Excellence
- 2. Leadership Excellence
- 3. Functional Excellence

Within each of these areas of excellence, we have developed skill-building workshops and programs that are adaptable to meet local needs and drive a consistent vocabulary, processes, models, and skills across the system.

We want to make learning and career development opportunities accessible to as many of our associates as possible. In the U.S., we provide salaried associates with tuition reimbursement for gualified undergraduate and graduate courses taken toward a job-related degree program at any accredited college or university, up to a maximum of \$4,000 per calendar year. We also award over \$500,000 in scholarships annually through our Andy Pearson Scholarship Program, established in memory of our founding Chairman. Since implementing the program in 2003, we have awarded just under 1,500 scholarships to associates and their legal dependents. In 2009, 39% of the scholarships were given to students of color; 56% percent to female students.



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Yum! University (YU) is a worldwide learning and development platform that offers courses and workshops delivered in various formats and designed to teach the skills and behaviors that continue to build the capability of above-restaurant leaders - franchise and company, field and RSC-based - around the world. Our traditional and virtual classrooms are forums where we can build new skills, share best practices, develop relationships, and learn together in a "one system" way across all brands and geographies.



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Development

Customer Maniacs

Training Our Associates to be Customer Maniacs

We invest in delivering superior customer service and satisfaction, which we refer to as Customer Mania, in all our restaurants. Annually, we train over 1 million company and franchise associates around the globe to become Customer Maniacs, empowered to do whatever they can to serve and satisfy our customers. This makes business sense and helps our associates to build relevant business and customerinteraction skills.

Our focus on Customer Mania starts with our hiring philosophy - to take what our company stands for and use that to find the kind of people who have a strong chance of being happy, productive and successful working here. Because we have a consistent set of values, a well-defined and unique culture, and a clear mission for our business, we have the understanding and tools to make this philosophy work well. We call this "Smart with Heart," and we use it to hire for every position within our system - hourly team members in our restaurants and accountants alike. Some of the underlying principles of Smart with Heart include hiring people who:

- · Can inspire rather than manage;
- Are engaged rather than compliant;
- · Will enable their teams rather than muscle them;
- Are connected rather than indifferent; and
- · View Customer Mania as a passion, not a chore.



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ABR Coaching Investing **Engaging Associates**







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Development

Customer Maniacs

"Achieving Breakthrough Results" program reinvigorates our culture and is core to our Leadership Development

We are taking Leadership Development to a new level within Yum!. In 2008 we introduced a new, high-impact leadership and action-planning training program - Achieving Breakthrough Results (ABR) - to all of our above store leaders (including everyone in our Restaurant Support Centers around the world), all RGMs, and all Franchisees. The objective of ABR is to provide the personal training and tools for individuals to raise the bar on their performance and achieve breakthrough results in and outside the workplace.

In ABR we begin by asking ourselves, "What can I do now to get breakthrough results in my piece of Yum!?" This determined attitude, which we call "intentionality," drives step-change thinking. We imagine how big something can be and work "future back": setting a vision for success, then working backward to develop the strategies and actions to achieve it, and always doing so with positive energy and personal accountability.

After completing the initial workshop, associates and franchisees are provided with four weeks of targeted coaching to help "make it stick" - integrating the concepts, tools and skills they learned into their day-to-day behavior, both on and off the job.

The program has been very well received, and we continue to reinforce the tools and behaviors of ABR in all of our processes and communications so it becomes engrained in our culture and our way of doing business. To date, the vast majority of our employees and many franchisees and their teams have gone through ABR training.

In 2010, we have built on the strong foundation of the ABR training and are beginning the cascade of additional Leadership Development offerings for all associates. The first is a Culture module focused on our How We Win Together₂ principles. In this e-learning module, new associates quickly get up to speed on our unique culture and how to achieve results within it. The second offering for all new associates is our "Leading Self for Breakthrough" learning track. Through a series of online, virtual, and in-class offerings, new associates come to understand what we mean when we say that "everyone is a leader, everyone counts, and everyone can make a difference" at Yum!, and they learn skills to bring these beliefs to life. They also gain insights into the power of Emotional Intelligence and the Shadow of the Leader.

The third offering in our new Leadership Development curriculum is "Leading Others For Breakthrough," and is aimed at newly hired or promoted coaches at every level. In this set of learning experiences, associates learn how to make a successful transition from individual contributor to coach, including what behaviors and practices they need to let go of, preserve and add on in order to achieve breakthrough results with their teams. At Yum!, we believe that leadership is a privilege and this program lays out the expectations and accountabilities that coaches have to demonstrate in order to earn that privilege.

This new curriculum will be offered to all existing above-store associates in 2011 to ensure that everyone is "on the same page" with regard to what it means to be a leader at Yum!.



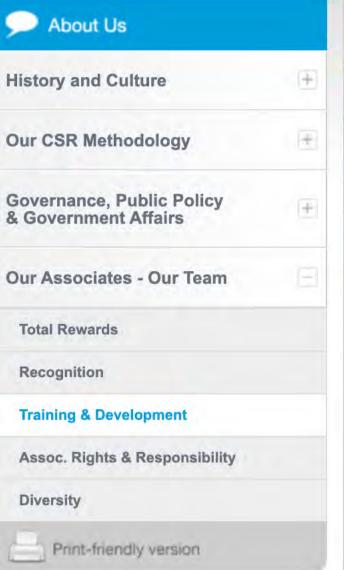
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INTENTIONALITY RESULTS THINKING





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Coaching and Mentoring

We launched our global online mentoring matching system in 2009 and currently operate in all of our domestic divisions, except Taco Bell, who has their own mentoring program. We also operate in 6 of our international BMUs. There are currently over 631 program participants about equally split between mentors and mentees. Over 20% of our women and minorities are taking advantage of the online mentoring system. Based on Yum!'s success with global online mentoring, we have become a best practice leader and have been recently benchmarked by JC Penney, Starbucks, Humana, Darden Restaurants, GlaxoSmithKline, UPS, and many more. This year, we added additional mentoring opportunities including "reverse" mentoring to engage our multi-generational workforce and "transition" mentoring for those associates and leaders who are moving through job transitions.

Our China team has developed a mentoring program that enables our senior associates to guide, coach and support high-potential associates in order to develop and retain them. As a result, our operations staff in China, which represents about 90 percent of our entire China-based team, has been entirely developed and promoted from within.

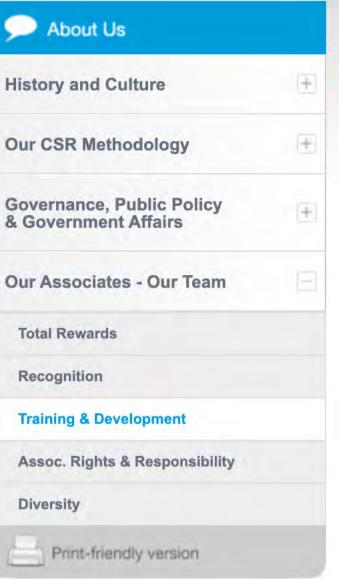
We are also implementing a new and effective coaching model that builds on the foundation of our culture and ABR training. We are in the early stages of testing and implementation, but initial results are very positive. In 2011 and beyond, we will look to continue to expand this model into our organization.

Pizza Hut

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Investing **Engaging Associates**





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Development

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Investing in Learning Technologies

Implementing a global learning technologies platform across the world is a foundational element to our learning & development strategy across our system. We understand the power that these technologies can bring to us in order to drive greater consistency in our execution as well as increasing the speed and ease of delivering learning around the globe. Over the past few years, we have been moving aggressively to reduce the paper-intensive training systems historically used in our restaurants.

We are rolling out technology-based, distance-learning methods such as self-paced online instruction and virtual classroom sessions, as well as beginning to adopt social networks that enable more informal learning and sharing of best practices. For example, we plan to eliminate our paper-based standards manuals (as large as 3,100 pages per restaurant) as all of our brand restaurants come online. In some markets like Australia, this is already a reality. We are implementing these learning technologies into our restaurants across our entire global restaurant system between now and 2012 and are currently live in more than 13,000 restaurants around the world. In 2010, we will deliver nearly 2 million courses to team members around the world. More than 80% of those will be delivered via self-paced online learning or in live or recorded virtual classrooms.

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Development

Customer Maniacs

How We Engage with our Associates

At Yum!, we believe that "the more you know, the more you care." Because of that belief, we actively encourage open dialogue across the whole organization, and continuously seek feedback on how we are doing as a company.

A few of the ways in which we achieve this level of engagement includes:

Operations teams spend a considerable amount of time in our restaurants-- a minimum of 80 percent of their time is spent in the restaurants, not in an office. This means that each member of the Operations team talks monthly to associates about their work, lives and the business.

The Yum! and Brand/International Executive Teams also spend significant amounts of time in the restaurants observing and speaking directly with employees and customers about their perspectives. These discussions often lead to improvements in associate programs and operations procedures, as well as new product innovations.

The senior leadership teams from each Brand and International division conduct regular roundtables, team meetings, focus groups and conference calls. Chairman and CEO David Novak has quarterly "Talk to David" conference calls that any global associate or franchisee can call into, toll free, for updates about our business, to ask questions or provide feedback and ideas. David also has a global internal blog where he shares his personal thoughts on the business and seeks ideas and thoughts from others on the team on a frequent basis.

We also administer a survey every year to all of our associates worldwide. This Dynasty Survey assesses employee input on three areas:

- an organization in living up to our strategy and vision.
- up to the expectations of our leaders.

Results from the 2010 survey confirm that our employees are highly engaged at Yum!, feel like senior leaders are doing a great job of providing direction and leadership for the company, and that supervisors are generally living up to the HWL/HWWT₂ expectation. Our areas of opportunity continue to be better and better at recognizing everyone for their contributions and in continuing to be creative in how we provide growth and development opportunities to all. A weekly CHAMPS (Cleanliness. Hospitality. Accuracy. Maintenance. Product Quality. Speed of Service) survey is used by restaurant teams to gauge associate satisfaction with operations procedures, working conditions, support provided by our Restaurant Support Centers and general feedback.

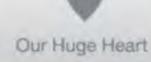
Our commitment to consistent, open and accessible communications allows us to keep each and every one of our associates informed of, and engaged in, our business.



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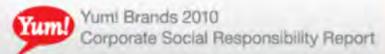
Engaging Associates Investing



1. Employee Engagement - designed to capture employees' experience working at Yum!

2. Bringing the Yum! Dynasty Growth Model to life - designed to capture how employees think we are doing as

3. How We Lead/How We Win Together₂ - designed to capture how employees think their supervisor is living



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We believe we can have the greatest impact in advancing our health and nutrition platform throughout our system and the industry with action-oriented change. To do this we have established global nutritional guidelines for all our businesses.

Learn More

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Associate Rights and Responsibilities

All our associates have the right to work in a fair and safe environment. Our Worldwide Code of Conduct holds all of us accountable for ensuring that we treat our colleagues with respect and fairness, allowing them to be recognized and rewarded based on their performance. For more information or to view the Worldwide Code of Conduct, please visit www.yum.com/investors/governance/conduct.asp.

Our associates and franchisees are expected to comply with all applicable local labor laws regarding wages and working hours in every country in which we operate. There is no place in our organization for any type of harassment or discrimination because of age, gender, race, religion, national origin, sexual orientation, or physical abilities.

Ensuring a Safe Working Environment

The safety of our associates is deeply embedded in our primary business objectives and in the activities of our global operations. Health and safety is managed across all our strategic business units - the U.S., YRI, Yum! China and amongst our franchise owners. In the U.S., our Loss Prevention team has annual performance goals heavily weighted on safety in company-owned restaurants. Our China and YRI businesses have similar safety goals. In addition, franchisees and licensees are provided with safety and security standards as well as training set forth in our operational policies and procedures.

All of our operations around the world are compliant with local regulations regarding safety and injury tracking. In addition, we have successfully achieved our goal of developing a standardized, injury-frequency benchmarking tool for our international operations. Our larger business units, around the world, are contributing injury-frequency data, namely the U.K., Australia, and China. Accurately measuring and understanding injury occurrences will highlight the best safety and security practices in our system, which we can then share with all associates and franchisees.

We also have a number of programs in place to continuously improve our health and safety program, which includes safety lessons and safety reviews in all U.S. company restaurants. In the UK, this includes life saving delivery driver training, licensing, and uniforms for our motorcycle delivery drivers. Members of our senior leadership team are also provided with safety and performance data each quarter, for U.S. company operations. While participating in market visits, the YRI senior leadership team models safe behavior by wearing slip-resistant shoes.

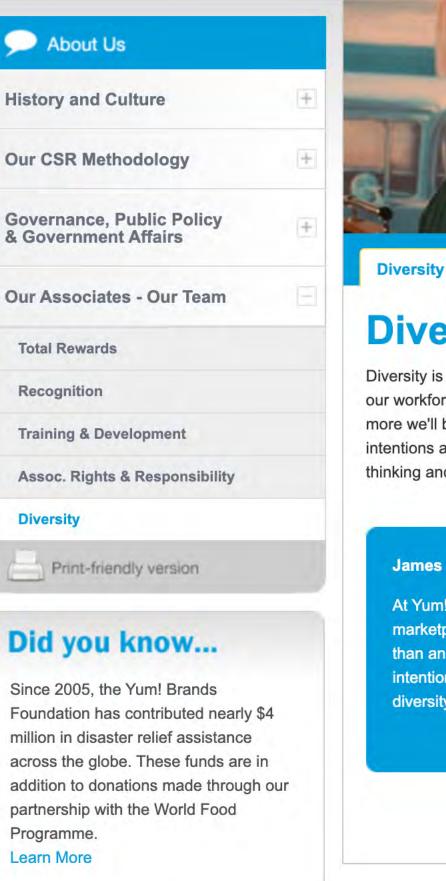
Our goal is to continue to reduce the number of accidents and injuries in our restaurants across the world. Some of our major markets have succeeded in significantly reducing injury frequency rates. In the U.S. the injury frequency rates in our company-owned restaurants have declined by over 59 percent in the last 12 years (or from 1997-2009).

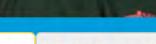
In markets where we have seen an increase in the number of work-related accidents and injuries, we are working to implement programs that will address the areas of concern. While this rate remains low, we are taking appropriate measures to reduce these rates in the future. These measures include increased health and safety training and the implementation of specific programs to address the areas of concern.





About Us





Recruitment / Retention

Diversity at Yum!

Diversity is an organizational priority set by our Chairman. We believe that the more our company - including all levels of our workforce, our franchisees and our suppliers - reflects and engages the global marketplace in which we operate, the more we'll be able to satisfy our customers. We do that with a "Believe in All People" attitude. We trust in positive intentions and believe everyone has the potential to make a difference. We actively seek diversity in others to expand our thinking and make the best decision. We coach and support every individual to grow to their full capability.

James Fripp, Yum! Brands Sr. Director of Global Diversity and Inclusion

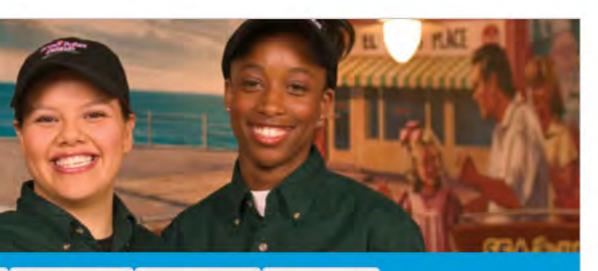
At Yum!, we believe that the more our company reflects and engages the global marketplace in which we operate, the more we'll be able to satisfy our customers better than anybody. We do that with a "Believe in All People" attitude. We trust in positive intentions and believe everyone has the potential to make a difference. We actively seek diversity in others to expand our thinking and make the best decision.

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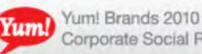




Franchising

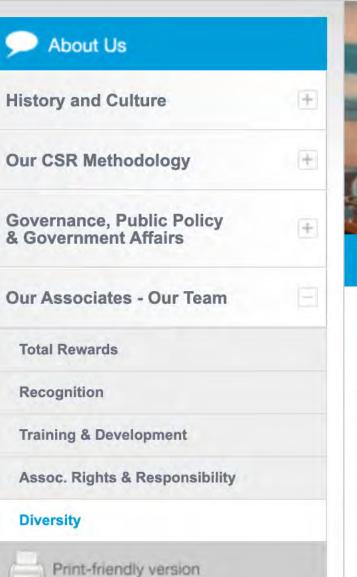
Recognition Investment





Corporate Social Responsibility Report

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Recruitment / Retention

Diversity

Recruitment and Retention

Yum! has a highly intentional internal employee referral program that sets a goal of 50% diverse candidate identification. It focuses on (1) hiring top, diverse talent post MBA and early in their careers via the Management Leadership of Tomorrow Institute; (2) building dynamic, personal partnerships with the National Society of Hispanic MBAs (NSHMBA), the National Black MBA Association (NBMBAA), the National Association of Women MBAs (NAWMBA); the Women's Foodservice Forum (WFF); and the Multicultural Foodservice and Hospitality Alliance (MFHA); and (3) leveraging online business networking tools (i.e. LinkedIn), including minority sites, to communicate our openings to key diversity groups and associations.

Diversity is a standing part of our quarterly Business Reviews. We focus on providing robust growth opportunities through broadening experiential and developmental assignments. In addition, this year we have focused on building learning experiences that increase our multicultural competency, improve our communication skills, build better teams, and drive creativity and innovation. Pizza Hut has become an active partner in the Diversity Connections Consortium, a network of diversity practitioners based in Dallas, TX, who meet regularly to discuss diversity best practices. And in Kentucky, Yum! has helped start the first National Women's MBA chapter with one of our executives as the chapter's first chair.



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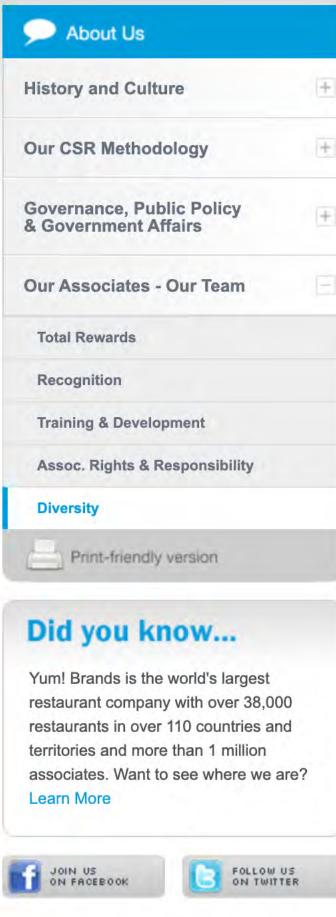




Franchising

Recognition Investment







Diversity

Recruitment / Retention

Franchising and Supplier Diversity

We are extremely proud of the progress we have made, and continue to make, in promoting supplier diversity in the U.S. Led by our Unified Foodservice Purchasing Co-op (UFPC) partners, this year we met our goal of directing 10 percent of our purchasing expenditures to minority and/or women-owned businesses.

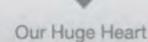


Yum! has also been working with the RainbowPUSH organization and is committed to increasing ethnic minority franchisee ownership over the next 5 years in the U.S. KFC will be leading that effort with a goal to achieve a 33% increase in minority ownership by 2016. This effort will include increased minority franchisee support, a minority funding assistance initiative and increased re-franchising opportunities. We will also channel qualified minority candidates to those franchisees seeking to sell their existing restaurants. KFC also recently created a new position of Director of Multicultural Development. KFC's diversity plan also includes a target of 12.5% MWBE supplier purchasing by 2016.



More than 50% of the employees in these stores are hearing and speech impaired and they are amongst the best performers in the country on all business and consumer metrics. Yum! India has recently been selected as a recipient of the National Centre for Promotion of Employment for Disabled People (NCPEDP) - Shell Helen Keller Award 2010 as a company who, through their policies and practices, demonstrates its belief in equal rights and gainful employment for persons with disabilities.





Franchising

Recognition Investment

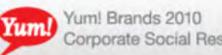
We continue to increase our efforts in the recruitment of minority and women franchisees and suppliers and continue to align with community leaders such as the Women's Business Enterprise National Council, the National Minority Supplier Development Council, the National Urban League, the National Council of LaRaza and the U.S. Pan-Asian American Chamber of Commerce, among others, to provide strategic access to minority suppliers and entrepreneurs who are exploring business opportunities.

We continue to strengthen our relationship with these and other business organizations. In fact, we have shaped new strategic relationships, including one with the Marathon Club, a unique organization of African American and Hispanic owned private equity funds, to build our pipeline of qualified minority suppliers and potential franchisees.

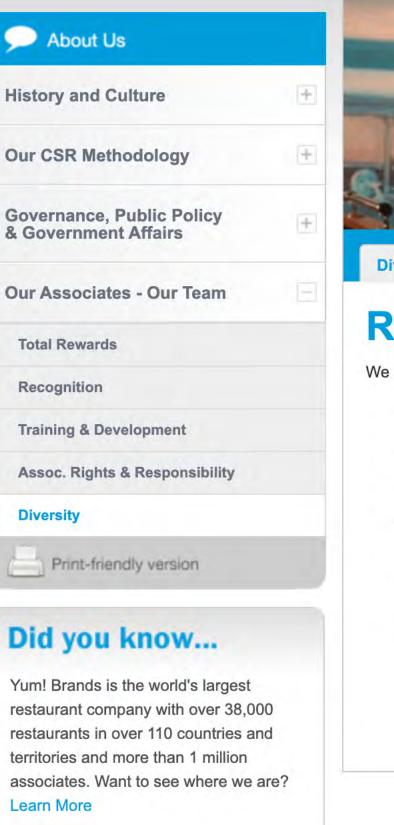
We are very pleased to further demonstrate our commitment to diversity by establishing a Minority Lending Assistance Program designed to aid qualified new ethnic minority franchisees in their efforts to enter the KFC, Pizza Hut, and Taco Bell systems. Our goal is to increase the number of minority franchisees and minority owned restaurants in our system.

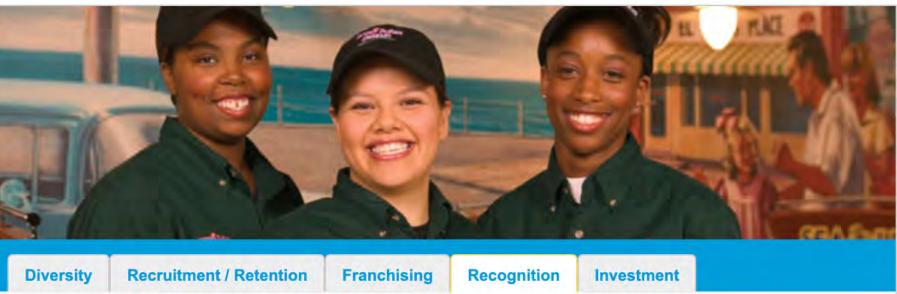
One of our How We Work Together₂ principles - Believe in All People - is built on the importance of actively seeking diversity; believing everyone has the potential to make a difference; and coaching and supporting every individual to grow to their full capacity. Believing in all people, we take great pride in creating employment opportunities for people with disabilities. India opened our first specially equipped KFC restaurant in 2008 and has expanded to seven restaurants in four cities in the past two years.





Corporate Social Responsibility Report





Recognition

We are very proud of the recognition we have received in our continuing efforts towards diversity within our company:

- Fortune Magazine's "Top 50 Employers for Minorities" and "Top 50 Employers for Women"
- Black Enterprise Magazine's "40 Best Companies for Diversity" for six consecutive years
- National Society of Hispanic MBA's "2009 Brillante Award for Corporate Excellence"
- Hispanic Magazine's "Corporate 100 Companies Providing Opportunities for Hispanics"
- Hispanic Enterprise Magazine's "Top 50 Corporations for Supplier Diversity"
- Multicultural Foodservice and Hospitality Alliance's (MFHA) National Corporate Champion Award
- Yum! Restaurants (India) Pvt. Ltd. was a recipient of the National Centre for Promotion of Employment for Disabled People (NCPEDP) - Shell Helen Keller Award 2010. This award is given to companies or organizations who share the NCPEDP's vision and through their policies and practices demonstrate their belief in equal rights and gainful employment for persons with disabilities.

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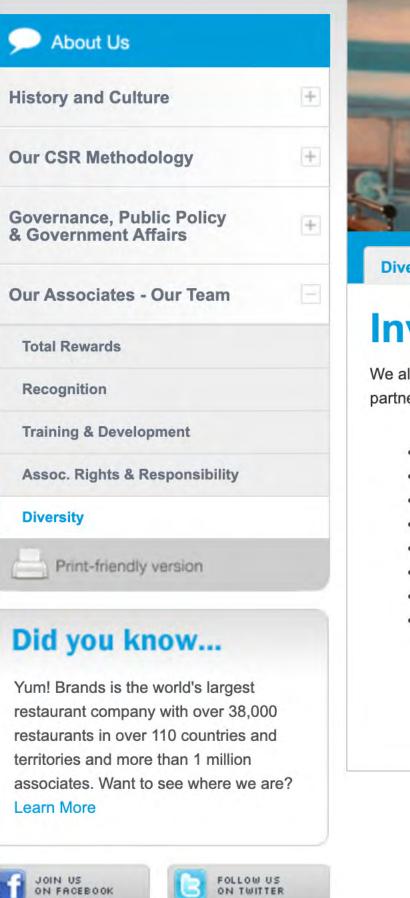
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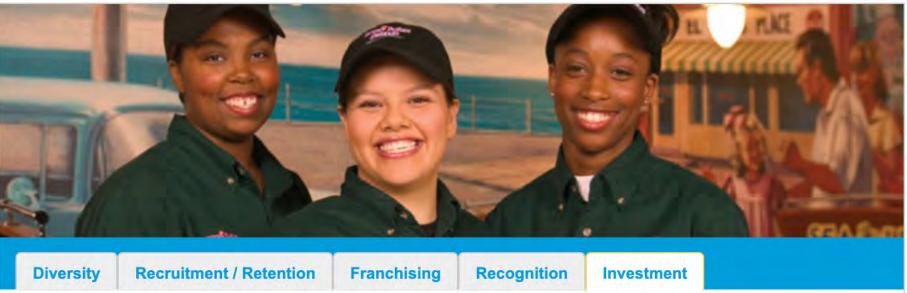






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Investment In Our Communities

We also invest in the diversity of our communities via our philanthropic programs. We have partnerships with the following:

- National Minority Supplier Development Council
- Kentucky Center for African American Heritage
- Women 4 Women
- Women's Business Enterprise National Council
- Women's Foodservice Forum
- Muhammad Ali Center
- National Council of LaRaza
- Multicultural Foodservice and Hospitality Alliance



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Watch Video

We are committed to providing great tasting food to our consumers. To do this, we continue to review the nutritional attributes of our menu items and the suppliers we use to source our food.

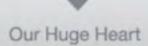
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Operating great restaurants that meet the highest food safety standards is also part of this commitment and is evident in every aspect of our business - from raw material procurement, including livestock and produce, to our restaurant food preparation and delivery.





The Environment





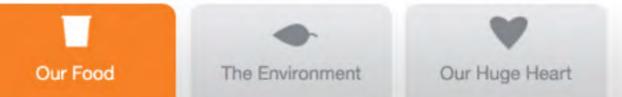
U.S. Harvest Program Watch Video



Pizza Hut U.S. arvest Program Watch Video







Our Food Nutrition Global Guidelines Progress and Future Plans Keep it Balanced Restaurant Safety Stakeholders Supply Chain Print-friendly version

Did you know...

Yum! has awarded over \$500,000 in scholarships annually through our Andy Pearson Scholarship Program, established in memory of our founding Chairman. Since implementing the program in 2003, we have awarded just under 1,500 scholarships to associates and their legal dependents. Learn More





Nutrition



highlighted many challenges. We are committed to being a productive part of this debate and to helping identify solutions.



Gena Gerth, Quality Assurance - Nutrition

At Yum!, we are focused on improving the nutritional attributes of our menu, promoting physical activity programs and always providing great tasting food. Customers are always looking for more choices and variety in the food we serve, so we continue to expand our menu choices in all of our restaurants. As we expand our menus, improving nutritional values while maintaining the great taste of our food is also important to us.



At Yum!, we are focused on improving the nutritional attributes of our menu, promoting physical activity programs and always providing great tasting food. The global debate regarding health and nutrition and the role of quick service restaurants has ed to being a productive part of this



About Us



Our Food + -Nutrition **Global Guidelines Progress and Future Plans** Keep it Balanced **Restaurant Safety** Stakeholders **Supply Chain** +Print-friendly version

Did you know...

Since starting the World Hunger Relief campaign in 2007, we have raised nearly \$85 million for the United Nations World Food Programme (WFP) and other hunger relief agencies, providing nearly 350 million meals.

Learn More



Global Guidelines

We believe we can have the greatest impact in advancing our health and nutrition platform throughout our system and the industry with action-oriented change.

We continue to have an internal cross-functional Food Standards Council. The group is comprised of the Chief Food Innovation Officer from each brand, and senior Yum! executives including the Chief Public Affairs Officer, Chief Operating Officer, the Chief Legal Officer and the Vice President of Quality Assurance.

The Food Standards Council is charged with developing and coordinating our overall nutrition policy, including development of our global nutrition guidelines, nutritional disclosure and marketing guidelines, and alternative product development. The council monitors consumer trends, regulatory developments, relevant scientific research, and consults with our internal nutritionist as well as outside nutritional experts to ensure that our nutritional policies are sound and consistent with current trends and science.





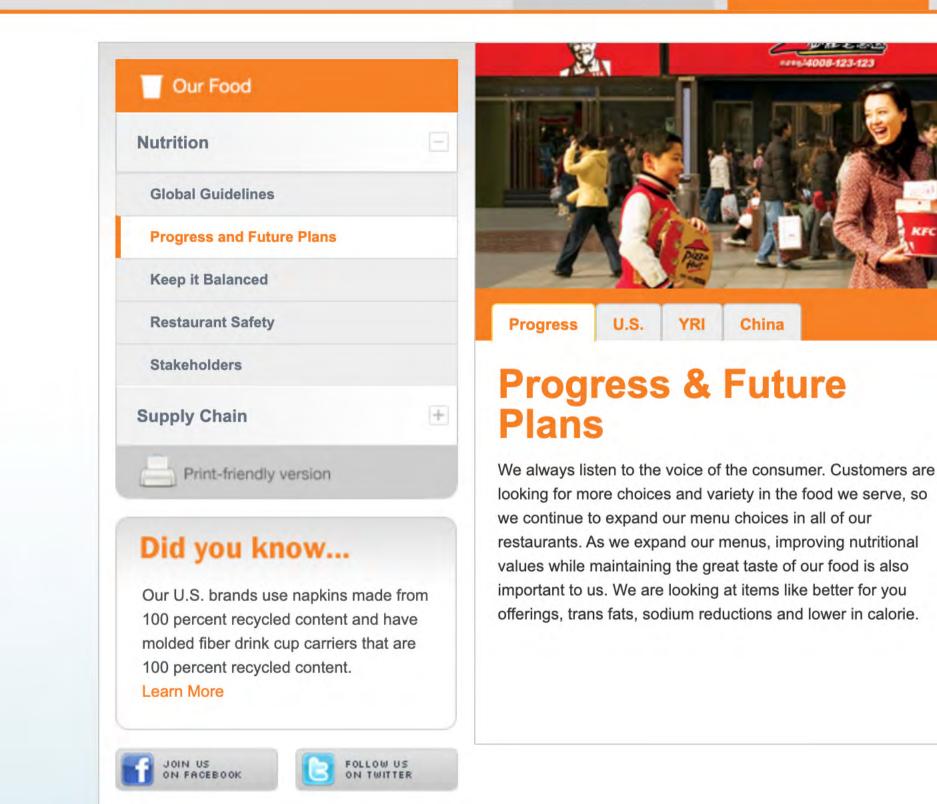


We have established global nutritional guidelines for all our businesses.

- · We recognize that eating habits vary from society to society based on differences in local food preferences and culture.
- We believe a balanced diet consists of a variety of foods from the recognized food groups such as grains/rice/cereals, vegetables, dairy, meat/beans, fats, fruits, and optional calories from sweets.
- We will strive to proactively improve the nutrition profile of our high quality food content, while always providing great taste, value and convenience.
- · We offer a variety of menu options at each of our brands that can be part of a sensibly balanced diet.
- · We will educate consumers about our product nutrition and support exercise programs.
- We want consumers to make informed choices about their balanced diets and incorporate exercise into a healthy lifestyle.
- We will become even more proactive in developing and offering nutritious options for our consumers across every brand in every country.



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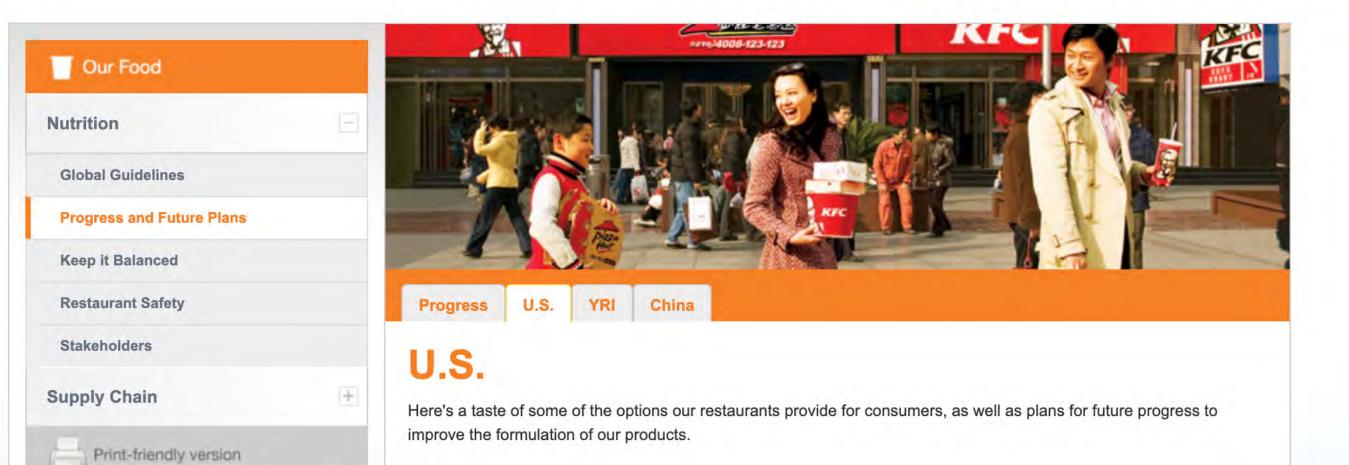


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The Environment

Our Huge Heart



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KFC believes that a healthy lifestyle consists of eating a balanced diet from a variety of foods and maintaining a regular exercise program. KFC is proud of the improvements we have made to our high quality food and remain committed to improving the overall nutritional makeup of our products. We will continue providing consumers with great tasting products that meet their dietary needs.



Show Details

Taco Bell has established nutritional guidelines for both existing menu items and new product development. These guidelines are a holistic approach to nutrition which mirror the World Health Organization (WHO) Recommended Daily Intake across multiple nutrients. We aim to improve menu item nutrient profiles and offer options that allow balanced choices while preserving product integrity, distinction, appeal and taste that our consumers demand.



Show Details



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With more than 30,000 different topping combinations, pizza at Pizza Hut can be customized for individual preference, taste and lifestyle. For example, ordering a Thin 'N $\textsc{Crispy}_{\ensuremath{\mathbb{R}}}$; Pizza with half the amount of cheese, extra sauce and choosing toppings that are lower in fat (lean meats such as chicken or ham and vegetable toppings), consumers can enjoy a great tasting pizza with 25% less fat than the regular Thin 'N $\text{Crispy}_{\textcircled{B}}$ Pizzas. In some restaurants, this can be found on the menu as the Fit 'N Delicious Pizza™.



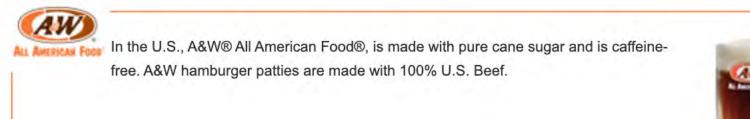
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Long John Silver's, Inc., based in Louisville, Kentucky, is the world's most popular QSR seafood chain specializing in delicious, signature batter-dipped fish, chicken, shrimp and hushpuppies. Since 1969, the company has been bringing families together with traditional seafood items, new products such as Buttered Lobster Bites and Freshside Grille offerings, including Pacific Grilled Salmon, Grilled Tilapia and Shrimp Scampi. Today, there are more than 1,000 Long John Silver's® restaurants worldwide.



Show Details

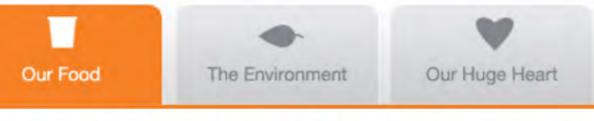




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Yum! Restaurants International Trans Fat

In Victoria, Australia they have been using a blend of oils in all of our company owned stores for the last year, which has reduced the level of saturated fat in our products by over 80%. In addition we are in the process of commissioning an additional test market with an alternate liquid oil solution to enable sourcing flexibility in adverse agronomic conditions. This new oil also reduces the saturated fat in our products by 80%. Our plan is to roll these new oil solutions into the entire Australian and New Zealand markets at the start of 2012, and when fully rolled out will reduced the amount of saturated fat in the diet of these populations by well in excess of 120 tons.

Sodium

In Australia and New Zealand, KFC has implemented a sodium reduction initiative since our last report, which has removed more than 85 tons of salt from the diet of our consumers in this region. We have also completed our testing of sodium reduction in the breads we use at KFC which will remove an additional 30 tons of salt per year from the diet of Australians and New Zealanders.

Since 2008, Pizza Hut has been testing significant reductions in sodium/salt in core products and these have been rolled out in Korea, Canada and Australia. Reductions of up to 50% have been achieved and we are looking to roll this out globally. We have also developed a broader global menu for our dine-in business including pasta, individual pizza, plated salads, an enhanced salad bar and beverages - broadening our appeal through menu variety and choice. Canada has launched a range of better for you pizza and pasta endorsed by their authorities.

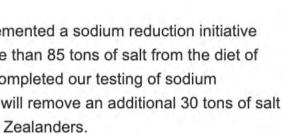
In the U.K., our KFC team is continuing their efforts in sodium reductions. There has been sodium reductions of up to 45% on some menu items, including a 14% reduction in salt packs used for the Original Recipe breading and new low-salt beans have been introduced on the menu.

Pizza Hut India has completely removed MSGs from all menu items.

Calories and Fat

KFC U.K. is currently testing non-fried options and investing in restaurant ovens to support this initiative in 2011. Three restaurants in the region have also been the government's Food Standards Agency's early-adopters groups to test putting calories on menu boards.













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Yum! China

In China, our largest growth market, we have steadily increased the number of menu choices since the mid-1990s, when we formed a research and development team to understand local food choices and product formulation. The Health and Nutrition Advisory Committee, consisting of a panel of leading public health and nutrition specialists, to analyze trends and research in food and nutritional science. The team provides expert advice on product development to our brands, making sure we can bring to life our goal of improving the nutritional value of our products without compromising taste or economic value.

Because of what we learned, more than 40 different vegetable options have been served in our China restaurants since 2001. We offer a variety of locally relevant, nutritionally balanced menu items, including the following menu items:

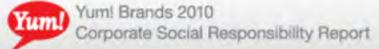
- 2001.
- Winter soups now complement the regular egg and vegetable soup.
- An entire line of delicious, healthy roasted foods, including Roasted Chicken Leg Burger in a variety of local and international styles; Roasted Wings; and local favorites with a distinctive KFC twister and wrap such as Dragon twister, Gulao Chicken twister, Kimchi Pork twister and Beef wrap.
- · We also offer a Western-style breakfast menu of Congees, Dough Stick and Soya Milk.
- Mayonnaise for KFC burger has been upgraded to the 3rd generation in which the fat content decreases from 75% to 35%.

In 2007, the China KFC Health and Nutrition Fund was founded in an effort to fund the science research and education programs related to food, nutrition and city residents. A total of two million RMB will be donated each year to support the selected programs nationwide.





• In 2003, KFC China introduced seasonal vegetables and corn salad, while fresh corn was launched before





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Our Huge Heart

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Did you know...

Yum!'s newly appointed CSO has outlined Yum!'s Global Enterprise Wide Goals for Sustainability. These goals include reducing global energy and water consumption, LEED certifiable restaurant prototypes, and a global packaging vision. Learn More



Keep It Balanced

Our consumers rely on us to provide clear, truthful information about our food to help them make informed choices. We also want our consumers to enjoy an active, balanced lifestyle, because we believe it is important to mix a sensible diet with daily activity and a little fun.



We share these commitments with our consumers in many ways, including in our U.S. restaurants and through our "Keep it Balanced" website, www.KeepItBalanced.com. Ninety percent of our markets outside the U.S. - including the U.K., France, Australia, the Netherlands, Germany and China - provide nutrition information via their websites and other communications. We are committed to working with our international franchisees to provide this information in all of our restaurants worldwide and on all of our websites.

In the U.S., we inform our customers about their choices in a

number of ways.

- KFC, Taco Bell, Long John Silver's and A&W's nutrition website lists ingredients for each of its permanent menu items. Each brand's website also includes nutritional values of food items, and potential food allergens and sensitivities.
- All brands make nutrition brochures readily available to consumers in their restaurants with information on ingredients and menu options that can fit into a balanced diet.
- As part of a broader Health and Wellness effort across the United States, Yum! has made a decision not to advertise its products on television programs specifically aimed at children under 12 years old.
- We also worked with the U.S. Congress to enact uniform national menu board guidelines for prepared food sales, providing a consistent way to educate the public about the nutritional value of the food they eat, this mandate was included in the U.S. Healthcare legislation. As a result, our U.S. divisions of KFC, Taco Bell, Pizza Hut, Long John Silver's and A&W will be placing individual serving size calorie information on their respective menu boards in company-owned restaurants in 2011. The U.S. Food and Drug Administration is currently in the process of completing actions on regulations to implement this program.

Healthy Lifestyles

Regular exercise is an important part of a healthy lifestyle. We provide information and tips on how to increase physical activity as part of daily life on our brand websites and on our "Keep It Balanced" website, and through our engagements in the communities we serve.



As part of our overall "Keep It Balanced" effort, Yum!, KFC, Pizza Hut, Taco Bell, Long John Silver's and A&W Restaurants offer consumers around the world a free, month-long trial membership to an online wellness and fitness training tool called eFIT4Me. In addition, Yum! has partnered with nationally renowned University of Kentucky's men's basketball Coach John Calipari to educate consumers about the importance of fitness in a balanced lifestyle. Coach Calipari is working with Yum! to promote physical activity by participating in a public service announcement as well as monthly online exercise tips found at www.KeepItBalanced.com.

Obesity rates have increased and we are determined to take a leadership role by implementing programs that stimulate youth to boost their activity levels. In 2004, KFC China launched a national youth three-on-three basketball tournament, the largest corporatesponsored sports program in Chinese history. The program started with 48,000 participants representing 640 restaurants from 172 cities. Today this program, in its 7th season, is now the world's largest grassroots basketball program with more than 167,800 participants that's 30,100 teams across 480 plus cities in 2010. We are thrilled with this growth and look forward to replicating the event internationally.

Yum! China is deeply engaged in the following programs that have been developed by Yum! China leaders and operated by restaurant associates:

- The Happy Camp Designed to teach children the benefits of exercise and healthy foods, more than 1.2 million children attend Happy Camp every year. They learn important concepts such as "Breakfast is the most important meal of the day," "The secrets of fruit," "Milk is healthy food," and more.
- Dancing At the Restaurants Restaurant Associates lead children in dance activities in each restaurant three to four times a week.

School Programs:

- The Happy Classroom/ Chicky Educational Course A community program aimed at enriching primary school students' extra-curricular activities. The program includes education on nurturing good eating and exercising habits among children along with other topics that are important to this age group. In 2010, this program has been rolled out in 58 cities across China.
- Chicky Sports Game Started in Shanghai in 2003, the program is designed to help children develop exercise habits and adopt a healthy lifestyle. Since 2003, 1.5 million students in 3,000 schools in 11 cities have participated in the program.





Our Food Nutrition **Global Guidelines Progress and Future Plans** Keep it Balanced **Restaurant Safety** Stakeholders **Supply Chain** Print-friendly version

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Restaurant Food Safety

Yum!'s restaurant food safety systems include rigorous standards and training of restaurant employees. These standards and training topics includes, but is not limited to, employee health, product handling, ingredient and product temperature management, and cross contamination. Food safety training is focused on illness prevention and regulation adherence in day to day restaurant operations. Standards also ensure code compliance when building new or renovating existing restaurants.

Restaurant Food Safety Audit Program

In 2008, Yum! reorganized our verification programs for restaurant food safety execution with a top-to-bottom review of food safety audit standards. The result is a restaurant food safety audit program which incorporates verification of compliance with Health Department standards and food safety standards that are specific to each brand's products and procedures. Our restaurants are audited multiple times each year by third party audit companies and field personnel that are trained and calibrated to verify compliance. Click here to learn more about our Audit and Supplier's Code of Conduct.

Health Department Inspection Program

Immediately addressing failed health inspections is a priority at Yum! and all our brands. At minimum, restaurants that receive a failing grade or a regulatory action are required to notify their QA Hotline. In some brands, restaurants are required to submit all inspections - pass or fail. Inspections are not just being collected; failed inspections and regulatory actions are being escalated to each brand's QA team for remediation oversight. The QA teams then work with the Restaurant General Manager and local operations leaders to immediately resolve all issues. We support the electronic posting of food safety inspections by health agencies and are actively working to encourage jurisdictions to record, post and share their food safety inspections with the industry.

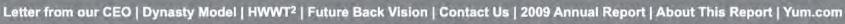
Regulatory Affairs

We are also very active at Federal and State levels specific to key relationship development, education of Yum!'s Food Safety Systems and Food Code updates. Proactive investment of our time to provide Yum! and industry perspective on key code update content is key to ensure a science based code outcome across the U.S.

Outbreak Response

Yum! is actively committed to the Council to Improve Outbreak Response (CIFOR) and its objective to improve foodborne outbreak response within the U.S. Yum! represents the industry in this strategic cross regulatory agency initiative lead by the Centers for Disease Control (CDC) and the Food and Drug Administration (FDA).







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Did you know...

In China, the Health and Nutrition Advisory Committee, consisting of a panel of leading public health and nutrition specialists, analyzes trends and research in food and nutritional science. As a direct result of this, more than 40 different vegetable options have been served in our China restaurants since 2001.

Learn More

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Listening to Our Partners

Addressing the world's obesity challenge is daunting. We cannot do it alone. We need to enroll our partners in the effort to drive true and lasting change, as well as citizens' organizations, academians, and specialists who deal with the potential negative impacts of an unbalanced diet.

We are an active participant in the Obesity Committee and the Sodium Committee of the International Food Information Council (IFIC), as well as its Board of Directors. IFIC is deeply involved in all levels of policy and legislative activity. Our presence brings an industry perspective to the decision-making process. It also gives us access to information that helps us formulate company-specific as well as coalition-oriented strategies that are based on consumer and scientific research.

We take part in the American Heart Association Industry Nutrition Advisory Panel (INAP). INAP is a partnership between the American Heart Association (AHA) Nutrition Committee and food industry leaders, providing a platform for sharing information and planning cooperative programs in the areas of diet/nutrition and cardiovascular disease. The panel brings together industry and science representatives to exchange information in areas of mutual interest pertaining to nutrition. Other benefits include networking, relationship building, education on relevant topics from nutrition, physical activity, metabolism and obesity, and an opportunity to provide input to AHA regarding statements and positions.

We are members of the American Dietetic Association's Exhibitor Advisory Council. The Council was created to represent ADA's exhibiting companies, act as advisers to share information with management regarding rules and procedures, and to keep ADA updated on industry trends and issues.

We build know how by listening to and dialoguing with special interest groups who help shape our understanding of their issue as it evolves.





Our Huge Heart



INTERNATIONAL FOOD INFORMATION COUNCIL FOUNDATION



Our Food Nutrition **Supply Chain** Sourcing Food Safety & Quality **Animal Welfare Managing Risks Supplier Accountability**

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Did you know...

Yum! has achieved a 13.1% reduction in energy usage in our U.S. companyowned restaurants through the application of numerous energy conservation measures (ECM's). In addition to reducing our energy consumption, these ECM's resulted in the elimination of over 111,000 metric tons of CO2 per year from the atmosphere.

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Supply Chain

We are committed to providing our customers with safe, delicious meals and operating restaurants that meet the highest food safety standards. This commitment is at the heart of our operations and our supply chain management, and is evident in every aspect of our business - from raw material procurement, including livestock and produce - to our restaurant food preparation and delivery.

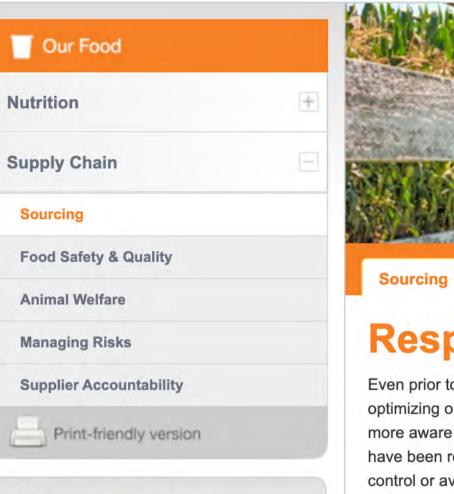
We operate in a complex global business environment. We seek to incorporate social and environmental principles in our sourcing and manufacturing practices within the context of the varying government, consumer, regulatory and infrastructure dynamics that exist around the world.











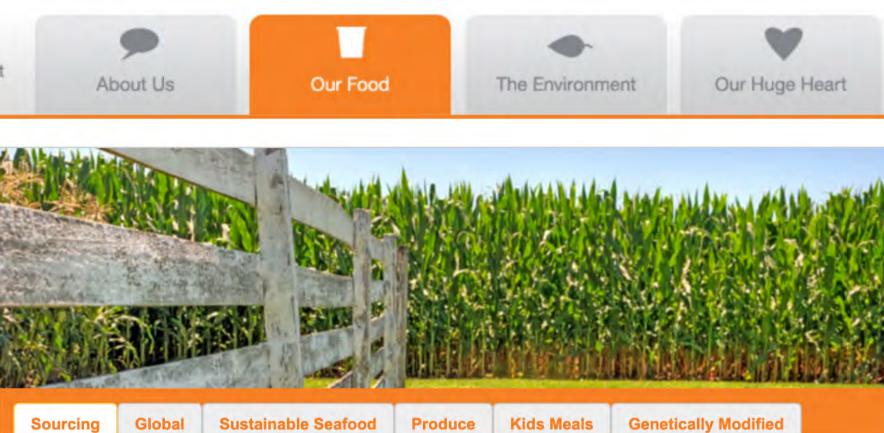
Did you know...

Yum! has awarded over \$500,000 in scholarships annually through our Andy Pearson Scholarship Program, established in memory of our founding Chairman. Since implementing the program in 2003, we have awarded just under 1,500 scholarships to associates and their legal dependents.

Learn More

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Responsible Sourcing

Even prior to the formation of Yum!, our brands have focused on optimizing our agriculture supply chain. Along the way we have become more aware of, and attentive to, our social and environmental impact. We have been responsive to these issues as they arise, yet we cannot always control or avoid them at every stage of the supply chain. We work closely with food processors and, where possible, with those who raise the livestock and grow our produce to work in environmentally responsible ways. We have made great progress in a number of areas where we feel we can have the greatest and most significant impact. Our key programs in responsible sourcing are aimed at:

- Improving animal welfare
- Sustainable seafood sourcing; and
- · Labor practices in our supply chain.



ALONE WE'RE DELICIOUS, TOGETHER WE'RE YUM!"

Produce



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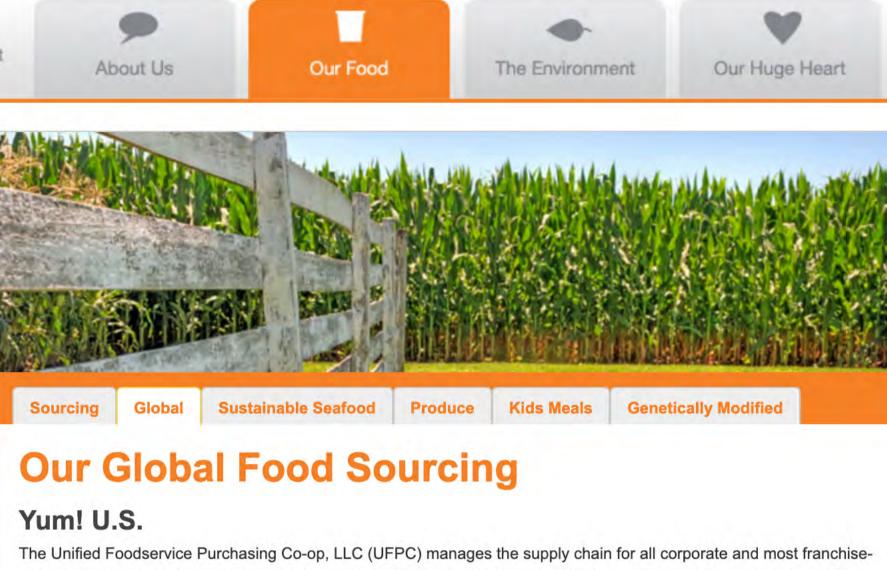
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Did you know...

In 2010, the Yum! Brands Foundation and Muhammad Ali Center established the Muhammad Ali Center Peace Gardens initiative to teach children to build gardens so they can learn about respect for different cultures, nutrition and hunger relief. Learn More

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owned restaurants in the United States, including A&W All-American Food, KFC, Long John Silver's, Pizza Hut and Taco Bell restaurants. UFPC negotiates volume purchases of equipment, food, packaging, and other supplies from manufacturers and suppliers for our system.

Yum! China

The Yum! China Division operates its own independent supply chain system, working with 500 suppliers to provide Yum! China restaurants with goods and services.

Yum! Restaurants International (YRI)

In our global Yum! Restaurants International (YRI) markets we have over 1,500 suppliers, including U.S.-based suppliers, that export to many countries.

Daniel E. Woodside, President and Chief Executive Officer, UFPC



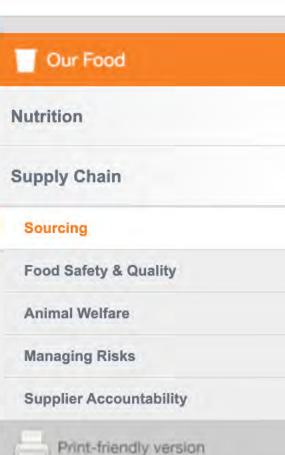


We're proud to work with Yum! and manage the supply chain for all corporate and most franchise-owned restaurants in the United States, including A&W All-American Food, KFC, Long John Silver's, Pizza Hut and Taco Bell restaurants. Our world-class purchasing team understands that success is defined by price, quality and the management of risk. Our key competencies lie in the strategic processes developed and executed to support the multilayered national sales programs for each brand.



About Us





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Global Sourcing

Sustainable Seafood

Sustainable Seafood Sourcing

Seafood is one of our key food product categories, especially for our Long John Silver's brand in the U.S. and to a lesser extent, KFC. Our impact and influence in this area is significant. Our commitments and approach in advancing sustainable seafood sourcing practices has been developed over a long period of time and demonstrates the importance of this issue to our business, our fisheries, and the broader community of stakeholders.

Over a decade ago we came to the realization that, in order to ensure a lasting and diverse supply chain for seafood, we needed to make certain that our seafood sourcing practices were sustainable. We carefully selected fisheries and aquaculture operations in the world that are considered to be sustainable. We made a conscious effort to source our seafood from fisheries that work to protect our valuable seafood resources.



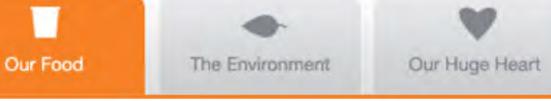
to be sustained over time. To that end, in the early 1990s we began engaging experts from the fisheries where we source. For example, we have been actively engaged with the North Pacific Fishery Management Council (NPFMC), which is responsible for managing the ground fish resources off Alaska. We also work with the At-Sea Processors Association (APA). The APA's mission is to work with fishery managers, scientists, environmentalists and members of the fishing industry to ensure the continued health and sustainability of the North Pacific ground fish resources.

What makes us unique in our approach is that we actively engage with the biologists that manage the fisheries from which we source. We vigorously seek relationships with those parties who, like us, have a vested interest in protecting the valuable seafood resources. Finally, we obtain our seafood as close to the source as possible. We buy our fish directly from the fisheries rather than through intermediaries.

Moving away from potentially unsustainable fisheries made common business sense to us. Since 1993, long before the issue of sustainable fisheries became popular, more than 99 percent of the whitefish purchased by Long John Silver's and the UFPC for the battered fish program has been from three sources: Eastern Bering Sea for Alaska pollock, New Zealand for hoki and South Africa for hake. These three fisheries have been certified as sustainable by the largest independent, credible nongovernmental organization engaged in sustainable certification for wild fisheries. The New Zealand hoki fishery was certified as sustainable in 2001, the South African hake fishery in 2004 and the Bering Sea/Aleutian Island pollock fishery in 2005. Currently, 100 percent of battered whitefish is sourced from the Eastern Bering Sea Alaska pollock fishery.

When sourcing from regions outside of the U.S. we try to ensure that the seafood is produced to recognized standards as well. Shrimp, the second greatest volume of seafood sourced for Long John Silver's, is produced primarily by plants in China, Thailand, and Ecuador. All of the plants that supply shrimp to Long John Silver's have attained certification by an independent entity. All shrimp used in Long John Silver's popcorn shrimp comes from a plant that has been certified. In addition, our purchasing co-op in the U.S. spends a considerable amount of time looking at the best possible source for shrimp from overseas markets.





In its Code of Conduct for Responsible Fisheries, The United Nations Food and Agricultural Organization recognizes that "fisheries, including aquaculture, provide a vital source of food, employment, recreation, trade and economic well being for people throughout the world, both for present and future generations and should therefore be conducted in a responsible manner." It also recognizes the "nutritional, economic, social, environmental and cultural importance of fisheries, and the interests of all those concerned with the fishery sector." Our sourcing strategy is consistent with the FAO's recognition of the importance of the world's fisheries as a source of food and is rooted in a philosophy that fisheries need careful maintenance and preservation in order





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Global Sourcing

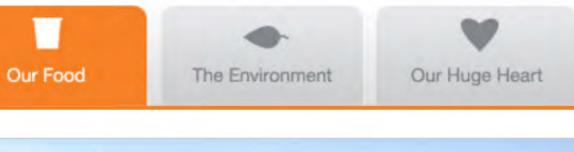
Sustainable Seafood

Produce

Yum! Brands is an industry leader in driving enhancements in the safety of fresh produce from on-farm practices through processing and distribution to our restaurants. Some of these enhancements include:

- Field inspections of our produce suppliers that focus on Good Agricultural Practices (GAPs) and water testing for E. coli;
- · Pre-planting inspections to help ensure that only low-risk fields are used;
- Pre-harvest testing for E. coli and Salmonella pathogens of produce, including iceberg lettuce, cilantro, romaine lettuce, cabbage, tomatoes, and onions;
- Leading initiatives with the produce industry to establish standards for food safety compliance in the tomato supply chain as well as standardization of GAP audits for all produce;
- Collaboration with the U.S. Centers for Disease Control and Prevention and the U.S. Food and Drug Administration to proactively share information on the issue;
- Training programs to certify supplier staff and third-party auditors on criteria for pre-planting and pre-harvesting risk assessments; and
- · Multiple joint-produce safety meetings on testing and best practices with industry leaders, including other major quickservice restaurants, retailers and distributors.





Produce

Kids Meals

Genetically Modified



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Manufacturing For Yum!'s Kids Meals

Kids Meals are not a major focus for Yum! and represent less than 2% of our business. But where we do offer Kids Meals, we insist on only using toys that have been fully tested and meet regulatory standards for safety. Most countries do not use toys in kids meals. For those few that do, we have implemented a global monitoring program for our suppliers of toys used in Kids Meals, that is managed by a dedicated Yum! resource and monitored by external STAR-certified monitoring firms. The program is based on zero-tolerance safety requirements that cover all facets of the process that present risk. Initiated in 1999, the program meets or exceeds all regulatory standards to ensure the safety of those consumers purchasing these products.



- story incorporating social responsibility themes.
- fitness related premiums.
- solar panel house and seed garden.



Produce

Genetically Modified

We employ three separate audits to ensure safety, product quality and social compliance, all conducted by pre-approved, third-party monitoring firms:

- 1. A facility audit that measures adherence to pest control, sanitation, operations and facility management, good manufacturing practices, product protection, product recovery and food security.
- 2. An in-process audit that measures adherence to the production quality assurance plan on a program-by-program basis.
- 3. A Code of Conduct monitoring program comprised of social compliance criteria that relate to worker health and safety, along with other working conditions in the factory.

As a high-risk category of business, all suppliers in this category are monitored, and we have not encountered any serious incidents to date.

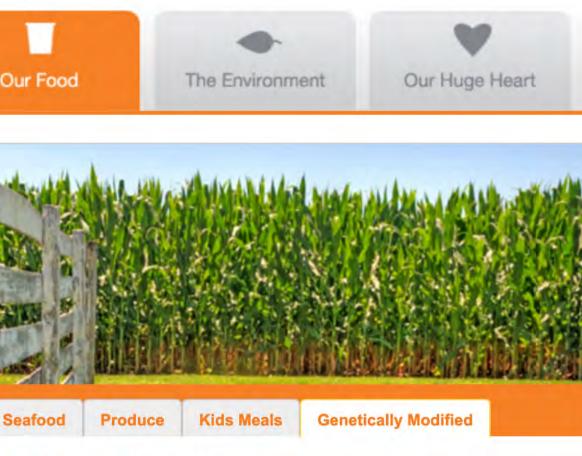
Since 2008, our brands have made efforts to convey social responsibility and environmental sustainability principles into some Kids Meals programs.

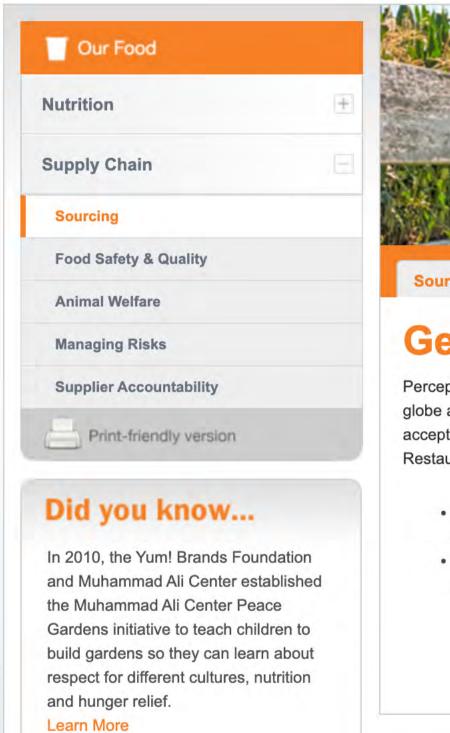
• Taco Bell U.S. Kids Meals have featured Wow Wow Wubbzy licensed books printed on recycled paper and a

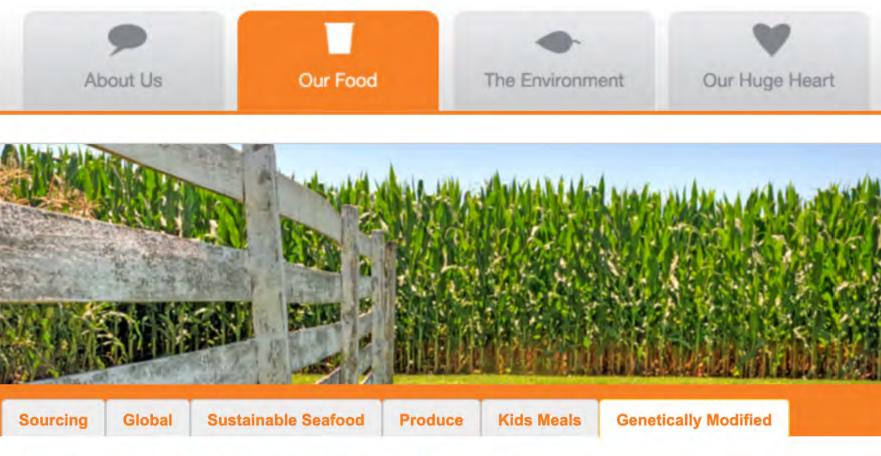
. KFC U.S. Kids Meals currently promote the Keep Fit Challenge allowing consumers to redeem medallions for

• In South Africa, KFC has launched a successful Garfield Goes Green Kids Meals program featuring a working









Genetically Modified Foods

Perceptions of the risks and benefits of Genetically Modified Organisms (GMOs) vary from market to market around the globe and we strictly follow all government regulations wherever we operate. In North America, GMOs are generally accepted, whereas in Europe consumers are more resistant to GMOs. Where resistance to GMOs exists, Yum! Restaurants International requires all its suppliers to provide non-GMO ingredients. For example:

- chicken.
- regarding their GMO content.

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• In the U.K., the Netherlands, Germany and Australia, we do not source from suppliers who use GMOs in

. In China, we follow Chinese regulations regarding GMO ingredients and require statements from suppliers

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Did you know...

Our U.S. brands use napkins made from 100 percent recycled content and have molded fiber drink cup carriers that are 100 percent recycled content. Learn More





Food Safety and Quality

Food safety is the top priority at Yum!. We actively work with our suppliers to raise industry standards because we insist that our products are safe and of superior quality.

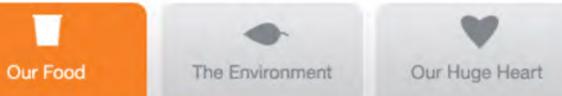
Our supplier approval system is rigorous. Suppliers have stated that our approval process is one of the most thorough and challenging systems they have experienced. We are proud of that.

Our suppliers are selected, assessed and rewarded through the Supplier Tracking and Recognition (STAR) system. It is a rigorous, industry-recognized audit system that sets and monitors standards for all of our brands' key suppliers.

In selecting a supplier we look for key performance indicators around pest control, sanitation, operations and facility management, good manufacturing practices and product protection, recovery and food security. In addition to measuring and testing food safety and security practices, we look for outstanding performance in quality control, not just of our product formulations, but in suppliers' management processes as well.

Our suppliers are categorized by Risk Level A-C; Risk Level A is highest risk and Risk Level C is lowest. The categories are determined by a combination of scientific validation of risk and our experience with the product. In addition to risk level, our suppliers are categorized by Performance Level - Self-Certified, Reliable and Intensive Monitoring. Suppliers who perform consistently high on all key measures are considered Self-Certified and therefore require less oversight than those who fall into the Intensive Monitoring category. This approach provides more effective use of internal and external resources while driving continuous quality improvement across our supply base.







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Global Monitoring System

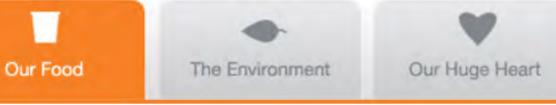
Our Supplier Tracking and Recognition (STAR) supply chain monitoring systems incorporate supplier compliance in the areas of food safety and quality. STAR-certified third-party auditors conduct our supplier audits. Each brand's quality assurance team is responsible for managing our suppliers' food safety and quality assurance monitoring in our supply chain, at our processing facilities, and in our restaurants worldwide.



Annually, YRI publishes its Quality Assurance Requirements which are the minimum standards with which each YRI Business Unit must comply. Compliance is self-monitored by each Business Unit as well as in the aggregate by YRI Director of Quality Assurance. Particularly in our developing and emerging markets we see the focused efforts of closing food safety gaps has resulted in significant year-over-year compliance improvement.

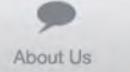
We now have a comprehensive, interactive web-based monitoring system for tracking supplier performance. This highly secure system enables suppliers to specifically manage all facets of their Yum! quality accountabilities from approving product specifications to reviewing and responding to product evaluations and STAR audits.

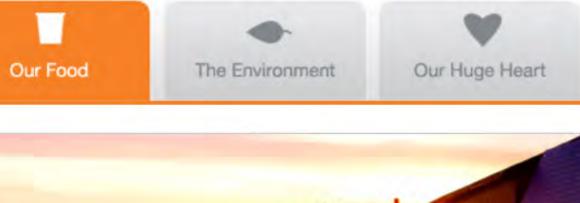




The frequency of audits is determined by the risk factors related to the products and manufacturing process. All suppliers are audited at least once per year, with higher frequency based on Risk and Performance Levels. While we operate and manage a global compliance system for all our suppliers, each international region sets its own targets and implementation goals in line with local conditions and criteria and Yum! quality assurance standards. In emerging markets such as India and Russia, we are adapting the global supply chain monitoring system to local legislation while maintaining our high standards.



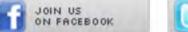




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Results for Our Quality and Safety Audits

We currently monitor all of our suppliers in the U.S. using the STAR system at about 1,200 supplier locations in total. The number is smaller for YRI markets. For our YRI Class A and B Suppliers a minimum of 90% have STAR Food Safety Audits and at least 80% have Quality Systems Assessments. We will continue to increase food safety and quality systems audit compliance and audit scores as has been demonstrated over the past two years. Our global database provides just-in-time information that enables timely decisions and actions to be made.

In China, all of our suppliers are monitored for food safety and quality using either the global STAR system or the "Precheck" system, which is used only for new suppliers that provide products with limited time offerings. The STAR audit is conducted annually for China's Class One through Three suppliers, and every two years for Class Four suppliers.



In 2009, KFC Australia decided to gain external accreditation against Global Hazard Analysis & Critical Control Points (HACCP) principles for the Restaurant system to complement their existing supplier assessments. Their key objectives for the program were to implement best practices across the KFC Australia system and gain external recognition in an effort to build trust with customers, employees, franchisees and external associates, suppliers and government agencies. On August 11, 2010 they were recognized as the first national multi-unit food retailer to achieve HACCP

accreditation.

Where issues arise, our certified third-party auditors immediately respond and, along with the Quality Assurance Team, work with the supplier to create an action plan to materially improve over a specified period of time. If a supplier fails an audit, the brand Product Manager or Technical Manager decides the course of action to remedy the failure. For our firsttier suppliers we work with the supplier on a continuous improvement program that is developed and measured for that specific facility.



We are proud of that.





ALONE WE'RE DELICIOUS, TOGETHER WE'RE YUM!"



Mike Liewen, VP, Quality Assurance

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Animal Welfare

As a major purchaser of food products, Yum! has the opportunity and responsibility to influence the way animals supplied to us are treated. We take that responsibility very seriously and monitor our suppliers on an ongoing basis to determine whether our suppliers are using appropriate procedures for caring for and handling animals they supply to us. As a consequence, it is our goal to only deal with suppliers who promise to maintain our standards and share our commitment to animal welfare.



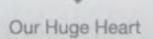
Dr. Scott Brooks, Veterinarian and Director, QA-Animal Welfare

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The Environment







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Did you know...

Yum! Brands, Inc. was named Fortune Magazine's "Top 50 Employers for Minorities" and "Top 50 Employers for Women" Learn More JOIN US FOLLOW US



In the U.S.

Yum! Animal Welfare Advisory Council

We have a track record of leadership in animal welfare. Our U.S. animal welfare leadership program began with the formation of KFC's Animal Welfare Advisory Council, which has now become the Yum! Animal Welfare Advisory Council. The Council helps us to continuously research new methods for both welfare advancement and viability that will ultimately determine the adoption of improved practices.

The Council was also instrumental in developing the Guiding Principles for our Animal Welfare Program. These Principles, which apply to all Yum! poultry suppliers across the U.S., focus on:

- Animal treatment;
- Partnership with industry experts;
- Ongoing training and education;
- Performance quantification and supplier improvement;
- Communication with industry leaders; and
- · Funding of research.

The major focus of the Yum! Brands Animal Welfare Advisory Council over the past year has been to ensure the alignment of all brands and formalize procedures for beef and pork welfare audits. The consistency of establishing set standards for each of our brands has allowed our suppliers to concentrate on compliance and continuous improvement. Formal, across the board adoption of American Meat Institute slaughter audit protocols for both beef and pork suppliers empowered our suppliers to focus their efforts on performance in accordance with these well established and broadly respected standards.

In addition, the Council has been working closely with our team members from Yum! Restaurants International (YRI). We have begun to align our core values on animal welfare around the world, creating audit documents and policies that address issues of well-being and create an environment that will assure continuous improvement.

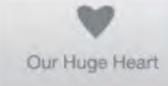
The Yum! Animal Welfare Advisory Council continues to meet and discuss key welfare issues in regard to animal husbandry and slaughter. In 2010, the Council traveled to one of our supplier locations to examine a recent and significant development in poultry slaughter technology, the Low Atmospheric Pressure Slaughter system. The Council was given exclusive access to witness the process in operation then question the developer of the technology and the associated technical team. Individual Yum! Animal Welfare Advisory Council members were able to lend their concentrated expertise to critique and offer suggestions for further improvements. Poultry suppliers and the Yum! Animal Welfare Advisory Council will continue to analyze this and other technologies for potential application to enhance welfare.

Our suppliers continue to perform admirably in regard to animal welfare issues, understanding fully the requirements of the Yum! Brands program and the expectations of our customers. The chicken, beef, and pork industries have addressed these issues earnestly and positively, recognizing that their customers and ours require assurance that animal welfare is taken seriously. Yum! Brands also continues to be a positive force in promoting good welfare practices and the necessity for validation within the industry. Frequently, we respond to requests to speak to industry groups as well as government and public symposia to inform these groups concerning animal welfare issues and developments.

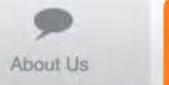
External Consultation

While our standards for animal welfare are high, we always seek knowledge from external sources to improve our practices where appropriate. In the U.S., KFC continues to work with the American Association of Avian Pathologists (AAAP) and has previously served on two AAAP Welfare subcommittees, exploring questions concerning poultry welfare. We have also been a prominent player in a joint effort that was conducted by the National Council of Chain Restaurants and the Food Marketing Institute to develop comprehensive guidelines for all species of farm animals.

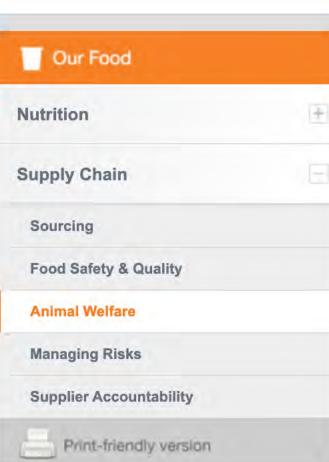






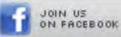






Did you know...

In 2010, KFC U.S. was proud to present a check for more than \$4.2 million to executives from Susan G. Komen for the Cure. The money, which represents the single largest donation in Komen history, was raised by KFC franchisees and restaurant operators. Learn More



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Animal Welfare U.S.

International

International Focus

Yum! Restaurants International has established the Global Animal Welfare Program based in science and best practice with input from the U.S., U.K. and our Animal Welfare Advisory Council, which will allow for adjustments to cover local needs and regulations.

This global program will enable a consultancy approach that drives better understanding of our objectives and animal welfare in general, especially with respect to developing countries. Our collaborative approach with suppliers to date has fostered a trusting partnership, to the point that we are asked to provide input when challenges arise. We also encourage our suppliers to invest in research and development that leads to improvements in welfare, and include successes that are supported by science in our program scope.

Over the next 2 years, YRI expects to have an established, sustainable Animal Welfare Program that governs itself even between audits. Long term, we will establish additional welfare programs for our Beef, Pork, and Dairy supply building off of the foundation established by our Animal Welfare Program.

In February 2010, YRI met with the CIWF (Compassion in World Farming) to share our plans for our rollout of a global program. Updates from around the world:

Australia - Industry leaders, State/Territory/Australian governments and Animal Welfare Groups have developed animal welfare codes of practice for the poultry industry. This will be governed by the Australian Chicken Meat Federation, Inc. (ACMF). YRI's initial position will be to share all gaps between the YRI and Australian codes, and recommend the inclusion of any critical elements. Currently annual audits are carried out by third-party auditors and corrective actions are taken for missed items. Suppliers also provide quarterly updates for review via self auditing programs.

Asia, Caribbean, Europe, Middle East - Major export suppliers in Brazil, Thailand and the United States that supply the KFC system in these Business Units have implemented animal welfare programs.

Mexico - The largest supplier of poultry products to the KFC Mexico system has recently implemented YRI's Global Animal Welfare Program. By end of year 2011, 100% of the supply will be impacted by the program.

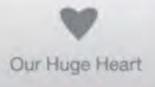
Netherlands - Rollout of Global Animal Welfare Program at one supplier and continued expansion across the market in 2011.

South Africa - We have made great strides engaging our suppliers and gaining widespread acceptance of our programs in South Africa. Our Global Animal Welfare Program has been rolled out at the two approved suppliers, covering 100% of the supply to our business.

Canada - Our Canadian team has successfully implemented an animal welfare program across 100% of their poultry supply base.

U.K. - The program continues to be a strong and highly collaborative effort between our U.K. business and its suppliers of local and imported product. The U.K. also continues to require an established Animal Welfare Program as a prerequisite for supplier approval.









Our Food ÷ Nutrition **Supply Chain** Sourcing Food Safety & Quality **Animal Welfare Managing Risks** Supplier Accountability

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In China, the Health and Nutrition Advisory Committee, consisting of a panel of leading public health and nutrition specialists, analyzes trends and research in food and nutritional science. As a direct result of this, more than 40 different vegetable options have been served in our China restaurants since 2001.

Learn More

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Managing Risks

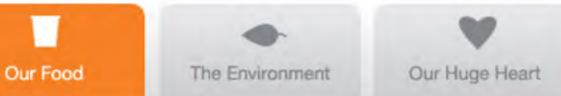
Nothing is more important to us than protecting our consumers and our valuable brand reputation by preventing health risks from arising in our restaurants. Our primary objective is to keep our customers safe. The nature of our business demands that we are constantly aware of, and respond to, potential health and safety issues related to the food we serve.

In order to maintain a rigorous and consistent focus on the dynamic challenges in this area, we created the Food Standards Council in 2005. The council works to continuously improve our food safety practices and minimize the risk of future safety issues from ingredients or the operation of our restaurants. Key areas of corporate oversight are food safety, nutrition and regulatory compliance. The council also identifies internal and external global resources to review our Supply and Restaurant Food Safety Standards, ensure compliance and share best practices. Yum!'s Vice President of Global Quality Assurance heads up the council. Executive sponsors are the Chief Legal Officer, the Chief Operating Officer and the Chief Public Affairs Officer. Each brand has a representative on the council, its Chief Food Innovation Officer.

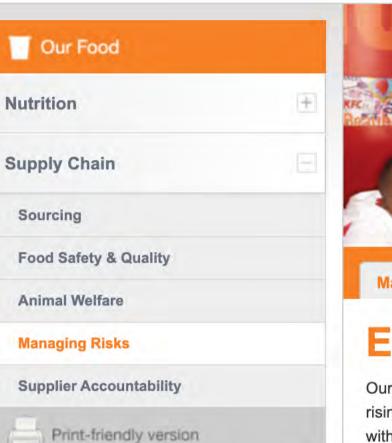
Foodborne diseases can pose a significant risk to our supply chain and in our restaurants. There unfortunately have been a limited number of instances where food-related health issues have arisen in our supply chain or our restaurants. We have acted immediately and decisively, and equally important, we have implemented a strategic, long-term approach that will help us to prevent and manage these issues in the future.



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Did you know...

Through the U.S. based Harvest program, we donated nearly 11 million pounds of wholesome food, with a fair market value of \$60 million, to needy families and children in 2009. Since creation of the program, we've donated over 125 million pounds of food, with a value of over \$500 million, to those at risk of hunger.

Learn More

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Managing Risks

Emerging Issues Program

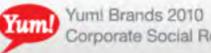
Our global Emerging Issues Program (EIP) is a accountability framework to help protect us from the negative impacts of rising food issues. The program helps us anticipate local, regional and global emerging issues, and work in partnership with our Crisis Management Program if an issue becomes an actual threat.

EIP is implemented by the Emerging Issues Council. The council is comprised of leaders who are responsible for making sure that we are aware of, and able to respond to, any potential food safety risk related to foodborne disease and illness, regulatory issue, or health and nutrition concerns such as allergens. The council has interconnected Food Safety and Regulatory Affairs teams in the U.S., YRI, and Yum! China. The council is led and overseen by a steering committee of senior executives from our Quality Assurance, Legal, Public Affairs and Health and Nutrition functions. Members of the council are responsible for day-to-day monitoring of issues and reporting potential threats back to the council. Members have been trained on a robust response workflow to ensure correct action and rapid communication when significant threats are identified.

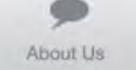


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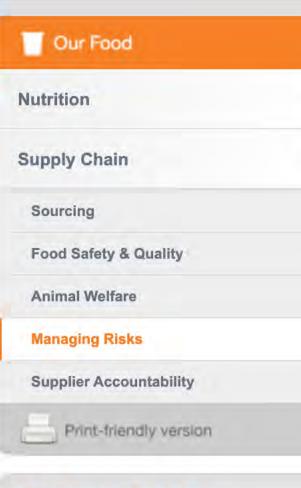




Corporate Social Responsibility Report







Did you know...

Our How We Win Together Principles (HWWT₂) guide all aspects of our associates' daily work lives, professional and personal development and customer interactions. Learn More





Managing Risks

Case Studies in Managing Risks

Avian Influenza Response

According to the World Health Organization, CDC, U.S.D.A. and U.S. Health and Human Services, properly cooked chicken is safe to eat. Nevertheless, we have taken added precautions with a rapid and active response plan in the event that an external disease threatens to enter our food supply. Yum! Brands has an aggressive global plan to address the concern of Avian Influenza in our poultry supply chain.

Our global plan has been lauded by industry and global food regulators. We have processes and tools in place to make every effort to prevent the disease from entering our supply chain, to work with our poultry supply chain partners to adhere to strict guidelines, and to make sure the disease does not manifest itself in our restaurants. Some of our measures include:

- with migratory birds, thus minimizing the risk of infection.
- federal and state regulations.

Pandemic Flu Response

Yum! Brands has a global plan in place to address the threat of pandemics that could impact our restaurant employees and our supply chain. This plan was successfully executed in 2009 during the global outbreak of H1N1 flu (also commonly referred to as "Swine Flu").

Yum! Brands engaged physicians, veterinarians, and health officials around the world in twice-daily conference calls with all our world-wide business units to understand the science and risks associated with this novel pandemic flu virus. These calls were also used to ensure execution of our plans to minimize the impact on Yum! employees and restaurants around the world. We communicated regularly with employees and suppliers on proper hygiene measures and illness policies.

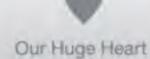
Our internal, global knowledge-sharing platform, iCHING, was also used as a way to keep our business units around the world informed of developments and technical information from the World Health Organization and the U.S. Centers for Disease Control and Prevention. Additionally, the Yum! intranet was used as a portal of public information on H1N1 flu for all employees and their families to stay informed.

Yum! China Food Safety White Paper

The first version of the Yum! China Food Safety White Paper was published in November 2007. In 2008 and 2009 there were two food safety crisis in China, melamine adulteration in dairy and the Promulgation of Food Safety Law. In cooperation with the government's Food Safety Laws, the Food Safety White Paper was updated with our strong commitment to food safety and legal compliance, and republished in July 2009. The major revisions include:

- confident with local purchased food materials.
- approach.
- public, stakeholders and government.





Case Studies Emerging Issues Program

 Strict guidelines for raising, handling and processing of poultry before it enters our supply chain. One hundred percent of the poultry we purchase in China and in the U.S. is "under cover", which means it is not in contact

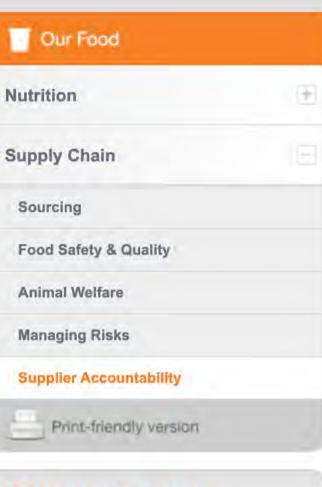
All U.S. suppliers have biosecurity measures in place and all are required to test their flocks and comply with all

 Routine quality and food safety audits of suppliers. All poultry suppliers that process poultry for our system do so under strict sanitary guidelines that ensure safety and quality, including strict temperature controls. Maintaining strict hygiene and cooking standards in our restaurants

1. Emphasize our objective on the status of China food safety. The overall level of food safety in China's food industry is increasing with the rapid growth of industry. Although there are still various challenges, we are

2. Introduce Yum! China's new model of Risk Assessment Based Food Safety Management. Under current circumstances, it is very important to manage food safety in a scientific way, i.e., the "Risk Assessment"

3. Update scientific understanding on hot food safety issues (e.g., foodborne disease, food additives, acrylamide, trans fat) with the latest information from the World Health Organization (WHO) and other international organizations. We feel that promoting science-based risk communication is essential for the



Did you know...

Yum! Brands, Inc. was named Fortune Magazine's "Top 50 Employers for Minorities" and "Top 50 Employers for Women" Learn More FOLLOW US JOIN US

Supplier Accountability

Our Supplier Code of Conduct sets forth our expectations and minimum standards for all suppliers and subcontractors in our U.S. market. The code addresses working hours and conditions, nondiscrimination, child labor, and forced or indentured labor. We require suppliers to conduct audits and inspections to verify compliance with the code. In addition, we reserve the right to conduct unannounced audits and inspections of supplier facilities. Violations lead to disciplinary action, including termination of the supplier relationship for repeated violations or noncompliance. In the U.S., we annually survey our suppliers regarding their compliance with the Supplier Code of Conduct. We conduct similar assessments in our international markets (YRI).

Supplier Code of Conduct

Yum! Brands, Inc. ("Yum") is committed to conducting its business in an ethical, legal and socially responsible manner. To encourage compliance with all legal requirements and ethical business practices, Yum has established this Supplier Code of Conduct (the "Code") for Yum's U.S. suppliers ("Suppliers").

Compliance with Laws and Regulations

Suppliers are required to abide by all applicable laws, codes or regulations including, but not limited to, any local, state or federal laws regarding wages and benefits, workmen's compensation, working hours, equal opportunity, worker and product safety. Yum also expects that Suppliers will conform their practices to the published standards for their industry.

Employment Practices

Working Hours & Conditions: In compliance with applicable laws, regulations, codes and industry standards, Suppliers are expected to ensure that their employees have safe and healthy working conditions and reasonable daily and weekly work schedules. Employees should not be required to work more than the number of hours allowed for regular and overtime work periods under applicable local, state and federal law.

Non-Discrimination: Suppliers should implement a policy to effectuate all applicable local and federal laws prohibiting discrimination in hiring and employment on the grounds of race, color, religion, sex, age, physical disability, national origin, creed or any other basis prohibited by law.

Child Labor: Suppliers should not use workers under the legal age for employment for the type of work being performed in any facility in which the Supplier is doing work for Yum. In no event should Suppliers use employees younger than 14 years of age.

Forced and Indentured Labor. In accordance with applicable law, no Supplier should perform work or produce goods for Yum using labor under any form of indentured servitude, nor should threats of violence, physical punishment, confinement, or other form of physical, sexual, psychological, or verbal harassment or abuse be used as a method of discipline or control.

Notification to Employees: To the extent required by law, Suppliers should establish company-wide policies implementing the standards outlined in this Code and post notices of those policies for their employees. The notices should be in all languages necessary to fully communicate the policy to its employees.

Audits and Inspections

Each Supplier should conduct audits and inspections to insure their compliance with this Code and applicable legal and contractual standards. In addition to any contractual rights of Yum or Unified Foodservice Purchasing Co-op, LLC ("UFPC"), the Supplier's failure to observe the Code may subject them to disciplinary action, which could include termination of the Supplier relationship. The business relationship with Yum and UFPC is strengthened upon full and complete compliance with the Code and the Supplier's agreements with Yum and UFPC.

Application

The Code is a general statement of Yum's expectations with respect to its Suppliers. The Code should not be read in lieu of but in addition to the Supplier's obligations as set out in any agreements between Yum or UFPC and the Supplier. In the event of a conflict between the Code and an applicable agreement, the agreement shall control.



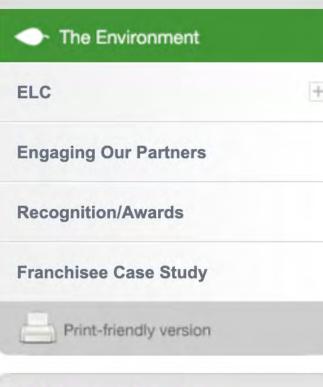
Our Food

The Environment

Our Huge Heart







Did you know...

Our U.S. brands use napkins made from 100 percent recycled content and have molded fiber drink cup carriers that are 100 percent recycled content. Learn More





Sustainability Goals: A Message from Our Chief Sustainability Officer Watch Video

As Yum! strives to become The Defining Global Company that Feeds the World, we feel that we have a corporate social, economic, and environmental responsibility to our customers, employees, and shareholders to be forward thinking, and intentional in our environmental sustainability vision. With over 38,000 restaurants, growing at a rate of nearly 1500 restaurants per year, we have a great opportunity to make a meaningful impact toward environmental sustainability. We believe we can continue to maximize our profit growth and increase our shareholder value, while reducing our environmental impact, and continuing to serve the food our consumers love.

Yum!'s newly appointed Chief Sustainability Officer, Roger McClendon, will be collaborating with Yum!'s China, U.S., and YRI Operating Divisions to establish and align global goals to improve the unit economics of our restaurant operations while reducing our environmental impacts. His team will be partnering with the Divisions to explore and validate innovation, build and share know how, and establish sustainable restaurant design standards that will deliver positive step change results for our business. The three central tenets of our environmental sustainability efforts are green building design, supply chain, and education, with our initial focus areas being:

- Green Building Design &
- Construction
- Energy
- Water
- Packaging
- Waste

Yum!'s Global Enterprise Wide Goals for Sustainability, as outlined by our CSO, are to:

- 1. Reduce global energy consumption by 10% by 2015
- 2. Reduce global water consumption by 10% by 2015
- 3. Develop 5 LEED certifiable (or other country specific third-party validation) restaurant prototypes/standards across China, U.S., and YRI business divisions by 2012
- 4. Elevate Yum! packaging vision into actionable brand goals leveraging Yum! Packaging Guidelines



Our Huge Heart

Green Building Initiative: Northampton, MA Watch Video

KFC U.S. First Reusable Side Container Watch Video









Engaging Our Partners

Recognition/Awards

Franchisee Case Study

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Did you know...

We believe we can have the greatest impact in advancing our health and nutrition platform throughout our system and the industry with action-oriented change. To do this we have established global nutritional guidelines for all our businesses.

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Environmental Leadership Council

In 2006, we established the Environmental Leadership Council (ELC), our leadership team for great environmental stewardship. The ELC helps set environmental leadership strategies for Yum! and identifies beneficial environmental opportunities, then designs, tests and deploys programs to deliver on them.

The ELC is a catalyst for know how sharing and action driving in our global infrastructure, building consistency among business units and coordinating efforts for maximum effectiveness. It is chaired by our Chief Sustainability Officer, with strategic oversight by our Senior Director of Corporate Social Responsibility. The Council has executive sponsorship by our Chief Public Affairs Officer and Chief Operating Officer.

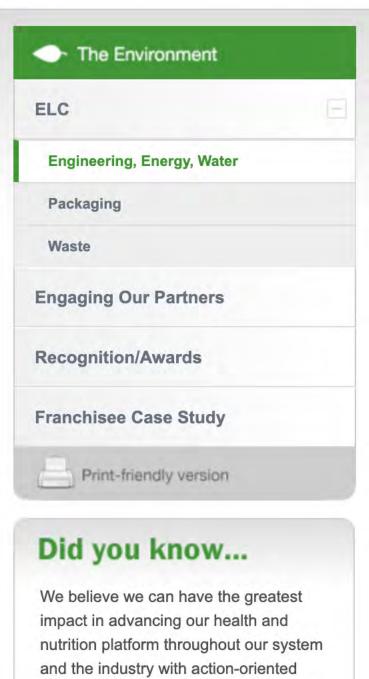


ALONE WE'RE DELICIOUS. TOGETHER WE'RE YUM!"









change. To do this we have established global nutritional guidelines for all our businesses.

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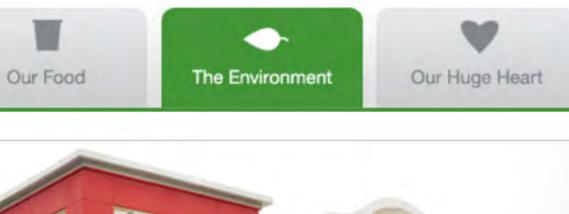
Restaurant Building Engineering - Green Building Innovation



As with any experiment, you need to be open to new ideas and be prepared for a few surprises along the way. We like to remind people that environmental sustainability and CSR is a journey, not a destination. Developing sustainable solutions takes thoughtful and measured research. Only through this process can field-tested and field-ready solutions be prepared and deployed into our system. As we build our understanding, our expectation is to apply proven green solutions to existing buildings, planned prototypes, and future designs.



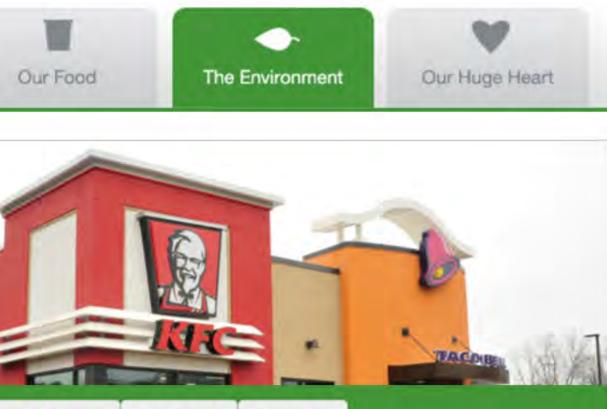
ALONE WE'RE DELICIOUS, TOGETHER WE'RE YUM!"



The core of sustainable building innovation at Yum! is the E3 Initiative. What is E3? It stands for Energy, Environment, and Economics. The goal of the initiative is to develop green building solutions that meet the bottom line objectives of people, planet, and profits. This holistic design approach looks at all aspects of our building and site and endeavors to test technologies and approaches in experimental buildings.







The Environment ELC Engineering, Energy, Water Packaging Waste **Engaging Our Partners Recognition/Awards** Franchisee Case Study

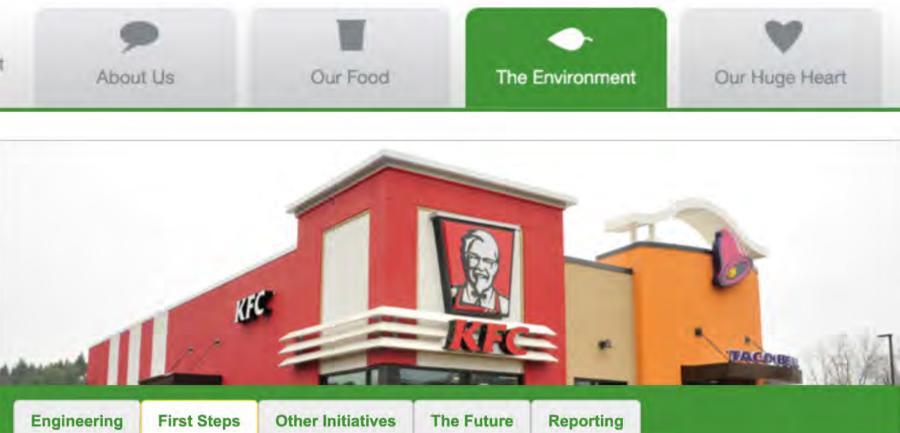
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Our Bold First Steps

We are honored that our KFC-Taco Bell restaurant in Northampton, Massachusetts received LEED Gold certification in 2009. It was our first building constructed under the United States Green Building Council's LEED (Leadership in Energy and Environmental Design) program. LEED is an internationally accepted and independent system used to measure environmental performance of buildings. Buildings granted LEED certifications are recognized for their environmental commitment in the areas of: sustainable sites, water efficiency, energy and atmosphere, materials and resources, indoor environmental quality, and innovation in design.

A few of the lessons that we have learned include:

Efficient Ventilation: With so much heated or cooled air typically being expelled from our buildings through kitchen hoods, it was the perfect place to look for energy savings. Following cooking, heating ventilation and air conditioning (HVAC) is our largest energy user. Our new hood strategy under test has been shown to reduce energy used for exhaust ventilation by over 70% during the first year of monitoring. Even after achieving these reductions, we obviously still need to bring fresh air into the building. During the winter months the sun's energy is used to preheat the air before it comes into the restaurant to reduce the use of gas. This not only saves money, but also reduces our carbon footprint.

LED General Lighting: The lighting industry is changing rapidly and the next promising technology is LED (light emitting diode) lighting. Simply stated, it uses a semi-conductor as a light source. Why try this? LED fixtures are energy efficient, do not contain mercury, and have a projected lifespan of 50,000 hours. So, by lasting eight to ten years they take changing light bulbs off of the operator's "to do list" and can contribute to improved performance ratings. The lighting design in Northampton uses 60% less energy than our typical building. Even though there is great promise in the technology, we continue to test products as well as to seek out the most cost effective ways to appropriately integrate this technology into restaurants.

Exterior Water Conservation: Picking the right plant species can save water and maintenance. The practice of selecting landscaping in ways that eliminates or reduces the need for irrigation is called "xeriscaping". In Northampton, all of our non-sod plantings were selected to live without any supplemental irrigation. This provided a baseline reduction in design water use by 70%. How do we irrigate the remaining sod? We capture rainwater from the roof and store it in an underground tank to use with the sprinkler system. No city water is used for irrigation.



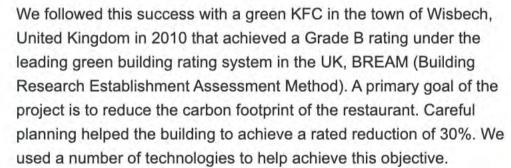
Daylighting: Directing natural light through highly reflective ducts from collectors on the roof to the interior of the building enables us to switch off artificial lighting during some parts of the day. In addition to saving a bit of electricity, it contributes to a better work environment.

Improved Lighting Design and Control: A fresh look at illumination levels combined, with the application of low energy lighting technology, come together to reduce the energy demands of the building. This has been married to an improved control network that provides motion sensors to turn off lights in non-occupied areas as well as photosensors to more precisely control exterior lit signs.

In addition to the innovations listed above, some other areas we focused our sustainability efforts on included control systems for walk-in freezers to improve the evaporator efficiency and reduce energy consumption and dual flush cisterns in toilets and waterless urinals to significantly reduce our water usage. During construction, recycled materials and timber from sustainable managed resources were used as well as increased levels of insulation, saving 7.8% on heating load. We are also working on a test with a waste disposal company that will enable us to both reduce our construction waste and track exactly where our waste is going.



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Solar Hot Water Heater: By using the sun's energy we can provide an average of 40% of the restaurant's hot water needs during the course of a year and almost 100% during the summer.





Did you know...

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Yum!'s newly appointed CSO has outlined Yum!'s Global Enterprise Wide Goals for Sustainability. These goals include reducing global energy and water consumption, LEED certifiable restaurant prototypes, and a global packaging vision.

Learn More





Other Green Buildings

We are proud to have relocated our Taco Bell headquarters, in late 2009, to an existing LEED Certified building located in Irvine, California. There are many green features of the building that help both the environment and our employees. The



project was awarded LEED Gold under the system.

Beginning January 2011, our Pizza Hut and Yum! Restaurants International headquarters will be relocating to our new building in Plano, Texas. The project team used an integrated design process, bringing key stakeholders together to collaborate and integrate green solutions, that is anticipated to lead to Green Globes certification. Like any good, green project, it began with the site. The team selected and designed the site to minimize ground disturbance, optimize building placement, properly control runoff, and nourish landscaping comprised of native vegetation. Conserving energy and water are important to us. Technologies and approaches that we used to conserve included energy efficient lighting and HVAC equipment, high performance glass, low water consumption restroom fixtures, building automation systems, and daylight harvesting. Green design and the integrated design approach will provide benefits to the environment and our employees for years to come.





building uses a high efficiency glazing system that allows natural light in while keeping unwanted heat gain out. The under-floor air distribution system, combined with chiller efficiency and a variable speed drive on one chiller, help provide better energy savings and comfort. All toilets in the building use reclaimed water to reduce dependence on city supplies for waste conveyance by over 50%. During the fitout process for Taco Bell, LEED for Commercial Interiors provided the framework for building modifications. This system is the green benchmark for tenant improvements that recognizes green interiors that are healthy, productive places to work; are less costly to operate and maintain; and have a reduced environmental footprint. This past October, the

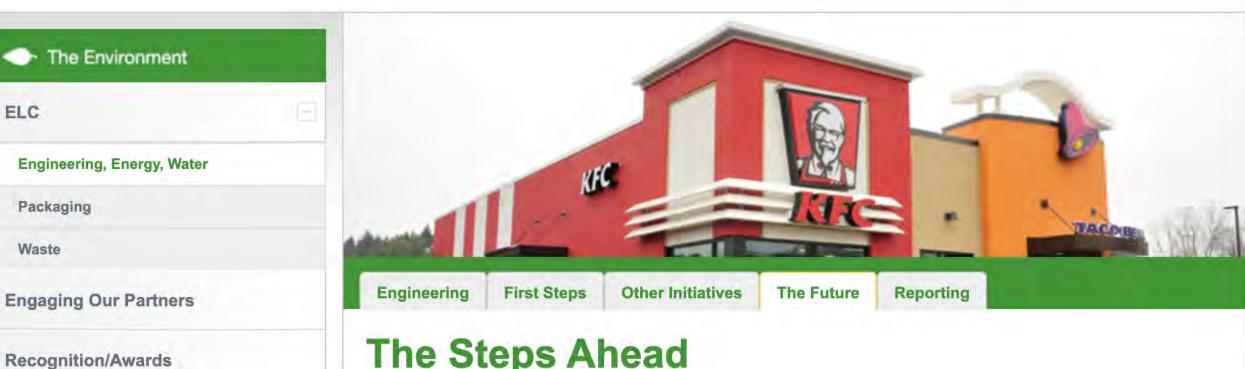


About Us



The Environment

Our Huge Heart



The Steps Ahead

Yum! is in the process of developing additional green buildings in the U.S. and internationally to continue testing and to get one step closer to our bold goal of integrating green practices into restaurants in an economic, responsible, and simple way.

Areas of ongoing building system research include:

Did you know...

Franchisee Case Study

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Hood Design: Research is currently being conducted on optimizing exhaust hood design. Reducing the amount of air removed from our restaurants through the kitchen exhaust system not only reduces hood energy consumption, but also the size and energy use of the heating and air conditioning system. This will continue to be a major area of focus throughout the world during 2011 and 2012.

- Refrigeration: Section 312 of the Energy and Information Security Act (EISA) of 2007 (effective January 1, 2010) provides prescriptive design requirements for new walk-in refrigerators and freezers. Our engineers are currently evaluating whether it is feasible to implement select components of EISA in existing walk-ins. Initial research and recommendations will be concluded in 2011.
- Energy Management Systems: Many of our restaurants currently use an Energy Management System (EMS) to control the operation of artificial lighting. This system also manages the temperature settings of the thermostats and sets them back to reduce energy consumption during unoccupied hours. Depending on the brand, our research showed that an EMS reduces energy consumption between 6% and 7.5%. However, because they

operate in isolation, with no communication outside of the restaurant that they were installed in, optimal performance of some of these systems is lost over time. We are currently evaluating new EMS, that incorporates online communication, to allow for ongoing proactive performance optimization. In addition to controlling energy usage, new systems monitor equipment health and provide alerts before failures occur. A thorough evaluation is underway to develop the solution that balances performance and cost.



In China, a significant milestone between the United States Green Building Council (USGBC) and the China Green Building Council (CGBC) was reached in 2010. The two organizations signed a Memorandum of Understanding (MOU) agreeing to work together to advance green building opportunities and reduce carbon emissions, including joint research and educational programs around green building. This agreement will be helpful as we look to expand our green buildings in China in the future.

Main Street Green

As our development of experimental green buildings continues across the globe, we have been integrating proven field ready solutions into our existing restaurants. These solutions contribute to ongoing efforts to reduce energy consumption.

Some highlights of our ongoing efforts include:

Lighting: In all of its company restaurants in the U.S. where feasible, KFC replaced existing incandescent lamps with compact fluorescent lamps. Overall, 26,979 lamps have been replaced resulting in the elimination of 3200 metric tons of CO² per year. KFC also proactively replaced over 4,000 existing parking lot lamps to a lower wattage resulting in an additional reduction of 3400 metric tons of CO² per year.



Our China team has also been active in retrofitting existing restaurants with more efficient lighting systems. During 2009, 190 restaurants in China had their interior linear fluorescent lamps upgraded to a more efficient version resulting in a reduction of over 600 metric tons of CO² per year.

Heating, Ventilation & Air Conditioning (HVAC): In 2006, Yum! made the commitment to standardize high efficiency air conditioning systems for all U.S. restaurants. Since then, over 1800 high-efficiency air conditioning units have been installed with slightly over 600 taking place in 2008 and 2009. These 600 + installations have reduced our CO² output by 10,500 metric tons per year.

Kitchen Equipment: Obviously, a significant portion of the energy in a restaurant is

consumed by the equipment used for cooking and preparing the food for our customers. Engineers in all our divisions are constantly seeking out innovative ways to make our kitchen equipment and processes more efficient.

In the U.S., Taco Bell redesigned a cooking device called a rethermalizer to make it more energy efficient. This updated piece of equipment was implemented in 2009 saving approximately 2500 metric tons of CO² per year.

In China, the engineering team developed the means to overcome water hardness issues compromising the efficiency of certain heating devices used in our KFC kitchens. Their solution enabled the equipment to operate at peak efficiency which eliminated over 4200 metric tons of CO² per year.

Finally, in partnership with a key supplier, the KFC U.S. engineering team developed the most energy-efficient convection oven ever tested by the Foodservice Technology Center, which has achieved the Energy Stare rating for convection ovens. This oven was implemented in all U.S. KFC restaurants in 2009.

Refrigeration Systems: Approximately 5% of our restaurant's energy is used by refrigeration equipment. Therefore, we are regularly seeking ways to optimize this equipment to minimize its electricity use. To that end, after testing on several restaurants in 2009, our Yum! China team has plans to expand the rollout of new scroll compressors that will reduce CO² output by 5.5 metric tons per year per restaurant.

In the U.S., a program has been underway over the past four years to upgrade our ice machines to a model that carries an Energy Star® rating. Of the approximately 1400 ice machines that have been replaced during this period, 790 were

replaced in 2008 and 2009 eliminating almost 3300 metric tons of CO² per year. Additionally, all of our divisions are in

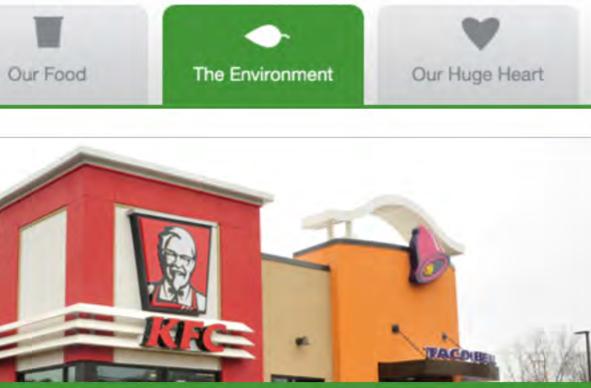
various stages of evaluating and implementing devices to optimize their ice machine's evaporator efficiency which can

save from 10 to 18 metric tons of CO² per restaurant per year.



Letter from our CEO | Dynasty Model | HWWT² | Future Back Vision | Contact Us | 2009 Annual Report | About This Report | Yum.com





The Environment	
ELC	
Engineering, Energy, Water	
Packaging	
Waste	
Engaging Our Partners	
Recognition/Awards	

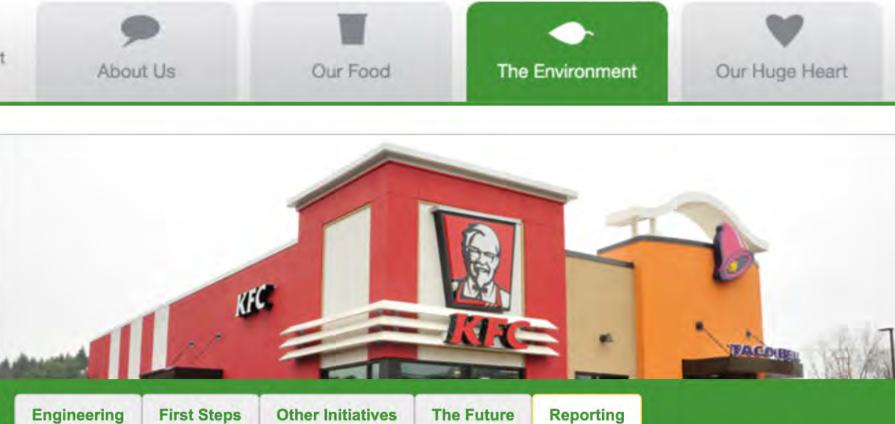
Franchisee Case Study

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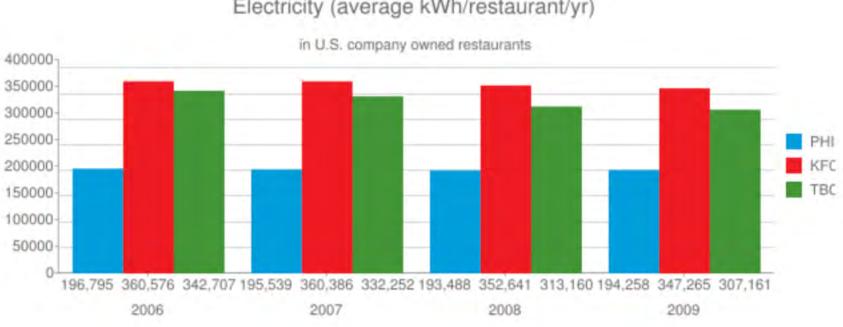


Reporting

Restaurants are known to have very high levels of energy intensity due to their relatively small building size and the amount of cooking, heating, and refrigeration needed to prepare and serve food to customers. Due to these high levels of energy use, we continue to focus our efforts on reducing our energy intensity in both new and existing restaurants.

In 2006 we established a goal to reduce energy usage in our U.S. company-owned restaurants by 12 percent from 2005 levels by the end of 2009. We are pleased to report that we achieved a 14% reduction through the application of numerous energy conservation measures (ECMs). In addition to reducing our energy consumption, these ECMs resulted in the elimination of over 117,000 metric tons of CO² per year from the atmosphere.

Our China division has also recognized the need to focus on energy conservation and has become actively involved in implementing ECMs over the past few years. Their efforts have resulted in the elimination of over 5300 metric tons of CO² per year.







ALONE WE'RE DELICIOUS. TOGETHER WE'RE YUM!"

Electricity (average kWh/restaurant/yr)

Natural Gas (average therms/restaurant/yr)



Packaging

deem is safe and convenient.

of our business.



The Environment

Our Huge Heart

The Environment ELC Engineering, Energy, Water Packaging Waste Engaging Our Partners Recognition/Awards Franchisee Case Study Print-friendly version Did you know...

Yum! Brands, Inc. was named Fortune Magazine's "Top 50 Employers for Minorities" and "Top 50 Employers for Women" Learn More

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We have established a global packaging vision for all our business:

restaurants is predicated by the packaging our supply partners

we package food has been consistent with the standardized

Throughout the quick service restaurant industry, the way in which

packaging available in the industry. Understanding and addressing our packaging impact on the environment in a relevant manner for our business is a global imperative for the long-term sustainability

 We recognize that packaging requirements by product, brand and market vary based on food safety and product integrity requirements, legislation and ease of use for the customer.

We believe we have an opportunity to provide environmentally preferable packaging to our consumers around the globe and reduce our impact on the environment. Our ability to serve food safely, quickly and conveniently is largely

dependent upon our use of disposable packaging. In addition, the delivery of food and restaurant products to our

- · We believe the packaging used to provide our customers with safe, delicious food and the packaging our suppliers provide to our restaurants for the goods and services required to run our operations should have the least impact on the environment as possible while at the same time maintaining the superior quality our customers expect.
- We will work to eliminate unnecessary packaging related to our restaurants at the customer and supply chain level, ensuring we use and provide to customers only what is needed.
- We will strive to reduce the amount of packaging in our restaurants and from our suppliers; reuse packaging and ensure our customers have options to reuse the packaging we provide whenever possible; recycle our packaging and work with legislators to ensure the infrastructure is in place for our packaging to be included in the recycling stream; and work with our supply partners to provide packaging that is made from renewable resources.
- Our brands will set measurable goals for environmental impact packaging changes that are relevant for their restaurants and teams and ensure shareholder and supply chain responsibility by achieving these goals at cost parity or a cost savings.
- · We will educate consumers and stakeholders about our approach to environmental sustainability and corporate social responsibility related to our packaging.

Here are some samples of what our brands are doing across the globe to help us achieve this vision:

 Our U.S. brands use napkins made from 100 percent recycled content and have molded fiber drink cup carriers that are 100 percent recycled content.

- Since our last report in 2008, Taco Bell has removed more than 710,000 pounds of high density polyethylene from our carry out bags, more than 640,000 pounds of petroleum based resin from our clear cups, 617,000 pounds of polystyrene from our Taco Salad containers and 51,000 pounds of corrugated board in containers. These efforts not only reduce waste, but also help reduce fuel consumption used by trucks during transportation. They have also been working closely with their partners to reduce waste. Pepsi is converting 100 percent of drink dispensers and ice makers to an eco-friendly foam insulation. And through collaborative packaging and product engineering efforts, they have eliminated nearly a half million syrup bags from being produced.
- Pizza Hut U.S. has made several improvements in packaging over the past few years. They have reduced the amount of paper fiber used in its pizza boxes by 15% in the last decade (5% in the last 3 years). In addition, they utilize up to 50% recycled material in its pizza boxes and corrugated packaging, have switched from white to kraft (brown) outside printed liner on our pizza boxes and have reduced the overall ink usage on boxes by over 300%. They have also been able to reduce the material
- used to produce the Pizza Hut kid's cup by almost 30% in the last year.
- In September 2010, KFC restaurants in the U.S. introduced a reusable food side container which was recently honored as a winner in the 2010 Greener Package Awards. Click here to watch a video highlighting the new container. The container was introduced in five markets beginning in May 2010 with plans to be available nationally at KFC restaurants by early



2011. The introduction of the container is just one element of a larger packaging initiative. Paper serving boxes are also replacing plastic plates as part of KFC's plan to reduce its use of nonrenewable resources and to eventually eliminate foam packaging from its restaurants. By the end of 2010, KFC U.S. will reduce foam packaging use by 62 percent and reduce total plastic use by 17 percent. To learn more visit www.kfc.com/packaging.

In Australia, KFC has been working on a Closed Loop recycling project for the past three years. This program



has attracted never before seen government funding and is a world leading QSR recycling initiative. No other QSR in Australia (nor have we found elsewhere in world) is doing anything on this scale and impact. KFC has been awarded \$400K from the Australian Packaging Covenant and state governments to go toward the infrastructure of the new "Split Bin" to support this initiative. Also in this market, 100 percent of all pizza boxes and 80 percent of KFC boxes come from recycled fiberboard. Since 2009, KFC Australia has diverted 1,858 tons from landfills, the

equivalent volume of stacking nearly 1 Million KFC meal boxes on top of each other. That stack would be over 9 times the height of Mt Everest! By the end of 2011 the KFC Closed Loop recycling program aims to divert over 5,000 tons of waste from landfills. That includes enough recycled plastic material to be able to produce over half a million (623,140) NEW KFC Krusher cups! By including recycled plastic in the Krusher cup, KFC will prevent over 429 tons of CO2 being released into the atmosphere this year. The amount of CO2 saved will be the same weight as 52 elephants floating in our atmosphere or the equivalent of taking 72 cars off the road forever.

 In the U.K., KFC has switched its Fillet and Zinger burgers from cardboard "clamshells" to paper wrappers, and has moved its classic chicken meals, the Colonel's Meal and Variety Meal, from cardboard boxes to paper bags. In February 2009, foil wrappers for Mini Fillet Burgers also changed to paper wrappers. The new

packaging is made from 100% renewable sources from sustainably farmed European forests, and is 100% recyclable, biodegradable and made in the U.K. These changes are on the back of an initial step to reduce cardboard waste in 2008, when the business stopped packing 'Boxed Meals' in boxes for eat-in customers, saving approximately 554 tons in waste packaging.

 Since January 2008, KFC France has significantly reduced product packaging waste for sandwiches, fries and individually sold chicken pieces, by progressively changing its packaging from carton to paper. The paper packaging contains 40% of recycled fibres. KFC France also uses 50% of recycled paper in all communication materials.

In China, we have been focusing on reducing weight and volume of packaging items. Napkins have been reduced from 275mm to 230mm and the printing and embossing have been removed. We have also reduced the kid's meal bag, the clamshell "burger" box from 270gsm to 250gsm, the tray liner from 70gsm to 60gsm, and the pizza box from 200/150/180gsm to 140/125/125gsm.

We are working to minimize the impact of manufacturing our packaging while maximizing its recyclability and reusability. We will continue to work within packaging content regulations to ensure customer and food safety, and 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 innovate sustainable practices into all of our wrappers, napkins, and containers worldwide.



Letter from our CEO | Dynasty Model | HWWT² | Future Back Vision | Contact Us | 2009 Annual Report | About This Report | Yum.com



The Environment

Engineering, Energy, Water

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Waste

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Franchisee Case Study

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Did you know...

Yum! has awarded over \$500,000 in scholarships annually through our Andy Pearson Scholarship Program, established in memory of our founding Chairman. Since implementing the program in 2003, we have awarded just under 1,500 scholarships to associates and their legal dependents. Learn More



Waste Management

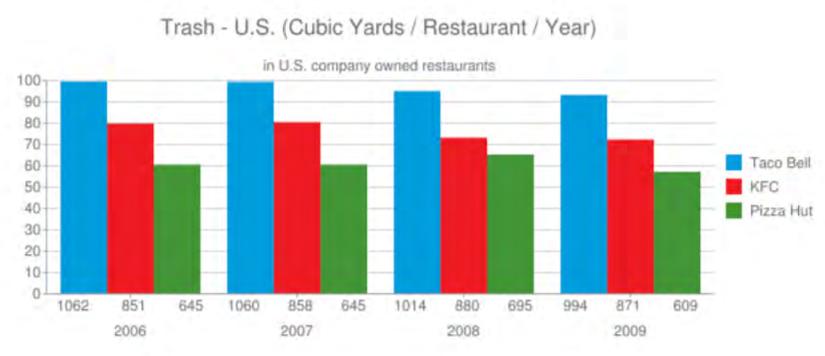
Reducing the amount of waste generated from restaurant operations is one of our major environmental challenges. Our waste reduction efforts take into account both restaurant level operations as well as waste at our Restaurant Support Centers (RSCs). While each of these areas of operation have different primary waste streams, our Waste Management Program enables us to increase recycling and renewable efforts and reduce solid waste volume across our system.

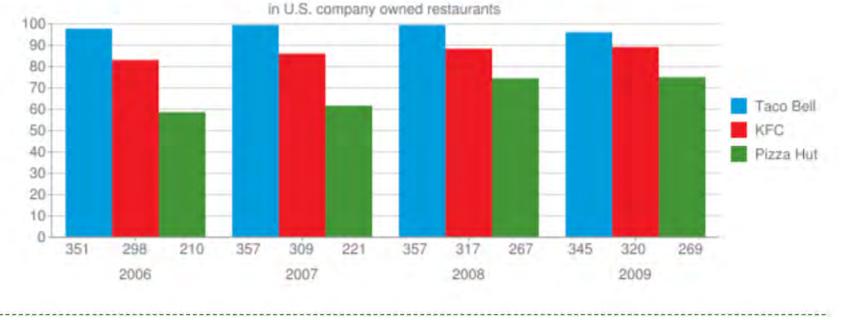
In our restaurants, our waste programs are focused on exploring how to both reduce and exploit our waste streams. Restaurant waste falls into several main categories: food, spent cooking oil, grease traps and packaging. We currently recycle at a majority of our U.S. restaurants, and we will expand recycling to all our stores as the recycling systems become available.

Here are just a few examples of what our brands are doing across the globe:

- In Australia, KFC has been working on a Closed Loop recycling project for the past three years. This program has attracted never before seen government funding and is a world leading QSR recycling initiative. No other QSR in Australia (nor have we found elsewhere in world) is doing anything on this scale and impact. KFC has been awarded \$400K from the Australian Packaging Covenant and state governments to go towards the infrastructure of the new "Split Bin" to support this initiative. In addition, 100 percent of waste oil is recycled.
- either recycle or recover it.
- stores.

In our RSCs, these efforts are focused on recycling office paper, glass and plastic. To encourage RSC associates' understanding of, and commitment to this effort, we have established an internal recycling website where we answer questions, offer advice, and take suggestions from our associates on how we can do better.







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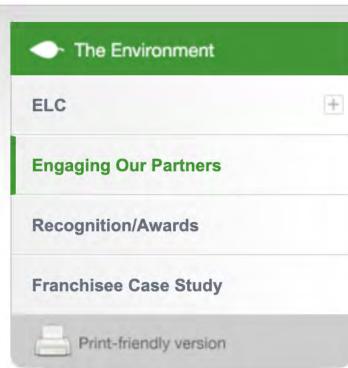
 At Pizza Hut UK, 170 restaurants have started a cardboard recycling program which is saving 30% of the waste from going to landfills. They are also testing an initiative where no waste will go to landfill (including food waste). This team is working with a local waste contractor to separate all the waste from a test restaurant and

 Also in the UK, KFC's packaging reduction initiatives form part of KFC's wider strategy to reduce its impact on the environment. For example, the company currently recycles approximately 7,702,667 liters of used cooking oil each year, which is converted to biodiesel car fuel to power the trucks which deliver KFC's fresh produce to

Recycling - U.S. (Cubic Yards / Restaurant / Year)





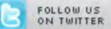


Did you know...

Yum!'s newly appointed CSO has outlined Yum!'s Global Enterprise Wide Goals for Sustainability. These goals include reducing global energy and water consumption, LEED certifiable restaurant prototypes, and a global packaging vision.

Learn More







We regularly collaborate with our brand leadership teams, franchisees, Unified Foodservice Purchasing Co-op, our suppliers and consultants to help us better manage our environmental programs and responsibilities. In addition, several markets across the globe are including environmental sustainability as part of the STAR audit and recognizing suppliers who have made improvements in this area.

Many of our Kids Meal premium suppliers practice environmental principles throughout their organizations and with their factory partners. Such initiatives include the use of environmentally friendly materials whenever possible including water based paints, soy based inks, use of recycled paper for packaging and paper premiums, and the use of non-phthalates and lead free material.

In addition, key supplier factory partners have implemented initiatives to reduce energy, pollution and waste including:

- Solar panels to provide energy to heat water for factories and worker dormitories
- Air purification systems to reduce emissions in the paint department
- Low energy light fixtures in factories
- · Water waste filtration systems
- Focus in the production processes of reducing overall scrap rates in order to reduce waste
- Energy efficient injection molding machines (50% energy savings over older models)
- Electricity stabilizers that insure a consistent flow of electricity into the factories (avoid potential blackouts)







+

About Us

The Environment ELC **Engaging Our Partners Recognition/Awards** Franchisee Case Study Print-friendly version

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Yum! Brands is an industry leader in driving enhancements in the safety of fresh produce from on-farm practices through processing and distribution to our restaurants. Learn More

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Recognition / Awards

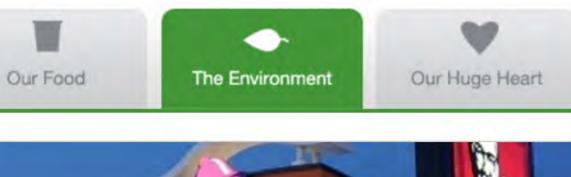
In 2010, Yum! participated in the Carbon Disclosure Project (CDP). The CDP asks the world's 500 largest companies in the FTSE Global Equity Index Series more directly than ever to demonstrate they are taking action on climate change. Yum! is considered to be in the Consumer Discretionary Sector and received a CDP score of 63 (out of 100) and a Carbon Performance score of B (on an A - D/F scoring).

A "B" rating is considered a "Fast Following" company and those in this score sector "recognize the importance of climate change and are quickly following in the footsteps of leading companies." Scores in this midrange typically indicate growing maturity in understanding and managing company-specific risks, good evidence of ability to measure and manage their carbon footprint across the organization and commitment to the importance of transparency.

In addition to our CDP rating, we have received the following recognition for our environmental efforts in the past 2 years:

- Yum! Ranked #337 out of 500 on newsweek's 2010 Green Rankings U.S. list
- #62 on Corporate Social Responsibility Magazine's 100 Best Corporate Citizens List of 2010, #33 in 2009
- Climate Counts Company Score of 30
- KFC-Taco Bell restaurant in Northampton, MA LEED Gold Certified in 2009
- Energy Star Buildings Certificates in Louisville, KY (YCC1 and YCC2)
- KFC U.S. winner of a 2010 Greener Package Award



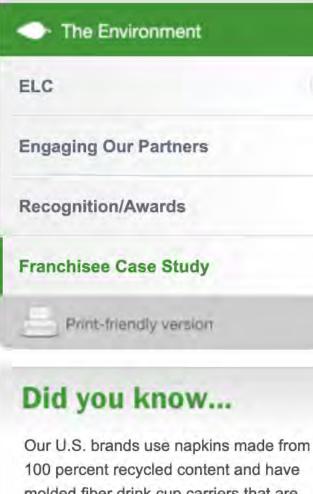






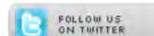
Greener Package AWARDS





100 percent recycled content and have molded fiber drink cup carriers that are 100 percent recycled content. Learn More

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Frachisee Case Study

Franchisee Takes Future Back Vision For Saving The Environment - And His Restaurant Margins



Hector Gomez Regional Director for franchisee Harman Management

impact the typical restaurant's sustainability - and its bottom line.

With 144 Yum! restaurants - mainly multibrand units - to oversee from his Los Altos home base, Hector Gomez, Regional Director for franchisee Harman Management, thinks about those things every day and he has come up with some inventive ideas for keeping the subject front and center in the minds of his managers and team members, too. His job is to improve profit margins and increase sales for Harman's A&W and Long John Silver's holdings.

Hector knew there were reasonable cost savings to be had in the restaurants if he could just identify all the places where energy was being lost and motivate his teams to do something about it. He built know how with Harman Construction Manager Dan Mundy, when they surveyed points of energy losses at the restaurants. After developing specific points to focus on, he produced a breakthrough plan to improve margins by reducing utility costs and striving for excellent utility stewardship. First with a booklet and later with a video presentation, he shared his plan for cutting costs. Each restaurant manager was challenged to reduce energy expenses by \$1,000 a month.

"That \$1,000 goes to the bottom line," he says. "It increases the morale of the managers because they can see the dollars they are saving and they see that they're helping save the planet. It makes people feel good."

The message got through because the first month of the challenge saw most restaurants drop their monthly energy costs from \$4,000 to \$3,000. Hector says he's expecting more savings as the effort continues.

Karen Sherman, Yum! Senior Director Corporate Social Responsibility, says "Hector is going for breakthrough results in environmental sustainability. He is delivering on our corporate social responsibility promise - to recognize and minimize our impacts on the environment. With his intentionality plus his methods, we're all seeing the results."

Hector shot for the moon with his \$1,000 restaurant challenge. Now he's developed a future back vision to make his restaurants more sustainable. Here are some of his points:

- Check ice machines to make sure water condensers can breathe.
- restaurants were still burning outside lights at 10 o'clock in the morning.)
- Replace interior lights with compact fluorescent lamps (CFL) wherever feasible.
- Set hot water heaters on 135 to 140 degrees.
- heaters to sink faucets and it never gets cold.

"We have a lot of laboratories to work on carbon reductions and we're going to continue finding areas where we can help the environment and save money at the same time," he says.



When running a restaurant, it's important to know that hamburgers are frying and chicken is grilling at prescribed, safe recommended temperatures. It's also important to know how long that grill or fryer took to reach its optimal operating level from the time it was turned on. Why? Because there is the potential for cooling - and energy loss - in between the two. For example, an A&W flat grill has nine check points for surface temperatures and if the grill has not been cleaned properly there can be a 30 degree difference between those points. That leads to inconsistent, and possibly dangerous, products. And it also leads to wasted energy.

It's all part of a fast food restaurant's carbon footprint, and includes things like water temperatures, roof-top air conditioners, rainwater collectors, and ice machines. Taken individually or together, they

 Place fake \$1 bills around restaurants to visually illustrate places where energy might be wasted. Hector hung the bills on strings from air conditioner grates to remind that any AC setting below 70 degrees wastes energy. He placed them by water heaters to show dollars being burned because the water heater settings were too high. And, the fake dollars showed up on floor drains to illustrate how real dollars are washed down the drain every time someone uses a hot water hose in the back of house to wash floors.

 More frequently change pads in rooftop coolers and check for holes that can let heat rise out of the building. The coolers are supposed to push water down and cool the restaurant.

Correlate automated outside lights with local sunset and sunrise hours. (Hector found that some of his

 On the subject of hot water, Hector knows the importance of having team members wash their hands in hot water but he also knew that sometimes it could take a while for the hot water to come on in restroom sinks so Harman installed re-circulating pumps by the water heaters so the hot water is constantly running from water





Did you know...

In 2010, the Yum! Brands Foundation and Muhammad Ali Center established the Muhammad Ali Center Peace Gardens initiative to teach children to build gardens so they can learn about respect for different cultures, nutrition and hunger relief.

Learn More



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At Yum!, we believe in giving back to the communities in which we work and live, making a positive difference in the lives of our customers and associates and their families. We provide financial support to charities across the world, and our over 1 million associates system-wide, as well as our franchisees, give to their local communities everyday - through meals, monetary donations and personal time. We know that as individuals and as a system we can make this world a better place.

In 2010, Yum! Brands was honored to participate in the United Nations Private Sector Forum. More than 300 Heads of State and Government, chief executives, civil society leaders and heads of intergovernmental organizations gathered to identify concrete actions the private sector can take - individually and collaboratively - to help close implementation gaps in the Millennium Development Goals (MDG). The eight Millennium Development Goals - which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 - form a blueprint agreed to by all the world's countries and all the world's leading development institutions. Over 30 commitments to advance development were made at the Forum by companies, foundations and civil society organizations - with the goal of inspiring other organizations around the world to join in the urgent effort to achieve the MDGs. To learn more, visit http://www.un.org/millenniumgoals.

Associate Volunteering

Our associates are champions for our customers and for the communities in which they live. We support our associates' volunteer efforts, and associates are encouraged to work with their supervisors on volunteer opportunities. Since 2007, over 1 million of the Company's employees, franchisees and their families have volunteered more than 15 million hours to aid hunger relief efforts in communities worldwide.



ALONE WE'RE DELICIOUS. TOGETHER WE'RE YUM!"





Watch Video





About Us



Did you know...

We believe we can have the greatest impact in advancing our health and nutrition platform throughout our system and the industry with action-oriented change. To do this we have established global nutritional guidelines for all our businesses. Learn More

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World Hunger Relief

As we approached our 10th anniversary in 2007, we decided to align our system around a large scale crisis that we are all well positioned to address - hunger relief. With more than 900 million people in the world facing hunger and malnutrition we developed an annual initiative that we call "World Hunger Relief," leveraging the power of our global restaurant system to address hunger through awareness, volunteerism and fundraising. The campaign has grown into a global movement and the world's largest private sector hunger relief effort in history. Our associates, franchisees and suppliers in our more than 110 countries we operate in join forces to bring awareness and action to this global crisis.

Since starting the movement in 2007 and continuing through our recent 2010 campaign, we have raised nearly \$85 million for the United Nations World Food Programme (WFP) and other hunger relief agencies, providing nearly 350 million meals. WFP is the world's largest humanitarian agency fighting hunger worldwide, feeding more than 90 million people in more than 70 under developed nations.

The movement is primarily focused on engaging our associates, franchisees and consumers in our nearly 38,000 restaurants around the globe in the movement to end world hunger by contributing money to help feed beneficiaries of the WFP. Through the use of restaurant point of purchase materials, broadcast, print and online advertising and public service announcements featuring our global spokesperson and WFP ambassador, Christina Aguilera, the campaign has grown year over year with Yum! being WFP's largest corporate donor and partner. WFP named Yum! its Corporate Partner of the Year at the 2010 World Economic Forum in Davos-Klosters, Switzerland.

The funds raised for the WFP are given as unrestricted funds to be used for WFP's greatest needs around the globe, allowing WFP the flexibility to get food and resources where they are most needed. As a part of our commitment to ensuring 100% of the consumer and associate funds donated are used by WFP for feeding people and the related programs, the Yum! Foundation contributes \$2 million so the WFP can manage the expenses associated with our global campaign.



At the Clinton Global Initiative in 2008, President Bill Clinton announced the Company's five-year commitment during a special Plenary Session that made school meals a top priority in the fight to end global hunger. Over a five-year span, the Company pledged to: raise and donate at least \$80 million to help WFP and others provide 200 million meals for hungry school children in developing countries; donate 20 million hours of hunger relief volunteer service in the communities in which it operates; donate \$200 million worth of its prepared food to hunger agencies in the United States; and use the Company's marketing clout to generate awareness of the hunger problem, and convince others to become part of the solution.

In just three years since Yum! Brands' pledge at the Clinton Global Initiative, the Company has: raised \$68 million to help the United Nations World Food Programme (WFP) and others provide more than 270 million meals for hungry school children in developing countries; donated 17 million hours of hunger relief volunteer service; donated \$180 million worth of its prepared food to hunger agencies in the United States; and generated approximately \$170 million worth of awareness of the hunger problem.











We've already set a goal for our 2011 campaign - to raise \$27 million for WFP and other hunger relief agencies. World Hunger Relief is our annual global movement to end world hunger. By engaging our entire system, our associates, our consumers and society in the movement, we know we're helping move millions of people from hunger to hope. We look forward to sharing the future growth of the program and progress against our goals. For more information about our World Hunger Relief campaign visit www.FromHungertoHope.com.

💛 Our Huge Heart

World Hunger Relief

Giving Back

Disaster Relief

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We believe we can have the greatest impact in advancing our health and nutrition platform throughout our system and the industry with action-oriented change. To do this we have established global nutritional guidelines for all our businesses.

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Results

For the past four years the World Hunger Relief campaign has leveraged the power of nearly 38,000 restaurants around the world, sparking a global movement to end hunger and generating an overwhelming outpouring of support from millions of customers, employees, franchisees and their families. To date, the World Hunger Relief movement has delivered:

Awareness:

2 - 3 billion impressions annually since 2007 Approximate value of more than \$150 million in advertising, marketing and public relations materials.

Volunteerism:

More than 21 million hours of Yum! associates' time contributed to the cause in 4 years.

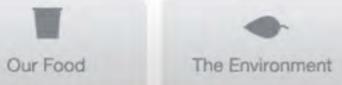
Fundraising:

2007: \$16 million to WFP and other hunger relief agencies 2008: \$20 million to WFP and other hunger relief agencies 2009: \$22.5 million to WFP and other hunger relief agencies 2010: \$24.5 million to WFP and other hunger relief agencies

The impact of the program has been astounding with funds delivered to programs in more than 30 countries with millions of beneficiaries, many of them children in School Feeding programs, reaping the benefits of the World Hunger Relief public-private partnership.

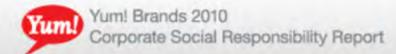
Countries receiving funding and food as a result of the World Hunger Relief campaign:







2010 World Hunger **Relief Campaign**



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World Hunger Relief

Giving Back

Disaster Relief

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WHR Results Recognition

Recognition

2010:

- United Nations World Food Programme Partner of the Year
- PR Week Winner Cause-Related Campaign of the Year

2009:

- PR News' Nonprofit PR Awards Finalist for Nonprofit/Corporate category
- · PR Week Awards Winner for Cause-Related Campaign of the Year
- Hermes Creative Awards Platinum Winner
- PRSA Bronze Anvil Award of Commendation Winner for Digital Press Kits Category

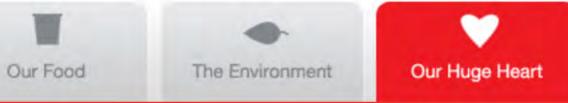
2008:

employees"

2007:

- IABC Gold Quill Merit Award in Business Communication Category
- PR News CSR Finalist in the Media Relations Category

- PRSA Skyline Awards Skyline Award Winner, Public Service/Partnerships



 League of Communications Professionals - Winner - Magellan Awards for Community Relations: Most Creative Campaign; #9 in Top 50 2010 Communication Campaign (out of 379 entries); Gold Award for Excellence

• PRSA Skyline Awards - Merit Award for the Category Events & Observances, More than 7 Days

• PR News CSR - Honorable mention, "Overall Leader in CSR Practices: Corporation with more than 25,000

 IPRA 2008 Golden World Awards - Winner, Corporate Social Responsibility Category SABRE Awards - Gold Winner, Business and Society, Corporate Social Responsibility Category

About Us

Our Food

The Environment

Our Huge Heart

💙 Our Huge Heart

World Hunger Relief

Giving Back

Disaster Relief



Diversity

We also invest in the diversity of our communities via our philanthropic programs. We have giving partnerships with the following:

Print-friendly version

- National Minority Supplier Development Council
- Kentucky Center for African American
 Heritage
- Women for Women
- Women's Business Enterprise National Council
- Women's Foodservice Forum
- Muhammad Ali Center
- National Council of LaRaza
- MultiCultural Foodservice and Hospitality
 Alliance

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Giving Back

As a global food company, we believe that we can make the greatest contribution and impact by making food accessible to the less fortunate in the world. We are in the business of feeding people - whether it's the six billion customers who visit our restaurants each year or those we feed through community hunger relief initiatives. We also give back with programs that focus on college scholarships, reading incentives and mentoring at-risk teens.

Yum! Brands Foundation

The Yum! Brands Foundation supports charities working in the areas of hunger relief, youth, and the arts through annual unrestricted and restricted grants. The Foundation Matching Gift Program in the U.S. supports and encourages associates to contribute financially to non-profit organizations in their communities by matching dollar-for-dollar gifts by associates to qualified nonprofit groups, up to \$10,000 per associate per year. The Foundation Board Support Program encourages associates to engage in their communities by providing financial support to non-profit organizations with boards on which our associates actively serve.



Dare to Care Food Bank

We are a global company with far-reaching community programs, but we remain dedicated to solving issues at home as well. In Louisville, Kentucky, home of Yum! and our U.S. KFC Restaurant Support Center, one in four children is at risk of going to bed hungry each night. Since 2002, Yum! and its associates have committed \$8 million to end hunger in the Kentucky/Indiana area through our partnership with the Dare to Care Food Bank, Louisville's largest hunger relief organization.

Our support has enabled Dare to Care to expand the number of Kids Cafés, after-school programs that provide a nutritious meal to children in the local community along with adult-supervised activities including homework clubs. This brings the total number of meals served to at-risk youth in Louisville to over 100,000 annually. It has also allowed for the creation of the "Patrol Against Hunger" program, a unique partnership with the Louisville Metro Police Department that provides food to housebound elderly. The program is the first of its kind in the nation and is considered a model for other communities.

Harvest

We're also addressing hunger across the U.S. through our Harvest program. Since its launch over a decade ago, Harvest (previously called YUMeals) has become the largest prepared-food donation program in the world in terms of pounds donated. Through Harvest, in 2009 we donated nearly 11 million pounds of wholesome food, with a fair market value of

\$60 million, to needy families and children. Since creation of the program, we've donated over 125 million pounds of food, with a value of over \$500 million, to those at risk of hunger. The food is distributed through a network of over 3,000 hunger relief organizations in hundreds of communities across the U.S. We are exploring initiating this program in other countries.

In the U.S., KFC distributes food through the KFC Harvest network which was initiated in 2003 and has grown to include 1,717 restaurants supporting 1,624 hunger relief organizations.





Muhammad Ali Center Peace Gardens

In 2010, the Yum! Brands Foundation and Muhammad Ali Center established the Muhammad Ali Center Peace Gardens initiative to teach children to build gardens so they can learn about respect for different cultures, nutrition and hunger relief. The initiative is made possible by the Yum! Brands Foundation as part of its World Hunger Relief effort, helping children in underprivileged areas learn to grow their own food with plants from different countries.

Over the next four years, the Foundation is providing educational tools and materials including a free, downloadable curriculum guide and \$100,000 in grants to build gardens in underprivileged schools across the globe. To learn more, visit mypeacegarden.com.

Giving Metrics - Yum! Corporate and Foundation (U.S.)

Total 2009 giving:	\$4,087,754	
Total Arts:	\$674,670	
Total Community:	\$2,858,625	
Total Health:	\$215,450	
Total Diversity:	\$213,750	
Over 19 percent of Yum!'s U.S. annual corporate giving goes to support predominantly minority communities. In 2009, 39% of the Andy Pearson scholarships were given to students of color; 56% percent to female students.		
Total Other:	\$125,259	
Total Dare to Care:	\$1,000,000	

Food Bank are distributed through Metro United Way of Louisville. Total yearly contribution to Dare to Care is \$1 million when totaled with associate contributions.]	
Total Associate Giving Match:	\$468,654
Harvest Donations in 2009:	
4,513 participating restaurants	
 4,513 participating restaurants 	
 10,608,763 pounds of food donated 	
 \$50.9 million in fair market value of food donated 	
Total Harvest 2003-2009:	75,759,092 lbs. (\$331.0 Fair Market Value)
Total Harvest prior to 2003:	49,349,964 lbs. (\$186.8 Fair Market Value)
Total Harvest since start in 1992:	125,109,056 lbs. (\$517.8 Fair Market Value)



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The Environment

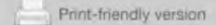
Our Huge Heart

💛 Our Huge Heart

World Hunger Relief

Giving Back

Disaster Relief



Giving Back U.S.

Diversity

We also invest in the diversity of our communities via our philanthropic programs. We have giving partnerships with the following:

- National Minority Supplier Development Council
- Kentucky Center for African American Heritage
- Women for Women
- Women's Business Enterprise National Council
- Women's Foodservice Forum
- Muhammad Ali Center
- National Council of LaRaza
- MultiCultural Foodservice and Hospitality Alliance

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U.S. Brands

Taco Bell

Taco Bell Foundation for Teens

The Taco Bell Foundation for Teens is committed to funding real-world experiences proven to inspire teenagers to graduate from high school. Since 1995, Taco Bell, its franchisees and customers have been the largest donor to the Boys & Girls Clubs of America, giving over \$28 million for teen programming. Boys & Girls Club programs supported by Taco Bell include the Keystone Program which provides career, community and education opportunities for teen



leaders. In 2010, the Foundation launched the Taco Bell Graduate to Go initiative to drive awareness, fundraising and giving to address the teen graduation crisis in America. During the first year, Taco Bell provided over \$1.8 million in Graduate to Go Experience Grants to local teen-serving organizations across the country. Taco Bell also sent over 600 teens to one of eleven two-day Graduate to Go College Camps. Teens who attended the Taco Bell Graduate to Go College Camps were fully immersed in the life of a college student. During the Taco Bell Graduate to Go College Camps, teens learned about different aspects of entrepreneurship from business experts and competed for start-up funds for their new businesses. Through providing these experiences, the Taco Bell Foundation for Teens is dedicated to inspiring teens stay in school and reach their full potential in life.

KFC

KFC Colonel's Scholars, KFC Foundation

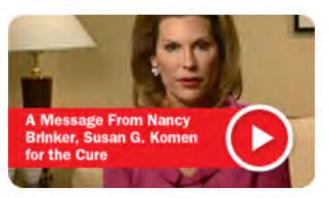
KFC Colonel's Scholars is empowering students to improve their lives with scholarship resources to attend an accredited public college within the state of their residence. KFC Colonel's Scholars enables high school students with entrepreneurial drive, strong perseverance and demonstrated financial need to pursue up to four years of study at an accredited public institution in the state where they reside. The scholarship provides funding for tuition, fees, books, room and board for up to \$5000 per year. Since 2006 when the program was



initiated, the KFC Foundation has awarded 300 scholarships to students across the United States equating to more than \$5 million in scholarships.



Buckets for the Cure ™



In April 2010, KFC joined the fight against breast cancer with a national Buckets for the Cure™campaign aimed at educating more women about breast health, generating support for the cause and attempting to make the single largest donation in the history of Susan G. Komen for the Cure. For the Buckets for the Cure™ campaign, KFC changed the color of its



iconic bucket from red to pink. The commemorative pink buckets paid tribute to cancer survivors and those who have lost their battle by featuring their names on the buckets.

During the campaign, KFC restaurant operators donated 50 cents from each pink bucket purchased. At the end of the campaign, KFC was proud to present a check for more than \$4.2 million to executives from Susan G. Komen for the Cure. The money, which represents the single largest donation in Komen history, was raised by KFC franchisees and restaurant operators.

Pizza Hut

BOOK IT!® Program

Since 1985, Pizza Hut has been making reading fun for more than 16 million children per year through the BOOK IT!® Reading Incentive Program. The Pizza Hut BOOK IT!® Program has become the largest reading motivation program in the U.S., and over 480,000 classrooms are currently participating. Pizza Hut has invested nearly one-half billion dollars in the program, and has awarded more than 183 million Personal Pan Pizzas to students who have met their monthly BOOK IT!® reading goals. To learn more visit www.bookitprogram.com.



North Texas Food Bank

In support of the Yum! Brands initiative to be the defining global company that feeds the world, Pizza Hut U.S. team members in Dallas, Texas have donated more than 2,000 hours to sorting and packing food for North Texas Food Bank since 2007. Pizza Hut events have raised funds and sponsored food drives to support the food bank's growing demand.

The H.U.T. Fund

The mission of the Help Unleash Talent (H.U.T.) Fund is to even the playing field for local high school students. The fund was established at the Booker T. Washington High School for the Performing and Visual Arts in 2008 and has provided more than 60 students with resources they needed, but couldn't afford, to help them fulfill their academic and artistic potential.



BELL BELL ALONE WE'RE DELICIOUS, TOGETHER WE'RE YUM!"

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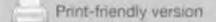
Heritage

Council

Alliance

Women for Women

Muhammad Ali Center



We also invest in the diversity of our

communities via our philanthropic programs. We

National Minority Supplier Development

Kentucky Center for African American

Women's Business Enterprise National

MultiCultural Foodservice and Hospitality

Women's Foodservice Forum

National Council of LaRaza

have giving partnerships with the following:

U.S. YRI **Giving Back** China

Yum! Restaurants International

Our impact stretches far beyond the U.S. We are deeply committed to making positive changes in all the countries in which we operate. Here are just a few examples:

U.K.

KFC UK has been focusing on three issues: World Hunger Relief, litter and young adults. In their 2010 WHR campaign, they have encouraged every member in the business to undertake a "Journey" of some kind to raise money calling the campaign "Hike for Hunger." To date, collectively, they have walked over 32,000 miles! To address the issue of litter and its impact on local communities, the U.K. team has set up a project to test ways to minimize litter, through increased pick-ups and encouraging consumers to "Keep Britain Tidy."

Australia

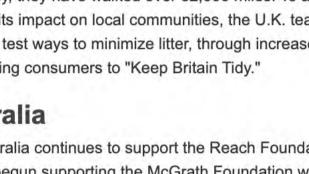
KFC Australia continues to support the Reach Foundation and has recently begun supporting the McGrath Foundation with the "Pass the Pink Bucket" campaign.

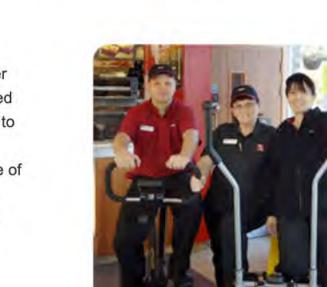
Reach's vision is that every young person has the support and self-belief

they need to fulfill their potential and dare to dream. The Reach Crew (15-25 year olds) run programs that include a variety of workshops, weekends away and large scale events that promote self-awareness, mental health and wellbeing of young people. At its core, Reach is about youth inspiring youth. In the past 15 years, KFC Victoria has supported Reach with both fundraising activities and in-kind support to help run and facilitate many of the specific youth-oriented programs. KFC Victoria has been hugely supportive of Reach over this period and has been a significant reason behind Reach's growth and success. The organization has now expanded into New South Wales with KFC as a key partner in their growth model providing strategic direction and attending multiple events with the organization.

The "Pass the Pink Bucket" initiative is an Australia-wide fundraising campaign in partnership with the McGrath







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> Foundation to help support families affected by breast cancer. The foundation was initiated by one of the leading Australian Cricketer's wife who lost her life to breast cancer. During major cricket games the McGrath Foundation holds events to build awareness and raise money for nurses and treatment of woman with the disease. As Cricket is KFCs biggest sponsorship, a new partnership was formed in 2010 as part of the Cricket activation campaign.

South Africa

In South Africa, our team supports a number of local charities involved in hunger alleviation projects throughout the country. Nationally, the team supports the SOS Children's Villages where our sponsorship of R3.5 million (approx. \$500,000 USD) feeds 1000 children three substantial meals a day. The Add Hope campaign also supports World Vision which supports 3 areas in South Africa where drop off centers provide much needed hunger alleviation to rural communities.

Add Hope supports two regional community initiatives: Lebone Care Centre and the '1000 Hills Community Helpers' who run feeding programs in the Bloemfontein and Kwa-zulu natal area, both of which require food relief urgently.

Our franchisees in South Africa are very much involved in the Add Hope campaign and we have over 50 franchisee programs in local store communities where team members and franchisees are making a difference. We believe that the most satisfying meal you can ever buy is the Add Hope meal-of-the-day because you can only buy it for someone else. By adding R2 (approx. \$0.28 USD) to your meal purchase our customers can feed a hungry child.



In 2009, consumers donated R1.9 million (approx. \$270,000 USD) to Add Hope by adding R2 to any meal purchase in our stores. This year, the team is hoping to raise R5. (approx. \$760,000) which will be used to extend the reach of the campaign and local feeding programs to fulfill our vision that 'no child should ever go hungry.'

Thailand

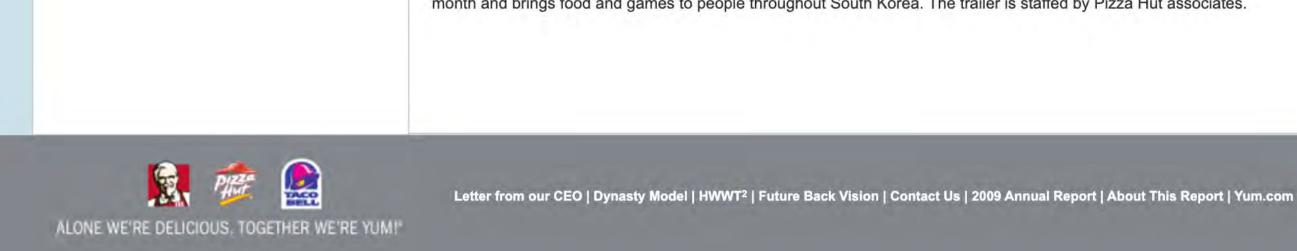
In Thailand, KFC restaurants, approx. 400 locations, collect donations year round. Donations collected September - October go toward the overall Yum! Brands World Hunger Relief (WHR) campaign; and donations collected the remaining months of the year go toward the Thailand school feeding project, "Home-Grown School Feeding Program." Due to the current flood situations, these restaurants will be asking for donations for natural disaster relief following the WHR campaign in 2010.

The Home-Grown School Feeding Program was initiated in 1980 by Her Royal Highness Princess Maha Chakri Sirindhorn. KFC Thailand is the first corporation that has been allowed to partner with the Program. We will support the program by building awareness, fundraising, and employee engagement. In November 2010, the Thailand Huge Heart CSR Committee (MD, Directors and Franchisee GM) visited a school under her royal patronage to see for themselves how the school feeding program works. They used this opportunity to interview students and teachers to better understand the real impact. From these learnings, they are developing a plan to further roll out fundraising in 2011.



South Korea

In South Korea, the "Pizza Hut Korea Sharing Love Trailer" program has been feeding 50 to 100 children and disabled people per month since May 2004. The program is run out of a large mobile kitchen that tours, on average, four times per month and brings food and games to people throughout South Korea. The trailer is staffed by Pizza Hut associates.



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Diversity

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Yum! China

First Light Foundation

KFC China and the China Youth Development Foundation (CYDF) established the KFC China First Light Foundation in 2002 to help students in need. This scholarship fund is the first of its kind in the country and introduces recipient students to three aspects of "help" - receiving help via the scholarship money and opportunities, engaging in self-help via work-



study employment opportunities with Yum!, and carrying out social responsibility projects in the name of their own association "First Light Commune." This project has been funded for 10 years in the 1st phase. The 2nd phase was launched in 2009 which will last till the year 2017. Total investment will increase to more than 12 million U.S. dollars. Over 15,000 students will benefit from this project.

Yum! China World Hunger Relief Program

Yum! China partnered with China Foundation for Poverty Alleviation and the World Food Programme launched the China

"World Hunger Relief" campaign since 2008. Being a part of Yum! global WHR initiatives, the program aims to provide nutrition enhancement food for needy children in China's most poverty stricken mountainous regions.

To date, Yum! China's WHR campaign raise over RMB 25 million (approx. \$3.7 million USD) in 3 years time. There are a total of 15 million consumers who participated in the donation campaign, making it one of the largest public donation campaigns in China. The campaign is also awarded by the China Enterprise News as the most successful CSR cause carried out by multinationals in China.



Pizza Hut Green Scout Camp

Since 2009, Pizza Hut named the last week of May as the "Pizza Hut Environmental Protection Week" to promote the green life concept to consumers through our stores nationwide.

Pizza Hut also launched the "Pizza Hut Green Scout Camp" nationwide in 2010, which encourages the Student Society of Universities to deliver 6 courses of Environmental Protection knowledge in one full year's time to primary school students. The students will become "Pizza Hut Green Scout" if they successfully collect 6 pins after they complete all the six courses. With this program, we aim to bring two generations together to work for a green future.

Three-on-Three Tournament



In 2004, KFC China launched a national youth three-on-three basketball tournament, the largest corporate-sponsored sports program in Chinese history. The program started with 48,000 participants representing 640 restaurants from 172 cities. Today this program, in its 7th season, is now the world's largest grassroots basketball program with more than 167,800 participants - that's 30,100 teams across more than 480 cities. We are thrilled with this growth and look forward to replicating the event internationally.

Various Healthy Lifestyle Initiatives

- The Happy Camp Designed to teach children the benefits of exercise and healthy foods, more than 1.2 million children attend Happy Camp every year. They learn important concepts such as "Breakfast is the most important meal of the day," "The secrets of fruit," "Milk is healthy food," and more.
- Dancing At the Restaurants Restaurant associates lead children in dance activities in each restaurant three to four times a week.



School Programs :

- The Happy Classroom/ Chicky Educational Course A community program aimed at enriching primary school students' extracurricular activities. The program includes education on nurturing good eating and exercising habits among children along with other topics that are important to this age group. In 2010, this program has been rolled out in 58 cities across China.
- Chicky Sports Game Started in Shanghai in 2003, the program is designed to help children develop exercise habits and adopt a healthy lifestyle. Since 2003, 1.5 million students in 3,000 schools in 11 cities have participated in the program.

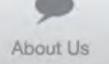






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Yum! Brands 2010 Corporate Social Responsibility Report





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Disaster Relief

In the spirit of our culture and vision to be a company with a huge heart, Yum! Brands, together with our associates and franchise partners, has also assisted with many ongoing relief efforts in response to natural disasters. Since 2005, the Yum! Brands Foundation has contributed nearly \$4 million in disaster relief assistance across the globe. These funds are in addition to donations made through our partnership with the World Food Programme.

- In August 2010, floods devastated much of Pakistan. Yum! immediately directed \$100,000 of the funds raised for the World Food Programme to assist with this crisis. These funds were in addition to \$400,000 already earmarked for the school feeding program in that country. Yum! also provided an additional \$50,000 to assist the victims of the flooding and we will continue to match funds through the Yum! Foundation of all donations made by our associates around the world.
- After devastating floods crippled Nashville, Tennessee in May 2010, our Pizza Hut Trailer Team received calls from the NPC and Red Cross asking for help. The Pizza Hut Trailer Team was eager to help out, providing volunteers and evacuees with a hot meal. Pizza Hut served approximately 13,000 pizzas over 5 days to affected Nashville residents. In October 2009, The Pizza Hut Trailer Team also helped out in Waco, TX with a program called "Missionary Under the Bridge" feeding pizza to some less fortunate in the area and supported emergency relief efforts in Houston after Hurricane Ike in 2008.
- In January 2010, global humanitarian and sports icon all Yum! employee donations up to a system-wide total of \$500,000.
- country, and flooding in the south.
- food, shelter and clothing.





Muhammad Ali, along with Christina Aguilera, joined forces to help WFP's Haiti relief efforts by appearing in a global Public Service Announcement underwritten by the Yum! Brands Foundation. Donations raised through Ali and Aguilera's PSA, highlighting a text message and online campaign, went directly to support WFP's efforts to get food to earthquake survivors in Haiti. Yum! also directed \$500,000 from its World Hunger Relief campaign effort to help WFP provide food for earthquake victims, and the Yum! Brands Foundation matched

No.

• When the devastating brushfires swept through Australia in 2009, the Yum! Brands Foundation was there with \$50,000 in support of the community and those company and franchise employees impacted by the fires.

 In 2009, KFC Feeds provided over 14,125 two piece chicken dinners to individuals affected and volunteers involved in various disasters throughout the U.S. including wildfires in California, winter storms throughout the

 And in yet another part of the world, we responded in May of 2008 to the devastating earthquake, registering 7.9 in magnitude that struck the Sichuan Province of China. This was a powerful quake that affected vast numbers of that country's population. To date, the Yum! Foundation and the Yum! China Division have donated \$2.3 million U.S. dollars to the "Yum! Family Fund" to help assist our teammates in China who were affected by this disaster. Our goal there was to help people rebuild their lives as quickly as possible with money for

- In May 2008, we also contributed \$450,000 to the Cyclone Nargis relief efforts in Myanmar through our partnership with the United Nations World Food Programme and then \$100,000 to those suffering from the after effects of the Vietnam earthquake.
- And in 2005, our associates and franchisees reached out a helping hand to assist with nearly \$6 million to aid victims of the Southeast Asia tsunami, the Pakistan earthquake and Hurricane Katrina in the U.S.