OUR RECIPE FOR GOOD
PURPOSE THAT FEEDS THE FUTURE

2020 Global Citizenship & Sustainability Report
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### ABOUT THE PAPER USED FOR THIS REPORT

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2020 marked a turning point for societies and businesses around the world. The impact on Yum!, our restaurants, franchisees and communities was no exception. It was a year filled with challenges, but also one that clarified our focus on what's most important, creating an opportunity to chart a sustainable future guided by purpose around societal issues our stakeholders care about like equality, inclusion and climate change.

Throughout the pandemic, everyone in the Yum! family has shown that they are capable of amazing things. I am incredibly proud of all the work that was done on the front lines and behind the scenes to serve our customers and communities and keep each other safe, like rolling out new safety protocols and contactless delivery programs in record time.

Just as our employees have taken care of customers and one another, Yum!, in turn, is taking care of them. We made our first grants through the Unlocking Opportunity Initiative, a $100 million global commitment to support front-line restaurant teams and community members through equity and inclusion, education, and entrepreneurship. At least $6 million of this total will be used to advance opportunity in Louisville, Kentucky, hometown of Yum! and KFC. We also joined the OneTen coalition, uniting with other U.S. businesses in advancing equity and career opportunity for underrepresented people of color.

People is the first pillar in Yum!'s Recipe for Good strategy, but equally important are our efforts to deliver goodness for the planet and through our food. Yum! recently announced science-based targets to reduce our greenhouse gas (GHG) emissions 46% below 2019 levels by 2030. We will achieve this by collaborating closely with our brands, franchisees and suppliers to source ingredients and operate restaurants with less environmental impact. We’re also continuing our work around sustainable packaging and waste reduction as part of our larger sustainability strategy.

When it comes to our Food pillar, we’ve never been more focused on food safety and delivering trust in every bite. We’re also expanding our investments in plant-based and vegetarian options. Through a new strategic partnership with Beyond Meat, Inc., our brands will introduce plant-based menu offerings to meet surging demand for sustainable options and flexible diets. Within our existing menus, we are continually working to improve nutritional profiles without compromising on the taste our customers crave.

We emerged from 2020 primed for sustainable growth, made better and more resilient by the challenges we faced throughout the year. I’m confident that our Recipe for Growth & Good has all the right ingredients for Yum! to succeed and create positive impacts for our people, franchisees, customers and communities.

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Thanks for your continued support.

David Gibbs
Chief Executive Officer
Yum! Brands, Inc.
We Feed the Future

Evolving our Recipe for Growth & Good

As a global company with more than 50,000 restaurants, at Yum!, we have a clear vision for building the world’s most loved, trusted and fastest-growing brands in our industry. We’re doing this through our Recipe for Growth — the core capabilities upon which we’re building long-term results — and our Global Citizenship & Sustainability Strategy, known as our Recipe for Good. The Recipe for Good reflects our priorities for social responsibility, risk management and sustainable stewardship of our people, food and planet. Our 2020 Annual Report discusses our joint Recipe for Growth & Good, underscoring the importance of collaboration in unlocking the potential of our people, franchisees, customers and communities.

At Yum!, we continue to integrate citizenship and sustainability into our business processes, including enterprise risk management (ERM). We are focused on advancing progress and results in the most critical parts of our business:

- Creating a workplace where everyone feels welcomed and valued
- Attracting, developing and retaining the best talent
- Feeding people safely and responding to customers’ evolving preferences
- Minimizing our climate impact, guiding by science-based targets and choosing responsible suppliers
- Operating our restaurants efficiently
- Creating opportunity and tackling inequalities faced by our front-line restaurant teams and communities

While all environmental, social and governance (ESG) topics are essential, the pandemic heightened our focus on global issues that are also core to Yum! This includes increasing inequities around the globe, the elevated importance of social issues impacting our people and the urgent need for action to address climate change. These issues align with the ongoing evolution of our strategy, which emphasizes People as our primary focus for social responsibility. The introduction of Unlocking Opportunity, our new social purpose, aims to fight inequality for frontline team members and communities, and further reflects our company’s long-term commitment to education, entrepreneurship, and equity and inclusion.

Relevant, Easy & Distinctive Brands

- Bold Restaurant Development
  - Drive market and franchise unit expansion with strong economics and value
- Unmatched Operating Capability
  - Recruit and equip the best restaurant operators in the world to deliver great customer experiences
- Food
  - Serve delicious food people trust
- People
  - Unlock opportunity
- Planet
  - Grow sustainably

Better collaboration • Better experiences • Better economics • Better growth
Corporate Governance

At Yum!, we believe that good corporate governance is a critical factor in achieving business success and embracing practices that align with management and shareholder interests. As of May 2021, the Yum! board of directors consisted of 12 directors, 11 of whom were independent, based on New York Stock Exchange rules for director independence. In 2020, the board was led by an independent, nonexecutive chairman. Our board believes that its independence and oversight of management are effectively maintained through a strong independent chairman or lead director and through the board’s composition, committee system and policy of having regular executive sessions of nonemployee directors. The board has three independent committees:

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

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

Board Diversity

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

ESG Strategy & Leadership

Oversight for ESG issues ultimately resides with the Yum! board of directors. The board is briefed at least annually on current issues and focus areas through its Audit Committee and is updated on a weekly basis through broader business updates. Our cross-brand Global Leadership Team, led by our chief executive officer, is regularly engaged with and updated on material topics.

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

- Chief Operating Officer & Chief People Officer
- Chief Financial Officer
- Chief Communications & Public Affairs Officer
- Chief Sustainability Officer & Vice President of Global Government Affairs
- Chief Strategy Officer
- Chief Food Safety Officer
- Chief Equity & Inclusion Officer
- Chief Legal & Franchise Officer & Corporate Secretary
- Chief Food Innovation Officer
- Chief Development Officer
- Vice President, Supply Chain

The ESG Council plays a key role in championing and governing our overall citizenship and sustainability strategy and priorities. We also convene cross-functional working groups that meet regularly throughout the year and include employees from food safety, human resources, supply chain, development, sustainability, communications and legal teams at the corporate and brand division levels to advance priority-area agendas. This includes an ESG Working Group that helps manage ongoing efforts such as our materiality assessment, disclosures to sustainability ratings and rankings agencies and our Global Citizenship & Sustainability Report.

Materiality

At Yum!, we regularly conduct materiality assessments, which are designed to identify and prioritize our most significant ESG impacts, risks and opportunities for our business and stakeholders. In 2021, we worked with a third party to conduct a new materiality assessment, using the topic list from Yum!’s last materiality assessment as a starting point. We then benchmarked these topics against more recent internal and external sources to identify additional relevant topics. These topics were grouped into categories to capture broader impacts. For example, Climate Impact encompasses energy use/consumption, climate change, renewable energy and emissions. Equity, Inclusion and Belonging and Employee Health and Safety, previously part of Talent Attraction, Retention and Engagement, are now separate topics. Through this exercise, a final list of 20 topics was identified, which we segmented into categories aligned with Yum!’s sustainability pillars (People, Food and Planet), as well as Governance.

The materiality assessment solicited the input of key internal and external stakeholders, including company leaders, investors, franchisees, suppliers, NGOs, industry associations and thought leaders. Based on the evidence provided through interviews and other source material, we mapped the relative priority of topics to Yum! and external stakeholders, as shown in the materiality matrix below.

Topics have been separated into three tiers, represented by the curved lines in the matrix. While all topics are important and can impact business success, the most important outcome of our assessment was the emergence of five clear Tier I topics: Climate Impact; Equity, Inclusion and Belonging; Food Safety; Packaging; and Operational Waste and Recycling. Each of these topics was judged to be highly important both to Yum! and our stakeholders, and we will provide the most robust discussion on these topics in our reporting going forward.
According to the World Economic Forum’s 2021 Global Risks Report, environmental and societal risks, such as extreme weather, infectious diseases and exclusion from economic opportunity, are some of the most likely risks that societies will face over the next few years. Attention to ESG issues, such as addressing climate change and inequality, must be part of any company’s approach to risk management, and Yum! is no exception. For example, COVID-19 and other diseases could continue to limit store-level operations and increase restaurant operating costs. Food-borne illnesses could hurt our brands and reputation and potentially lead to litigation. Disruptions due to climate-related natural disasters could lead to substantial damage or restaurant closures.

At Yum!, we continue to evaluate how priority ESG issues integrate into our global ERM activities. Much like our materiality assessment process, this exercise allows us to sharpen our top ESG issues from an ERM perspective and prioritize them according to their importance to our business and stakeholders. Yum! has also prepared a climate change brief summarizing the physical and transition risks faced by our restaurants in regions around the world, leveraging the recommendations by the Task Force on Climate-Related Financial Disclosures (TCFD).

To support further data transparency and disclosure, we’ve significantly increased investments in technology over the past year. TrueView, our new data collection tool, captures data gathered throughout the company, such as by our food safety and supply chain teams, providing a comprehensive picture of our business. The tool was used to collect sustainability data in 2021 and will be fully rolled out in 2022. We have also established a global membership in Sedex, an organization that works with businesses to improve working conditions in global supply chains. Our membership will provide a platform to communicate our sustainability agenda with suppliers and expand ESG issue management.

At Yum!, we continue to seek ways to better meet the needs of our stakeholders. To that end, and in step with our sharpened climate strategy, we are sharing our first-ever climate-related risks and opportunities through TCFD in this report. The results of our TCFD assessment, conducted in early 2021, provide an analysis of the physical and regulatory risks that directly impact our restaurants and supply chain across regions and brands. This will improve oversight and provide external stakeholders with more information about how we manage business risks and opportunities related to climate change.

In addition, we are transitioning to the Sustainability Accounting Standards Board (SASB) framework, which investors have identified as useful for restaurant companies. We are encouraged by the efforts to harmonize and align the GRI and SASB, and we expect to have substantial implementation of SASB standards by the end of 2022.

**UNIVERSAL SUSTAINABILITY GOALS**

Our company is well positioned to contribute to numerous United Nations Sustainable Development Goals that align closely with our work including:

- **People**
  - Education is one of the focus areas of the Unlocking Opportunity Initiative, through which we will make investments to help employees and community members grow their skills.
  - Our franchise restaurants provide jobs for more than 1.5 million people worldwide, and we’re constantly evaluating opportunities to address the development needs and aspirations of our restaurant teams and leaders.

- **Food**
  - Harvest, Yum!’s prepared food donation program, continues to feed people through donations to hunger relief organizations.
  - Harvest also allows us to address the challenge of food waste. We are reducing the amount of packaging waste sent to landfill with initiatives across our brands.

- **Planet**
  - Yum! restaurants have taken steps to reduce water use, and we’ve conducted a global water risk assessment to better understand our footprint.
  - In 2021, we announced new science-based targets, which give us a roadmap for reducing GHG emissions to levels aligned with the Paris Agreement.
  - Yum! is partnering with the World Wildlife Fund (WWF) to identify and eliminate deforestation risk in our supply chain.

**Stakeholder Engagement**

Our key stakeholders include employees, customers, franchisees, shareholders, suppliers, NGOs and communities. We follow a process for identifying, prioritizing and engaging with stakeholders on a range of issues. To conduct our 2021 materiality assessment, our company held interviews with internal and external stakeholders to understand their perspectives on key topics. Interviewees shared input based on their experience and areas of expertise. Through other types of engagement ranging from one-time discussions to regular interaction on joint projects and annual surveys, we aim to be as inclusive as possible, listening to many points of view from both supportive and critical voices.

For example, in the first quarter of 2021, we worked with an advisory firm to conduct a global survey of quick service restaurant (QSR) workers (not just Yum! employees) to understand the challenges they face at work and at home.

**Our key partners include:**

- Academy of Nutrition and Dietetics
- American Potato Trade Alliance
- American Vegetarian Association
- CEO Action for Diversity & Inclusion™
- Conference for Food Protection
- Consortium for Graduate Studies in Management
- Dairy Management Incorporated™
- Food Industry Asia
- Food Waste Reduction Alliance
- Institute for Food Technologists
- International Franchise Association
- International Poultry Council
- Louisville Sustainability Council
- Multicultural Foodservice & Hospitality Alliance™
- National Chicken Council
- National Park Board
- National Restaurant Association®
- National Retail Federation®
- New York Declaration on Forests
- OneAll
- Paradigm for Parity®
- Renewable Energy Buyers Alliance
- Roundtable on Sustainable Palm Oil™
- Serving Europe
- USA Poultry & Egg Export Council
- U.S. Chamber Business Council
- U.S. Green Building Council
- U.S. Roundtable for Sustainable Beef
- U.S. Roundtable for Sustainable Poultry & Eggs
- We Are All Human Hispanic Promise
- Women’s Foodservice Forum
- World Wildlife Fund

Many workers shared safety concerns related to COVID-19, and an interest in greater support from employers and the government in the form of policies like sick leave, access to healthcare and training and education. The results of this study will inform our workforce efforts, including the development of the Unlocking Opportunity Initiative.

At Yum!, we have also expanded our partnership with WWF. In recent years, we conducted a landscape assessment to better understand deforestation risks in Brazil and are now in the early stages of our implementation plan. Additionally, WWF is serving as a consulting partner on our packaging strategy.

**Transparent feedback and stakeholder engagement are foundational to the execution of our Global Citizenship & Sustainability Strategy. We make a range of policies, public positions and other resources available to stakeholders. Over the past year, we have enhanced our Human Rights and Labor Practices Policy. View our full list of policies and positions here.**
We Unlock Opportunity

Established Goals

- Significantly increase the number of women in senior leadership globally and achieve gender parity in leadership globally by 2025, ahead of our 2030 commitment aligned with Paradigm for Parity®
- Strengthen supplier development and engagement around human rights in the supply chain by having all suppliers globally on Sedex platform by 2023
- Measure Yum! Brands’ employee engagement
- Provide Yum! Brands’ employees with training and development that builds world-class leaders and business results
- Investing and allocating $100 million inside and outside our business over five years to tackle inequality with a focus on equity and inclusion, education and entrepreneurship
- Minimize unconscious bias through employee education and experiences

Opportunities & Challenges

- Fostering a consistently inclusive culture across four brands, thousands of global locations and both company- and franchise-owned restaurants
- Creating a great place to work for all employees in a competitive labor market
- Aligning safe work practices with local conditions amid the ongoing COVID-19 pandemic

Key Takeaways

- The Yum! Foundation developed a governance structure and is creating a measurement model to guide our investments and impact through the Unlocking Opportunity Initiative.
- We strengthened our wellness-related benefits for employees to help them better navigate personal challenges associated with COVID-19.
- The Heartstyles leadership development program is fully integrated into the Yum! family and is being introduced to franchisees and restaurant general managers worldwide.
- Yum! has established a global membership with Sedex that will strengthen our risk assessment and remediation processes, particularly around human rights and labor practices.

Material Issues

- Equity, Inclusion & Belonging
- Employee Health & Safety
- Talent Attraction, Engagement & Retention
- Community & Philanthropy
- Human Rights & Labor Practices
As one of the world’s largest restaurant companies, our people are our biggest assets. From the restaurant to the corner office, investing in people with globally scalable development programs that benefit our restaurant general managers is at the center of our strategy to elevate the customer experience, unlock growth for our 2,000+ franchisees and make a difference in the world.

We believe that the unrivaled culture and talent in our brands give us a competitive advantage when it comes to growing our business. It’s also a key reason why talent attraction, engagement and retention rank among the most material corporate social responsibility issues. Moving forward, we’re building on our strengths and taking on new challenges by investing in strategic initiatives that unlock opportunity and create an inclusive culture for all talent to thrive at work and at home.

**Investing in Social Impact: Unlocking Opportunity**

In 2020, we announced a new social purpose. The Unlocking Opportunity Initiative builds on 20 years of investing in our people first culture and is a landmark commitment to have a positive and sustainable social impact on the communities where we operate and for the restaurant team members who work on the front lines of our brands around the world. Many of our restaurant team members around the globe face some form of inequality. And because we want to be part of the solution to their challenges, we’re investing $100 million over the next five years to fight inequality with focus on three areas including equity and inclusion, education and skills and entrepreneurship.

**U.S. Multicultural Commitments**

We aspire to increase representation of underrepresented people of color at Yum!. People of color already make up the majority of restaurant employees within our U.S. system, and we are working diligently to translate this representation into our corporate leaders and employees. We are a member of the Oneten coalition, a group of U.S. businesses leading a bold initiative to create career mobility and advancement opportunities for 1 million Black individuals in the U.S. over the next ten years. Yum! has also committed to the Hispanic Promise, a national pledge to hire, promote, retain and celebrate Hispanics in the workplace, and the CEO Action for Diversity & Inclusion.

In 2021, Yum! joined the Publicis Media Once & For All Coalition, a multiyear, cross-industry collaboration to build a more equitable advertising ecosystem for ethnically diverse media suppliers, content creators and production partners, with an initial focus on Black and Hispanic platforms. Alongside the Coalition, Yum! will establish a U.S. Multicultural Marketing Leadership Council to drive cross-brand implementation of the company’s multicultural marketing strategies.

**EQUITY & INCLUSION**

Today, leading with an inclusive mindset and with actions focused on systemic change is more important than ever. As we navigate the road ahead in partnership with our 2,000+ franchisees around the world, we are expanding our investment in global and local programs that advance equity and inclusion throughout our business.

Building on our ongoing inclusion efforts, starting from the inside out, Yum! and our U.S. and global brands are strengthening and implementing plans with a focus on:

- Increasing diverse representation among our executive and management ranks, franchisees and suppliers, in the U.S. and globally. This builds on our initiative to advance women in leadership, and it will include targets that inspire and hold us accountable to aggressive progress over time.
- Additionally, in the U.S., we focused on increasing underrepresented people of color and gender diversity including Black, Hispanic, Asian-American, women and LGBT+ leaders and employees in our corporate locations and company-owned restaurants.
- Continuing to roll out inclusive leadership and anti-racism training across our system, including company and franchise restaurants.
- Investing in entrepreneurship, education and social justice in communities that have been historically marginalized and cities where our corporate offices are located.
- Partnering with franchisees on implementing the Unlocking Opportunity Initiative, leveraging and expanding their involvement.

**Insights & Strategy**

We are strengthening our focus on diversity across each of Yum!’s brands by focusing on leadership and culture. In 2020, Pizza Hut U.S. appointed its first chief equity officer and KFC U.S. named its first director of Equity & Inclusion. Taco Bell launched the Equity, Inclusion & Belonging Guiding Coalition, a diverse cross-functional team driving forward the brand’s inclusion strategy.

In early 2021, Yum! conducted an equity, inclusion and belonging assessment for above-restaurant leaders across all brands in the U.S. The goal of this assessment was to identify gaps and help us focus our efforts as we continue to create an inclusive culture. Similarly, Pizza Hut U.S. is working with a third-party analytics company to better understand how people from different backgrounds feel about their sense of belonging at Pizza Hut, with a focus on the brand as an employer, franchisee and neighbor.

**Strengthening Our Unrivaled Culture & Talent**

We’ll deepen our investments in efforts to produce equity, fairness, inclusion and belonging inside our company, across all aspects of our brands and throughout our franchise businesses.

**Equity & Inclusion**

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**Education**

We’ll expand access and funding of education and skills training, which both empower restaurant team members to build their best lives and uplift our communities.

**Entrepreneurship**

We’ll create pathways to entrepreneurship for restaurant employees wanting to lead a business, franchise or social enterprise, as well as for small businesses and social entrepreneurs looking to make a meaningful difference in their communities.
Elevating Women Leaders

When it comes to advancing our women leaders, it starts at the top with our CEO, leadership teams and franchisees who serve as champions to advance our global strategy while encouraging grassroots advocacy efforts. From being a founding member of the Women’s Foodservice Forum in 1999 to establishing female mentoring programs for our restaurant general managers (RGMs) and offering leadership coaching, we know that investing in our female talent is a key element to driving growth for our business. In 2020, we increased the number of women in senior leadership globally to 47%, accelerating our target to achieve gender parity in leadership globally by 2025. Our previous aspiration was in line with Paradigm for Parity’s goal to advance women to senior roles and achieve gender parity in leadership globally by 2025. For example, each brand required employees to create a diversity and inclusion goal that would guide them throughout 2020. Goals could include raising awareness about the need for more inclusive benefits or leading change through Employee Resource Groups (ERGs). Taco Bell launched five new ERGs in the summer of 2020 alone. All brands also conducted listening tours to understand employees’ and franchisees’ perspectives and learn how we can do better.

Inclusion Around the World

Among employees of our franchise restaurants around the world, there’s already plenty to celebrate. KFC marked the opening of its 25,000th restaurant in 2020, which is led and operated by an all-female team in Hyderabad, India, joining the ranks of teams at KFC Saudi Arabia and Pizza Hut Ethiopia with all-female staffs. Our first KFC in Senegal is the first franchise chain to have a female-only staff — from restaurant workers all the way to the franchise CEO. Another KFC India franchise operates more than 30 restaurants staffed entirely by team members with disabilities, as does a Pizza Hut franchisee in Sri Lanka. These restaurants focus on training, development and creating an accessible work environment with tailored equipment, and the KFC franchisee hopes to expand to 70 of these restaurants over the next four years.

EDUCATION

Every year, thousands of young people have their first job at a KFC, Pizza Hut, Taco Bell or The Habit Burger Grill, gaining work experience as well as life skills that can be applied throughout their careers. Many of these individuals go on to manage restaurants, and some even become franchisees who own multiple restaurants in our family of brands. Employees who work for our brands or at our corporate headquarters likewise benefit from a range of opportunities to develop professionally. Given our global reach and scale, a career at Yum!, allows people to work across brands, functions and geographies, exploring many interests and passions all within one company.

We’re expanding access and funding for education and skills training, which both empower restaurant team members and uplift our communities. Beyond the experiences that our people gain on the job, we have a number of formal programs that help people grow personally and professionally.

Building World-Class Restaurant Managers

In March 2020, we acquired the Heartstyles company after years of partnership to advance Yum!’s commitment to cultivating world-class leaders across the organization and especially at the front lines of our brands. Heartstyles is an intuitive and practical method for helping people learn how to become the best versions of themselves, lead authentically and build workplace cultures that unlock the potential of teams and deliver strong results. At KFC, we have initiated multyear plans to scale Heartstyles so we can offer it efficiently to our 2,000 franchisees who run 99% of our over 50,000 restaurants.

A key component of the hands-on training program is the Heartstyles Indicator — an online self- and 360-degree assessment and action plan that helps individuals identify and generate positive and constructive attitudes, thinking and behaviors that help them in life and at work. In 2020, nearly 4,500 Heartstyles Indicators were completed by employees and franchisees across our brands. The benefits of Heartstyles are not only felt by an individual and their colleagues, but also by customers in our restaurants. When RGMs have been through Heartstyles, 6,500 Heartstyles Indicators have gone through Heartstyles.

KFC has seen a 9% increase in guest satisfaction for RGMs who have gone through Heartstyles.

Other programs include Leading with a Growth Mindset, a Pizza Hut International course designed for RGMs. To date, 40% of RGMs have been through the program, and the brand aims to train all RGMs globally by 2022.

Entrepreneurship

We’re creating pathways to entrepreneurship for restaurant employees wanting to lead a business, franchise or social enterprise, as well as for small businesses and social entrepreneurs looking to make a meaningful difference in their communities. At Yum!, we are dedicated to recruiting franchisees who are people of color and women and are actively engaged in programs that support their development. We helped launch the International Franchise Association’s Minority Franchise Program, an initiative that provides a one-stop point of access for minority prospects who are exploring franchise opportunities.

Advancing Franchise Health & Diversity

In 2020, we formally established a Global Franchise Office to galvanize Yum!’s efforts to drive and support franchise economic health, education and diversity. The Global Franchise Office has hosted several virtual events over the past year, including EmpowHER conferences for women and people of color in franchising.

The Office also helped create the Yum! Center for Franchise Excellence in partnership with the University of Louisville. The Center is the first business program of its kind at a public university, providing existing and potential franchisees multiple levels of online education focused on the franchising model across industries. In addition, the Center will focus on recruiting and educating underrepresented people of color and women on the possibilities of franchising as a pathway to entrepreneurship.

Entrepreneurship

We’re proud to partner with the University of Louisville on developing a sustainable, globally scalable program that democratizes exposure to and builds knowledge of the franchising industry for all. Our hope is that the Center will carve a path to economic opportunity and successful ownership for talented, underrepresented people while bringing diverse voices and ideas to the broader franchising community.

Scott Callett, Yum! Chief Legal & Franchise Officer

Wanda Williams, Head of Yum! Global Franchising

Scott Callett, Yum! Chief Legal & Franchise Officer

Wanda Williams, Head of Yum! Global Franchising

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Building Capacity to Jumpstart Entrepreneurship
Through its Feeding Futures program, KFC Canada is developing a proprietary entrepreneurial program to build capability and jumpstart entrepreneurship amongst under-resourced immigrant and BIPOC cohorts. In partnership with Initiatives for a Competitive Inner City, over 65 candidates annually will participate in an online mini MBA program with an exclusive KFC-designed course for food and service entrepreneurs. The program will also help candidates overcome the financial barriers to entrepreneurship with a financial award upon successful completion of the program.

Driving Economic Growth With Black Entrepreneurs
In Louisville, Kentucky, the first business incubator for Black entrepreneurs aims to increase business creation to drive economic growth, mobility and independence. Through RussellTech Business Incubator (RTBI), Black business owners will have access to services and resources to help them start, sustain and grow. This includes everything from helping find and finance services to sales and technical advice and business coaches for expertise and support. The incubator is under the umbrella of AMPED, the Academy of Music Productions Education and Development, focused on full-service and support. The incubator is under the umbrella of AMPED, the Academy of Music Productions Education and Development, focused on full-service and support.

Investing in Young Entrepreneurs
In the United Kingdom, Pizza Hut is creating the New Founders Programme to unlock opportunity for Black, female and young entrepreneurs by equipping them with the capability, connections and capital needed to start their own business and create jobs in the community. This work will be done in partnership with Hatch, a nonprofit focused on building a fairer society.

Tackling Female Youth Unemployment
In South Africa, Pizza Hut is tackling youth unemployment through its Equal Employability, LelwaRise! program. Unemployment among the country’s youth is more than 50%, and the brand is committed to doing its part to drive change. In particular, the program will focus on marginalized young females, ages 18 to 24, as they make up more than 70% of the unemployed youth. Pizza Hut South Africa believes that this employability program will start to shift the way youth show up in the workplace. Pizza Hut and YesYouth will partner with nonprofit organizations around the country to identify and drive internship opportunities for pre-selected young women who will go through a 12-month work experience to gain required skills and support better career opportunities.

Ensuring Success in School for Teens
In partnership with the Boys and Girls Clubs of America’s Odyssey Life Readiness Program, we provide teens ages 12-18 with tools to support success in school, reduction of truancy and help close the education gap. This program will be relaunched in Collin County, Texas, and expanded throughout the U.S.

HUNGER RELIEF
As one of the world’s largest restaurant companies, feeding people is core to what we do. In 2020, Taco Bell U.S. and The Habit Burger Grill participated in a “round up” program through which customers could round up the cost of their order to the nearest dollar, with the extra amount donated to No Kid Hungry. The Taco Bell Foundation raised $79.5 million through its Round Up program in 2020. Similarly, KFC South Africa continued its popular Add Hope program, which provides 150,000 meals for children each day through customers rounding up the cost of their meals. In addition to its long-term partnership with No Kid Hungry, The Habit has begun working with Second Harvest, a Southern California-based food bank that makes fresh food available to underserved communities.

Beyond giving time and funds to hunger relief organizations, our brands also donate food from our restaurants. Yum!’s Harvest program, the world’s first prepared food donation program, continued in 2020, with our distribution centers serving as a key source of donations when our restaurants were impacted by the pandemic. Since the program’s inception in 1992, we have donated 3.5 billion pounds of food through Harvest.

In the early days of the pandemic, Pizza Hut delivery drivers across Europe delivered not only pizza, but also food ingredients and essential supplies like masks. The KFC Foundation helped support essential workers on KFC restaurant teams through the KFC Family Fund and the Grocery Assistance Fund, which provided $500,000 worth of groceries to team members across the U.S. Yum! also donated $1.4 million to food banks globally.

LITERACY & EDUCATION
Another way we can unlock potential is by helping young people gain skills for success in school, social interactions and future careers. In the U.S., Pizza Hut has operated the BOOK IT! reading program for elementary-level students since 1984. In recent years, BOOK IT! has partnered with First Book’s Stories for All project, through which they have become more intentional about recommending books with diverse characters. In 2020, they helped launch Empowering Educators, a collection of resources for teachers with guidance on creating equitable learning environments and navigating conversations about race.

Internationally, Pizza Hut offers the ASPIRE Scholarship Program for top RGMs. The scholarships are 100% funded to unlock the true potential of their top restaurant leaders by giving them access to higher education and the ability to grow at work and in life. Since the program began in 2019, nearly 40 RGMs have participated. The Habit Burger Grill supports schools through cash grants as well as donations of “charity tickets” that students can use to conduct their own fundraisers. In Australia, the KFC Youth Foundation is focused on the role of confidence in young people’s well-being and future success and commissioned a nationwide research report on how confidence affects the lives of Australian youth.

In the summer of 2020, the Taco Bell Foundation hosted a virtual gathering for the Live Más Scholarship community to catalyze inspiration, action and resilience in a time of change. The six-week long program saw nearly 1,000 students register for 21 plus hours of content including Virtual HR Coaching, Financial Wellness, the Power of Authenticity, Personal Branding and more. The Taco Bell Foundation opened its sixth annual Live Más Scholarship application period in 2020, with $7 million in scholarships available for passionate young students, $2 million of which was for Taco Bell team members.

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In response to the pandemic, KFC U.S. donated more than 3 MILLION PIECES OF CHICKEN to feed front-line healthcare workers, educators and seniors in need across America.

The Habit’s fleet of food trucks served more than 30,000 MEALS to medical workers at hospitals and vaccination centers throughout 2020.

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Brand Community Impact
Our brands have been giving back to their communities for decades, particularly in the areas of hunger relief, literacy and youth education. During 2020 and beyond, each of our brands has also focused on assisting essential workers affected by the COVID-19 pandemic.

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Yum! Brands, Inc.

Yum! COVID-19 Response
During the coronavirus pandemic, our No. 1 priority was the health and safety of our KFC, Pizza Hut, Taco Bell and The Habit Burger Grill employees, customers and franchisees. Our response focused on the four following areas:

Supporting Impacted Employees
Application-based Global Medical Relief Fund that made one-time grants to corporate and franchise employees in 85 countries affected by COVID-19.
One-time $1,000 bonuses for nearly 1,200 RGMs at company-owned stores.
One-time bonuses for employees at company-owned stores.
Increased sick time for restaurant team members and shift leads at company-owned stores.
Memorial program to cover funeral or medical costs for employees who pass away.

Keeping Restaurants Open Safely
Low-contact options including delivery, drive-thru and curbside pickup.
Contactless delivery through our own and third-party services.
Temperature checks and counter shields for increased safety.

Helping Franchise Business Owners
Global Franchise Health and COVID-19 Support Team for business continuity.
Capital assistance and grace periods for payments.

Giving Back to Communities
Hundreds of thousands of meals donated to food banks, healthcare workers and other essential personnel.
Books and other educational resources for students without access to these items at home.

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Economics & Human Rights
At Yum!, our success depends on holding our employees and suppliers to the highest standards of ethical conduct and socially responsible business practices, which are expressed in our global Code of Conduct. Every year, our board of directors and our 2,000 most senior employees must certify in writing that they have read and understand the Code of Conduct and complete a conflicts of interest questionnaire.

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

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HUMAN RIGHTS IN THE SUPPLY CHAIN
We require suppliers to conduct audits and inspections to verify compliance with our Code of Conduct as well as to conduct unannounced assessments, audits and inspections of supplier facilities. In recent years, we have strengthened commitments in key areas of our supply chain, including vegetables, fresh produce and palm oil, to further emphasize the importance of leading human rights practices. Our practices are aligned with the Food and Agriculture Organization of the United Nations’ (FAO) and the World Wide Fund for Nature’s (WWF) Principles for Responsible Supply Chain Management. We are committed to working with our suppliers to ensure that our products are produced in a socially and environmentally responsible manner. To this end, our company has further invested in human rights due diligence and is sharpening our efforts to align with the United Nations Guiding Principles on Business & Human Rights. In 2020, we established a global membership with Sedex, a leading ethical trade organization that works with businesses to improve working conditions in global supply chains. Sedex simplifies the auditing process for suppliers, allowing them to undergo a single audit for multiple customers. Becoming a member of Sedex will strengthen our risk assessment and remediation processes, particularly around human rights and labor practices, enabling better supplier development and engagement. We aim to have all suppliers globally on the Sedex platform by 2023.

Markets around the world, such as Australia and the U.K., are strengthening regulations regarding modern slavery, forced labor and the rights of migrant workers. While our restaurants are not particularly at risk for these issues, our brands are working to improve their own due diligence around these topics. KFC Australia published its first Modern Slavery Statement in 2020, and KFC U.K. & Ireland is developing training for restaurant teams and suppliers to help them understand new guidelines and address issues. This training will teach people not only to recognize forced labor in their own workforces, but also to identify and speak up about trafficking that could potentially occur among visitors to our restaurants.

We encourage both employees and non-employees to raise concerns related to ethics, human rights and interactions with other employees. An independent third party operates an ethics hotline, known as ‘The Speak Up Helpline’, on our behalf. The Speak Up Helpline is available 24/7 globally, with translation services available to handle grievances in more than 15 languages. The Audit Committee of our board of directors has additional procedures for handling employee concerns related to accounting and auditing matters.

The Yum! Foundation played a critical role in providing relief throughout the COVID-19 crisis.

$11.5M
in COVID-19 relief
$1.4M
to global food bank support
$1.6M
in community aid
$8.5M
to the Employee Medical Relief Fund and memorial support for impacted employees

Communicate & Report
Stakeholder Engagement
Grievance & Remedy
Track & Monitor
Identify & Assess
Commit
Action

Human Rights Due Diligence Approach
FOOD DASHBOARD

ESTABLISHED GOALS

• Build on our supplier audit track record and assess 100% of Tier 1 suppliers annually
• Offer lower-calorie menu options across main dishes, combos and sides, consistent with our global nutrition standards that align with the World Health Organization and the Dietary Guidelines for Americans. By 2030, we intend to offer 50% of menu items consistent with our company’s global nutrition criteria for meal options.
• Continue clean labels efforts to remove artificial colors, artificial flavors and partially hydrogenated oils (PHOs) from core food ingredients globally by 2025

OPPORTUNITIES & CHALLENGES

• Maintaining food safety and quality, and trust in our food, despite business and supply chain disruptions throughout the pandemic
• Balancing customer preferences for craveable menu items with commitments to improve the nutritional profile of our food
• Creating transparency around how animals used in our food are cared for at every phase of life and communicating animal welfare practices to stakeholders

KEY TAKEAWAYS

• Despite travel limitations during the pandemic, we have maintained close contact with global suppliers and achieved our highest-ever level of audit compliance.
• We continue to meet customer demand for plant-based food. We are introducing new plant-based menu items throughout 2021, including items developed through a global strategic partnership with Beyond Meat, Inc.

MATERIAL ISSUES

• Food Safety
• Choice & Nutrition
• Food Technology & GMOs
• Responsible Marketing
Q: What is Taco Bell’s history with plant-based food?

A: We’ve been a leader in this space for years. About five years ago, Taco Bell became the first quick-service restaurant (QSR) brand to partner with the American Vegetarian Association to certify our vegetarian ingredients. Today, vegetarian menu items represent more than 14% of our total sales. These offerings include meatless proteins like black and refried beans, which have been on our menu for over 50 years, as well as veggies like our seasoned potatoes. While the term “plant-based” is often used to describe meat substitutes, it’s worth remembering that plants – including vegetables, legumes and fruits – are plant-based, too.

Q: What are some recent menu innovations that you’re excited about?

A: While Taco Bell has no shortage of choices for the veggie-curious, we have even more meatless options in store this year that even meat-eaters will love. In early 2021, we piloted the Cravetarian Taco, with a plant-based protein that tastes like seasoned beef but is made with peas and chickpeas. Recently, we also tested a plant-based alternative to the Naked Chicken Chalupa – The Naked Chalupa made with a Crispy Plant-based Shell. Additionally, Taco Bell is participating in Yum!’s national partnership with Beyond Meat, developing a one-of-a-kind product that we look forward to sharing with customers later this year.

Q: Besides new menu items, what are some other ways you’re helping vegetarian, vegan or flexitarian customers find what they’re looking for at Taco Bell?

A: We’re increasing awareness and access through a more user-friendly ordering experience. In 2020, we introduced Veggie Mode at all of our in-store ordering kiosks, which instantly transforms our menu to show only vegetarian options. On our app and website, we’ve made it easy to see the many ways you can customize menu items to replace meat. Menu boards in restaurants and drive-thrus also feature a prominent green “V” next to all vegetarian items. Our data tells us that these small tweaks are making a big difference.
Plant-based eating is here to stay. From diners who choose exclusively vegan and vegetarian options, to flexitarians who enjoy a meat-free meal every now and then, KFC, Pizza Hut, Taco Bell and The Habit Burger Grill are responding to today’s preferences with menu items for everyone. The proof of our commitment is clear in our recently announced global strategic partnership with Beyond Meat, Inc. Through this partnership, we’ll leverage our brands’ industry-leading research and development capabilities to co-create new plant-based protein menu items. Several of our brands have already launched products in collaboration with Beyond, such as KFC’s Beyond Fried Chicken, Pizza Hut U.S.’s tested plant-based Italian sausage and run a limited time offer nationwide on The Great Beyond and Beyond Italian Sausage pizzas in 2020. Our brands are also developing plant-based menu items outside of the Beyond partnership. Plant-based options were also offered in Pizza Hut restaurants in the U.K., Poland, Canada and Puerto Rico. Pizza Hut is actively working to add a permanent plant-based protein to its menu across multiple markets.

**KFC**
Currently, KFC U.K. offers a vegan burger in select restaurants and KFC Canada has a plant-based sandwich on its permanent menu. KFC Malaysia and KFC Singapore offered the Zero Chicken Burger for a limited time, and five other markets have tested plant-based products to better understand customer preferences. KFC continues to explore products to bring the craveable taste of its iconic recipes like Original Recipe to customers that want more options.

**Taco Bell**
Taco Bell recently offered a Halloumi Crunchwrap in Cyprus and a pulled-oats vegan protein throughout Europe. The brand is exploring meat-alternative options with a number of different partners.

**Pizza Hut**
Pilots of plant-based cheeses and toppings are underway in 10 countries. For example, Canadian restaurants launched, not only the Great Beyond Pizza, but also Beyond Creamy Alfredo Pasta and a Beyond Italian Sausage flatbread. Pizza Hut U.K. has tested plant-based toppings including Pork and Sweet Chili, Italian Sausage Supreme and Beef Sizzler, as well as new menu items such as Tear & Share pizzas and Corn Nuggets.

**The Habit Burger Grill**
With a vast majority of restaurants in the U.S., Habit’s menu features a vegan Veggie Burger and sides including Sweet Potato Fries and Tempura Green Beans — with more plant-forward menu items to come in 2021.
CLIMATE ACTION
- By 2030, reduce Scope 1 and 2 GHG emissions generated by corporate restaurants and offices to 46% below 2019 levels.
- By 2030, reduce emissions per franchisee restaurant, and per metric ton of beef, poultry, dairy and packaging to 46% below 2019 levels.
- Use 100% renewable energy in our corporate U.S. offices for 2020 and beyond.
- Move 1,000 restaurants to renewable energy by the end of 2021.
- End natural forest loss in our supply chain by 2030.
- Reach net-zero emissions by 2050.
- Reduce average restaurant energy and GHG emissions by an additional 10%, from our 2017 baseline, by the end of 2025.

SUSTAINABLE PACKAGING & WASTE REDUCTION
- Purchase 100% of our paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2022.
- By 2025, KFC plastic-based, consumer-facing packaging will be recoverable or reusable globally.
- By 2025, Taco Bell aims to make all consumer-facing packaging, recyclable, compostable or reusable. Recycling and/or composting bins will be added to all restaurants, where infrastructure permits, and PFAS, Phthalates and BPA will be removed from all consumer-facing packaging materials.
- Yum! will remove expanded polystyrene from all packaging by the end of 2022.
- Divert 50% of back-of-house operational waste, measured by weight, generated in our U.S. restaurants by the end of 2025.
- Reduce food loss waste 50% in the U.S. by 2030 in accordance with U.S. Food Loss and Waste 2030 Champions.

WATER
- Reduce average restaurant water consumption by 10%, from our 2017 baseline, by the end of 2025.

ANIMAL WELFARE
- Pizza Hut U.S. will remove antibiotics important to human medicine (per the World Health Organization) from its chicken wings by 2022.
- Taco Bell aims to reduce antibiotics used in human medicine by 25% in its U.S. and Canada beef supply chain by 2025.

STAYING INFORMED
- Staying informed about the climate impacts of the products we source across multi-tiered and global supply chain.
- As a franchisor, providing guidance to franchise business owners about how best to manage their restaurants’ environmental footprints.
- Keeping up with changing and often fragmented global regulations regarding the recyclability of materials used in our packaging.

FOLLOWING A MULTIYEAR PROCESS
- Following a multiyear process of collecting data and analyzing impacts across our value chain, we announced our first science-based targets.
- We produced our first-ever TCFD report to better understand our climate risks and opportunities across our restaurants and supply chain, building on our existing energy reduction work and recent science-based targets commitment.
- Restaurants are embracing green building technologies that save money and reduce environmental impact.
- We are engaging chicken, beef and dairy suppliers on ways to reduce emissions associated with animal agriculture.
- We continue to advance our sustainable packaging efforts, with Taco Bell leading the way – the brand launched an industry-first collaboration with international recycling leader TerraCycle to recycle its iconic hot sauce packets.

MATERIAL ISSUES
- Climate Impact
- Operational Waste & Recycling
- Packaging
- Sustainable Sourcing
- Water
- Animal Welfare
Q: Yum! and its brands are working on a number of packaging-related goals, including to remove expanded polystyrene from all restaurants globally by 2022 and to make KFC’s plastic consumer packaging and all of Taco Bell’s consumer packaging recoverable or reusable by 2025. How are you making progress toward multiple targets at once?

A: It’s not an easy task. Government legislation and recycling infrastructure vary widely across the many parts of the world where we operate and can even change from city to city — so it can be hard to find common denominators. That said, we are on track for both our 2022 and 2025 goals. We’re following the lead of markets like France and India, which have already significantly shifted from single-use plastics, to inform our recommendations for other markets. A major trend we’re seeing in these markets is a shift away from plastics and toward fiber alternatives, including new materials like bamboo.

Q: What is Yum’s internal process for thinking about packaging and ways to make it more sustainable?

A: We try to start with the functionality we need from a package. How do we need it to perform with a product for our customers and our team members to create a great experience? This needs to take into consideration the product and the eating occasion. There was a huge shift to off-premise in 2020, and the teams are focused on making sure product quality and safety and trust remain our focus. The package engineers work with cross-functional teams and our suppliers to create or modify a package that moves us closer to our sustainability goals. This means looking at new materials, coatings and manufacturing processes. Overall, it’s a shift in the mindset from a linear model to a more circular way of thinking. It could be changing from a less recyclable material to a more recyclable material, choosing a different coating or even finding ways to use fewer materials or include recycled content. Small changes can have a big impact over time. We recognize it’s a journey, and we’re mindfully working towards better choices across our packaging at each of our brands.

Q: What is the role of collaboration in increasing packaging recyclability?

A: For recycling to be successful, customers must know how to dispose of packaging materials properly. At the same time, there must be end markets that will accept the materials to turn them into new products. Yum! is involved in partnerships that are helping contribute to both sides of this equation. Our U.S. brands have signed up for How2Recycle, a customer-friendly labeling system that clearly explains how to dispose of a range of materials. These labels will first be used on bags at KFC. Through organizations like the NextGen Consortium and the Sustainable Packaging Coalition, we are engaging with material recovery facilities, recycling companies and our suppliers to understand what materials they can accept. Additionally, collaboration across our brands is another important piece of the puzzle. We recently organized internal summits on sustainable packaging to discuss possible future commitments and next steps.

Climate Action

YUM!’S NEW SCIENCE-BASED TARGETS

For more than 15 years, we have been working to operate more sustainably. We have developed a range of green building programs to conserve energy in our restaurants and have explored ways to reduce deforestation throughout our supply chain. And over the past two years, we have been laying the foundation for the next phase of our journey: our first science-based targets, which give us a roadmap for reducing GHG emissions to levels aligned with the Paris Agreement that limit global warming to 1.5 degrees Celsius.

In early 2021, our company announced our target to reduce emissions by 46% by 2030, compared to 2019 baseline, and our ambition to achieve net-zero emissions by 2050. Arriving at this target required developing a comprehensive understanding of each of our areas of impact and our options for abatement. This includes impact areas both within our business, such as the efficiency of our offices and restaurants and within our supply chain, such as the agricultural and land use practices employed when it comes to beef, chicken and dairy.

We work closely with brands, franchisees, suppliers and producers to cut emissions from franchise restaurants on a per-restaurant basis and on a per-metric ton basis for beef, poultry, dairy and packaging. Actions already underway include piloting energy optimization and building management systems at restaurants worldwide and sourcing 1,000 restaurants to renewable energy sources by the end of 2021.

Collaboration with climate-forward partners will help us stay accountable. We are now a member of the Renewable Energy Buyers Alliance, a group of large energy buyers, energy providers and service providers that have joined together to accelerate the transition to a zero-carbon energy future. We have also joined more than 1,700 other global companies in the We Mean Business Coalition, which helps encourage meaningful corporate action such as setting science-based targets, committing to 100% renewable power and embracing responsible climate policy.

Yum!’s Total GHG Emissions

Our GHG emissions were over 36 million metric tons of CO₂ in 2019. Over 99% of those emissions were indirect emissions, Scope 3, while only about half of one percent came from energy use at company-owned restaurants and offices.

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<tr>
<th>Scope 1 &amp; 2 Emissions</th>
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Yum!’s Primary Sources of Emissions

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<td>Company</td>
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<th>Franchise Restaurants</th>
<th>Purchased Goods</th>
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<td>Emissions (million metric tons CO₂eq)</td>
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<td>Beef 23%</td>
<td>Dairy 13%</td>
<td>Chicken 40%</td>
<td>All other food 24%</td>
<td>Purchased Goods - Food</td>
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GREEN BUILDINGS

In many cases, actions that reduce energy use, water consumption and waste at restaurants also save owners money. As Yum’s business becomes increasingly franchised, we are helping franchisees reap the environmental and financial benefits of sustainability—and contribute to our progress on climate action. Our approach is generally to lead by example, providing a list of recommendations that franchisees can take to meet our sustainable standards, known as Blueline, and allowing franchisees to choose which measures to implement. Our corporate restaurants have historically served as testbeds for innovation, allowing us to pilot new equipment and approaches that could eventually be introduced across our system, such as adopting renewable energy.

Increasingly, our brands and markets are taking action on their own and working closely with franchisees on areas for improvement. Pizza Hut International has developed a Green Building Playbook, based on Blueline guidelines, to improve sustainable building practices such as energy management systems that better manage energy and water use. Additionally, it’s exploring opportunities to repurpose existing buildings to develop new restaurants in Africa and the Middle East. Brando’s is bringing its delicious pizza close to customers in a more sustainable way. In the U.K. and Ireland, KFC is piloting building management systems (BMS) that automatically shut off equipment that is not needed and are calculated to reduce energy consumption by 30% and has the potential to save annually $2,000 per store per year. The market is also working on a pilot with the University of Liverpool to determine what it would take to achieve zero carbon restaurants using modeling and simulation of real energy data. KFC Australia is exploring a BMS that switches off non-essential loads during peak demand times and with technologies including exhaust fan regulation. Restaurants in the country have also embraced solar energy—15 sites now using solar save thousands of dollars per year on energy costs.

KFC has made significant progress over the past year with its KFC Building Green Program by releasing a list of standard practices that new buildings in over 140 markets must incorporate starting in 2021. These requirements allow quick return on investment for franchisees and provide ongoing operational savings and will create a baseline across KFC’s global system.

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100% RESTAURANTS

In 2021, we announced that we will convert 1,000 RESTAURANTS to renewable energy by the end of the year.

In 2020, we successfully transitioned our corporate U.S. office to 100% renewable energy.

FIELD TO FORK: The Yum! Soy Supply Chain

SUPPLY CHAIN

Within our supply chain, our most significant source of GHG emissions is attributable to the food we purchase, most significantly animal products including chicken, beef and dairy. Raising of these animals contributes to methane, nitrous oxide and carbon dioxide emissions as a result of animals’ natural processes of digestion.

To reduce our emissions from chicken, beef and dairy as part of our science-based target commitments, we will educate suppliers, recognize them for progress and encourage them to set emissions reduction targets of their own. Areas for improvement could include practices such as improved fertilization and manure management, including the use of anaerobic digesters to produce heat and electricity from waste. Changing animals’ diets can also have emissions reduction benefits. For example, adding plant extracts known as tannins to cattle feed can reduce animals’ release of methane. Reducing livestock mortality by better controlling or eradicating livestock diseases also lowers each animal’s intensity, because it allows animals to live longer, more productive lives. Through conversations with select suppliers, we know that come are already leaders in this space, and we plan to learn from and leverage these partnerships.

Beyond supporting improved farming practices, at Yum!, we will continue to focus on the origins of our animal products. The impact of animal agriculture is greater when animals are raised on or receive feed ingredients from freshly deforested or converted land, because carbon can no longer be sequestered by trees. Therefore, for the past several years, we have been working with the WWF to understand and address sourcing of beef and soy from areas with high risk for deforestation. Through close collaboration with our direct and indirect suppliers on transparency, we estimate that 99% of our beef supply was sourced from areas of lower risk of tropical deforestation in 2020 with 87% coming from the U.S. and Canada.

As a result of this work, we received a score of B in our first disclosure to CDP Forests for our cattle products. Soy, which is a primary ingredient in our chicken feed, has a more complex supply chain. While our business is at least five steps removed from the soybean field, we continue to work across our supply chain to achieve greater levels of visibility and accountability. To share this work with others, we are developing a case study describing our work with WWF and overall supplier engagement.

An additional source of emissions reduction will be the continued expansion of plant-based protein on our menus. We expect significant growth for Taco Bell’s plant-based beef alternative products in the U.S., Pizza Hut’s plant-based pepperoni and KFC’s chicken substitutes globally between now and 2030. As customers continue to choose these options over meat-based proteins, fewer animals will need to be raised for food, and their associated emissions will be avoided.

FOREST STEWARDSHIP

Yum!’s commitment to addressing climate change by reducing deforestation goes beyond the sourcing of our animal products. In 2019, we reenforced the New York Declaration on Forests (NYDF) and the private sector goal of eliminating deforestation from the production of agriculture commodities such as beef, soy, palm oil and paper products. NYDF members have collectively committed to ending natural forest loss by 2030. Jon Hixson, Yum!’s chief sustainability officer & vice president of Global Government Affairs, is a member of the NYDF review panel, working with stakeholders across sectors to refresh and support this important commitment.

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Sustainable Packaging & Waste Reduction
At Yum!, we are committed to taking a more circular approach to sustainable packaging and waste, which starts with us first reducing, and then mindfully reusing or recycling, the waste generated at our restaurants. Reducing waste from packaging, as well as operational waste including cardboard, food and used cooking oil, are both Fan One material issues for our business. Our brands are working to develop packaging that can be diverted from landfills through recycling or composting, reducing food waste and donating surplus food to people in need, and recycling used cooking oil into biodiesel or energy.

At the Yum! corporate and brand levels, we have set a number of packaging and waste goals:

- **2022**
  - Remove Styrofoam and expanded polypropylene from packaging at all KFC, Pizza Hut and Taco Bell locations globally

- **2022**
  - Purchase 100% of our paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2022

- **2025**
  - Donate 50% of back of house operational waste, measured by weight, generated in our U.S. restaurants

- **2025**
  - KFC will make all plastic-based, consumer-facing packaging recyclable or reusable globally

- **2025**
  - Taco Bell will make all its consumer-facing packaging recyclable, compostable or reusable, eliminate any PFAS, phthalates and BPA from its packaging, and add recycling and/or composting bins to restaurants globally where infrastructure permits

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

Taco Bell continues to reduce the number of packaging items in its portfolio and to design packaging that uses fewer materials. In 2021, the brand launched a collaboration with TerraCycle, a company that specializes in hard-to-recycle materials, to tackle recycling of its iconic hot sauce packets. The effort will be an industry-first – no solution currently exists for recycling these packets, which are made of a flexible film. Details of a national U.S. recycling pilot program will be announced later in the year.

KFC Australia has been a member of the Australian Packaging Covenant Organization (APCO) for more than 10 years. As part of its membership, the brand uses APCO’s online packaging evaluation tool to determine how to improve recyclability and manage packaging’s environmental impact, and also extended its partnership to support the Australian Recycling Label, a program endorsed by all Australian governments to help make recycling easier. The brand is also exploring waste reduction opportunities that go beyond packaging, including options for diverting organic waste for use as compost or animal feed.

Also in 2021, we joined HowWeRecycle, the leading recycling labeling system in the U.S. and Canada. We will leverage HowWeRecycle’s standardized labeling system on our consumer-facing packaging to provide clear instructions on how to recycle more and recycle better.

At Yum!, we are committed to being a leader in the reduction of food waste. We are a member of the U.S. Food Loss and Waste 2030 Champions, a group of organizations across the food value chain that have committed to reducing food loss and waste in their U.S. operations by 2030, as well as the Food Waste Reduction Alliance, the Waste & Resources Action Programme and the RoFEd advisory council. Most of the food waste we divert is donated to nonprofits through the Lunchbox program. Through this program, Yum! and our franchisees have donated over 209 million pounds of food to more than 5,000 charity partners since 1992. Beyond food donation, our brands are exploring other innovative ways to reduce wasted food. KFC U.K. is piloting smart equipment that predicts customer traffic throughout the day, ensuring that no more food is prepared than necessary.

Animal Welfare
We believe we have a responsibility to be a good steward of the animals raised for food throughout our supply chain. Our commitment to animal health and well-being is steadfast and guided by our holistic, science-based Sustainable Animal Protein Principles. Additionally, we support the Five Freedoms for all animals used for food.

In 2020, KFC announced new global chicken key welfare indicators (KWIs) as a critical next step on its animal welfare journey. The KWIs address mobility while chickens are raised, overall chicken health, minimization of medical interventions, checked mortality and mental and physical stress. These KWIs will serve as the foundation for animal welfare metrics across our company.

In 2020, KFC U.K. & Ireland published its first annual welfare progress report, described as an honest and open review of its poultry supply chain. The report outlines the seven steps of the brand’s audit process and captures key data, which KFC U.K. & Ireland will use to benchmark progress and hold itself and its suppliers accountable.

In 2021, Taco Bell U.K. adopted the Better Chicken Commitment for the fresh, frozen and processed chicken used throughout its U.K. supply chain and plans to meet all applicable standards by the end of 2026. Pizza Hut International is also conducting a survey of suppliers of its most important pizza ingredients, including beef, pork and cheese to further understand animal welfare practices across its supply chain.

Limiting Antibiotic Use
Our dedication to animal health and well-being requires thoughtful, comprehensive health management programs that may necessitate the use of antibiotics to maintain or restore good animal health. We share concerns regarding the rising threat of antimicrobial resistance (AMR) and support One Health, a holistic and multi-sectoral long-term effort to combat AMR by the United Nations World Health Organization (WHO), the Food and Agriculture Organization, the World Organization for Animal Health and other key stakeholders.

Over the past several years, KFC, Pizza Hut and Taco Bell in the U.S. have met public commitments to reduce antibiotics important to human medicine in their U.S. poultry supply chains and have made new commitments to drive further progress. Pizza Hut U.S.’s original commitment applied only to chicken for its pizzas, and the brand is on track to remove these antibiotics from chicken used for wings by 2022. Taco Bell is working to reduce antibiotics used in human medicine by 25% in its U.S. and Canada beef supply chain by 2025. The brand is engaging with internal and external stakeholders, including the U.S. Roundtable for Sustainable Beef and International Consortium for Antimicrobial Stewardship in Agriculture (ICASA) and will share progress in 2022. Later in 2021, we will publish a report covering the costs of antimicrobial resistance and how we plan to contribute to solutions to this pressing issue.

Our animal welfare journey began nearly 20 years ago with the creation of our first animal welfare program. Since then, at Yum!, we’ve continued to elevate our animal welfare practices across our global footprint, enabling markets to have flexibility to evolve based on customer preference, cultural needs and expectations and local regulations. We remain committed to making progress and sharing our work along the way. Here are some key milestones we’ve already made on our animal welfare journey:

- **2002**
  - Established first animal welfare program

- **2003**
  - Created Animal Welfare Advisory Council

- **2016**
  - Taco Bell U.S. moved to 100% cage-free eggs

- **2017**
  - Published Sustainable Animal Protein Principles

- **2018**
  - Pizza Hut U.S. committed to antibiotic-free chicken wings by 2022

- **2018**
  - Published global Animal Welfare Policy based on the Five Freedoms of Animal Welfare

- **2019**
  - Taco Bell committed to reduce antibiotics important to human health in U.S. and Canada beef supply chain by 25% by 2025

- **2020**
  - KFC announced global chicken KWIs

- **2021**
  - We will continue to collect data and work with suppliers and industry partners to make progress across the global egg supply chain and share annual progress updates as a part of our sustainability disclosures.
### Food Safety

<table>
<thead>
<tr>
<th>Goal</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain the safest, highest quality food supply and food preparation in the industry</td>
<td>Through food safety audits, we provide restaurant team member training on employee health, product handling, ingredient and product management and prevention of cross-contamination.</td>
</tr>
</tbody>
</table>

### Food 2020 Performance Summary

<table>
<thead>
<tr>
<th>Goal</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build on Yum! supplier audit track record and assess 100% of Tier 1 suppliers annually by 2021</td>
<td>Since 2016, Yum! has conducted more than 467,500 restaurant food safety audits.</td>
</tr>
</tbody>
</table>

### Balanced Choices

<table>
<thead>
<tr>
<th>Goal</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer lower-sodium menu options across our diners, combos and sides, consistent with Yum!'s global nutrition standards that align with the World Health Organization and the Dietary Guidelines for Americans, to continue to improve our food’s nutrition. By 2030, we intend to represent 50% of menu food offerings to be consistent with Yum!'s global nutrition criteria for menu options.</td>
<td>Offer lower-sodium menu options across our diners, combos and sides, consistent with Yum!'s global nutrition standards that align with the World Health Organization and the Dietary Guidelines for Americans, to continue to improve our food’s nutrition. By 2030, we intend to represent 50% of menu food offerings to be consistent with Yum!'s global nutrition criteria for menu options.</td>
</tr>
</tbody>
</table>

### Responsible Marketing

<table>
<thead>
<tr>
<th>Goal</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote transparency about our food through responsible labeling and advertising in restaurants, media and beyond</td>
<td>We follow U.S. and international guidelines to avoid marketing to children.</td>
</tr>
</tbody>
</table>
In line with our approved science-based targets, cut GHG emissions generated by:

- Company restaurants and offices (scope 1 and 2) 46% below 2019 levels by 2020
- Franchise restaurants (scope 3) 46% below 2019 levels by 2020 per a per restaurant basis for franchises.

In 2020, we achieved our goal of reducing average restaurant energy and GHG emissions with an intensity reduction of 11% since our 2018 baseline was established.

In 2020, our restaurants avoided the release of 1,264,163 MTCO2e, the equivalent of the annual emissions of nearly 280,000 passenger vehicles driven for a year.

More than 1,000 restaurants around the world to renewable energy by the end of 2021.

In 2020, we achieved our goal to move all of our U.S. corporate offices to renewable energy by purchasing renewable energy credits and entering into a power purchasing agreement. Currently, over 30% of our electricity for all operations is powered by renewable sources from grid sources.

Market examples include KFC Australia with 15 corporate restaurants using solar power and Taco Bell U.S. introducing Solar Stores to its franchisees.

Reduce average restaurant water consumption by 10%, from our 2018 baseline, by the end of 2025.

Our water consumption on a per restaurant basis decreased 9% in 2020 from the prior year but remains higher than 2018 due to expanded reporting and more usage.

Grievance Handling:

Complaint 50% of back of house operational waste, measured by weight, generated in our U.S. restaurants by the end of 2025.

In 2020, we estimate the 912,951 tons of solid material was removed from our U.S. restaurants, and we diverted 24% of that waste.

Taco Bell will add recycling and/or composting bins to restaurants where infrastructure permits.

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

Yum! and our franchisees donated 6.67 million pounds of food in 2020, with 29 countries participating.

By 2025, KFC plastic-based, consumer-facing packaging will be recyclable, compostable or reusable globally with chemical additives of concern removed. As intermediate steps, at Yum!, we will remove Styrofoam and expanded polystyrene from all packaging by 2022.

In 2021, we set new, approved science-based targets.

In 2020, 100% of Brazilian feed mills in our supply chain were audited and how we plan to contribute to solutions to this pressing issue.

KFC introduced new global chicken KMBs as a key step on its animal welfare journey.

Taco Bell U.S. continues to source 100% cage-free eggs and egg ingredients.

We continue to look for opportunities to reduce the environmental footprint of our palm oil use.

99% of reported beef supply was sourced from origins of lower risk of tropical deforestation in 2020 with 81% from the U.S. and Canada.

Endorsed the New York Declaration on Forests (NYDF) and the Precautionary Principle or approach.

Yum! does not have an official policy as it pertains to the precautionary principle, but we do assess risks across our organization.

Significant changes to the organization and its supply chain.

On March 18, 2020, we completed the acquisition of The Habit Burger Grill, whose operations are included in this reporting cycle.

Precautionary Principle or approach.

Yum! does not have an official policy as it pertains to the precautionary principle, but we do assess risks across our organization.

Strategic

Statement from senior decision maker.

CitizenPay > A Message from David Gibbs.

Key impacts, risks, and opportunities.

CitizenPay > A Message From David Gibbs; Evolving Our Recipe for Growth and Good; ESG Strategy & Leadership > Materiality, pgs. 7-9.

CDP Climate Change 2021 Response.


CDP Forests 2021 Response.
GRI INDEX

Ethics and Integrity

102-16 Values, principles, standards, and norms of behavior
   Global Code of Conduct
   Supplier Code of Conduct

102-17 Mechanisms for advice and concerns about ethics
   Global Code of Conduct
   Supplier Code of Conduct

Governance

102-18 Governance structure
   Citizenship > Corporate Governance, ESG Strategy & Leadership, pg. 8
   2021 Proxy Statement, pgs. 27-28
   Yum! ESG Governance & Reporting Approach

Stakeholder Engagement

102-40 List of stakeholder groups
   Approach > Stakeholder Engagement, pg. 11

102-41 Collective bargaining agreements
   As of December 31, 2020, approximately 9% of employees reported to be represented by an independent trade union or covered by collective bargaining agreements

102-42 Identifying and selecting stakeholders
   Citizenship > Stakeholder Engagement, pg. 11

102-43 Approach to stakeholder engagement
   Citizenship > Stakeholder Engagement, pg. 11

102-44 Key topics and concerns raised
   Citizenship > Stakeholder Engagement, pg. 11

Reporting Practice

102-45 Entities included in the consolidated financial statements
   2020 Form 10-K, pg. 3

102-46 Defining report content and topic Boundaries
   Citizenship > Materiality, pg. 9

102-47 List of material topics
   Citizenship > Materiality, pg. 9

102-48 Restatements of information
   Yum! has no restatements of information in this reporting cycle

102-49 Changes in reporting
   About This Report, pg. 54

102-50 Reporting period
   About This Report, pg. 54

102-51 Date of most recent report
   Citizenship > Materiality, pg. 9

102-52 Reporting cycle
   Annual

102-53 Contact point for questions regarding the report
   Please send comments or questions about this report to citizenship@yum.com

102-54 Claims of reporting in accordance with the GRI Standards
   About This Report, pg. 54

102-55 GRI content index
   2020 GRI Index, pg. 39-49

102-56 External assurance
   Our GHG Emissions and Water Withdrawal for the year ending December 31, 2020 has been verified by an independent third-party accountant to be presented in accordance with the WRI/WBSCI Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition for Scope 1 and 3 and the WRI/WBSCI Greenhouse Gas Protocol: Scope 2 Guidance, an amendment to the GHG protocol Corporate Standard and the Water Withdrawal using attestation standards established by the American Institute of Certified Public Accountants (AICPA). View a copy of the report. We do not currently seek external assurance for our report.

GRI 200: ECONOMIC

GRI 201: Economic Performance

103-1 Explanation of the material topic and its Boundary
   2020 Form 10-K

103-2 The management approach and its components

103-3 Evaluation of the management approach

201-1 Direct economic value generated and distributed
   2020 Form 10-K, pg. 60

201-2 Financial implications and other risks and opportunities due to climate change
   CDP Climate Change 2021 Response
   CDP Water Security 2021 Regional
   CDP Forests 2021 Response

GRI 205: Anti-corruption

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

205-3 Confirmed incidents of corruption and actions taken
   There were no confirmed incidents of corruption during 2020.

GRI 206: Anti-competitive Behavior

103-1 Explanation of the material topic and its Boundary
   Yum! Global Code of Conduct 2020 Form 10-K, pg. 6

103-2 The management approach and its components

103-3 Evaluation of the management approach

206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices
   No legal actions were taken for anti-competitive behavior, anti-trust or monopoly practices during 2020.

GRI 300: ENVIRONMENTAL

GRI 301: Materials

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

301-2 Recycled input materials used
   As part of our approach to sustainable materials, we encourage the use of recycled sources of material in packaging and serveware as feasible and as allowed by local regulations. Most of these are either fiber or plastic based and a directional estimate of used recycled input materials is provided below for each category. We collect this data as part of our annual sustainability survey and will continue to refine our data collection process.

   Fiber from recycled sources: 34%
   Plastic resins from recycled sources: 9%

   Planet > Forest Stewardship, pg. 33

GRI 302: Energy

103-1 Explanation of the material topic and its Boundary
   Planet > Climate Action, pgs. 31-32
   CDP Climate Change 2021 Response

103-2 The management approach and its components

103-3 Evaluation of the management approach

40
41
The anticipated annual quantity of reductions in energy consumption that will be achieved as Gross Direct (Scope 1) GHG emissions: 38,907 MT CO₂e (location based), CDP Climate Change 2021

GRI INDEX

302-1 Energy consumption within the organization

<table>
<thead>
<tr>
<th>Energy Consumption from Renewable Sources</th>
<th>Energy Consumption from Non-Renewable Sources</th>
<th>Total Energy Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of Fuel (MWh)</td>
<td></td>
<td>Total Energy Consumption</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity (MWh)</td>
<td>96,308</td>
<td>182,274</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat (MWh)</td>
<td>-</td>
<td>131</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam (MWh)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling (MWh)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Consumption of self-generated non-fuel renewable energy (MWh)</td>
<td>521</td>
<td>-</td>
</tr>
</tbody>
</table>

Total energy consumption (MWh) 96,829 348,861 445,690

Total energy consumption (GJ) 348,584.4 1,255,899.6 1,604,484.0

For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2020 Response.

Purchased total energy consumption by country within the organization is as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Consumption of Electricity</th>
<th>Consumption of Fuel</th>
<th>Total Energy Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>19,996</td>
<td>1,023</td>
<td>21,019</td>
</tr>
<tr>
<td>Canada</td>
<td>725</td>
<td>398</td>
<td>1,123</td>
</tr>
<tr>
<td>France</td>
<td>321</td>
<td>178</td>
<td>499</td>
</tr>
<tr>
<td>Germany</td>
<td>680</td>
<td>369</td>
<td>1,049</td>
</tr>
<tr>
<td>India</td>
<td>16,698</td>
<td>7,562</td>
<td>24,260</td>
</tr>
<tr>
<td>Italy</td>
<td>92</td>
<td>50</td>
<td>142</td>
</tr>
<tr>
<td>Netherlands</td>
<td>259</td>
<td>145</td>
<td>404</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>17,162</td>
<td>6,609</td>
<td>23,771</td>
</tr>
<tr>
<td>Singapore</td>
<td>462</td>
<td>251</td>
<td>713</td>
</tr>
<tr>
<td>South Africa</td>
<td>14,120</td>
<td>431</td>
<td>14,551</td>
</tr>
<tr>
<td>Spain</td>
<td>121</td>
<td>64</td>
<td>185</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>275</td>
<td>149</td>
<td>424</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>22,143</td>
<td>7,364</td>
<td>29,507</td>
</tr>
<tr>
<td>Vietnam</td>
<td>183,178</td>
<td>142,372</td>
<td>325,549</td>
</tr>
</tbody>
</table>

For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2021 Response.

303-1 Interactions with water as a shared resource

Planet > Climate Action > Green Buildings; Water, pgs. 29-34

CDP Water Security 2021 Response

303-2 Management of water discharge-related impacts

CDP Water Security 2021 Response

303-3 Water withdrawal

Total company withdrawals for the reporting year are estimated to be 2,575.6 ML. This includes withdrawals by the Habit Burger for the first time as well as corporate offices. All material withdrawals are from freshwater, third-party systems. Total water withdrawal for company locations located in water-stressed areas, as defined by WRI Aqueduct, is estimated to be 280.8 ML. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Water Security 2021 Response.

303-4 Water discharge

Total company discharges for company locations for the reporting year are estimated to be 2,189.2 ML. Material discharges to third-party water systems are estimated to be 1,287.8 ML and discharges to groundwater are 901.4 ML. Total water discharges for company locations located in water-stressed areas, as defined by WRI Aqueduct, are estimated to be 160.4 ML to third-party water systems and 112.2 ML to groundwater. Groundwater discharges are for irrigation. Discharges are fresh water. We seek to follow all local laws and regulations for frequency of monitoring, should it be required. Restaurants are designed to produce discharges of an acceptable quality for treatment by municipal facilities. Municipalities test discharge according to their regulations. Adherence to local laws is typically controlled by regulatory permits. The organization was not subject to any material penalties relating to wastewater regulations in the reporting year. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Water Security 2021 Response.

303-5 Water consumption

Total company water consumption for the reporting year is estimated to be 386.3 ML. Total consumption for company locations in water-stressed areas, as defined by WRI Aqueduct, is estimated to be 48.1 ML. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Water Security 2021 Response.

GRI 305: Emissions

103-1 Explanation of the material topic and its boundary

Planet > Climate Action, pgs. 31-33

103-2 The management approach and its components

103-3 Evaluation of the management approach

Gross Direct (Scope 1) GHG emissions: 38,917 MT CO₂e (location based), CDP Climate Change 2021 Response

GHG emissions include four of the seven greenhouse gases covered by the Kyoto Protocol - carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), nitrogen trifluoride (NF₃) and sulphur hexafluoride (SF₆) emissions are not included in our reporting, as we do not use coolants that generate these greenhouse gases. Biogenic carbon is not relevant to our Scope 1 GHG emissions. Source emission factors can be viewed in our Statement of Greenhouse Gas Emissions and Water Withdrawal. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2021 Response.

Location Based Scope 1 emissions by country are as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Scope 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>526</td>
</tr>
<tr>
<td>Canada</td>
<td>75</td>
</tr>
<tr>
<td>France</td>
<td>31</td>
</tr>
<tr>
<td>Germany</td>
<td>66</td>
</tr>
<tr>
<td>India</td>
<td>1,771</td>
</tr>
<tr>
<td>Italy</td>
<td>9</td>
</tr>
<tr>
<td>Netherlands</td>
<td>25</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>1,214</td>
</tr>
<tr>
<td>Singapore</td>
<td>42</td>
</tr>
<tr>
<td>South Africa</td>
<td>2,146</td>
</tr>
<tr>
<td>Spain</td>
<td>12</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>27</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1,714</td>
</tr>
<tr>
<td>U.S.</td>
<td>312,235</td>
</tr>
<tr>
<td>Vietnam</td>
<td>15</td>
</tr>
</tbody>
</table>
GRI INDEX

305-2 Energy indirect (Scope 2) GHG emissions

Gross Indirect (Scope 2) GHG emissions: 128,129 MT CO₂e (location based), CDP Climate Change 2021 Response
Gross Indirect (Scope 2) GHG emissions: 130,953 MT CO₂e (market based), CDP Climate Change 2021 Response

GHG emissions include four of the seven greenhouse gases covered by the Kyoto Protocol - carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and Hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), nitrogen trifluoride (NF₃) and sulphur hexafluoride (SF₆) emissions have been omitted from our Scope 2 reporting, as we do not generate material quantities of these greenhouse gases. Per the GHG Protocol, biogenic emissions are omitted since grid factors are used. Source emission factors can be viewed in our Statement of Greenhouse Gas Emissions and Water Withdrawal. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2021 Response.

305-3 Other indirect (Scope 3) GHG emissions

Other indirect (Scope 3) GHG emissions: 36,991096 MT CO₂e, CDP Climate Change 2021 Response

Location Based Scope 2 emissions by country are as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Scope 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>14,227</td>
</tr>
<tr>
<td>Canada</td>
<td>96</td>
</tr>
<tr>
<td>France</td>
<td>18</td>
</tr>
<tr>
<td>Germany</td>
<td>272</td>
</tr>
<tr>
<td>India</td>
<td>12,555</td>
</tr>
<tr>
<td>Italy</td>
<td>28</td>
</tr>
<tr>
<td>Netherlands</td>
<td>108</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>6,125</td>
</tr>
<tr>
<td>Singapore</td>
<td>180</td>
</tr>
<tr>
<td>South Africa</td>
<td>12,648</td>
</tr>
<tr>
<td>Spain</td>
<td>31</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>157</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1,080</td>
</tr>
<tr>
<td>U.S</td>
<td>46,524</td>
</tr>
<tr>
<td>Vietnam</td>
<td>69</td>
</tr>
</tbody>
</table>

Gross indirect (Scope 3) GHG emissions: 128,129 MT CO₂e (location based), CDP Climate Change 2021 Response
Gross indirect (Scope 3) GHG emissions: 130,953 MT CO₂e (market based), CDP Climate Change 2021 Response

GRI INDEX

305-4 GHG emissions intensity

GHG emissions intensity: 0.000030 MT CO₂e per unit total revenue for Scope 1 and 2 emissions including office emissions.
GHG emissions intensity: 0.027 MT CO₂e per restaurant (based on average restaurant count) for Scope 1 and 2 emissions, not including offices. If office emissions are included in the intensity calculation GHG emissions intensity is 0.04 MT CO₂e per restaurant.
For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2021 Response.

305-5 Reduction of GHG emissions

The anticipated annual quantity of reductions in GHG emissions that will be achieved as a result of conservation and efficiency measures implemented during the reporting year was 1,247,396 MT CO₂e. This includes equity and franchise restaurants and includes all resulting gases. This estimate does not include materialized savings realized from activities contributing to savings for prior years. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2021 Response.

305-6 Emissions of ozone-depleting substances (ODS)

We do not produce ozone depleting substances (ODS). However, we do use refrigeration and air conditioning that contains ODS, and while the equipment is operating according to manufacturer specifications, a small amount of leakage does occur. We estimate the following:
- Scope 1: HFC, 0.509 MT
- Scope 2: HFC, not applicable
- Scope 3: HFC (franchise restaurants), 343,111 MT

Source emission factors can be viewed in our Statement of Greenhouse Gas Emissions and Water Withdrawal.

305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

The release of nitrogen oxide and methane are calculated and included in our total MT CO₂e calculations. The quantities of these gases are as follows:
- Scope 1: CH₄, 17 MT
- Scope 2: CH₄, 77 MT
- Scope 3: CH₄, 1,237 MT
- Scope 1: N₂O, 17 MT
- Scope 2: N₂O, 505 MT
- Scope 3: N₂O, 27,344 MT

306-1 Waste generation and significant waste-related impacts

The collection of data regarding waste is challenging, and estimates provided are based on sample data submitted by the Australia, France, Russia, United Kingdom, and U.S. business units and extrapolated, on a per restaurant average basis, to provide a global view. The total weight of non-hazardous waste removed from restaurants, both company-owned and franchise, is an estimated 2,599,256 MT. We do not generate material quantities of hazardous waste. It does not account for products and packaging intended for consumer consumption outside of the restaurants. Although there is variation between brands and geographic localities, our analysis yields the following order of magnitude divisions, based on percentages, of generated waste from within restaurants.
- Organic waste: 1,029,756 MT
- Corrugated cardboard: 389,901 MT
- Paper packaging and other paper: 389,901 MT
- Mixed plastics: 389,901 MT
- Used cooking oil: 259,344 MT
- Other: 129,907 MT

306-2 Management of significant waste-related impacts

The collection of data regarding waste is challenging, and estimates are based on sample data submitted by the Australia, France, Russia, United Kingdom, and U.S. business units. This data has not been extrapolated due to the extreme variation in global diversion infrastructure. The total weight of non-hazardous waste diverted in those markets is estimated to be 397,154 MT. This does not include diverted waste from other markets, although it is known to occur. We do not generate material quantities of hazardous waste. We do not account for products and packaging intended for consumer consumption outside of the restaurants. The recovery options include the following:
- Solid waste recycling: 369,286 MT
- Biowaste and/or animal feed: 26,045 MT
- Food donation (in markets listed above): 1,818 MT

306-3 Waste generated

The collection of data regarding waste is challenging, and estimates are based on sample data submitted by the Australia, France, Russia, United Kingdom, and U.S. business units. This data has not been extrapolated due to the extreme variation in global diversion infrastructure. The total weight of non-hazardous waste diverted in those markets is estimated to be 397,154 MT. This does not include diverted waste from other markets, although it is known to occur. We do not generate material quantities of hazardous waste. It does not account for products and packaging intended for consumer consumption outside of the restaurants. The recovery options include the following:
- Solid Waste Recycling: 369,286 MT
- Biofuel and/or animal feed: 26,045 MT
- Food donation (in markets listed above): 1,818 MT

Planet > Sustainable Packaging & Waste Reduction, pg. 34
Worker participation, consultation, and communication on occupational health and safety

403-4

Food > Food Safety, pg. 25

Global Code of Conduct, pg. 22

405-2

Ratio of basic salary and remuneration of women to men

At Yum!, we are committed to paying our employees fairly and equitably. Our pay practices are grounded in market competitive and performance-based principles to attract, retain and reward world-class talent. We leverage tools and processes to establish equitable pay decisions, including salary ranges and bonus targets by level, objective performance goals and ratings, and clear guidelines for merit increases, bonuses and long-term incentives tied to performance.

In the U.S., where a significant portion of our population resides, we run an annual statistical regression analysis to establish that pay disparities by gender and ethnicity do not exist. Taking into account all job- and performance-related factors used in making pay decisions, the analysis finds we do not have any statistically significant variances in pay for any gender or ethnic group. We are committed to continuing to review and refine our practices and processes to establish we are rewarding our employees fairly.

408: Supplier Environmental Assessment

103-1

Explanation of the material topic and its boundary

Yum! Supply Chain, pg. 33

Yum! Global Forest Stewardship Policy

Yum! Palm Oil Policy

Yum! Paper-Based Packaging Sourcing Policy

CDP Forests, 2021 Response

103-2

The management approach and its components

103-3

Evaluation of the management approach

308-2

Negative environmental impacts in the supply chain and actions taken

Planet > Forest Stewardship, pg. 33

CDP Forests, 2021 Response

401: Employment

103-1

Explanation of the material topic and its boundary

People, pp. 13-21

Food > Food Safety, pg. 25

103-2

The management approach and its components

103-3

Evaluation of the management approach

401-2

Benefits provided to full-time employees that are not provided to temporary or part-time employees

Yum! and our franchises offer restaurant employees a range of medical benefits, childcare discounts, educational scholarships and tuition reimbursement, and gym discounts, as well as training and development opportunities. Our corporate above-restaurant employees benefit from a total rewards package that includes wellness programs, flexible working hours, a generous 401(k) match and more. Most of the employee programs and benefits are applicable in the U.S. Internationally, benefits are tailored by market and role.

GRI 402: Labor/Management Relations

103-1

Explanation of the material topic and its boundary

Yum! is committed to maintaining a work environment that respects and supports human rights around the world. Our ethics and compliance program, based on our Global Code of Conduct, demands the highest ethical standards in all of our operations globally. This policy applies to all directors, officers and employees of Yum!, as well as to our international agents, consultants, joint venture partners and any other third-party representatives acting on our behalf. We respect the right of all employees to associate or not to associate with any group, as permitted by applicable laws and regulations. We require compliance with all local labor laws in every market where we operate. We have and will continue to partner with various stakeholders to collect input and help guide our human rights efforts.

Yum! Human Rights & Labor Policy

Global Code of Conduct

103-2

The management approach and its components

103-3

Evaluation of the management approach

402-1

Minimum notice periods regarding operational changes

We require our franchises to fully comply with applicable national and/or local legal requirements for minimum notice periods regarding significant operational changes.

GRI 403: Occupational Health and Safety

103-1

Explanation of the material topic and its boundary

It is Yum!’s policy to maintain a professional, safe work environment. Suppliers are also expected to provide their employees with safe and healthy working conditions.

Food > Food Safety, pg. 25

Global Code of Conduct, pg. 22

103-2

The management approach and its components

103-3

Evaluation of the management approach

403-1

Occupational health and safety management system

Food > Food Safety, pg. 25

Global Code of Conduct, pg. 22

403-2

Hazard identification, risk assessment, and incident investigation

Food > Food Safety, pg. 25

Global Code of Conduct, pg. 22

403-3

Occupational health services

Food > Food Safety, pg. 25

Global Code of Conduct, pg. 22

403-4

Worker participation, consultation, and communication on occupational health and safety

Food > Food Safety, pg. 25

Global Code of Conduct, pg. 22

404: Training and Education

103-1

Explanation of the material topic and its boundary

We sustain our winning culture by recruiting the best people and developing their potential. No matter where employees are within our organization or in their careers, continuing development is an important focus. We are proud to help restaurant employees develop skills and capabilities on the job, further their education and build successful careers. In addition to providing corporate employees with robust development plans, programs and learning platforms, we invest in them by providing meaningful roles and challenging opportunities.

103-2

The management approach and its components

103-3

Evaluation of the management approach

404-2

Programs for upgrading employee skills and transition assistance programs

People > Education, pp. 16

GRI 405: Diversity and Equal Opportunity

103-1

Explanation of the material topic and its boundary

Citizenship > Board Diversity, pg. 8

People > Equity & Inclusion, pgs. 15-16

103-2

The management approach and its components

103-3

Evaluation of the management approach

405-1

Diversity of governance bodies and employees

Gender

Percent Female

Percent Male

Not Specified

Board of Directors

42%

58%

0

Executive

49%

51%

0

Leadership

32%

68%

0

Management (Restaurant and Above Restaurant)

49%

50%

1%

Non Management (Above Restaurant)

55%

44%

1%

Non Management (Restaurant)

55%

41%

4%

Age Group

Percent Under 30

Percent 30+50

Percent over 50

Not Specified

Board of Directors

0

8

92

0

Total Employees

58

31

8

3

Above Restaurant

14

67

17

2

Restaurant

63

27

7

3

405-2

Ratio of basic salary and remuneration of women to men

At Yum!, we are committed to paying our employees fairly and equitably. Our pay practices are grounded in market competitive and performance-based principles to attract, retain and reward world-class talent. We leverage tools and processes to establish equitable pay decisions, including salary ranges and bonus targets by level, objective performance goals and ratings, and clear guidelines for merit increases, bonuses and long-term incentives tied to performance.

In the U.S., where a significant portion of our population resides, we run an annual statistical regression analysis to establish that pay disparities by gender and ethnicity do not exist. Taking into account all job- and performance-related factors used in making pay decisions, the analysis finds we do not have any statistically significant variances in pay for any gender or ethnic group. We are committed to continuing to review and refine our practices and processes to establish we are rewarding our employees fairly.
GRI 407: Freedom of Association and Collective Bargaining

103-1 Explanation of the material topic and its Boundary We respect the right of all employees to associate or not to associate with any group as permitted by applicable laws and regulations. Suppliers must respect the right of workers to associate, organize and bargain collectively in a lawful and peaceful manner without penalty or interference.

103-2 The management approach and its components Yum! Human Rights & Key Supply Chain Commitments Policy

103-3 Evaluation of the management approach Yum! Human Rights & Labor Practices Policy

GRI 409: Forced or Compulsory Labor

103-1 Explanation of the material topic and its Boundary Fair employment practices do more than keep Yum! in compliance with applicable labor and employment laws. They help us attract and retain the best talent for our workforce. Yum! is committed to not using forced or compulsory labor. Suppliers are also required to follow this policy.

103-2 The management approach and its components People > People Dashboard; Ethics & Human Rights > Human Rights in the Supply Chain

103-3 Evaluation of the management approach Yum! Human Rights & Key Supply Chain Commitments Policy

GRI 412: Human Rights Assessment

103-1 Explanation of the material topic and its Boundary People > People Dashboard; Ethics & Human Rights > Human Rights in the Supply Chain

103-2 The management approach and its components Yum! Human Rights & Key Supply Chain Commitments Policy

103-3 Evaluation of the management approach Yum! Human Rights & Labor Practices Policy

GRI 413: Local Communities

103-1 Explanation of the material topic and its Boundary People > Brand Community Impact, pg. 19

103-2 The management approach and its components

103-3 Evaluation of the management approach

103-4 Employee training on human rights policies or procedures People > Brand Community Impact, pg. 19

GRI 414: Supplier Social Assessment

103-1 Explanation of the material topic and its Boundary People > People Dashboard; Ethics & Human Rights > Human Rights in the Supply Chain

103-2 The management approach and its components Yum! Human Rights & Key Supply Chain Commitments Policy

103-3 Evaluation of the management approach Yum! Human Rights & Labor Practices Policy

GRI 415: Public Policy

103-1 Explanation of the material topic and its Boundary We believe that it is important to discuss policies that may impact our business operations, franchises, industry and stakeholders. We adhere to all applicable laws that govern our interactions with public officials as well as our own Code of Conduct.

103-2 The management approach and its components

103-3 Evaluation of the management approach

GRI 416: Customer Health & Safety

103-1 Explanation of the material topic and its Boundary Food, pgs. 22-27

103-2 The management approach and its components

103-3 Evaluation of the management approach

GRI 417: Marketing and Labeling

103-1 Explanation of the material topic and its Boundary Yum! is committed to following all laws and providing guests with accurate information. Customers rely on that information to make decisions on where to dine as well as to make menu selections. Promoting transparency about our food empowers the customer to make personal choices. We follow U.S. and international guidelines to avoid marketing to children and are committed to our goal of limiting marketing communications to children under 12.

103-2 The management approach and its components

103-3 Evaluation of the management approach

GRI 418: Customer Privacy

103-1 Explanation of the material topic and its Boundary Yum! understands that in today’s digital environment, customer and employee privacy is important and we are committed to treating personal information with care. We invest significantly in tools, systems and people to help keep information secure as threats continue to evolve.

103-2 The management approach and its components

103-3 Evaluation of the management approach

103-4 Substantiated complaints concerning breaches of customer privacy and losses of customer data

Yum! maintains a program to address potential security and privacy incidents. The program includes processes to meet notification or other reporting obligations under applicable local laws.
Sustainability Accounting Standards Board (SASB) Response

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

### Energy Management

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Unit of Measure</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
</table>
| Total energy consumed     | Gigajoules (GJ) | FB-RN 130a.1 | Energy data is available within our CDP Climate Change response. Our CDP Climate Change 2020 response achieved a score of A-.

To learn more about our approach to energy management, please see Planet > Climate Action. The energy initiatives described therein will help us to achieve our Climate Action goals, detailed on the Planet Dashboard.

### Water Management

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Unit of Measure</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
</table>
| Total water withdrawn     | Thousand cubic meters | FB-RN 140a.1 | Water data is available within CDP Water Security response. Our CDP Water Security 2020 response achieved a score of A-.

Yum! restaurants have taken steps to reduce water use, and we've conducted a global water risk assessment using the WRI Aqueduct Water Risk Atlas to better understand our footprint. Please see Planet > Water for more details on the assessment and our approach to water management. We have also set a goal to reduce average water consumption by 10% by the end of 2025, using a 2017 baseline.

Additionally, the climate change analysis described above considered water risk to stores as well as to suppliers.

### Food & Packaging Waste Management

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Unit of Measure</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
</table>
| Total amount of waste     | Metric tonnes (t) | FB-RN 150a.1 | See Planet > Sustainable Packaging & Waste Reduction for a summary of our circular approach to food and packaging waste reduction, as well as for details on brand level packaging and waste goals. Our approach spans operational waste diversion, sustainably designed packaging, and donating food waste to nonprofits through the Harvest program (see People > Brand Community Impact > Hunger Relief for more).

GRI 301-3
GRI 301-5
Citizenship and Sustainability, page 34

### Food Safety

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Unit of Measure</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
</table>
| Percentage that is recyclable, reusable, and/or compostable | Percentage (%) | FB-RN 150a.2 | It is estimated that 12% of plastic packaging is generally considered widely recyclable in most jurisdictions (resin types 1 and 2). Although higher rates are possible in many areas.

### Food

- **Nutritional Content**
  - Percentage of meal options consistent with national dietary guidelines: Percentage (%) FB-RN 260a.1 Yum! publishes online nutrition calculators for all four brands’ U.S. menus and provides consumers with convenient access to allergen and nutrition information.

By 2030, 50% of our menu items will be consistent with our global nutrition criteria of side menu items being 200 calories or less, main menu items being 400 calories or less and combo/meal menu items being 750 calories or less. See Food > Balanced Choices for more.

- **Revenue from these options** Reporting currency FB-RN 260a.1

### Packaging

- **Total amount of packaging** Metric tonnes (t) FB-RN 150a.2

Estimated 546,000 metric tons of fiber-based and plastic-based packaging and customer servicewares. This is only a directional estimate and we expect refinements in data collection in the future.

- **Percentage made from recycled and/or renewable materials** Percentage (%) FB-RN 150a.2

It is estimated that 34% of fiber-based and 11% of plastic-based packaging and customer servicewares are from recycled sources. This is only a directional estimate and we expect refinements in data collection in the future.
**Labor Practices**

<table>
<thead>
<tr>
<th>Voluntary Practices</th>
<th>Rate</th>
<th>FB-RN-310a.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>In building a workplace for everyone, Yum! seeks to retain and support restaurant employees. See the People chapter to learn about our Unlocking Opportunity Initiative, established to positively impact restaurant team members and communities through equity &amp; inclusion, education and entrepreneurship. As an input to the Initiative, we have engaged with restaurant workers to understand the challenges they face. Additionally, we provide training and scholarship programs. For a limited time, training and retention bonuses are being offered. Yum! offers team members at corporate restaurants a range of benefits, which were strengthened during the COVID-19 pandemic.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average hourly wage for restaurant employees by region at company-owned and franchise locations</th>
<th>Rate</th>
<th>FB-RN-310a.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is our policy to deal fairly with employees; provide equal opportunity for all in recruiting, hiring, developing, promoting and compensating without regard to race, religion, color, age, gender, disability, genetic information, military or veteran status, sexual orientation, gender identity and/or expression, citizenship, national origin or other legally protected status; maintain a professional, safe and discrimination free work environment, and recognize and compensate employees based on their performance.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Supply Chain Management & Food Sourcing**

<table>
<thead>
<tr>
<th>Percentage of food purchased that meets environmental and social sourcing standards</th>
<th>Percentage (%) by cost</th>
<th>FB-RN-430a.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>It has strengthened commitments to social and environmental standards in key areas of our supply chain, including vegetables, fresh produce, palm oil, and animals. Our practices are aligned with third parties such as the Fair Food Standards Council, the Roundtable for Sustainable Palm Oil, and the Roundtable for Sustainable Poultry &amp; Eggs.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of food purchased that meets third party environmental and/or social certification</th>
<th>Percentage (%) by cost</th>
<th>FB-RN-430a.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>See also People &gt; Ethics &amp; Human Rights &gt; Human Rights in the Supply Chain; Planet &gt; Supply Chain, Forest Stewardship, Animal Welfare, Limiting Antibiotic Use</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of eggs originated from cage-free sources at company-owned and franchise locations</th>
<th>Percentage (%) by cost</th>
<th>FB-RN-430a.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>In recent years, Yum! has strengthened commitments to social and environmental standards in key areas of our supply chain, including vegetables, fresh produce, palm oil, and animals. Our practices are aligned with third parties such as the Fair Food Standards Council, the Roundtable for Sustainable Palm Oil, and the Roundtable for Sustainable Poultry &amp; Eggs.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of pork produced without the use of gestation crates at company-owned and franchise locations</th>
<th>Percentage (%) by weight</th>
<th>FB-RN-430a.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare n/a</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Activity Metrics**

<table>
<thead>
<tr>
<th>Number of company-owned restaurants</th>
<th>Number</th>
<th>FB-RN-000.A</th>
</tr>
</thead>
<tbody>
<tr>
<td>On December 31, 2020, Yum! Brands owned 1,098 restaurants.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of franchise-owned restaurants</th>
<th>Number</th>
<th>FB-RN-000.A</th>
</tr>
</thead>
<tbody>
<tr>
<td>On December 31, 2020, franchises owned 49,256 restaurants.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of employees at company-owned locations</th>
<th>Number</th>
<th>FB-RN-000.B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approximately 38,000 employees</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of employees at franchise-owned locations</th>
<th>Number</th>
<th>FB-RN-000.B</th>
</tr>
</thead>
<tbody>
<tr>
<td>We do not track the number of employees at franchise-owned locations but we would expect there to be approximately 1.5M employees.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2021 TCFD REPORT EXECUTIVE SUMMARY

Yum! is committed to addressing the climate crises by supporting a transition to a sustainable, low-carbon economy. Yum!’s first-ever Taskforce on Climate-related Financial Disclosures (TCFD) report analyzed our climate risks and opportunities globally. The TCFD report, conducted in collaboration with a third-party external partner, has been prepared according to recommendations from TCFD and builds on Yum!’s existing climate work such as Yum!’s science-based targets and CDP disclosures. View Yum!’s full TCFD report [here](https://www.yum.com/).

#### KEY FOCUS AREAS

**Restaurants**

**Supply Chain (Meat, Poultry, Dairy and Fiber)**

#### TCFD CATEGORIES OF RISK

- **Acute Physical**
- **Chronic Physical**
- **Regulatory Transition**
- **Market Transition**

#### KEY FINDINGS

Yum! has reviewed different scenarios and has identified that a combination of physical and transition risks will vary by geography versus being globally harmonized. The assessment results provide a foundation for Yum!’s commitment to a dual strategy of decarbonization and climate resiliency as both are critical to a sustainable business. Overall, the Yum! business model has strong elements of risk mitigation built in given our vast geographical footprint.

#### RESTAURANT

**Climate Risk Category and Exposure**

- **Acute Physical Risk – single extreme weather event (e.g. flooding, hurricane, tornado)**
  - 7.5% of global restaurants ‘at risk’

- **Chronic Physical Risk – prolonged impacts from slow-onset climate shifts (e.g. water stress, persistent drought)**
  - 3.1% of global restaurants ‘at risk’

- **Transition & Market Risk – climate-related regulations (e.g. carbon pricing) and/or stakeholder perceptions**
  - 15.8% of global restaurants ‘at risk’

#### SUPPLY CHAIN

**Climate Risk Category and Exposure**

- **Acute Physical Risk – single extreme weather event (e.g. flooding, hurricane, tornado)**
  - 8.8% of global suppliers ‘at risk’

- **Chronic Physical Risk – prolonged impacts from slow-onset climate shifts (e.g. water stress, persistent drought)**
  - 12.6% of global suppliers ‘at risk’

- **Transition & Market Risk – climate-related regulations (e.g. carbon pricing) and/or stakeholder perceptions**
  - 39.2% of global suppliers ‘at risk’

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**SASB INDEX**
ABOUT THIS REPORT

We remain committed to disclosing our sustainability progress. This report covers key commitments and initiatives that have been announced since our last report was published, in addition to full-year sustainability data from January 1–December 31, 2020. Data was gathered from our corporate operations, company-owned KFC, Pizza Hut, Taco Bell and The Habit Burger Grill restaurants and select franchisees.

This report has been prepared in accordance with the GRI Standards: Core Option. We recognize GRI as a leading standard for reporting on environmental, social and governance issues reflecting the results of a materiality assessment. This report also contains Yum!’s first disclosure to the SASB Restaurant Standards and is also aligned with the Task Force on Climate-Related Financial Disclosures (TCFD)’s guidance for reporting on climate risk.

For more information about our citizenship and sustainability work, visit www.yum.com/citizenship.

Please send comments or questions about this report to citizenship@yum.com

FORWARD-LOOKING STATEMENTS

This report may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the fact that they do not relate strictly to historical or current facts and by the use of forward-looking words such as “expect,” “expectation,” “believe,” “anticipate,” “may,” “could,” “intend,” “belief,” “plan,” “estimate,” “target,” “predict,” “likely,” “seek,” “project,” “model,” “ongoing,” “will,” “should,” “forecast,” “outlook,” “new store opening goals” or similar terminology. These statements are based on and reflect our current expectations, estimates, assumptions and/or projections, our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. Forward-looking statements are neither predictions nor guarantees of future events, circumstances or performance and are inherently subject to known and unknown risks, uncertainties and assumptions that could cause our actual results to differ materially from those indicated by those statements. There can be no assurance that our expectations, estimates, assumptions and/or projections, including with respect to the future earnings and performance or capital structure of Yum!, will prove to be correct or that any of our expectations, estimates or projections will be achieved. The forward-looking statements included in this report are only made as of the date of this report, and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances.