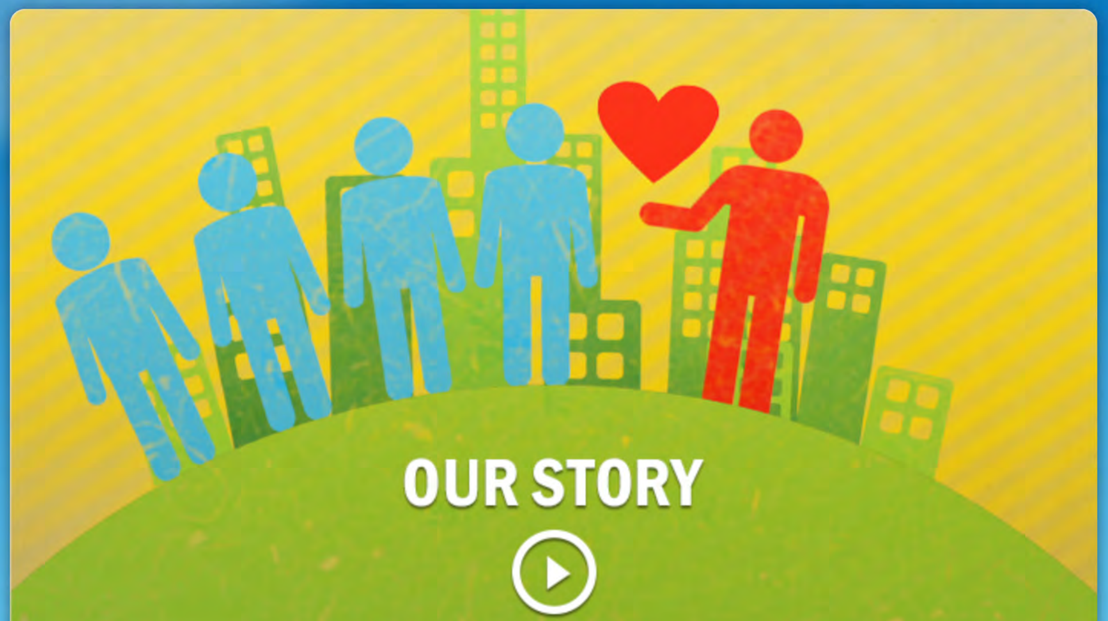


Message From Our CEO

LATEST CSR NEWS

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OUR CSR COMMITMENTS



FOOD

We serve high quality, delicious food that our customers can feel good about. To earn your trust, we follow the highest standards in the food industry – from sourcing to safety.



PEOPLE

This is a great place to work because we believe in all people. Everyone counts and is recognized for their contributions. As an employer of choice, we offer training and wellbeing programs to attract and retain top talent.



COMMUNITY

We have a huge heart and give back to our communities in different ways around the globe and together through World Hunger Relief. We encourage making a difference through local volunteerism.



ENVIRONMENT

It's our goal to be a green and responsible company because we care about the environment and want to leave it better for future generations.

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40,000+
Number of global restaurants

Learn More



ABOUT US

Yum! Brands, Inc., based in Louisville, Kentucky, has **over 40,000 restaurants in more than 125 countries and territories**. Yum! is ranked #216 on the Fortune 500 List with revenues of over $13 billion and in 2014 was named among the top 100 Corporate Citizens by Corporate Responsibility Magazine. The Company's restaurant brands – KFC, Pizza Hut and Taco Bell – are the global leaders of the chicken, pizza and Mexican-style food categories. Outside the United States, the Yum! Brands system opened over five new restaurants per day, making it a leader in international retail development.

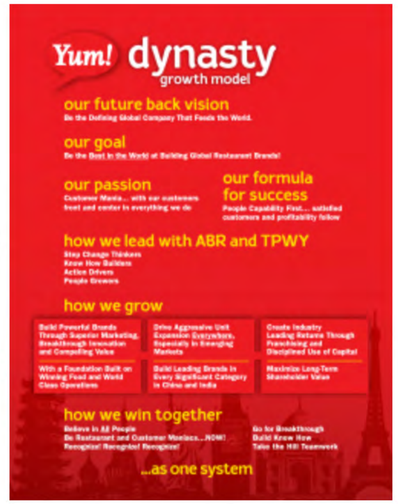
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HISTORY & CULTURE

Over the past 16 years, our success has been driven by our focus on building leading brands in emerging markets like China, India, Africa, Brazil and Russia; driving aggressive, international expansion and building strong brands everywhere; dramatically improving U.S. brand positions, consistency and returns; driving industry-leading, long-term shareholder and franchisee value; and building a unique, fun culture led by people who love the restaurant business. Along the way, we also broadened our focus beyond our restaurants to important emerging issues of our global society such as our impact on people, communities, food and the environment.

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





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BUSINESS MODEL

"In 2013, full-year EPS declined 9% to $2.97 per share, excluding Special Items. While we're obviously disappointed with our overall results in 2013, we're pleased with the progress we've made in our China business and with our strong international development. In 2013, we opened over 1,950 new international restaurants, including more than 80% in high-growth emerging markets. With the improvements we've made to our business and our positive development momentum, we're confident we'll have a strong bounce-back year in 2014, delivering at least 20% EPS growth. More importantly, we're confident our business model will sustain double-digit earnings growth for many years to come."



Pat Grismer
Chief Financial Officer
Yum! Brands

KFC Corporation, based in Louisville, Ky., is the world's most popular chicken restaurant chain. KFC specializes in Original Recipe®, Extra Crispy™, Kentucky Grilled Chicken® and Extra Crispy™ Tenders, Hot Wings™, Go Cups, Famous Bowls, Pot Pies, freshly made chicken sandwiches, biscuits and home-style side items. There are nearly 19,000 KFC outlets in 118 countries and territories around the world. Since 2006, the Kentucky Fried Chicken Foundation has awarded over $10 million in Colonel's Scholars scholarships to students and another $1.5 million since 2012 in grants to KFC team members via the REACH Educational Grant ProgramT™. KFC Corporation is a subsidiary of Yum! Brands, Inc., Louisville, Ky. (NYSE: YUM.) For more information, visit www.kfc.com. Follow KFC on Facebook and Twitter.

Pizza Hut is the world's largest pizza company, with more than 13,000 restaurants 91 countries and territories. In 2013, Pizza Hut was named Pizza Brand of the Year by the Harris Poll Equitrend® and was the recipient of the Innovation and Leadership in Advertising Award from the American Advertising Federation, 10th District. Pizza Hut began 56 years ago in Wichita, Kansas and serves more pizza, pasta and wings each day than any other pizza brand, nearly half of which come from orders through digital channels. Pizza Hut is also an active member in its communities as the creator of the BOOK IT!® Program, which is a long-standing children's literacy initiative used in more than 620,000 classrooms in the U.S., and has contributed more than $11 million dollars from the U.S. alone to the World Food Programme. For more information, visit www.pizzahut.com/newsroom.

Taco Bell Corp., a subsidiary of Yum! Brands, Inc., (NYSE: YUM), is the nation's leading Mexican-inspired quick service restaurant. Taco Bell serves made to order and customizable tacos, burritos, and specialties such as the exclusive Doritos® Locos Tacos, gourmet- inspired Cantina Bell® Menu and lower calorie Fresco Menu. The company encourages customers to "Live Más" both through its food and in ways such as its Feed The Beat® music program and its nonprofit organization, the Taco Bell Foundation for Teens™. Taco Bell and its more than 350 franchise organizations have over 5,300 restaurants across the United States that proudly serve more than 36 million customers every week.

For 2013 Financial Highlights, Click Here.

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Nearly 740 million

Meals provided since World Hunger Relief began in 2007

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OUR CSR METHODOLOGY

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

Our objectives for this report are to:

1. Reinforce our global commitment to CSR
2. Report on our performance to date under our four strategic pillars (food, people, community, environment)
3. Where possible, identify our future CSR direction, goals and policies
4. Engage in constructive dialogue with our stakeholders



As the Defining Global Company that Feeds the World, it is our privilege and honor to improve the lives of those we impact. With vibrant brands that are steeped in innovation, quality and fun food, we are excited about our business opportunities as we expand. At the same time, we understand that we have a duty to improve society and a responsibility to be a good environmental steward.

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

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

Yum! Brands was recognized by Corporate Responsibility Magazine in 2014 as a 100 Best Corporate Citizen; an acknowledgement of standout performance of public companies across the United States. The *100 Best List* documents data points of disclosure and performance measures—harvested from publicly available information in seven categories: environment, climate change, employee relations, human rights, governance, finance, and philanthropy.

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Nearly 740 million

Meals provided since World Hunger Relief began in 2007

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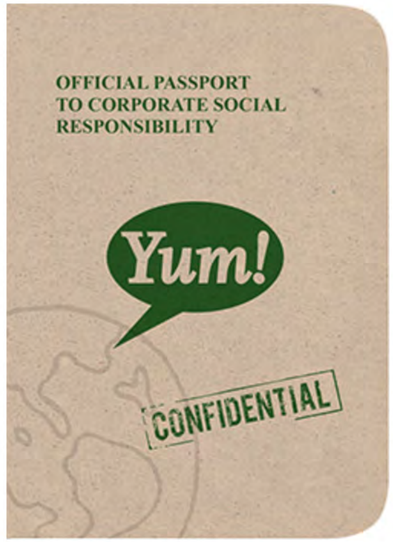
STRATEGY

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

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

Our strategy centers on four key pillars: People, Food, Community and Environment. Tactically, we will:

1. Transparently report on our progress with key stakeholders
2. Identify opportunities for improvement
3. Develop programs and strategies that address and overcome challenges



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Number of South Africa KFC restaurants that replaced the KFC logo with faces of children to represent the 40,000 children fed by the Add Hope program

Learn More

STRUCTURE

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

CSR at Yum! is a partnership between the Global Sustainability and Public Affairs teams and is led by our Chief Sustainability Officer and Vice President of Corporate Social Responsibility. We engage various internal and external stakeholders to deliver on the CSR commitments outlined in this report and we will continue to engage these and additional stakeholders as we move forward on our journey.



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

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STAKEHOLDERS

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

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

- Restaurant Supply Chain Solutions (RSCS) Board of Directors
- Brand Franchise Associations/Board of Directors

Over the past 16 years, we have built strong relationships with franchise owners and leaders, who inform and guide our thinking. We have also extended our reach to include stakeholders with important perspectives in areas related to our most important CSR impacts and we continually share our progress in the following key areas:

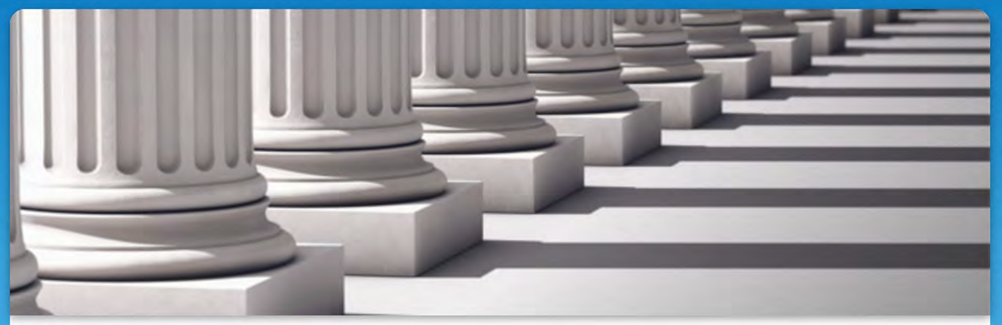
- Diversity Outreach Initiatives
- Health and Nutrition
- Supply Chain Innovation and Management
- Animal Welfare
- Environment (e.g., energy and water use, building design, waste and packaging)
- Hunger Relief
- Community Engagement and Volunteerism

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$763 million

Fair market value of product donated in the U.S. through Yum! Harvest program since 1992

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GOVERNANCE, PUBLIC POLICY AND GOVERNMENT AFFAIRS

Our governance, public policy and government affairs are managed with a view to the success of our business and fulfilling our Board's responsibilities to our shareholders. The Board's governance practices align management and shareholder interests, and include the following: independence of the majority of Board members; Board diversity; corporate governance principles; executive compensation programs that demonstrate pay for performance; stringent ethics and compliance standards, and having a Worldwide Code of Conduct and Political Contributions and U.S. Government Advocacy Policy. We operate in a complex and dynamic public policy environment. We influence this environment by conducting advocacy efforts with policymakers at national, state and local levels, both in the United States as well as in our international markets.

"A diverse range of experiences and perspectives among our Directors ensures the success of the Board in overseeing our complex, varied businesses. It also enhances long-term shareholder value."



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

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95%

Of fiber sourced responsibly at Pizza Hut U.S. are from well-managed forests and recycled sources

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BOARD OF DIRECTORS



DAVID NOVAK
Chairman & CEO
Yum! Brands

Our Board of Directors is led by Yum! Brands Chairman and Chief Executive Officer, David Novak. Among the 12 directors on the Board, nine are independent directors (based on New York Stock Exchange rules for director independence). The three non-independent directors are David Novak, Chairman and Chief Executive Officer, Jing-Shyh S. (Sam) Su, Vice Chairman of the Board, Yum! Brands, Inc. and Chairman and Chief Executive Officer, Yum! Brands China Division, and Michael J. Cavanagh, former Co-Chief Executive Officer, J.P. Morgan Chase & Co., Corporate and Investment Bank. To view detailed profiles of our directors, please visit our website at www.yum.com/company/bod.asp.

The Board of Directors has established four committees:

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

Only independent directors serve on the Audit, Management Planning and Development, and Nominating and Governance Committees in accordance with our Corporate Governance Principles. The Executive/Finance Committee includes Chairman and Chief Executive Officer David Novak, along with independent directors Thomas C. Nelson, Thomas M. Ryan and Robert D. Walter. To view our Board Committee composition, please visit our website at www.yum.com/investors/governance/charters.asp.

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

BOARD DIVERSITY

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

When recruiting new directors, we look for leaders from different backgrounds that combine a broad spectrum of experience and expertise with a reputation for integrity. For complete selection criteria and policies, please see our Corporate Governance Principles.

We're proud of the diversity of our Board. As of this writing, two women (Mirian M. Graddick-Weir and Bonnie G. Hill) and three minorities (Ms. Graddick-Weir, Ms. Hill, and Jing-Shyh S. (Sam) Su) serve on our Board of Directors. Ms. Graddick-Weir is the Executive Vice-President of Human Resources at Merck & Co., Inc. She has been a Director since January 2012. Ms. Hill is President of B. Hill Enterprises, LLC, a consulting company. She has been a Director since 2003. Mr. Su, a Taiwanese national and Chinese citizen, serves as Vice Chairman of the Board, Yum! Brands, Inc. and Chairman and Chief Executive Officer, Yum! Brands China Division. He has been a Director since 2008. The balance of our Board includes Michael J. Cavanagh, David W. Dorman, Massimo Ferragamo, J. David Grissom, Jonathan S. Linen, Thomas C. Nelson, David C. Novak, Thomas M. Ryan and Robert D. Walter.

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CORPORATE GOVERNANCE

Adopted in 2001 and amended and restated in 2012, our Corporate Governance Principles of the Board of Directors, along with the Company's articles and bylaws, committee charters and the Worldwide Code of Conduct, provide the framework for Yum! Brands, Inc. governance. The Principles set out guidelines to inform all aspects of Board operations, including:

- Board Membership and Director Qualifications
- Director Independence
- Board Performance and Compensation
- Board Conduct
- Board Committees
- Role of the Chairman
- Role of the Lead Director

The Principles included a "majority voting" policy requiring any director who received a greater number of votes "withheld" from his or her election than votes "for" his or her election to promptly tender his or her resignation from the Board.

The Board reviews the Principles and other aspects of governance annually or more often, if necessary. The full text of the Corporate Governance Principles can be found at www.yum.com/investors/governance/principles.asp. These Principles are discussed annually in our proxy statement.

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EXECUTIVE COMPENSATION

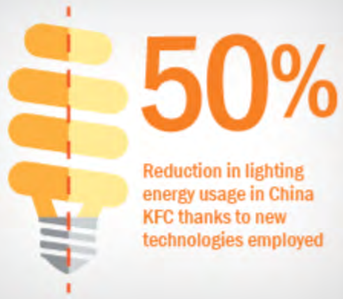
Yum! Brands' executive compensation programs, overseen by the Management Planning and Development Committee of the Board, are designed to attract and retain highly qualified leaders through competitive compensation and benefit programs, to reward our associates for personal contributions that grow the business, and to maximize shareholder returns through pay-for-performance programs. Reviewed annually by the Committee, the program's intent is to:

- Reward performance
- Pay our Restaurant General Managers and executives like owners
- Design pay programs at all levels that align team and individual performance, customer satisfaction and shareholder return
- Emphasize long-term incentive compensation

To strengthen the alignment between management and shareholder interests, the Management Planning and Development Committee has adopted formal stock-ownership guidelines, which set minimum expectations for executive and senior management ownership of Yum! stock. We have created an ownership culture in which our officers, executives and senior managers hold Yum! stock well in excess of the guidelines.

A table detailing total compensation and stock-based awards paid, earned or awarded for fiscal year 2013 to our CEO and four other most highly compensated executive officers can be found in our 2014 Proxy Statement on March 21, 2014.

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ETHICS AND COMPLIANCE

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

WORLDWIDE CODE OF CONDUCT

Yum!'s Worldwide Code of Conduct, adopted in 1997, is more than a document–it is the foundation for the way we conduct ourselves and do business throughout the world. It calls for the highest standards of ethical behavior from our Board members and our 1.5 million associates, and covers a variety of critical issues, including:

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

The Code is published in English, Chinese, French, German, Korean, Russian, Spanish and Thai and is available on our investor site.

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

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

We know that, in any organization, raising an ethics concern—especially about a superior—can be difficult. So we have set up a system for associates to raise concerns through a safe, anonymous process. Using independent third parties, The Network, Inc., Deloitte Consulting, LLP and Employee Relations Strategies, Inc., we have opened local ethics hotlines in the U.S. and 19 countries that comprise our major markets. Our associates can use these hotlines 24 hours a day 7 days a week to anonymously raise a concern about possible Code violations or other ethical conflicts not covered by the Code. After a call, the independent third party relays the information to our management to investigate the concern.

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

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

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TAX AND TRADE POLICY

We work to maintain tax policies at the international, federal, state and local levels that foster competitiveness, efficiency and a balanced level of taxation for the corporation.

We support trade policies, including bilateral and multilateral trade agreements, which permit the free movement of commodities among international markets to provide access to the highest quality ingredients at competitive prices.

GOVERNMENT AFFAIRS

Our goal is to educate policymakers about our business and the issues that are important to us and our franchisees. In pursuit of an environment where our restaurants, franchisees, associates, and the communities we serve can thrive, we focus our public policy efforts and governmental partnerships on a variety of issues including food safety, workplace requirements and practices, health and nutrition, tax policy and regulation of foodservice operations and practices.

ASSOCIATE BENEFITS

Our associates are our Company's most important resource. In the highly competitive environment in which we operate, we know that our success depends on our ability to attract and retain a diverse, empowered workforce.

We participate in the U.S. Department of Labor's Work Opportunity Tax Credit (WOTC) program. Under this program, we receive a tax credit for hiring and training workers who are economically or physically disadvantaged. We have provided thousands of first-time jobs to individuals around the country, many of whom were previously on public assistance, helping them gain valuable job training and skills that enable them to continue as productive members of the workforce. We are proponents of maintaining the WOTC program as part of the U.S. tax code, and of simplifying it to make it more user-friendly for smaller employers such as our franchisees.

"It is imperative that we engage policy makers both domestically and abroad in a 360 degree dialogue that seeks to build, change, or reinforce perceptions of Yum! in the public policy arena. Our integrated strategy leverages the work of our government relations, regulatory affairs, and corporate social responsibility teams to impact the process in a positive way."



Brett Hale,
VP, Public Relations
Government Affairs

HEALTH AND NUTRITION

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

To reinforce our commitment to health and nutrition, we have partnered with the U.S. government and dozens of leading U.S. food corporations on the United States Department of Agriculture (USDA) ChooseMyPlate Corporate Challenge to help stem the tide of increasing weight and obesity among America's young people. As a Community Partner , we are committed to incorporating ChooseMyPlate educational information in our restaurants and online nutrition and marketing materials.

Additionally, we have worked with the U.S. Congress and the Obama Administration to enact uniform national menu board guidelines for prepared food sales, providing a consistent way to educate the public about the nutritional value of the foods they eat. The U.S. Food and Drug Administration is currently in the process of finalizing regulations to implement this program. Once those rules are completed, our U.S. KFC, Pizza Hut and Taco Bell divisions will be providing calorie information in all of our company and franchised stores.

OUR ASSOCIATES' VOICE - THE YUM! BRANDS GOOD GOVERNMENT FUND

We maintain a non-partisan Political Action Committee (PAC) that supports candidates for public office in the U.S. The PAC is funded through the personal voluntary contributions of eligible employees. No corporate funds are contributed to the PAC.

Our associate PAC is dedicated to the election of pro-business candidates at the federal, state and local levels of government. We follow the general guidelines of supporting the preservation and growth of the private enterprise system, electing candidates on a non-partisan basis, using business-related issues as the key benchmark and emphasizing political races in areas where our associates live and work. In 2013, our PAC contributed more than $72,000 to political candidates.

In addition to complying with all U.S. federal and state regulations, our PAC is periodically audited by both Comerica Bank and an internal Yum! audit team. We are pleased to report that the most recent internal Yum! audit, conducted in 2013, awarded our PAC a "Well Controlled" rating. Our PAC also provides an annual report to our donors regarding its activities. A detailed listing of the PAC's receipts and disbursements can be found by visiting the Federal Election Commission's website at www.fec.gov.

In limited circumstances as permitted by law, our Company may contribute corporate funds to state or local candidate campaigns. These contributions are disclosed as legally required. In addition, we voluntarily provide a complete listing of these contributions and our contribution policies on our website at http://yum.com/investors/governance/disclosure.asp.

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TRADE MEMBERSHIPS

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

- American Potato Trade Alliance (APTA)
- China Advertising Association (Yum! China)
- China Association of Enterprises with Foreign Investment (CAEFI)
- China Chain Stores and Franchise Association (Yum! China)
- China Cuisine Association (Yum! China)
- China Food Safety Association (Yum! China)
- Conference for Food Protection (CFP)
- Dairy Management, Inc. (DMI)
- European Modern Restaurant Association (EMRA)
- Food Waste reduction Alliance (FWRA)
- International Food Information Council Foundation (IFIC)
- International Franchise Association (IFA)
- International Poultry Council (IPC)
- Kentucky Clean Fuels Coalition (KCFC)
- Louisville Sustainability Council
- National Chicken Council (NCC)
- National Restaurant Association (NRA)
- Paper Recovery Alliance (PRA)
- U.S. ASEAN Business Council (Southeast Asia)
- U.S. Chamber of Commerce
- U.S. Dairy Export Council (USDEC)
- U.S. Green Building Council (USGBC)
- U.S. India Business Council (USIBC)
- U.S. Poultry & Egg Export Council (USAPEEC)

NATIONAL RESTAURANT ASSOCIATION

U.S. GREEN BUILDING COUNCIL

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CSR POLICIES

We believe in practices that demonstrate responsibility to all of our stakeholders including our associates, customers and the communities we serve. The below policies and positions illustrate our commitment to transparency, continued efforts to realize improvement and accountability to drive sustainable business.



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RECOGNITION & RANKINGS

We are intentional about incorporating sustainability into our way of doing business and as a result we have received recognition for our efforts.

CARBON DISCLOSURE PROJECT

We recognize that telling our story and reporting progress to stakeholders and potential investors in a transparent way is critical to being a good corporate citizen. Because of this, Yum! has participated in the Carbon Disclosure Project (CDP) for the past four years. The project examines how well companies are reducing their carbon footprint, which has a long-term impact on our environment. The report allows potential investors and shareholders to view the detail of our submission. This public status, combined with an increase in our score for the third straight year in a row, is a strong symbol of our commitment to transparency and the environment.

YUM! HAS PARTICIPATED IN CDP (CARBON DISCLOSURE PROJECT) REPORTING SINCE 2010 AND WE ARE PROUD TO STATE THAT IN THE RECENTLY RELEASED 2014 REPORT, YUM! RECEIVED A 95/B.

To view the 2014 full report, click here.

CR 100 : BEST CORPORATE CITIZENSHIP

Corporate Responsibility Magazine named Yum! one of the year's top public companies in terms of commitment to corporate social responsibility. Yum! is the only restaurant company that made the 2014 list and claimed the 84th spot, a 13-position increase from 2013. To view the full list, click here

NEWSWEEK GREEN RANKINGS

Yum! was named to the 2014 Newsweek Green Rankings, which ranks the world's largest companies on corporate sustainability and environmental impact. To view the full rankings, click here

Yum!

Yum! Brands 2013
Corporate Social Responsibility Report

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YUM! CSR IN THE NEWS

Read the latest Yum! Brands CSR news from around the world.

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Nutrition
Food Safety & Quality
Ethical Sourcing & Supply



Calories in KFC's new Li'l Bucket Kids Meal Featuring a Kentucky Grilled Chicken® drumstick, green beans, GoGo squeeZ™ applesauce and a Capri Sun Roarin' Water

Learn More



Our Responsibility
WATCH VIDEO

Marisela's Story
WATCH VIDEO

KFC Australia Canola Oil Initiatives
WATCH VIDEO

OUR FOOD

We are passionate about serving delicious food that lives up to the trust our customers place in us and meets the highest safety and quality standards in every aspect of our business–from sourcing and procurement to our food preparation and delivery.

We will deliver on our commitment by focusing on these key areas:

- Choice, Transparency and Improvement in Nutrition
- Food Safety and Quality
- Ethical Sourcing and Supply



Nutrition
Food Safety & Quality
Ethical Sourcing & Supply



Learn More



NUTRITION

GOAL: BE THE PREFERRED RESTAURANT OF CHOICE FOR CONSUMERS SEEKING A DELICIOUS, BALANCED OPTION BY OFFERING MORE CHOICE, MORE TRANSPARENCY AND NUTRITIONAL IMPROVEMENTS TO OUR INGREDIENTS.



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

Building on our commitment to improving nutrition, Yum! appointed Jonathan Blum as Chief Global Nutrition Officer in early 2012. He reports directly to the Chief Executive Officer and is driving strategy for nutritional improvements across all of Yum! Brands. Blum is leading a global team of nutritionists in developing global guidelines and ultimately elevating the nutritional quality of our food.

"We are really proud of all of the food that we offer. We believe that all of our food can be part of a balanced lifestyle if eaten in moderation and balanced with exercise. We are also making great progress on our nutrition strategy focusing on three main pillars—offering more choice, more transparency and making more nutritional improvement to our ingredients."



Jonathan Blum,
Chief Global
Nutrition Officer

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GLOBAL GUIDELINES



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

Yum!'s Chief Global Nutrition Officer is working with our brand and divisions to drive nutrition strategy and establish goals for nutritional improvement across all brands. Under his leadership, Yum! has implemented an updated nutrition strategy focused on three pillars:

- more **choice** for consumers
- more **transparency** about product nutrition
- more **nutritional improvement** in our ingredients

Each business has developed specific nutrition plans and accountabilities which are subject to quarterly review by senior management. Continuous progress in sodium reduction is an area of particular emphasis.

We have adopted an overarching goal to ensure each of our brands will offer delicious meal options that meet ⅓ of the Recommended Daily Allowance (RDA) established for the country in which we do business (or ⅓ of the World Health Organization RDA if a country has not established RDAs) striving for 15% of meal options by 2015 and 20% by 2020.

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PROGRESS & FUTURE PLANS

We always listen to the voice of the customer and because they are looking for more choices and variety in the food we serve, we continue to expand our menu choices in all of our restaurants across all of our brands. As we expand our menus, improving nutritional values while maintaining the great taste of our food is also important to us. Balanced choice offerings, eliminating trans fats, reducing sodium and lowering calories and fats are some of our key areas of focus. We also strive to be transparent about the ingredients and nutrient values in our food.

"As the world's largest restaurant company, it is our responsibility to make sure that we have balanced meals for people who are interested in accessing lower fat, lower calorie options and that they have information available to make informed purchase decisions. Our teams around the world are working hard every day to ensure we live up to this responsibility."



Regena Gerth, R.D.N., L.D.
Yum! Corporate Nutritionist

At **KFC** we are proud of the improvements we have made to our high quality food and remain committed to improving the overall nutritional makeup of our products. We will continue providing consumers with great tasting products that meet their dietary needs.

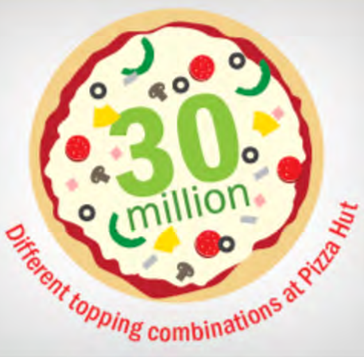
Pizza Hut offers more than 30 million different topping combinations providing an array of toppings including fresh vegetables and lean meats. The brand is committed to continually improving the nutritional profile of our products.



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

In this section we are pleased to share our progress and future plans for delivering on our commitments to provide more choice, more transparency and more nutritional improvement across our brands including some of the options our restaurants provide for consumers, as well as plans for future progress to improve the formulation of our products.

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CHOICE

U.S.



KFC introduced Kentucky Grilled Chicken (KGC) in 2009, which was one of the most successful product introductions in the brand's history. KGC is a great solution for consumers who love the flavor of KFC, but are looking for products that are lower in calories. It's marinated, then seasoned with KFC's famous secret herbs and spices and slow grilled to juicy perfection. KGC has between 80 and 220 calories, 4-10 grams of fat and 1-3 grams of saturated fat depending upon the piece.

KFC continues to offer a variety of sides to balance any meal including green beans, mashed potatoes and gravy, corn and cole slaw, each having less than 10 grams of fat per serving.

In 2013, KFC introduced the Li'l Bucket® Kids Meal with plenty of meal options under 300 calories. For example, a Kids Meal including a Kentucky Grilled Chicken drumstick, green beans, GoGo squeeZ™ applesauce and Capri Sun® Roarin' Waters has 205 calories.

With more than 30 million different topping combinations, **Pizza Hut** pizza is one of the most customizable products on the planet. For example, ordering a Thin 'N Crispy® pizza with half cheese, extra sauce and toppings that are lower in fat (lean meats such as chicken or ham and fruit/vegetables), can mean consumers are enjoying a great tasting pizza with 25 percent less fat than the regular Thin 'N Crispy® pizzas. Customization is made simple through the "Create Your Own" ordering feature at PizzaHut.com and throughout all of our ordering options.

In addition to personalization and customization, Pizza Hut offers an array of toppings including fresh vegetables like green peppers and mushrooms, naturally-preserved Italian Sausage, 100 percent white meat chicken, and 100 percent real beef, pork, and ham. Further, Pizza Hut's Pan, Thin 'N Crispy®, Hand-Tossed Style, and Stuffed Crust pizzas contain:

- Zero grams of artificial trans fat
- No high fructose corn syrup
- No MSG
- No artificial colors/dyes

For consumers looking for lower calorie, lower fat options, the Fresco Menu features **Taco Bell®** favorites with freshly prepared pico de gallo–a delicious mix of diced tomatoes, white onions and cilantro–that replaces the cheese and sauce. Packed with flavor and only five calories per serving, pico de gallo reduces fat and calories without sacrificing flavor. For example, a Fresco Grilled Steak Soft Taco contains 150 calories and 4.5 total fat grams versus 200 calories and 10 total fat grams in the traditional product.

INTERNATIONAL

At KFC UK, as part of our work to reduce calories, salt and fat and add healthier choices to our menu, we continue to explore 'better for you' and 'lighten up' options. These include Corn on the Cob, Salads and BBQ Beans, as well as drinks such as Tropicana Orange Juice, Copella Apple Juice, Low Sugar Fruit Shoots, diet soft drinks, bottled water, Innocent Fruit Tube and Munch Bunch Yogurt.



In April 2011, KFC UK and Ireland launched Brazer, our first griddled (non-fried) product. We followed this with the BBQ Rancher in February 2012, which is available as a burger, twister or salad. This involved installing new ovens in all stores. The BBQ Rancher burger contains fewer than 400 calories, lower than many high street sandwiches, and the salad option has fewer than 200 calories. The BBQ Rancher Range and Kids' Meals are classified as not high in fat, salt or sugar as defined by the Food Standards Agency Nutrient Profiling Scheme.

In 2013, KFC Germany launched its third non-fried product, the Grilled Gourmet Chicken Burger. There are now three grilled products available: a burger, a twister, and a salad. These lighter menu options are displayed on dedicated special green menu board spaces.

KFC France launched a new oven cooked sandwich in 2013 called the Brazer Parmesan which offers more balanced choices to their customers.



In December 2013, KFC Thailand launched Foilicious, chicken on the bone oven cooked in foil to preserve the flavor and juiciness of the chicken. Customer satisfaction and product quality were very high.

In Australia, Pizza Hut launched a Light & Delicious range, and offered a gluten free base that is a permanent option on the menu.

Pizza Hut Canada launched a range of balanced pizza and pasta options endorsed by their authorities.

Pizza Hut Europe launched new balanced options in 2013:

- Tuscani pizza range with salad on top in Poland (Prosciutto & Arugula, Chorizo & Spinach)
- Pizza Sun in Germany, Romania, Luxembourg and Sweden
- Fresh fruit beverages, including grapefruit, cucumber and basil, and watermelon lemonades
- Salad bar enhancements
- New plated salad offerings in Poland, Greece, Cyprus and Romania

CHINA



In China, our largest growth market, we have steadily increased the number of menu choices since the mid-1990s. More than 40 different vegetable options have been served in our China restaurants since 2001. We offer a variety of locally relevant, nutritionally balanced menu items, including the following:

- Seasonal vegetables and corn salad
- Egg and vegetable soup, and fish ball soup with green vegetables
- An entire line of delicious, healthy roasted foods, including Roasted Chicken Leg Burger in a variety of local and international styles; Roasted Pork Burger such as BBQ Flavored Double Mighty Burger; Roasted Wings; and local favorites with a distinctive KFC twister and wrap.
- Chinese-style breakfast menu of Congees and Soya Milk
- Rice product with local and international flavor has been highly praised by customers since the first launch in February 2010

INDIA



In 2012, KFC India launched an oven product called Fiery Grilled Chicken. All KFC restaurants in India (361 stores as of December 31, 2013) now have ovens and oven prepared products. Fiery Grilled Chicken was promoted heavily and has proven to be a successful addition to the menu.

Pizza Hut in India meets the goal of providing more than 15% of the meals with less than ⅓ RDA, which includes personal portion pastas and Magic Pan Pizza.

Taco Bell in India has also met the goal of more than 15% of the meals with less than ⅓ RDA, which includes the burrito, quesadilla, and Mexican pizza.

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TRANSPARENCY

Our customers rely on us to provide transparent, truthful information about our menu options to help them make informed choices. We recognize our responsibility to educate our customers. We also recognize that many of them strive to enjoy an active, balanced lifestyle. We appreciate the importance of combining a sensible diet with daily activity and a little fun.

We educate and inform our customers when visiting our restaurants and through our "Keep it Balanced" website, www.KeepItBalanced.com. In most of our markets around the world, we provide nutrition information via brand websites and other customer-facing communications to inform our customers about their choices.



- Brand websites list ingredients for each permanent menu item. Each brand's website also includes nutritional values of food items, and potential food allergens and sensitivities.
- Nutrition brochures are available to customers in restaurants with menu options that fit into a balanced diet.

As we move ahead we are committed to working with our international franchisees to provide this information in all of our restaurants worldwide and on all of our online assets.

U.S.

As part of a broader Health and Wellness effort across the United States, Yum! has made a decision not to advertise its products on television programs specifically aimed at children under 12 years old. We also encourage markets outside the U.S. not to do so.

Additionally, we worked with the U.S. Congress to enact uniform national menu board guidelines for prepared food sales, providing a consistent way to educate the public about the nutritional value of the foods they eat. This mandate was included in the U.S. Healthcare legislation. The U.S. Food and Drug Administration is currently in the process of completing actions on regulations to implement this program. Once final, our U.S. brands (KFC, Taco Bell and Pizza Hut) will place individual serving size kilojoule information on their respective menus.

In addition to bringing more balanced choices to the menu, Pizza Hut will make nutrition, allergen, and ingredient information easier for customers to access in 2014.

INTERNATIONAL

To help customers make informed choices, KFC Australia made the decision in February 2012 to display kilojoule information on menus boards nationwide, even though this is not a legislative requirement in all states. Nutritional information is also available for all core products through in-store brochures and on the market's website. Pizza Hut Australia also publishes kilojoules on menu panels.

In 2013, Pizza Hut Australia was the only pizza chain to partner with the government on formulating QSR guidelines. They also have kilojoule information on menu panels nationwide. Full nutritional and allergen data is available in store and online.

Pizza Hut Australia had an overall sodium reduction of 10% in pizzas and side dishes in 2013. Examples of reductions:

- Pepperoni: 29% reduction
- Beef Crumble: 25% reduction
- Shredded Ham: 28% reduction
- Diced Bacon: 14% reduction
- Italian Sausage: 31% reduction
- Chicken: 13.5% reduction

KFC Africa updated their website in June 2013 to provide the nutritional information that costumers need to make informed decisions. Nutritionals are also available on request in the restaurant.

The Public Health Responsibility Deal in the UK

The UK Department of Health works with the food manufacturing and retail industry to improve the nations' health and wellbeing, and as a high-profile food company we have a role to play in this. In 2011, we became a partner of the Public Health Responsibility Deal, and pledged to roll out calorie information on all our menu boards.

Our commitment continues, and in September 2012 we signed up to the Salt Catering Pledges on training and kitchen practice and reformulation. We committed to continue removing salt across our menu, and to training each employee about healthier lifestyle choices.

KFC UK and Ireland have signed four pledges so far:

- Out of Home Calorie Labeling
- Non use of Artificial Trans Fat
- Salt Catering: Training and Kitchen Practice
- Salt Catering: Reformulation of Products as Purchased by the Customer

We are also discussing the possibility of a Calorie Reduction Pledge with the Department of Health.

In KFC UK, no single initiative will solve the problem of obesity, but providing calorie information will help interested customers keep track of what they eat. We are always looking for ways to improve the nutritional information we provide, and in the Fall of 2011 became one of the first quick-service restaurants to display calories on our menu boards. This states the calories contained in a whole meal, not just individual items. Nutritional information is also printed on tray liners, with full details and allergen information available via our website and mobile phone app. In 2014, we will continue to explore new ways to help customers more easily understand the calorie content of our food. We willl also develop new ways to better illustrate this on our menu boards.

KFC Germany offers three tools to provide customers with nutrition information to make informed decisions. There are nutrition brochures in all that provide an overview of calories, nutritional data, additives and allergens as well as a QR code to link to the KFC online nutrient calculator. The calculator enables consumers to calculate all menu options concerning nutrients and to get information on allergens and additives. There is also nutrient, allergen and additive information on all tray liners in the restaurant.



In 2013, KFC Thailand established in-store nutrition information, i.e. counter standee, brochures and a QR code to access the KFC Nutrition website.

Most of the franchisees in Pizza Hut Europe communicate full nutritional information on their websites.

CHINA

In 2007, the China KFC Health and Nutrition Fund was founded in an effort to fund the science, research and education programs related to food, nutrition and city residents. We donated 1.5 million Yen in 2013 and by the end of 2013, total donation to food science research and education programs had reached over 12 million Yen to support the selected programs nationwide.

INDIA

KFC and Pizza Hut in India proactively disclosed the nutritional values of food on its brand websites. In addition, KFC offers leaflets in store which contain information on nutrition. Pizza Hut also deployed a QR code on the menu to inform customers.

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NUTRITIONAL IMPROVEMENT

As we work to make nutritional improvements to our products, we are committed to reducing sodium, eliminating trans fats, restricting allergens and sensitivities and lowering calories and fats--all while maintaining the delicious taste our customers know and love.

Sodium | Palm Oil | Other

SODIUM

KFC U.S. is working hard to reduce sodium in its products. The brand began its journey to reduce sodium in 2007 by working with suppliers to find options to reduce sodium without compromising product quality or unique taste. Great progress has been made to date, yet the brand recognizes there is still more work to do and is committed to addressing this nutritional improvement.

Taco Bell U.S. has an ongoing commitment to reduce sodium levels, and teams are continuously evaluating ingredient technologies and functionalities with suppliers to help reduce sodium levels in Taco Bell food.

Amid rising concerns of Americans sodium intake, Pizza Hut successfully removed over half a million pounds of salt from its menu in 2012 and has plans to remove another 1.5 million pounds of salt from core ingredients in 2014.

The brand teams in India continue to look for ways to reduce sodium in KFC and Pizza Hut menu options by working with suppliers and nutrition experts.

Before the introduction of the Public Health Responsibility Deal, KFC UK was the first quick-service chain in the UK to stop salting fries. We have maintained a program to reduce the amount of salt in our food every year for more than five years and recently became one of the first companies to sign the Salt Pledge as part of the Responsibility Deal, committing us to further reduce salt by training employees and changing our kitchen practices.

KFC UK is exploring an innovative technology that uses salt crystal to further reduce salt in our Original Recipe chicken without impacting taste. Our aim is to deliver an additional 15% reduction in salt from our best-selling products by the end of 2014.

- KFC UK's efforts successfully cut the salt content in five of our chicken options by 8 – 20% in 2012. Specifically, salt content in recent years has fallen by 24% in our popcorn chicken since 2009
- 30% in our Zinger chicken since 2011
- 15% in our Hot Wings in 2012
- 15% in our mini fillets in 2013

In Australia, KFC has successfully implemented sodium reduction initiatives for a number of products, making significant reductions across a range of products including:

- 2010: Reduced sodium across core chicken menu items by an average of 15% and seasoned chip salt by 21%
- 2011: Reduced sodium in burger buns by 30% and dinner rolls by 37%

Further reductions across various menu items including tortillas, bacon and chicken products are currently in progress.

We have also been testing a number of sodium reduction initiatives to proactively help customers make more nutritional choices. During World Salt Awareness Week, KFC Australia actively encouraged customers via in-store communications to hold the salt when ordering KFC chips. This is just one educational initiative Australia will roll out to help customers make informed decisions when they visit KFC.

Since 2008, Pizza Hut has been testing significant sodium reductions in core products, which have been rolled out in Korea, Canada and Australia. Reductions of up to 50% have been achieved and our goal is to roll this out globally. The brand has also developed a broader global menu for the dine-in business including pastas, individual pizzas, plated salads, an enhanced salad bar and beverages broadening the brand's appeal through menu variety and choice.

Since 2009, KFC Germany has reduced sodium in several menu items including:

- Original Recipe breading by 16%
- Marinade for fillet bites by 20%
- Tortillas by 35%
- Buns by 25%

As a result of the complete analysis of the nutritional values in 2013, KFC Germany will implement several product improvements to further reduce salt in 2014. There will also be a strategy in place for new product development to control salt levels in all promotional and new products launched in the market.

In KFC Africa there has been a 5% reduction in the Original Recipe breading resulting in 45 tons of salt removed from our customer's diets.

Pizza Hut Europe has reduced the salt in its mozzarella cheese by 15% and in its dough by 17%.

TRANS FATS

Many of our markets including the U.S., Canada and India, have taken steps to remove as much artificial trans fat as feasible (or possible) from product offerings. For example, KFC UK, all products have been free from artificial trans fatty acids, which can contribute to heart disease, since 2007.

ALLERGENS AND SENSITIVITIES

Across all of our brands, we manage to guidelines regarding allergens and sensitive ingredients and restrict them in current menu items and in future product development. For example, at Taco Bell, the Frutista Freeze beverages contain only natural flavors and no high fructose corn syrup.

We also identify potential allergens and sensitivities for all products and publish that information on our brand websites for our customers.

CALORIES AND FAT

Pizza Hut U.S.'s Pan, Thin 'N Crispy®, Hand-Tossed Style and Stuffed Crust pizzas contain:

- Zero grams trans fat
- No high fructose corn syrup
- Only heart-healthy vegetable oils

Mayonnaise for the KFC burger in China was upgraded to 3rd generation in which the fat content decreased from 70% to 35%.

KFC Africa replaced the Original Recipe Fillet with a Skinless Fillet in March 2013. This resulted in decreasing the fat from 12 grams to 5 grams per 100 grams and the total energy from 247 Calories to 198 Calories per 100 grams.

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

KFC Germany reduced fat by 25% in 2011 when they stopped dipping corn in vegetable oil and began offering customers a butter pack instead.

MSG

Pizza Hut India is monosodium glutamate (MSG) free while KFC India continues to explore ways to reduce MSG in menu items, particularly in grilled and vegetarian options.

KFC Germany is currently reviewing all marinades to assess potential for reducing the use of MSG in chicken products.

PALM OIL



As part of our global nutrition strategy, our goal over the next four years is to phase out palm oil wherever feasible. We have been working toward that goal and today, nearly 70% of our global restaurants do not use palm oil as their cooking oil.

Since 2007, KFC UK and Ireland gradually improved cooking oils by switching to rapeseed-based cooking oils that are high in monounsaturated fatty acids. These oils are healthier options as they are not closely linked to health problems such as cardiovascular disease. In 2011, we removed palm oil from our fryers and replaced it with high oleic rapeseed oil and sunflower oil. This move has cut the saturated fat in our Original Recipe® chicken, fillets and mini fillets by up to 25%.

KFC Australia introduced canola oil in May 2012 replacing responsibly-sourced palm oil for cooking their freshly prepared menu items.

In December 2013, KFC France phased out of palm oil, using a new oil mix consisting of sunflower and rapeseed oil. Remaining markets that are currently using palm oil in products are reviewing and testing alternatives.

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Calories in KFC's new Li'l Bucket Kids Meal Featuring a Kentucky Grilled Chicken® drumstick, green beans, GoGo squeeZ™ applesauce and a Capri Sun Roarin' Water

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KIDS MEALS

In the U.S., Kids Meals are not a major focus for our brands and represent less than 2% of our business. Everywhere that we offer Kids Meals, we continue to look for ways to offer more choice, more transparency and more nutritional improvement to our youngest customers.

U.S.

New to its portfolio are Pizza Hut's great tasting School Lunch Pizzas. Meeting the United States Department of Agriculture's National School Lunch Program and All Foods Sold in Schools nutrition standards, these kid-approved pizzas are made of 51 percent whole wheat crust, lite mozzarella cheese, and reduced fat and sodium pepperoni. Plans to develop and test lighter options for Pizza Hut's core menu have also been established.

KFC continues to make improvements to Kids Meals and to explore opportunities for improving the product offerings and nutritional makeup of these meals. KFC now has a variety of Kids Meal options, including meals under 300 calories. For example, the Li'l Bucket Kids Meal, packaged in a kid-friendly version of KFC's iconic bucket, comes with a Kentucky Grilled Chicken® drumstick, green beans, GoGo squeeZ™ applesauce and a Capri Sun Roarin' Water, for only 210 calories.



INTERNATIONAL

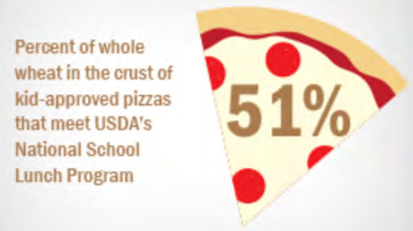
KFC Australia is a founding member of the Australian Quick Service Restaurant Industry Initiative for Responsible Advertising and Marketing to Children and has been engaged since its inception in 2009. The initiative provides a common framework for quick service restaurants and requires that members only publish or broadcast food and beverages that represent a healthier choice (as determined by a set nutrition criteria) to children 14 years of age and over.

Australia has also voluntarily made additional commitments toward responsible marketing practices. In 2008, the team decided to no longer advertise children's meals in the media or target advertising campaigns directly at children. They were the first quick-service restaurant to remove toys from children's meals–a decision that was made to reduce 'pester power' associated with toys and to support parents in their efforts to make informed dietary choices for their children.

In February 2013, KFC Australia launched a brand new Grilled Chicken Mini Wrap Kids Meal. This new meal is considered a better choice for children because it has been developed to meet a set of strict nutrition criteria for children aged 4-8 years. These criteria were developed by a team of Accredited Practicing Dietitians in consultation with national guidelines and authorities on children's nutrition. KFC UK does not directly market to children and kids' meals make up a very small proportion of sales. Our kids' menu offers fruit drinks and beans, which both count as one of their 5 A DAY fruits and vegetables.

KFC Africa removed toys as an incentive in their kids' meals.

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STAKEHOLDERS

LISTENING TO OUR PARTNERS

Pizza Hut U.S. is a member of The Whole Grains Council, which helps consumers find whole grain foods and understand their health benefits; helps manufacturers and restaurants create delicious whole grain foods; and helps the media write accurate, compelling stories about whole grains. Pizza Hut's whole grain crust for school lunch is endorsed by The Whole Grains Council.

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

We build know how by listening to and dialoguing with special interest groups who help shape our understanding of issues as they evolve.

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

Our nutritionists are members of the **Academy of Nutrition and Dietetics** (formerly the American Dietetic Association), the world's largest organization of food and nutrition professionals. The Academy is committed to improving the nation's health and advancing the profession of dietetics through research, education and advocacy. Membership in the Academy provides our nutritionists with networking and relationship building opportunities, education on relevant topics including nutrition, physical activity, metabolism, and obesity and an opportunity to be a part of the conversation in improving the nation's health.

We have had an active partnership with **Dairy Management, Inc.**™ (DMI) since 2012. With dedicated resources including nutrition experts and onsite dairy scientists, DMI works directly with Taco Bell and Pizza Hut to create new and innovative products using dairy to delight customers. DMI is funded by America's nearly 49,000 dairy farmers, as well as dairy importers.

We are a Patron Member of the **School Nutrition Association**. The Patron Program allows Yum! to increase interaction with school foodservice and child nutrition professionals.

We are also Community Partner with **ChooseMyPlate.gov** where we committed to promoting the U.S. Dietary Guidelines by posting a link to ChooseMyPlate.gov on our brochures, posters and websites.

KFC Thailand also continues promoting a balanced and active lifestyle among young boys ages 12-15 by supporting KFC Seven Shoot, the greatest 7-player youth football league in Thailand, offering children in every school and every community the opportunity to demonstrate their football playing abilities. The goal of this program is to encourage children to spend their spare time exercising and show their football talent.

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Donated by KFC China to fund food science research and education programs

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FOOD SAFETY & QUALITY

GOAL: MAINTAIN THE SAFEST, HIGHEST QUALITY FOOD SUPPLY AND PREPARATION IN THE INDUSTRY.

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

Operating great restaurants that meet the highest food safety standards is also part of our commitment and is evident in every aspect of our business—from raw material procurement, including animal proteins and produce, to food preparation and serving to our customers.

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Calories in KFC's new Li'l Bucket Kids Meal Featuring a Kentucky Grilled Chicken® drumstick, green beans, GoGo squeeZ™ applesauce and a Capri Sun Roarin' Water

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SUPPLIER FOOD SAFETY



Our suppliers are selected, assessed and rewarded through the Supplier Tracking and Recognition (STAR) system. It is a rigorous, industry-recognized audit system that sets and monitors standards for all of our brands' key suppliers. In 2012, we began testing and integrating the Global Food Safety Initiative (GFSI) process into the STAR system. With this process, suppliers that have been certified under GFSI-benchmarked audit schemes have their performance and compliance monitored by QA personnel in Yum! Brands who review these audits in addition to Yum! Quality Systems audits.

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

All suppliers are audited at least once per year, with more frequent audits performed based on risk and performance levels. We have a comprehensive, interactive web-based monitoring system for tracking supplier performance, which was significantly upgraded in 2012-2013 to enhance supplier compliance monitoring and reporting. This highly secure, proprietary system, named STARnet, enables suppliers and Yum! quality managers to specifically manage all facets of their Yum! quality accountabilities from approving product specifications to reviewing and responding to product evaluations and STAR audits.

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Of KFC United Kingdom's Original Recipe® Chicken on the bone is Red Tractor certified and comes from over 500 UK farms

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RESTAURANT FOOD SAFETY



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

To maintain a rigorous and consistent focus on the dynamic challenges in this area, we formed the Global Food Safety Council. The Council works to continuously improve our food safety practices and minimize the risk of future safety issues from ingredients or the operation of our restaurants. Key areas of corporate oversight of the Council are food safety and policy and regulatory compliance. The Council also identifies internal and external global resources to review our Supply and Restaurant Food Safety Standards, ensure compliance and share best practices. Yum!'s Chief Food Safety Officer leads the Council and it is comprised of senior food safety, quality and compliance leaders across all divisions of Yum!.

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

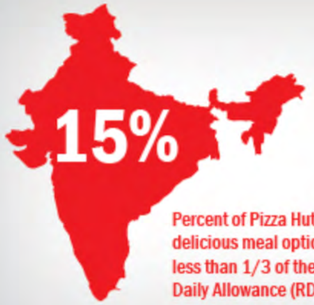
EMERGING ISSUES PROGRAM



Our global Emerging Issues management is an accountability framework to help protect our brands from the negative impacts of rising food issues. Emerging issue monitoring helps us anticipate local, regional and global emerging issues, and work in partnership with our Crisis Management Program if an issue becomes an actual threat. Monitoring of potential issues is managed at brand/market level by respective Crisis Core Teams.

Once identified, potential issues of brand/market impact are escalated for appropriate risk mitigation and response coordination.

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Percent of Pizza Hut India's delicious meal options that meet less than 1/3 of the Recommended Daily Allowance (RDA)

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REGULATORY AFFAIRS



Proactively establishing positive relationships with key U.S. Federal and State leadership continues to be of strategic importance. In addition, we continue to proactively meet with these leaders and staff to build their awareness of Yum! Food Safety Systems. Federal and State Food Code influence in support of consistent and science based regulations, continues to be a priority.

Yum! is strategically involved in Food and Drug Administration (FDA) initiatives and platforms such as the Retail Food Safety Initiative. Objectives and outcomes of the Retail Food Safety Initiative will impact future agency focus and FDA Food Code updates in the interest of risk mitigation and reduction of foodborne illness in the U.S. Yum! is honored to have been requested by the FDA to participate by representing our industry sector.

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Of KFC United Kingdom's Original Recipe® Chicken on the bone is Red Tractor certified and comes from over 500 UK farms

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CRISIS MANAGEMENT

The global Yum! Crisis Management Program is required training for all key Crisis Core Team members throughout Yum! and our brands and teaches them how to identify and manage a crisis within our system. This training offers crisis software to more effectively support local Crisis Core Teams by providing direct and consolidated material access by topic.

Specific to the U.S., Yum! has been serving as an active industry representative in the creation of the first Council to Improve Outbreak Response (CIFOR) Industry Guidelines for outbreak prevention and management. CIFOR is led by the Food and Drug Administration and the Centers for Disease Control and finalized Industry Guidelines will be incorporated into future U.S. Food Code revisions.

Yum! continues to actively retain key experts in varying disciplines to provide both proactive and reactive support to Yum!, our brands and market Crisis Core Teams. These experts are either U.S. and/or globally credible having worked in varying regulatory, medical or academic fields.



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Percent of whole wheat in the crust of kid-approved pizzas that meet USDA's National School Lunch Program



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ETHICAL SOURCING & SUPPLY

GOAL: SOURCING THE FRESHEST FOOD FROM AN ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE AGRICULTURAL SUPPLY CHAIN.

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

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

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Calories in KFC's new Li'l Bucket Kids Meal Featuring a Kentucky Grilled Chicken® drumstick, green beans, GoGo squeeZ™ applesauce and a Capri Sun Roarin' Water

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ANIMAL WELFARE

"The well-being of animals used in the production of foods for our restaurants is very important. Yum! works closely with the experts on our Animal Welfare Advisory Council to ensure application of science-based, humane animal handling practices. Our suppliers are expected to share our commitment to humane handling of animals and we monitor their performance. Our goal is to work only with suppliers that demonstrate and maintain compliance with animal welfare practices."

ANIMAL WELFARE ADVISORY COUNCIL

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

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

- Animal treatment
- Partnership with industry experts
- Ongoing training and education
- Performance quantification and supplier improvement
- Communication with industry leaders

The consistency of establishing set standards for our brands has allowed our suppliers to concentrate on compliance and continuous improvement.

Formal, across the board adoption of American Meat Institute slaughter audit protocols for both beef and pork suppliers empowered our suppliers to focus their efforts in accordance with these well established and broadly respected standards.

Additionally, the Council has been working closely with Yum! and our brands around the world to align our core values on animal welfare globally, creating audit documents and policies that address issues of well-being and establish an environment that will assure continuous improvement.

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

EXTERNAL CONSULTATION

While our standards for animal welfare are high, we always seek knowledge from external sources to improve our practices where appropriate. In the U.S., KFC works with the American Association of Avian Pathologists (AAAP) and has previously been represented on two AAAP Welfare subcommittees. Yum! is viewed by experts in academia and industry as possessing valuable insight about advancing animal welfare; addressing legitimate issues with prudence and deliberation to assure incremental improvement.

INTERNATIONAL FOCUS

Yum! established the Global Animal Welfare Program with input from the U.S., UK and our Animal Welfare Advisory Council. This program, which is based in science and best practice, allows for adjustments to cover local needs and regulations.

This global program promotes a consultancy approach to drive a better understanding of our objectives and animal welfare in general, especially with respect to developing countries. Our collaborative approach with suppliers has fostered a trusting partnership and we are asked to provide input when challenges arise. We also encourage our suppliers to invest in research and development that leads to improvements in animal welfare.

Partnering with our suppliers on a journey of common goals and continuous improvement has resulted in a balanced approach benefiting animals, suppliers and our consumers who appreciate knowing that their food is coming from an ethical source.

We have seen significant positive trends in performance indicators of good animal health and well-being from our suppliers. Performance data is analyzed, ranked and benchmarked against the best performers in the Yum! Supply Chain. Through this process, suppliers are informed of their strengths and weaknesses compared to other players in our supply chain, thus encouraging improvement in key areas.

In Australia, industry leaders, state, territory and Australian governments and Animal Welfare Groups have developed animal welfare codes of practice for the poultry industry. This continues to be governed by the Australian Chicken Meat Federation, Inc. (ACMF). Annual audits are carried out by third-party auditors and corrective actions are taken for missed items.

Suppliers also provide quarterly updates for review via self-auditing programs.

The UK program continues to be a strong and highly collaborative effort between our UK business and its suppliers of local and imported product. In 2011, KFC UK achieved Red Tractor certification for our fresh British chicken on the bone. It is an independent mark of quality and welfare standards for our British fresh chicken. We were also recognized for our commitment to move to free-range eggs in the UK. While elements of the Yum! program are adhered to in this market, additional local regulatory requirements are incorporated as well.

ONE PROGRAM

As we move ahead, we are working to synchronize our animal welfare programs and policies. Integrating universal animal welfare principles that properly account for the issues of food safety and security in the developing world has been our primary focus. In 2012, representatives from Yum! Quality Assurance teams calibrated with third party auditors in Brazil, a major exporter of broiler products, to assure alignment with our policies and standards. We believe that establishing foundational principles for animal well-being while recognizing regional priorities and respecting the cultures of our customers around the world is an achievable goal.

In the near future, we will adopt a single poultry welfare audit throughout our system. Additionally, we will continue to demonstrate our commitment to animal welfare by working to constitute audits and policies that align our program for beef and pork.

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Percent of Pizza Hut India's delicious meal options that meet less than 1/3 of the Recommended Daily Allowance (RDA)

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GLOBAL SOURCING

Restaurant Supply Chain Solutions, (RSCS), is honored to continue its 16-year partnership with Yum! Brands in providing supply chain management services for KFC, Pizza Hut and Taco Bell. In the U.S., RSCS manages purchases of more than $6 billion on food, packaging, equipment and nonfood items for corporate and most franchise-owned restaurants. Evolving proprietary and strategic purchasing processes allow us to reduce costs and increase efficiencies across an ever-changing supply chain landscape.



Steven C. McCormick, President and Chief Executive Officer, RSCS

Across our global markets, Yum! Brands supply chain professionals work collaboratively with franchise partners to manage food and packaging requirements, carefully leveraging efficiencies, assuring supply and managing trade restrictions. We work with several thousand suppliers, including U.S.-based suppliers that export to other countries.

restaurant supply chain solutions™
A Yum! Brands Co-op

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

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PRODUCE



Yum! is an industry leader in driving enhancements in the safety of fresh produce from on-farm practices through processing and distribution to our restaurants. To help further drive food safety enhancements in the produce supply chain, a Produce Safety Advisory Council was formed to advise our brands. The Council includes industry produce experts and premier academic experts in produce and food safety.

Working together, the Council has implemented the following in the U.S.:

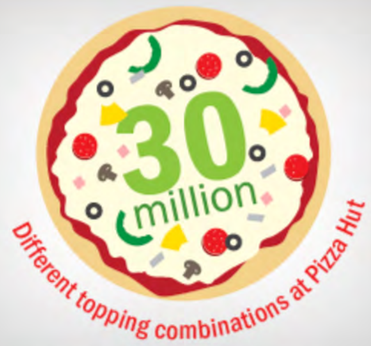
- Training requirements for field inspectors who perform field risk assessments. The focus of the training is to identify risk and take actions to mitigate risk
- Pre-planting inspections to ensure only low-risk fields are used
- Pre-harvest testing for E. coli and Salmonella pathogens on produce, including iceberg lettuce, cilantro, romaine lettuce, cabbage, tomatoes and onions
- Finished product lot-by-lot testing of fresh-cut produce
- Wash water system improvements for fresh and fresh-cut produce as well as research into new, more effective methods of washing produce

In collaboration with the United Fresh Produce Association and the produce industry, Yum! Brands established standards for food safety compliance in the tomato supply chain as well as standardization of Good Agricultural Practices audits for all produce. Initiatives including:

- Tomato metrics and avoidance of comingling of tomato fields per lot
- Collaboration with the U.S. Centers for Disease Control and Prevention and the U.S. Food and Drug Administration to proactively share information on the issue
- Multiple joint-produce safety meetings on best practices with industry leaders, including other major quick-service restaurants, retailers and distributors

Additionally, Yum! also encourages Integrated Pest Management (IPM) practices in the growing of fresh produce. Suppliers of fresh produce are actively engaged with growers who apply IPM principles in the production of produce supplied to our brands.

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GENETICALLY MODIFIED FOODS

Perceptions of the risks and benefits of Genetically Modified Organisms (GMOs) vary from market to market around the globe and we strictly follow all government regulations wherever we operate. In North America, GMOs are generally accepted, whereas in Europe consumers are more resistant to GMOs. Where resistance to GMOs exists, we require our suppliers to provide non-GMO ingredients. For example, in the UK, the Netherlands and Australia, we do not source from suppliers who use GMOs in chicken. In China, we follow government regulations regarding GMO ingredients and require statements from suppliers to communicate their GMO content.

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OUR ASSOCIATES - OUR TEAM

The sustainability of our business starts with our commitment to our 1.5 million global associates and franchisees. We know our greatest competitive strengths are our culture and the associates in our restaurants and Restaurant Support Centers worldwide. For many of our team members, working in one of our restaurants is often their first job. We take seriously our responsibility to help all our associates develop the life skills they need to be successful in whatever they do.

With more than 40,000 restaurants in 128 countries and territories, our business is diverse and complex. Over 90% of our U.S. restaurants and 67% of our international restaurants are owned by franchisees or licensees. For that reason, we cannot oversee associate practices in every restaurant. We do, however, offer guidelines, coaching and training to encourage our franchisees and licensees to implement and manage best practices in accordance with our corporate goals and objectives.

The strength of our culture and commitment to associate growth is measured regularly. For example, in 2012 in our U.S. company-owned restaurants, 81% of our Restaurant General Managers (RGMs) and Shift Managers were promoted to those positions from within the Company.

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ASSOCIATE RIGHTS & RESPONSIBILITES

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

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

ENSURING A SAFE WORKING ENVIRONMENT

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

All of our operations around the world comply with local regulations regarding safety and injury tracking. Our goal is to continue to reduce the number of accidents and injuries in our restaurants, and some of our major markets have succeeded in significantly reducing injury frequency rates. For example, the injury frequency rates in our U.S. company-owned restaurants have declined by over 65% in the last 15 years (from 1997-2012). In markets where we have seen an increase in the number of work-related accidents and injuries, we are working to implement health and safety training and other programs to address the areas of concern.

We also have a number of programs in place to continuously improve our health and safety efforts. In the U.S., we offer safety lessons, reviews and accident investigations in all company restaurants. Members of our senior leadership team receive quarterly safety and performance data for U.S. company operations. In the UK, we offer life-saving delivery driver training, licensing and uniforms for our motorcycle delivery drivers.

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HUMAN AND LABOR RIGHTS POLICY AT YUM! BRANDS

Yum! Brands is committed to maintaining a work environment that respects and supports the fundamental human rights for all of our employees around the world. We will not employ underage children or forced laborers and we prohibit physical punishment or abuse. We respect the right of all employees to associate or not to associate with any group, as permitted by applicable laws and regulations. We comply with all local employment laws in every market where we operate. We promote, protect and help ensure the equal enjoyment of human rights by all persons, including those with disabilities.

ETHICS AND COMPLIANCE

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

WORLDWIDE CODE OF CONDUCT

Yum!'s Worldwide Code of Conduct, adopted in 1997, is more than a document - it is the foundation for the way we conduct ourselves and do business throughout the world. It calls for the highest standards of ethical behavior from our Board members and our 1.5 million associates. The Code sets forth some of the policies and procedures regarding standards of conduct that are required of Yum! directors and employees. The Code of Conduct is intended to help employees conform to high ethical standards and to protect Yum! and its employees' reputations.

The Code is published in English, Chinese, French, German, Korean, Russian, Spanish and Thai. It can be found at www.yum.com/investors/governance/conduct.asp.

EMPLOYEE RELATIONS

Yum! recognizes that one of its greatest strengths lies in the talent and ability of its employees. Employees are expected to hold themselves accountable to the highest professional standards, with mutual respect being the basis of all professional relationships. Human resource goals have been established to guide the Company activities in employee relations. It is the Company's policy:

- to deal fairly with employees;
- to 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, citizenship, national origin, or other legally protected status;
- to maintain a professional, safe and discrimination-free work environment;
- to recognize and compensate employees based on their performance; and
- to provide a competitive array of benefits.

Sexual, racial, ethnic, religious or any other type of harassment has no place in the Yum! work environment. Racial, ethnic and religious harassment includes such conduct as slurs, jokes, intimidation or any other verbal or physical attack upon a person because of race, religion or national origin. Sexual harassment includes unwelcome sexual advances or other verbal or physical conduct of a sexual nature.

SUPPLIER CODE OF CONDUCT

The Yum! Supplier Code of Conduct sets forth our expectations and minimum standards for all suppliers and subcontractors in our US market. The code addresses working hours and conditions, non-discrimination, child labor and forced or indentured labor. We require suppliers to conduct audits and inspections to verify compliance with the code. In addition, we reserve the right to conduct unannounced assessments, audits and inspections of supplier facilities. Violations lead to disciplinary action, including termination of the supplier relationship for repeated violations or noncompliance.

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

EMPLOYMENT PRACTICES

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

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

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

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

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

AUDITS AND INSPECTIONS

Each Supplier should conduct audits and inspections to insure their compliance with this Code and applicable legal and contractual standards. In addition to any contractual rights of Yum! or Restaurant Supply Chain Solutions, LLC (RSCS), the Supplier's failure to observe the Code may subject them to disciplinary action, which could include termination of the Supplier relationship. The business relationship with Yum! and RSCS is strengthened upon full and complete compliance with the Code and the Supplier's agreements with Yum! and RSCS.

APPLICATION

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

NOTE: Restaurant Supply Chain Solutions, LLC manages the supply chain for all corporate and most franchise-owned restaurants in the United States, including KFC, Pizza Hut and Taco Bell restaurants. RSCS negotiates volume purchases of equipment, food, packaging and other supplies from manufacturers and suppliers for our system.

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11

Number of languages "Taking People With You" by David Novak is translated to

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OUR CULTURE

GOAL: CONTINUE DRIVING HOW WE WIN TOGETHER^2 (HWWT)^2 LEADERSHIP PRINCIPLES EVERY DAY AND STRENGTHENING OUR 'FAMOUS RECOGNITION CULTURE WHERE EVERYONE COUNTS'.

We're proud of the unique culture we've built, one that's filled with energy, opportunity and fun. We believe in our people, trust in their positive intentions, encourage ideas from everyone and have actively developed a workforce that is diverse in style and background. Yum! is a place where anyone can, and does, make a difference.

"At Yum!, our recognition culture is what sets us apart from our competition. We motivate and inspire each other to bring our best to work every day so that not only do we have great happy team members, but we have very satisfied customers."



Ann Byerlein
Chief People Officer
Yum! Brands, Inc.

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Importance we place on the employee – **Building People and Capability**

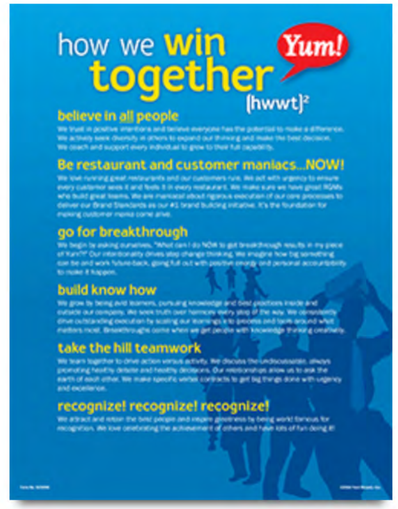
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HWWT^2

Our corporate values—or what we call our How We Win Together Principles (HWWT)^2—are built around a "People Capability First" philosophy and lay the groundwork for the way we team together every day. This unique set of principles guides all aspects of our associates' daily work lives, professional and personal development and customer interactions.

At Yum!, we:

- **Believe in All People** because we believe everyone has the potential to make a difference.
- **Are restaurant and customer maniacs**…We love running great restaurants and our customers rule.
- **Go for breakthrough** by asking ourselves, "What can I do NOW to get breakthrough results in my piece of Yum!?"
- **Build know how** by being avid learners, pursuing knowledge and best practices inside and outside our company to drive for breakthrough.
- Exercise **Take the hill teamwork** by teaming together to drive action and to get big things done with urgency and excellence.
- **Recognize! Recognize! Recognize!** which helps us to attract and retain the best people and inspire greatness.



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RECOGNITION

Recognition is an integral part of our culture—we celebrate things big and small— and the reason our culture is brimming with positive energy, teamwork and fun. We love celebrating the achievements of others and have lots of fun doing it!

Chairman and Chief Executive Officer David Novak personally models our recognition culture in a light-hearted way with his own "Yum! Award"—a set of chomping teeth with legs that is given to all those who "walk the talk" of leadership. All associates in the Company have their own personal recognition awards, including highly prestigious honors like the "Red Roof" hat recognition at Pizza Hut, the "Play like a Champion Today" award at KFC, "Sauce Packet" at Taco Bell, and the "Action Hero" at Yum!'s international divisions. Our recognition culture is world famous. Check out some of the unique Yum! recognition awards and their recipients from around the world.





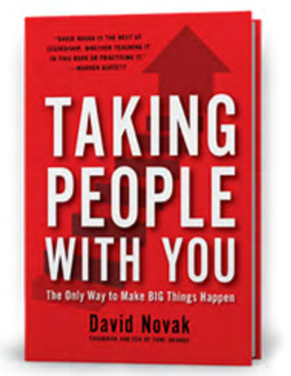



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A HIGHLY RECOGNIZED LEADER

We are proud that David Novak has been recognized by several prestigious publications and other organizations for his leadership, business acumen and the Company's philanthropic efforts. David was named "2012 CEO of the Year" by *Chief Executive* magazine, one of the world's "30 Best CEOs" by *Barron's* for three years, one of the "*Top People in Business*" by *FORTUNE* and one of the "100 Best CEOs in the World" by *Harvard Business Review*. He is the recipient of the 2012 United Nations World Food Program Leadership Award for Yum! Brands' World Hunger Relief effort that raises awareness, volunteerism and funds to address this global problem. He also received the national 2008 Woodrow Wilson Award for Corporate Citizenship.

Additionally, David is known for motivating people, cultivating leaders and building winning teams. He devotes much of his time each year to personally train leadership skills to the Company's management and franchisees, emphasizing teamwork and a belief in people that rewards and recognizes customer-focused behavior through his trademarked Taking People With You program. His book, *TAKING PEOPLE WITH YOU: The Only Way to Make BIG Things Happen* (January 2012), is based on the highly successful program and was a *New York Times* and *Wall Street Journal* best-seller. In addition, his proceeds from the sales of *TAKING PEOPLE WITH YOU* are donated to the United Nations World Food Program.



David and his wife, Wendy, also established the Lift a Life Foundation in 1999 to help individuals in need reach their full potential through grants and programming in the areas of hunger relief, education, juvenile diabetes, the military and family and youth issues.

In 2012, Lift a Life Foundation and USA TODAY Charitable Foundation launched "Lead2Feed World Hunger Leadership Challenge" to encourage middle and high school students to hone their leadership skills through hunger relief projects using principles from TAKING PEOPLE WITH YOU. More than 300,000 middle and high school students nationwide participated during the inaugural 2012-2013 school year, and more than 1,000 schools are expected to participate over the 2013-2014 school year.

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CUSTOMER MANIACS



We invest in delivering superior customer service and satisfaction, which we refer to as Customer Mania, in all our restaurants. Annually, we train our associates around the globe to become Customer Maniacs, empowered to do whatever they can to serve and satisfy our customers. This makes business sense and helps our associates to build relevant business and customer-interaction skills. Our focus on Customer Mania starts with our hiring philosophy–we seek people who possess a combination of character, ambition, smarts and the ability to get results.

HOW WE LEAD

At Yum!, we believe that everyone is a leader. We expect our associates to strive for breakthrough results in their piece of Yum!, as well as develop themselves and their teams. Regardless of position within our system, we coach and support every individual to grow to their full potential.

Our How We Lead principles are:

- **Step Change Thinkers:** Excellent project management and vision setting skills with the ability to consistently achieve or beat deadlines
- **Know How Builders:** Being an avid learner, pursuing knowledge and best practices inside and outside our company
- **Action Drivers:** Going full-out with positive energy and personal accountability to make big things happen
- **People Growers:** Coach and support every individual to grow to their full potential

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EMPLOYER BRAND OF CHOICE

GOAL: BE A MAGNET FOR THE BEST TALENT BY ARTICULATING A CLEAR EMPLOYEE VALUE PROPOSITION AND COMPREHENSIVE EMPLOYER BRANDING IMPLEMENTATION PLAN TO ATTRACT, RETAIN AND GROW OUR PEOPLE.

Yum! and our brands put strong intentionality behind building our reputation as great places to work. We are proud to share that Yum! was recognized on *FORTUNE'S* Top 50 World's Most Admired Companies List in 2013.

Also in 2012, we replaced our internal engagement survey with the highly regarded Great Place to Work Survey. This tool assesses employee engagement on five dimensions: credibility, respect, fairness, pride and camaraderie. Leading companies in the world take part in this survey and we are now able to compare ourselves to the best of the best in regards to engagement.

top EMPLOYER UNITED KINGDOM 2014
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

In this first year of the new survey, we reached an 89% participation rate across 11 business units in the former YRI division (including 5 that invited team members to take the survey). In 2013 the division plans to expand the survey to an even broader audience, including more team members.



We are also working at a market level to establish a clear Employee Value Proposition that builds our reputation as an employer of choice. KFC UK's work in this area has earned them a place in the top 50 UK Great Places to Work list for five years running. In 2012, 2013 and 2014 the division was named Britain's Top Employer in the large company category, becoming the first business to receive the accolade three years in a row. KFC UK also made the City and Guilds list of top 100 Apprentice Employers in 2012. This team's commitment to building pride and connections within their workplace and significant investment in training and development are drivers for this recognition. KFC UK continues to demonstrate their commitment to growing and developing talent in the local community by offering accreditation to driven young adults.

KFC is also recognized as one of the best workplaces in the UK at the 2013 *Great Place to Work Best Workplaces Program*, ranking 18th in the Large Employer category. Great Place to Work recognized KFC for the fun and friendly culture, strong team work and collaborative environment and for the vast range of learning, development and education opportunities open to employees. Organizations who take part in the Best Workplaces Program are evaluated using a unique methodology, which combines results from an employee survey and management survey, with the experience of employees being the most important element of the evaluation, accounting for two-thirds of the total score.

James Watts, Vice President Human Resources, KFC UK & Ireland, said "We are striving to become the best company in the UK for our workplace culture, and to be famous as THE great place to work. Winning this award again will encourage and motivate us to keep reaching for this goal."

A number of other markets have also been recognized for being a great employer. Yum! Canada was named in April 2014 as one of the 50 Best Workplaces in Canada by Great Place to Work for the second year in a row. KFC Russia was named as one of the top 100 employers in Russia by Headhunter Company Group's 2014 rankings. Additionally, KFC Vietnam was named one of Vietnam's 100 best employers by Anphabe Company and Nielsen Vietnam.

In 2014, Yum! Canada was named one of the 50 Best Workplaces in Canada for the second year in a row. The company earned this nomination through its high scores on employee surveys, as well as through an in-depth review of its culture and HR policies and procedures.

GREAT PLACE TO WORK Best Workplaces 2014 Canada

"Our team is the secret recipe that makes Yum! Canada such a dynamic, diverse and exciting place to work, and it's an honour to be listed among Canada's best workplaces. We know that people don't just play a role in our success – they are the reason for our success"
–Brian Henry, Director, Human Resources, Yum! Canada

In China, an online poll by the Xinhuanet News Agency named Yum! China the 2013 Netizen Voted Most Trusted Employer Brand. Yum! was also named to the city of Tianjin's Top 10 Employers list.

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Amount awarded to associates annually through Andy Pearson Scholarship

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ENGAGING OUR ASSOCIATES

We believe "the more you know, the more you care." As a result, we actively encourage open dialogue across the entire organization and continuously seek feedback to assess how we are doing as a company.

Engaging with our associates is a priority at Yum! and we achieve high levels of engagement within our system in several ways.

LEADERSHIP ENGAGEMENT



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

Our Executive Teams also spend significant amounts of time in our restaurants observing and speaking directly with employees and customers. These discussions often lead to improvements in associate programs and operations procedures, as well as new product innovations.

The Brand and division senior leadership teams conduct regular roundtables, team meetings, focus groups and conference calls. David Novak hosts quarterly "Talk to David" conference calls for all global associates and franchisees to share updates about our business, answer questions and listen to feedback and ideas. David also communicates frequently to the global system via an internal blog where he shares his travels, visits to restaurants, personal thoughts on the business, celebrates and recognizes accomplishments and seeks input from others.

EMPLOYEE ENGAGEMENT



Our associates are our greatest brand ambassadors, and engaging them in our business is a priority.

In 2011, our Russia market introduced the Customer Maniac Club—a select group of Restaurant General Managers, Area Managers and Team Members who embody the concept of customer mania. This group, nominated each year by a committee of above restaurant leaders, receives special acknowledgement at the annual RGM conference. Nominees are invited to attend the RGM conference of a sister market to meet peers, share best practices, visit KFC restaurants and sightsee. The group visited France in 2011, India in 2012 and the UK in 2013.

At Taco Bell U.S., employee engagement is a critical part of executing new product launches. The 2012 launch of the Doritos Locos Taco included a significant marketing campaign directed at team members to excite them about the launch and set them up to be product ambassadors. Taco Bell has also been testing a survey methodology called The Pulse, designed to allow team members to provide feedback to the company via their mobile phones.

Results from the 2012 Great Place to Work Survey confirmed that our employees are highly engaged at Yum!. We out scored many of the elite companies in the world for recognition and rank among the highest for providing “jobs with meaning” and “pride.” The survey will be implemented across the full company again in 2014.

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Importance we place on the employee – Building People and Capability

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COACHING AND MENTORING



Our success is defined by one factor: the quality of our people. So, we therefore place extraordinary emphasis on growing our people and constantly strive to identify our future leaders and accelerate their development.

Our emerging talent programs build our bench strength by creating talent pipelines for leadership roles. Programs like Big Leap Forward in our International divisions, Blue Springs in MENA or Jump the Gap in Pizza Hut U.S. include personal involvement and coaching from executive leadership and a focus on developing effective work styles and relationships.

We also value and support mentoring as a powerful tool for both personal and professional growth. Leaders with a broad range of organizational knowledge and experience mentor others on development needs, career advancement, and the challenges that come with transitioning to larger roles and responsibilities. As an example, our China team leverages mentoring to enable our senior associates to guide, coach and support high-potential associates to develop and retain them. **As a result, our operations staff in China, which represents about 90% of our entire China-based team, has been entirely developed and promoted from within.** Within our International divisions, high-potential associates are paired with a senior leader in the same function but a different market to drive know how and business exposure.

Additionally, Yum! India had a breakthrough idea and launched Yum! Academy to build a pipeline of "ready-now" team members. To do this, they recruit potential team members from underprivileged areas of India, and then teach them social skills, hospitality, hygiene and how to be customer maniacs. This idea shows just how dedicated our team is to making our HWWT^2 culture a competitive advantage for both our company and our employees.

These programs ensure continuity of leadership, and a continued commitment to drive our culture. They also position Yum! as a global leader in talent management and are a source of great pride for us.

To help our associates become strong coaches, we are also implementing a new and effective coaching framework that builds on the foundation of our How We Win Together^{2}culture and Achieving Breakthrough Results training. This framework provides flexibility needed for coaches in whatever environment they may be operating in and the methods our leaders want and need in order to be effective people growers.

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DIVERSITY

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

Progress in our diversity initiatives is a business priority and the work of everyone in our system. Each of our brands sponsor leadership initiatives focused on recruiting and developing high-potential diverse talent. Additionally, part of increasing diversity is engaging our people in the discussion to build know how and gain commitment. In 2012, we hosted 30 companies, 15 educators and more than 80 Yum! leaders in two Diversity Experience Sessions to drive positive impact throughout Yum! and in the broader community.

Diversity and Inclusion is about unleashing the power of people! Creating an environment where ALL people feel valued and supported, allows the focus to be on the work that leads to more engagement, innovation, execution and positive business results.



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

RECRUITMENT AND RETENTION

Yum! has a highly intentional recruitment program with a goal of 50% diverse candidate identification. It focuses on:

1. Hiring top, diverse talent post MBA and early in their careers via the Consortium for Graduate Study in Management
2. Building dynamic, and robust partnerships with the National Society of Hispanic MBAs (NSHMBA), the National Association of Women MBAs (NAWMBA), the Women's Foodservice Forum (WFF), the Multicultural Foodservice and Hospitality Alliance (MFHA) and the National Urban League Young Professionals (NULYP)
3. Leveraging online business networking tools (i.e., LinkedIn), including minority sites, to communicate our job openings to key diversity groups and associations

More than 76% of our U.S. Company operations hires in 2013 were either women or minorities, while over 40% of our Director level hires were minorities. Internationally, women held 29% of Director-level and above positions in 2012, up from 24% in 2011.

Our goal is to continue developing and increasing female leadership across the organization with emphasis on the General Manager representation in our international business. In 2013, we continued our efforts to create and execute temporary international assignments for female associates to build know how, capability and bench talent strength. Yum! set a bold international goal of developing 15 females for leadership positions within the International organization and is committed to doing so using breakthrough methods and experiences.

Since 2012, we have hired and/or promoted four female General Managers to run our International business units. To ensure this positive progress continues, we have continued the use of our General Manager development program that will create a strong diverse talent bench.

Diversity is also a standing part of our quarterly Business Reviews. We focus on providing robust growth opportunities through broadening experiential and developmental assignments. In 2013, we continued to focus on building learning experiences that increase our multicultural competency, improve our communication skills, build better teams and drive creativity and innovation. Yum! is an active partner in the Conference Board Global Chief Diversity Officers Council, a network of diversity practitioners who meet regularly to discuss global diversity best practices. In Louisville, Yum! helped start a chapter of MBA Women International with one of our executives serving as the chapter's first President.

Our franchisees are committed to diversity, and in some cases are blazing a trail for women in their own markets. The Americana franchise group in the Middle East was the first restaurant company to employ women in the back of house in Saudi Arabia. Americana also staffs call centers in Riyah and Jeddah with women.

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76%

Percentage of women and minority hires in the United States

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FRANCHISING AND SUPPLIERS

We are proud of the progress we have made, and continue to make, in promoting supplier diversity in the U.S. We partner with Restaurant Supply Chain Solutions (RSCS) with a goal of increasing purchasing expenditures to minority and/or women-owned businesses.

Recruiting minority and women franchisees and suppliers is a priority for Yum! and our brands and we continue to align with diversity leaders such as the National Minority Supplier Development Council, the National Urban League, the League of United Latin American Citizens and the U.S. Pan-Asian American Chamber of Commerce and others to provide strategic access to minority suppliers and entrepreneurs who are exploring business opportunities.

To further demonstrate our commitment to franchising and supplier diversity, in 2010 we established a Minority Lending Assistance Program focused on aiding qualified prospective ethnic minority franchisees in their efforts to enter the KFC, Pizza Hut and Taco Bell systems. Our goal is to increase the number of minority franchisees and minority owned restaurants in our system.

Yum! was recently recognized by the International Franchise Association (IFA) with the Ronald E. Harrison Award for our accomplishments in Diversity and Inclusion. In 2013, in a survey conducted by the National Minority Franchising Initiative, KFC was recognized by USA TODAY as one of the Top 50 Franchises for Minorities for its continued work recruiting diverse franchisees.

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76%

Percentage of women and minority hires in the United States

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SPECIALLY-ABLED RESTAURANTS

One of our How We Work Together[2] principles—Believe in All People—is built on the importance of actively seeking diversity, believing everyone has the potential to make a difference and coaching and supporting every individual to grow to their full capacity. Believing in all people, we take great pride in creating employment opportunities for people with disabilities.



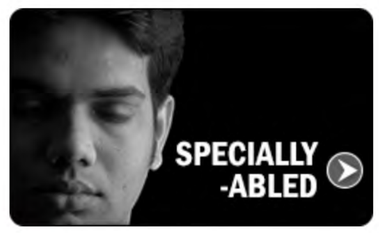
Our Americana franchise group opened the first specially-abled KFC restaurant in 1994. The restaurant in Cairo, Egypt is completely operated by deaf people and features special signage and back-of-house equipment to ensure a great experience for both customers and team members. Americana expanded to a second restaurant in 2000, and the success of both locations has led to further development of six additional restaurants across the region.

Yum! India opened the division's first specially-abled KFC restaurant in 2008 and has since expanded to 16 speech and hearing impaired stores in nine cities employing over 300 hearing and speech impaired team members. The Yum! India team plans to continue developing specially-abled restaurants with a goal of employing 1,000 speech and hearing-impaired employees by 2015.

The success of this program is driven by a 360 degree approach to developing specially-abled team members focused on hiring, training, creating an enabling work environment, engaging the team members and assisting their development for growth and career progression.

YUM! INDIA

In March 2013, the Yum! India team received the Presidential award from India's President Pranab Mukherjee for their outstanding performance as an employer of people with disabilities.



KFC THAILAND

A similar program in KFC Thailand, called We Hear Every Dream, provides KFC careers for the hearing-impaired. With a goal of hiring 70% specially-abled staff in its first restaurant, the team installed new machines, equipment and a special management system. Hearing-impaired associates were extensively trained on order-taking procedures and understanding customer preferences. Other team members working at the same location received training in communicating with the hearing-impaired to assist them as needed when providing services. Hearing-impaired team members receive the same compensation and career growth opportunities as others in similar roles in the organization. Today, Thailand has nine restaurants operated by specially-abled associates.



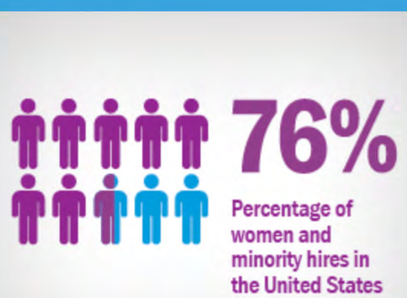
In 2013, the KFC Thailand team received an honorable mention from the UN for the ESCAP-Sasakawa Award for Disability-Inclusivity Business in Asia and the Pacific. And in 2012 won the Excellence Award of Disability Empowerment from Business Sector from The National Office for Empowerment of Persons with Disabilities (NEP).

PLUG YOUR EARS, SHUT OUT THE WORLD, AND HEAR WHAT'S IN THEIR HEARTS.

In a KFC campaign, we captured the hearts of an entire nation when KFC's top executives were the first to volunteer for *A Deaf Day*, by plugging their ears for the entire day. Their lives were filmed and widely shared on various social networks. A Deaf Day was launched at KFC Special Serve stores where customers were served by deaf people to help consumers experience deafness themselves. Additionally, consumers could interact with the touch screen posters installed inside the stores to understand the life and dreams of deaf KFC employees.



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BUILDING PEOPLE CAPABILITY

GOAL: LEAD THE INDUSTRY WITH INNOVATIVE KNOW HOW BUILDING EXPERIENCES THAT DRIVE AND ACCELERATE HIGH PERFORMANCE IN OUR TEAMS AND OUR RESTAURANTS.

Our diversified, decentralized operations in 128 countries and territories demand an approach to building people capability that is customized and highly interactive. We strive to create programs across the world that unlock individual talent and foster both business and personal growth.

We want to make learning and career development opportunities accessible to as many of our associates as possible. In the U.S., we provide salaried associates with tuition reimbursement, up to a maximum of $4,000 in a calendar year, for qualified undergraduate and graduate courses taken toward a job-related degree program at any accredited college or university. We also award over $500,000 in scholarships annually through our Andy Pearson Scholarship Program, established in memory of our founding Chairman. Since implementing the scholarship program in 2003, we have awarded just over 2,000 scholarships to associates and their legal dependents.

We seek to maximize training and development opportunities for our associates wherever we operate. We've made significant progress across our global markets, and we are pleased to share some of our results throughout this section.

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Amount awarded to associates annually through Andy Pearson Scholarship

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YUM! UNIVERSITY

Yum! University is the Company's center for worldwide learning and development, offering courses and programs that are delivered in various formats and designed to teach skills and behaviors that build the capability of above-restaurant leaders, Franchise and Company. Our traditional and virtual classrooms are forums where we can build new skills, share best practices, develop relationships and learn together in a one-system way across all divisions.

Yum! University focuses on developing three core areas that are important to our success:

- Culture Excellence
- Leadership Excellence
- Functional Excellence

As a center of excellence, in 2013 Yum! University began supporting global centers of learning for building leadership capability and partnering with division training teams to offer Yum! University in countries around the world, such as Russia, India, the United Kingdom and Europe.

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11

Number of languages "Taking People With You" by David Novak is translated to

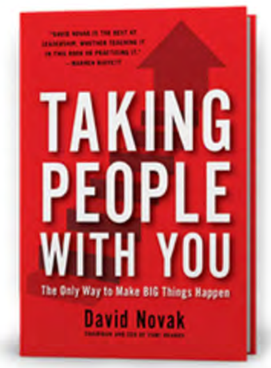
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CULTURE EXCELLENCE

We foster a recognition-driven, global culture that focuses on going for breakthrough. Yum! University helps ensure everyone lives the How We Win Together[2] principles and maintains a mindset to achieve breakthrough results every day in every piece of Yum!.

Yum!'s dynamic, vibrant culture is embedded in all Yum! University offerings, but some focus specifically on driving culture to our people. *Breakthrough Conversations*, for example, launched in 2013 and is an instructor-led course that teaches associates how to build a collaborative culture through honest conversations around issues and discussing the undiscussable.

TAKING PEOPLE WITH YOU TRAINING PROGRAM



The organization continues to benefit from David Novak's *Taking People With You* (TPWY) training, which was delivered by Yum! University as eLearning modules in 2012. The modules made it possible to deliver *TPWY* leadership training to every Restaurant General Manager (RGM) in the system for the first time ever. Training 52,000 RGMs and Above Restaurant Leaders with these universal leadership principles and concepts has provided a single source of Yum! culturural training to ensure consistency among associates across the globe. RGMs around the world have seen demonstrable personal and professional growth through *TPWY*. Restaurants have seen better customer ratings, higher operational efficiency, and an increase in associate morale based on a culture driven by recognition and authenticity.

In 2013, Yum! University collaborated with David Novak and Ashley Novak Butler, Director, Lift a Life Foundation to develop a version of the *Taking People With You* training for nonprofit and community leaders. The powerful leadership principles are not only foundational at Yum!, but also being shared with communities throughout the world. The training has been recognized with awards from *Chief Learning Officer (CLO) Magazine* and Brandon Hall Group.

ACHIEVING BREAKTHROUGH RESULTS



Achieving Breakthrough Results (ABR), is taught twice each year at Yum!'s Louisville-based facility and in other markets as needed. ABR provides associates, primarily new hires, with more than 50 tools and concepts aimed at high performance. We call it "Going for Breakthrough". The tools are categorized into **Intentionality**, **Thinking** and **Action** and taught by facilitators from our senior leadership teams, who also share their leadership stories while teaching the course.

The program has been very well received around the world, and we continue to reinforce the tools and behaviors of ABR in our processes and communications so it stays ingrained in our culture. To date, most of our employees, and many franchisees and their teams, have gone through ABR training and, as new leaders join our system, ABR is a standard practice for their on-boarding program.

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LEADERSHIP EXCELLENCE

Our philosophy at Yum! is that the Restaurant General Manager (RGM) is our No. 1 leader, and each division puts considerable effort into developing RGMs who are not only experts in how we operate our restaurants, but also people leaders who can create an environment where our restaurant teams reach their best performance and deliver breakthrough results. Our divisions implement a training program designed to provide a progression path for managers—from Shift Supervisor to RGM to Area Manager—that includes both hard and soft skills development.

RGM #1 IN ACTION

YUM! UNIVERSITY AROUND THE WORLD

The Yum! University team adopted the challenge of how to cascade David Novak's *Taking People With You* program globally to more than 40,000 RGMs and above store leaders. A strategy was created to encompass the global market by translating the 14 modules of the program into 11 languages and making each module dynamic, interactive, and related to each RGM. The concepts from each chapter of the book were developed into 20 to 30-minute e-Learning modules that the learner completes to expand their understanding of the specific chapter and how they can take action using the concepts in their part of the organization. Deborah, an RGM of KFC in Africa, was named RGM of the Year after she implemented the principles in *Taking People With You*.



"As I took my journey on the [Taking People With You] module, I was astounded as to how it had helped me to strengthen my goals and enhance my leadership skills," Deborah said. "We have also literally taken people with us. We have developed two [restaurant associates] into supervisor positions, who are performing exceptionally, and a supervisor into an [area manager] position."

YUM! CHINA



Yum! China is the largest restaurant company in China and a significant part of Yum!'s overall growth strategy. Yum! China opens more than 700 restaurants annually. To keep up with that intense demand, Yum! China must recruit 8,000 management trainees each year in China's highly competitive talent market. Yum! China instituted Whampoa Academy, which offers clear and rapid career growth for recruits who are highly qualified with impressive educational backgrounds, but lack work experience and restaurant experience. Whampoa Academy trains these associates to be Restaurant General Managers within a short period of time: 3-3.5 years on average.

Whampoa Academy's Value Proposition:

- Groom managerial talent within 4 years
- Structured fostering program
- Develop through a clear career path
- Nourished by a supportive culture

By the end of 2013, more than 25,600 Operations team members had received nearly 652,400 hours of learning through Whampoa Academy.

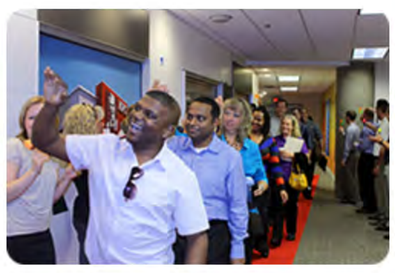
TACO BELL U.S.



Specific RGM programs, "theMark" and "REAL", have been developed and implemented at Taco Bell U.S. Designed to be a journey of personal development and professional transformation, theMark is advanced learning intended to take an RGM and their restaurant to the next level of performance. Held in Irvine, CA, at the Taco Bell Restaurant Support Center (HQ), theMark experience provides a facilitated process to investigate RGMs' growth and vision as leaders, and help them develop a culture in their restaurant that has their personal stamp…their "mark!"

The REAL, which stands for Restaurant Excellence and Leadership, focuses on leadership behaviors and restaurant systems.

KFC U.S.



The RGM Keystone class was implemented in 2013 by KFC U.S. in support of RGM #1 and provides focused learning on leadership skills, covering topics such as mindset, trust, time management, change management, conflict, coaching and recognition. During the four-day class, held at the KFC Restaurant Support Center (HQ) in Louisville, KY, the RGMs have the opportunity to hear from some of KFC's executive leadership team. The RGMs in the Keystone class also tour the Food Innovation Team kitchens, where they learn how products are developed, give feedback on current products, and offer ideas for new products.

Leadership for above restaurant leaders is a focus as well. Yum! University launched two new Global Leadership Development programs in 2013, driving people capability and investing in future leaders. The *Emerging Talent* and *Leadership Accel* programs are part of a broader leadership framework with clearly defined training paths across all divisions for the above-restaurant population coming in 2014.

The *Emerging Talent* and *Leadership Accel* programs span divisions and functions, and are heading into 2014 with great momentum:

- *Emerging Talent* for Human Resources
- *Leadership Accel* to Yum! India
- *Leadership Accel* to KFC U.S. & Pizza Hut U.S.
- *Leadership Accel* to Taco Bell
- *Leadership Accel* to UK & Europe
- *Leadership Accel* to Thailand

These pilots afforded more than 160 leaders across the Yum! family the opportunity to advance their professional development in unprecedented ways. Each pilot delivered flexible, scalable and global world-class learning experiences, and will enable Yum! University, along with our division training partners, to continue to build leadership pipelines at all levels and support our projected business growth.

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LIFE SKILLS/FUNCTIONAL EXCELLENCE

ACCREDITED TRAINING

Several of Yum!'s divisions support restaurant manager and team member training through partnerships and accreditations that offer university education.

The KFC-UK & Ireland team introduced a 3-year Business Management course in a partnership with De Montfort University Leicester (DMU). The degree is specifically designed for the market's Restaurant General Managers (RGMs), combining existing KFC training with lectures and workshops from DMU's Business Management degree program. The first group of RGMs began the program in January 2013 and 60 will participate over the next five years.

dmu.ac.uk DE MONTFORT UNIVERSITY LEICESTER

Yum! Russia has adopted Plekhanov University's economy training as part of its standard RGM training. On their way to receiving a Plekhanov University diploma, trainees (from shift manager to RGM) take a combination of Yum! University Russia training and Plekhanov courses. Their bold goal is for 100 percent of RGMs in their market to be certified by the Yum!-Plekhanov restaurant management program by 2015.

In our Australia business, we've been recognized as a Registered Training Provider by the Australian government. Similar to our United Kingdom program, this program provides associates with valuable life skills training while at the same time providing training to do their jobs in our restaurants. The Australia team is currently exploring ways to offer university level credit for this training to provide team members with easier and more affordable access to degree programs.

Similarly, the Americana franchise group in the Middle East offers accreditation for its comprehensive training programs. In a program that blends practical on-the-job restaurant experience and training with classroom lectures, team members can earn a diploma from a technical secondary school, shift supervisors can work toward an advanced diploma from a technical college, and assistant restaurant managers can earn a university degree in Restaurants Operation and Management.



Taco Bell U.S. has developed degree programs in partnership with Yum! University and Excelsior College that give college credit for existing in-house training and job experiences and implemented systems to help team members who have not finished high school complete their General Educational Development (GED).

The Kentucky Fried Chicken Foundation is helping team members turn their educational dreams into reality with its new REACH HIGH™ program. The Foundation, an independent non-profit organization, is covering GED® exam and preparation costs for hourly team members at participating KFC US restaurants, as well as guiding them through the testing process. REACH HIGH™ will be offered year-round to all team members and shift supervisors who haven't graduated from high school and meet select minimum employment criteria. The KFC Foundation saw an opportunity to help restaurant team members across the country and is truly excited about supporting associates who are ready to accomplish their educational and career goals.

REACH HIGH™ HIGH SCHOOL EQUIVALENCY PROGRAM

These approaches are aimed at improving the quality of life for Yum! team members, particularly RGMs, and providing added value to working in one of our restaurants.

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INVESTING IN TECHNOLOGY TO BUILD PEOPLE CAPABILITY

Our learning and development strategy hinges on our ability to implement a global learning technologies platform. Developing and leveraging a global technology platform has improved efficiency and reach for the learning function and transformed the way people learn. This one-system approach has improved consistency, reduced paper and waste, ensures training is timely and allows managers to track and measure training in a more reliable, less time-consuming way.

Our technology-based methods now include self-paced online instruction and virtual classroom sessions, as well as the beginning adoption of social networks that enable more informal learning and sharing of best practices. For example, we have largely eliminated our paper-based standards manuals as each of our brand restaurants come online. We are implementing these learning technologies into our restaurants across our entire global restaurant system and are currently live in more than 30,000 restaurants around the world. In 2013, we delivered more than 11 million courses to team members. That's 21 courses per minute being delivered to our associates across the globe.

Restaurants that have implemented the global learning technology have demonstrated lower turnover and higher customer satisfaction. This is a huge impact for our business that has helped drive success throughout the organization.





YUM! EARNS TOP INDUSTRY HONOR FOR LEARNING TECHNOLOGY

We were recently recognized for leading the way in learning innovation, earning the 2014 Excellence in Practice Award from CorpU for Learning Technologies. Our Yum! University Learning Technology Team leads breakthrough innovation in its global work with technologies such as Learning Zone, Centra Saba Meeting and mobile platforms. Learning Zone reaches more than 708,000 associates worldwide and had a record in May 2014 with nearly 1.4 million course completions. The CorpU Awards honor corporate, non-profit and governmental learning organizations that improve business and employee performance. Past winners of the CorpU Learning Technologies award include Microsoft, Paypal, HP and Boeing.

HIGH-TECH LENS INNOVATING KFC RESTAURANT TRAINING

A great example of technology being used for our restaurants was recently explored when KFC had a vision to condense an 80-page instruction manual into an interactive video that would play on a screen the size of a fingerprint. And they did just that by developing a Google Glass platform to explore how team members train and respond to the fast-changing restaurant environment. It's still too early to tell how adoption of Google Glass might be integrated within KFC restaurants, but it's certainly serving as a learning tool and showcasing how to elevate training through technology.



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ASSOCIATE WELLBEING

GOAL: BUILD WELLBEING AND ENERGY PROGRAMS TO GIVE OUR ASSOCIATES AND THEIR FAMILIES TOOLS AND PROGRAMS TO STAY HEALTHY AND ENJOY VIBRANT LIVES.

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

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

At Yum!, we developed a wellness and energy program, "Energy to Win," that is available to associates in many countries. Our vision is to encourage associates to lead healthy, balanced, energetic lives so they can achieve breakthrough results at home and at work. We strive to create a culture where associates build their know how about personal health and lifestyle, take action to make change, and are recognized and celebrated for the results they achieve for themselves and their families. Leaders from around the globe have used these ideas to design local programs. Here are some examples:

energy to win

In the U.S., thousands of participants attend "Know Your Health" events every year. At the events, employees receive a basic health screening and coaching to improve their lifestyle. The Know Your Health event creates a teachable moment where associates are encouraged to enroll in a variety of action drivers suited to individual needs, such as Weight Watchers, smoking cessation or the Employee Assistance Program (EAP). In addition to lowering overall medical cost for employees and the Company, potentially catastrophic medical conditions have been detected and prevented. We achieve an average of 60% participation at annual biometric screening events through our unique culture and leadership support. These results are dramatically higher than most companies, even where an incentive is offered.

In the UK, restaurant employees and managers participate in motivation sessions, health screenings and coaching around wellness and lifestyle through the Wellbeing Centre™. Participants reported that they made better choices to take care of themselves, felt better about life and felt better about working for our company. Quarterly wellbeing challenges are in effect for Restaurant General Managers to help increase productivity for them and their team members.



Our China team integrates wellness and stress management know how building and tools into many of their basic training and development systems. Examples include their associate recognition system, annual conferences, internal newsletters and Operations training curriculum. The team leverages these resources to help restaurant management teams better understand the concepts and techniques and include them in their daily routines.

Associates from 11 countries and 14 business units participate in a global walking challenge designed to encourage activity and exercise. The results showed a significant increase in employee physical activity, a reduction in stress and improvements in quality of life and productivity.

Finally, the Energize for Life (EFL) program was created for Yum! associates with our unique culture in mind. The specific exercise and nutrition components are brought to life in onsite group training sessions that create accountability and deliver consistent results. In 2012, EFL was expanded to all U.S. brand corporate headquarters and in 2013 and 2014, EFL is being tested in international markets starting with Australia.

We are proud to provide a dynamic, rewarding workplace. For more information about the range of compensation and benefits available to our associates, please visit our careers website.



Amount awarded to associates annually through Andy Pearson Scholarship

Learn More

Download PDF -or- Print This

People

Yum! Corporate Social Responsibility Report



Importance we place on the employee – **Building People and Capability**



40,000+

Number of global restaurants

76%

Percentage of women and minority hires in the United States



Amount awarded to associates annually through Andy Pearson Scholarship

1,000

Number enrolled in the KFC UK Advanced Apprenticeship in Hospitality Program

Hello!

1.5 million

Global associates

11

Number of languages "Taking People With You" by David Novak is translated to

11+ million

Number of training courses offered to associates in 2013



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World Hunger Relief
Volunteerism
Community Engagement
Harvest



Number of South Africa KFC restaurants that replaced the KFC logo with faces of children to represent the 40,000 children fed by the Add Hope program

Learn More





Laurie Schalow - VP, Public Affairs/CSR
WATCH VIDEO



Team Hawaii®!
WATCH VIDEO



World Hunger Relief 2013 Recap
WATCH VIDEO

OUR COMMUNITY

We are a company with a Huge Heart and we believe our greatest contribution as a global company is in making food accessible to the less fortunate. We invest in giving back to the communities in which we work and live, making a positive difference in the lives of our customers, associates, franchisees and their families.

We deliver on our commitment by focusing on these key areas:

- World Hunger Relief
- Volunteerism
- Local Community Engagement



World Hunger Relief
Volunteerism
Community Engagement
Harvest



Learn More

"We are grateful for Yum! Brands' on-going commitment to working with us to achieve a world with zero hunger. World Hunger Relief campaign funds will help WFP provide nutritious food to the world's most hungry people. We greatly appreciate this support."

Ertharin Cousin
Executive Director
United Nations World
Food Programme





WORLD HUNGER RELIEF

GOAL: MOBILIZE OUR CUSTOMERS, ASSOCIATES, FRANCHISEES AND THEIR FAMILIES TO ALLEVIATE HUNGER THROUGH AWARENESS, VOLUNTEERISM AND FUNDRAISING.

As we approached our 10th anniversary in 2007, we decided to align our system around a global crisis that we were well positioned to address–hunger relief. Yum! and our brands had a longstanding commitment to hunger relief in the U.S. through our Harvest program, contributing on average $50 million worth of prepared meals to 3,000 hunger relief agencies across the country each year and now with nearly one billion people in the world facing hunger and malnutrition, we had an opportunity to create a global movement to address the world's most solvable problem.



In October 2007, our associates, franchisees and suppliers in more than 100 countries joined forces to bring awareness and action to this global crisis as we launched World Hunger Relief (WHR)–an annual initiative leveraging the power of our global restaurant system to address hunger through awareness, volunteerism and fundraising.

This global movement is now the world's largest private sector hunger relief effort in history benefiting the United Nations World Food Programme (WFP). WFP is the world's largest humanitarian agency fighting hunger worldwide, feeding on average more than 90 million people in over 70 countries each year.

Yum! WFP wfp.org

Partnering together to end world hunger

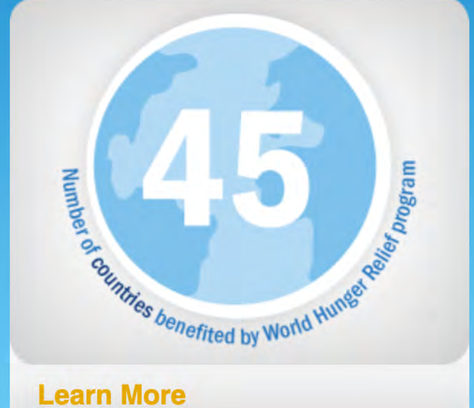
The movement is primarily focused on engaging our associates, franchisees and consumers in our over 40,000 restaurants around the globe to end world hunger by contributing money to help feed beneficiaries of the WFP. Through the use of restaurant point of purchase materials, broadcast, print and online advertising and public service announcements featuring our global spokesperson and WFP ambassador, Christina Aguilera, the campaign has grown year over year with Yum! being WFP's largest corporate donor and partner.



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

In 2013, Christina Aguilera received the first ever Muhammad Ali Humanitarian of the Year Award for her work to end global hunger in her role as global spokesperson for Yum! Brands World Hunger Relief and as an "Ambassador Against Hunger" for the United Nations World Food Programme.

World Hunger Relief
Volunteerism
Community Engagement
Harvest



Learn More

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WORLD HUNGER RELIEF

GOAL: MOBILIZE OUR CUSTOMERS, ASSOCIATES, FRANCHISEES AND THEIR FAMILIES TO ALLEVIATE HUNGER THROUGH AWARENESS, VOLUNTEERISM AND FUNDRAISING.

RESULTS

For the past seven years the World Hunger Relief campaign has leveraged the power of more than 40,000 restaurants around the world, sparking a global movement to end hunger and generating an overwhelming outpouring of support from millions of customers, employees, franchisees and their families. To date, the World Hunger Relief movement has delivered:

AWARENESS

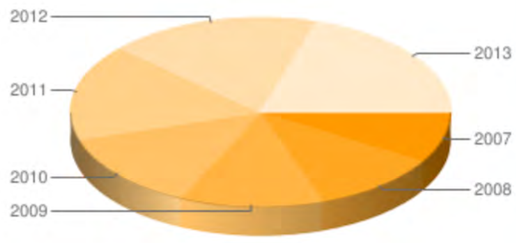
More than 4 billion worldwide impressions in 2013. Approximate value of nearly $60 million annually in public service announcements, advertising, public relations, web-based communications and in-restaurant promotional materials.



FUNDRAISING

Yum! has donated the following to WFP and other hunger relief agencies:

Year	Funds	Meals
2013:	$37 million	148 million
2012:	$33 million	132 million
2011:	$30 million	120 million
2010:	$24.5 million	98 million
2009:	$22.5 million	90 million
2008:	$20 million	80 million
2007:	$16 million	64 million



***TOTAL RAISED:* $185 MILLION/NEARLY 740 MILLION MEALS/45 COUNTRIES BENEFITING FROM WHR**

In seven years of WHR, the impact of the program has been astounding, providing nearly 740 million meals to WFP operations in countries of greatest needs with an emphasis on School Feeding programs. Funds raised by our teams also support emergency operations and mother-child health and nutrition programs. In total, WHR support has provided much-needed food for millions of beneficiaries in more than 45 countries. Scroll over the map below to see countries that have received funding for meals since 2007*.

**On average $0.25 provides one meal.*

COUNTRIES RECEIVING FUNDING AND FOOD AS A RESULT OF THE WORLD HUNGER RELIEF CAMPAIGN

World Hunger Relief
Volunteerism
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Learn More

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WORLD HUNGER RELIEF

GOAL: MOBILIZE OUR CUSTOMERS, ASSOCIATES, FRANCHISEES AND THEIR FAMILIES TO ALLEVIATE HUNGER THROUGH AWARENESS, VOLUNTEERISM AND FUNDRAISING.

RECOGNITION

2014:

- WHR was recently recognized with top honors for Corporate Social Responsibility at the 2014 SABRE Awards. The SABRE Awards are among the most prestigious in the public relations industry and recognize top-notch creativity, integrity and effectiveness.

2014 BULLDOG STARS OF PR AWARDS FOR OUTSTANDING ACHIEVEMENT BY COMMUNICATIONS AGENCIES AND PROFESSIONALS

2013:

- WHR was also recognized with FOUR awards from Bulldog CSR—Best Corporate/Non-profit Partnership, Best Charitable Giving Campaign, Best CSR Campaign for Organizations Over $5 Billion in Revenue and Best Media Relations Campaign.
- WHR Named Finalist for Cause Marketing Halo Award – Yum! Brands and The World Food Programme are one of four to advance in the best message-focused campaign category, recognizing businesses that use its resources to share a cause's message
- Honorable Mention for World Hunger Relief in the PSA category – PR News' Platinum PR Awards salute the year's most outstanding communications initiatives and programs in the highly competitive and dynamic PR arena
- Honorable Mention for World Hunger Relief in the Public Affairs category – PR News' Platinum PR Awards salute the year's most outstanding communications initiatives and programs in the highly competitive and dynamic PR arena
- IABC Gold Quill Awards– The IABC Gold Quill awards are an international symbol of excellence in strategic communication that recognizes smart thinking, flawless execution and proven results. World Hunger Relief received a Merit award in the Corporate Social Responsibility category

2012:

- League of American Communications Professionals Magellan awards: #8 in Top 50 2012 Communication Campaign; Gold Award for Excellence
- PR News CSR Awards – Honorable Mention for Cause Branding Campaign, World Hunger Relief
- SABRE Awards – Gold Finalist, Food Service category for World Hunger Relief
- The World Food Program USA and the U.S. Department of State - honored David Novak and Christina Aguilera with the George McGovern Leadership Award WFP's top humanitarian award

2011:

- League of American Communications Professionals Magellan awards: Silver Award for Corporate/Organizational Communications category; #28 in Top 50 2011 Communication Campaign (out of 375 entries).
- PRSA Landmarks of Excellence Awards – Merit Award: Overall Communication Program; Award of Excellence: News Media/Video-Internal Video; Merit Award: News Media/Video; Merit Award: News Media/Video-Image, Promotional Marketing.
- PRSA Skyline Awards – 2011 PRSA Chicago Skyline, Award of Excellence, External PR: World Hunger Relief
- SABRE Awards – Gold nomination, External PR Corporate Social Responsibility category
- American Chamber of Commerce Stars of Africa Award; Gold Award for Add Hope

2010:

- League of Communications Professionals - Winner - Magellan Awards for Community Relations: Most Creative Campaign; #9 in Top 50 2010 Communication Campaign (out of 379 entries); Gold Award for Excellence
- United Nations World Food Programme - Partner of the Year
- PR Week - Winner - Cause-Related Campaign of the Year

2009:

- PR News' Nonprofit PR Awards - Finalist for Nonprofit/Corporate category
- PR Week Awards - Winner for Cause-Related Campaign of the Year
- Hermes Creative Awards - Platinum Winner
- PRSA Skyline Awards - Merit Award for the Category Events & Observances, More than 7 Days
- PRSA Bronze Anvil Award of Commendation - Winner for Digital Press Kits Category

2008:

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

2007:

- IABC Gold Quill - Merit Award in Business Communication Category
- PR News CSR - Finalist in the Media Relations Category
- IPRA 2008 Golden World Awards - Winner, Corporate Social Responsibility Category
- SABRE Awards - Gold Winner, Business and Society, Corporate Social Responsibility Category
- PRSA Skyline Awards - Skyline Award Winner, Public Service/Partnerships

World Hunger Relief
Volunteerism
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Harvest



Learn More

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WORLD HUNGER RELIEF

GOAL: MOBILIZE OUR CUSTOMERS, ASSOCIATES, FRANCHISEES AND THEIR FAMILIES TO ALLEVIATE HUNGER THROUGH AWARENESS, VOLUNTEERISM AND FUNDRAISING.

WHR AROUND THE WORLD

Our teams around the globe are hard at work building brands with purpose. World Hunger Relief is an initiative that unites our system around a common cause. The success of the movement is centered around the way our teams take it and make it their own—from uniquely branded campaigns like Pizza Hut U.S.'s Share a Slice of Hope or KFC South Africa's Add Hope to days of giving, team member car washes and other team member led activities to raise awareness and funds to help solve hunger.

Read below to learn about some of the branded campaigns around the world or click here to see some of our teams in action.

PIZZA HUT U.S. – SHARE A SLICE OF HOPE

Launched in 2011, Share a Slice of Hope encourages consumers and Pizza Hut employees nationwide to help others through the company's three philanthropic pillars: children's literacy, World Hunger Relief and community involvement. It is a movement across Pizza Hut's U.S. restaurants that positions America's largest pizza chain as a leader in the fight against the global hunger epidemic.



During the 2013 World Hunger Relief campaign, Pizza Hut focused on three main programs to boost donations. The first was the "Power of Plus More" which was an effort to create campaign elements that humanized the individual's donation. The main theme of the "Power of Plus More" was donating $1 is an amazing start to making a difference. The second was raising awareness of World Hunger Relief with national and local incentives – specifically through a partnership with Hulu, which included offering a free two week Hulu Plus subscription to every customer who donated $3 or more to WHR when they placed an order. The third was bringing the campaign to life at the restaurant level by creating an emotional connection to the cause with customers and team members. Pizza Hut's BOOK IT! reading incentive program is also part of the "Share a Slice of Hope" movement. To date, more than 14 million students have participated in the BOOK IT! program and they are invited to raise funds for World Hunger Relief through local reading challenges.



KFC U.S. – RECIPE FOR HOPE



Colonel Harland Sanders' secret recipe to a well-lived life included giving back to the community and helping those in need. KFC U.S. honors the Colonel's legacy by raising money to feed the hungry through its in-restaurant Recipe for Hope fundraising campaign.

In 2013, KFC continued the Colonel's commitment to philanthropy by auctioning off memorabilia to help provide hunger relief worldwide. The auction is part of KFC's Recipe for Hope campaign which raises awareness, volunteerism and funds to support Yum!'s World Hunger Relief efforts.

Interesting items collected by Colonel Sanders during his illustrious career were auctioned online during October 2013. The memorabilia auctioned included a Senate proclamation awarded to the Colonel on his 90th birthday, an invitation to a 1979 White House reception from President Jimmy Carter, the Colonel's personal Boy Scout plaque, a key to the city of St. Louis and a rare 1960s Colonel Sanders weathervane. Proceeds from the sale of the items benefited Feeding America, the nation's leading hunger relief organization, as well as the World Food Programme (WFP).

KFC SOUTH AFRICA – ADD HOPE

In 2013, during World Hunger Relief month, KFC South Africa gave up their most valuable asset for the thing they value most, hungry children. 100 stores across the country had the iconic Colonel logo replaced with the smiling faces of children. These boys and girls represented all of the children who benefit from the Add Hope donations that customers continue to make in-store 365 days of the year.



The "Faces of Hope" campaign was an extension of the "Journey of Hope" campaign that Riaan Manser completed in October 2012, which won a Bronze Cannes Lion and raised R12 million ($1.3 million USD). The 2013 campaign closed the loop for customers across the country by showing them their money is helping hungry children and there is a face behind their donation. Add Hope has raised the most amount of money to date in one year due to this campaign and the support of the KFC System. A total of R46 million ($5 million USD) was raised and will continue to help the 40,000 children Add Hope supports year-round.



KFC SOUTH AFRICA - TAKING 67 MINUTES TO ADD HOPE

In 2009, the United Nations General Assembly endorsed Nelson Mandela's birthday as an international day. In observance of the former president's birthday on July 18, KFC South Africa associates teamed up with volunteers from the World Food Programme to help feed hungry Johannesburg families. Throughout the country, South Africans dedicated 67 minutes of the day—symbolic of the leader's 67 years spent working for social justice—to volunteer efforts. Mandela Day 2014 was the first since the leader's passing last December.





LATIN AMERICA & CARRIBEAN

The El Salvador Pizza Hut team promoted its third annual *'Move with Me'* WHR campaign by hosting the Puch Marathon to support the activities of the project *'Nourishing El Salvador'* for the World Food Programme (WFP). The project seeks to fight and prevent child malnutrition in the poorest and most vulnerable municipalities of the country. Additionally, more than 4,000 children and their families joined in the marathon. The WFP team showed their support by participating in the marathon as well as explaining to the show participants how the projects WFP implements in El Salvador help to promote the country's food and nutrition security.



YUM! CHINA

Yum! China partnered with the China Foundation for Poverty Alleviation (CFA) and the World Food Programme to launch the China World Hunger Relief campaign in 2008. This program aims to provide nutrition enhancement for needy children in China's most poverty stricken mountainous regions.



To date, the Yum! China team has raised nearly $14.5 million USD, providing 45 million meals to more than 80,000 children in China. In 2013, China's World Hunger Relief campaign kicked off at the China National Stadium and combined social media and public relations outreach tactics including the country's most popular social media channels, Weibo and WeChat. China's social media push achieved breakthrough results, accumulating more than 12,000 WeChat followers, more than twice the number of an average "successful" campaign. Additionally, 17 markets across the country supported the campaign with public relations events and activities.

KFC - YUM! INDIA



The Yum! India team demonstrates their huge heart and commitment to feeding the hungry through in-restaurant fundraising and creatively engaging division leaders and restaurant support center staff. In support of World Hunger Relief 2013, Yum! India and Bollywood actor/celebrity Sharman Joshi joined forces to fight hunger at a "Hunger to Hope Kitchen" event held in a New Delhi KFC restaurant. Proceeds from the restaurant's sales for the day were donated to World Hunger Relief agencies. Additionally, Joshi joined Yum! associates at the Smile Foundation, a well-known non-governmental organization, where they enjoyed a youth dance performance. The Smile Foundation runs a nutrition program that benefits more than 300,000 underprivileged children on the subcontinent. Customers across India are very supportive of the cause and have helped raise nearly $1.4 million USD. Funds raised through this team's World Hunger Relief efforts benefit the World Food Programme and other feeding programs across India to provide nutritious meals to school children.

PIZZA HUT - YUM! INDIA

Yum! India and its Pizza Hut brand are on a mission to build the Defining Global Company that Feeds the World. And with people impacted by hunger everywhere – across the world and in our own backyards – Yum! can do something to help. Yum! India launched an internal associate program designed to give back. It's called "When your hut smiles, the world smiles." Pizza Hut recognizes partner charity organization (Akshayapatra) each time the restaurant makes it great for a customer. Pizza Hut restaurants with the highest score, celebrate by donating a bowl of grains on the team's behalf to Akshayapatra.



World Hunger Relief
Volunteerism
Community Engagement
Harvest

$185
Amount raised to date for World Hunger Relief

Learn More



VOLUNTEERISM

GOAL: BE THE WORLD'S DEFINING VOLUNTEER MOVEMENT ENGAGING EMPLOYEES AND FRANCHISEES YEAR-ROUND TO MAKE AN IMPACT IN LOCAL COMMUNITIES, FURTHERING OUR MISSION TO BE THE DEFINING GLOBAL COMPANY THAT FEEDS THE WORLD.

As the world's largest restaurant company, it is our privilege and responsibility to give back to the communities where we live and work. We support our associates' volunteer efforts and encourage them to work with their supervisors on volunteer opportunities. Volunteerism is a key component of our World Hunger Relief initiative and since 2007, 1.5 million of our associates, franchisees and their families have volunteered millions of hours to aid hunger relief efforts in communities worldwide.



With 1.5 million associates around the world, we know that our teams have the ability to make an impact on key social issues in their local communities. We want to recognize and reward their efforts to support qualified nonprofit charitable organizations. Through the Hunger to Hope Volutneer Challenge, associates were able to make a lasting impact in the lives of their partner charities–and in their local communities.



In 2013, Yum! rewarded our team members and franchisees for their efforts by awarding up to $250,000 USD in grants to the partnering charity organizations for teams who inspired us with their acts of volunteerism. Twenty teams won grant awards for their qualified local charity partners. The Huge Heart Champions are below:



CLICK HERE TO SEE THE 2013 HUGE HEART CHAMPIONS

World Hunger Relief
Volunteerism
Community Engagement
Harvest

$763 million

Fair market value of product donated in the U.S. through Yum! Harvest program since 1992

Learn More



COMMUNITY ENGAGEMENT

GOAL: DEMONSTRATE OUR HUGE HEART BY GIVING BACK TO OUR LOCAL COMMUNITIES THROUGH PROGRAM PARTNERSHIPS, SPONSORSHIPS AND CAUSE-RELATED MARKETING EFFORTS.

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

We provide financial support to charities across the world, and our 1.5 million associates and our franchisees give to their local communities everyday through meals, monetary donations and personal time. We know that as individuals and as a system we can—and will—make this world a better place.

World Hunger Relief
Volunteerism
Community Engagement
Harvest



Cities participated in China's 3-on-3 basketball tournament in 2013

Learn More

YUM! BRANDS FOUNDATION

As a global restaurant company, our goal is to feed the world—especially those who are at risk of going to bed hungry. With over 40,000 restaurants in 128 countries and territories, the world is our community. We are committed to giving back to all of the communities where our employees live and work.

The Yum! Brands Foundation supports charitable organizations in the communities we serve. While our primary focus is investing in organizations that are working to solve hunger, we also support other organizations that are important to our associates and our franchise partners. In 2013 the Yum! Brands Foundation invested nearly $8 million in charities with missions focused on hunger, youth, social services, the arts and diversity.

In the U.S., the Yum! Brands Foundation promotes employee giving to nonprofit organizations through annual workplace giving campaigns and our matching gifts program. Associate and board member contributions to qualifying organizations are matched dollar-for-dollar, up to $10,000 annually. Additionally, the Foundation encourages associates to serve on boards of nonprofit agencies in their communities by providing financial support to those organizations.

World Hunger Relief
Volunteerism
Community Engagement
Harvest

524
Cities participated in China's 3-on-3 basketball tournament in 2013

Learn More

LOCAL PARTNERSHIP PROGRAMS

DARE TO CARE FOOD BANK

In Louisville, Kentucky, home of Yum! Brands and KFC, one in four children is at risk of going to bed hungry each night. As the world's largest restaurant company, it is a our privilege and our responsibility to feed the hungry—around the world and in our hometown.

Dare to Care Food Bank

Together with our Louisville-based associates, we have contributed more than $11 million over 11 years to the Dare to Care Food Bank to end hunger in the Kentucky/Indiana region. Through a network of more than 300 food pantries, shelters and emergency kitchens, Dare to Care provided over 13 million meals to more than 192,000 people in 2013. Partnering with Dare to Care enables Yum! to reach those in our community who most need our support.

We are proud to support Dare to Care's Kids Café after-school program, which provides children 18 and under with a warm nutritious meal in a safe environment. Children also have the opportunity to participate in adult-supervised activities, academic and extracurricular activities including homework clubs.

Yum! Brands' support helps Dare to Care expand its programming including:

- Creating the **Backpack Buddy program** to distribute nutritious, kid-friendly foods to children from low-income families on weekends when they do not receive free and reduced-price breakfasts and lunches at school.
- Establishing **Patrol Against Hunger**, a first-of-its-kind program, providing nutritionally balanced meals to housebound seniors through a unique partnership with the Louisville Metro Police Department.
- Expanding the number of **Kids Café** locations across our community.

"Yum! Brands has been an invaluable partner to the Dare to Care Food Bank providing over $11 million and over 85 million meals to families, children and seniors. Without the help of our friends at Yum! Brands, there would be many more people struggling with hunger in our community."



Brian Riendeau,
Executive Director,
Dare to Care Food Bank



MUHAMMAD ALI CENTER PEACE GARDENS

Launched in 2010, the Muhammad Ali Center Peace Garden grant program is a partnership between the Muhammad Ali Center, Yum! Brands Foundation, and the National Gardening Association with the goal of teaching children in underprivileged schools multicultural respect, nutrition and hunger relief through gardening. Yum! Brands Foundation underwrites the initiative as part of our World Hunger Relief effort, helping children learn to grow their own food with plants from different countries. Yum!'s commitment to the program includes $100,000 in awards to establish multicultural gardens in underprivileged schools through 2014, as well as contributions of educational materials and a classroom curriculum translated into six languages. The National Gardening Association, a recognized leader in the field, provides assistance with curriculum development and the grant process.







Since the program's inception in 2010, 160 garden projects in over 13 countries have been established, touching the lives of nearly 17,000 children. Grant recipients include schools spanning the globe from Australia, Haiti, India, Indonesia, Kenya, Mexico, New Zealand, Pakistan, South Africa, Tanzania to the United Kingdom.



Each Muhammad Ali Center Peace Garden is making a positive impact on its community. In South Africa, for example, a Peace Garden was established in Johannesburg in June 2011 to benefit approximately 1,600 students by supplying fresh fruit and vegetables for the school's food program. The school had experienced a food shortage after floods destroyed their previous gardening program. In July 2012, a Peace Garden established in Gurgaon, India brought together students from two elementary schools and ultimately harvested food for the students and their families. A 2013 Peace Garden created in Arua, Uganda introduced local farmers to raised gardens which are now being built out of bricks and stones. Farmers in this community are hopeful that these new practices will help them irrigate in dry periods and eradicate hunger in their schools and households.

By March 2014, over 200 Muhammad Ali Center Peace Gardens will be established as part of the grant program.

World Hunger Relief
Volunteerism
Community Engagement
Harvest

524
Cities participated in China's 3-on-3 basketball tournament in 2013

Learn More

TACO BELL U.S.

TACO BELL FOUNDATION FOR TEENS



Taco Bell is a brand with a purpose… to feed people's lives with más: más flavor, más heart and más value. We put our heart into everything we do, and we are genuinely committed to helping our guests, our team members, our partners and our communities get a little more out of life. Because we believe in teens, each day we serve and interact with millions of teens. They are our customers, our employees, our friends and families. They are also our future – future leaders, franchisees, suppliers and partners.

Since 1992, Taco Bell Foundation for Teens, a 501(c)(3) nonprofit, has inspired and enabled teens to graduate high school and achieve más – in our communities, in high schools and at Taco Bell. Through our programs, partnerships and direct financial assistance, we have provided educational and job training support to more than two million teens across the country. With 36 million customers served in more than 6,000 restaurants each week, we see it as a responsibility and an opportunity to raise the issue and help address the need; engage customers, employees and franchisees; and make a lasting difference in the lives of teens. We also recognize that public-private partnerships are essential to solving our nation's most critical problems, which is why we convene like-minded organizations like Get Schooled and the Boys & Girls Clubs of America.

HIGH SCHOOL STUDENTS RECOGNIZED IN WORLD'S LARGEST YEARBOOK



The Taco Bell® Foundation for Teens™, together with Get Schooled and Viacom, invited teens to submit an entry into the second annual #TimesSquareYearbook project. To participate, students are asked to explain how they have lived up to their Graduate for Mas™ promise to graduate high school and submit their best photo for a once-in-a-lifetime opportunity to be featured in the heart of New York City, thanks to the support of Viacom, a Get Schooled founding partner. The students with the most compelling stories were showcased on a Times Square digital billboard in June. Students also had a chance to win $10,000 college scholarships and Beats by Dre headphones.

KFC U.S.

KFC FOUNDATION

Kentucky Fried Chicken Foundation | Honoring Colonel Sanders

Since 1998, the KFC Foundation, a 501(c)(3) nonprofit, has helped one of the world's most recognizable brands give back. The KFC Foundation believes in making a difference in the lives of those who are willing to work hard and improve themselves through education.

Each year, the KFC Foundation provides hundreds of thousands of dollars in scholarships and grants to hundreds of deserving students across the country – $11.5 million since 2006. Since 2012, nearly $1.5 million of that was awarded to 808 KFC Team Members via the REACH Educational Grant Program™.

The REACH Educational Grant Program™ helps KFC restaurant hourly Team Members and Shift Supervisors pursue their educational dreams. These $2,000 grants help Team Member recipients attend accredited four-year and two-year educational institutions, as well as trade/vocational schools. From the single parent finally completing a degree started 15 years earlier to those who are the first in their families to attend college, it's inspiring to hear the stories of REACH recipients.

KFC BRINGS PEOPLE TOGETHER WITH A TASTE THE WORLD LOVES



KFC's Colonel Harland Sanders debuted his secret Original Recipe® of 11 herbs and spices more than 70 years ago, creating a legendary combination that has since become a favorite of chicken lovers everywhere. But the Colonel was much more than a talented cook. In addition to developing one of the most famous recipes in the world, he was also passionate about families, kids and education. Over the years, the Colonel and KFC Corporation have donated millions of dollars to programs supporting families, children and education.

To kick off a year dedicated to bringing people together, KFC U.S. helped reunite Air Force Captain Cherissa Jackson, a single mom and critical care nurse deployed to Afghanistan, with her twin daughters. The surprise homecoming took place at a Maryland KFC restaurant in January. The surprises continued as Jackson's parents and siblings were flown to the reunion and KFC awarded $20,000 college scholarships to Jackson's daughters who were high school seniors and excellent students.

PIZZA HUT U.S.

BOOK IT!® PROGRAM



In its 30th year, the Pizza Hut BOOK IT!® program is the longest-lasting and largest children's literacy program in the United States. Each year, the BOOK IT!® program makes reading fun for more than 14 million children in more than 630,000 classrooms. Since 1985, Pizza Hut has invested nearly $500 million in the program and has awarded nearly 200 million Personal Pan Pizzas to students who have met their monthly BOOK IT!® reading goals.

CHILDREN'S MEDICAL CENTER



Headquartered in suburban Dallas, Pizza Hut U.S. is a proud partner of the Children's Medical Center (CMC), which is one of the nation's leading care providers for children. Through its partnership, Pizza Hut team members volunteer their time reading to children at CMC and provide routine "gift drops" at both hospital locations. One of the largest commitments the company makes to CMC is sponsoring the annual Children's Medical Center Holiday Parade, which is an honored tradition in Dallas-Fort Worth drawing more than 250,000 spectators each year. The parade is also broadcast in more than 100 additional markets throughout the U.S., ultimately reaching an audience of more than 3 million people with a message about the mission of CMC. The proceeds from the parade benefit the Child Life department at CMC.

THE H.U.T. FUND

The H.U.T. (Help Unleash Talent) Fund was established by Pizza Hut in 2008 to assist economically disadvantaged students at Booker T. Washington High School for the Performing and Visual Arts in Dallas with the necessary finances to enrich the students' learning experience and to support their artistic and academic development. Endowed annually with $100,000 by Pizza Hut, The H.U.T. Fund strives to "level the playing field" by offering these students broad support of basic educational needs, college visits and auditions, summer intensives, computers, art supplies, instruments, and private lessons. In 2013 alone, the H.U.T. Fund awarded over $98,000 to 89 students.

World Hunger Relief
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Cities participated in China's 3-on-3 basketball tournament in 2013

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INTERNATIONAL

Our impact stretches far beyond the U.S. and we are deeply committed to making positive changes in all the countries in which we operate. Here are just a few examples of the ways our teams around the world are giving back to the communities where they live and work.

UNITED KINGDOM

BARNARDO'S PARTNERSHIP

KFC UK launched a partnership with Barnardo's in 2012 to offer disadvantaged young people the opportunity to participate in work experience placements in a KFC restaurant for up to four weeks. A number of young adults have since participated in placements, with several going on to secure jobs at KFC UK — a powerful and life-changing stop for these young people.



The partnership, which began in 2011 as a pilot in North-West England, is designed to help people from Barnardo's services to get a start in the job world and harnesses KFC's expertise in providing important skills for young adults. Participants follow a specially-tailored program designed to introduce underprivileged young people to the workplace, while equipping them with highly transferrable skills such as food preparation, customer service, working in a fast-paced environment and being part of a team.

In 2013, 40 young people participated in the program and nine of them successfully gained employment at KFC UK. KFC UK donates to Barnardo's to help fund future students and grow the work placement program.

KFC AUSTRALIA

KFC Australia participates in a Food Rescue Program with Foodbank Australia ensuring that all KFC products are used or disposed of in a way that supports the Australian community.

Our Food Rescue Program ensures that any usable product that may not be suitable for sale is donated to Foodbank to distribute to people in need. The majority of our suppliers have also signed up to be national signatories with Foodbank Australia. Since 2011 we have donated more than 135,000 pounds of food, equating to over 85,000 meals.

KFC restaurants in the state of Victoria and New South Wales provide young people with opportunities to grow through long-standing partnerships with the REACH Foundation and Whitelion.

The REACH Foundation's vision is that every young person has the support and self-belief they need to fulfill their potential and dare to dream. At its core, REACH is about youth inspiring youth. The organization runs school and community programs designed to promote the mental health and emotional wellbeing of young people. KFC in Victoria has supported this organization for more than 19 years and sponsors REACH 'hero days' by providing food for participants and collecting donations in our restaurants.

For more than 17 years, KFC Victoria has supported Whitelion, an organization that works with at risk youth and is specifically involved in an initiative that offers young people employment opportunities. KFC has supported hundreds of young people from the Whitelion Employment Program, with opportunities provided to participants across metropolitan and regional Victoria, and more recently, in Tasmania, New South Wales and South Australia. KFC Victoria has successfully held nine Annual Charity Golf days, which have raised more than $220,000 for Whitelion.

WHITELION
courage to grow

Additionally, KFC staff have been involved in mentoring and other activities with adolescents. KFC has provided food for Whitelion youth camps throughout the year by sourcing food donations from suppliers and offering employees opportunities to volunteer and serve the food on-site. KFC also regularly supports Whitelion events through the donation of food to the young people and staff at Whitelion.

Reach

"Our enduring partnership with KFC began soon after REACH was established in 1994. The longevity of the relationship and the passionate involvement of KFC management, franchisees and staff, reflects our shared and genuine commitment to supporting young Australians to fulfill their potential."

— **Sarah Davies**, Chief Executive, The REACH Foundation

KFC FRANCE

LES RESTAURANTS DU COEUR
LES RELAIS DU COEUR

For the second consecutive year, KFC France is showing that they are a company with a Grand Coeur–or Huge Heart–through a partnership with Les Restaurants du Coeur. KFC France, through the KFC Foundation created in 2012, partnered with the charitable organization to launch a campaign to feed needy families.

KFC France's almost 160 restaurants plan to raise a minimum of 100,000 euros (US$137,429) during the campaign and more than 50 KFC employee and franchise volunteers will take part in a nationwide food drive to collect canned goods and hygiene products. Additionally, as part of KFC France's Volunteer for Hope effort, Product Excellence and Human Resource teams from the brand's Restaurant Support Center will offer their professional expertise in the area of purchasing and e-learning tool development for Les Restaurants du Coeur staff and volunteers.



GERMANY

In 2013, KFC Germany executed for the first time a nationwide charity fundraising campaign to support the Bundesverband Deutsche Tafel e.V. and the UN World Food Programme. In support of the motto "Eat together – Share together", the campaign collected EUR 110,000 for the mutual battle against hunger in Germany and throughout the world. The campaign was a part of the annual World Hunger Relief campaign.



Across Germany, 50,000 volunteers of the Bundesverband Deutsche Tafel e.V., a German Food Bank Federation, collected expired food otherwise intended for disposal from retail outlets and manufacturers and distributed them to those in need through a network of 914 local "Tafeln" food banks. KFC Germany supports and volunteers for the "Tafeln" to ensure that, in the future, aid and relief continue to reach those who need it most. The donations collected flow into various projects, including the provision of equipment and the establishment of infrastructures for their important work, as well as into special projects for children, young people and senior citizens.

SOUTH AFRICA

In South Africa, more than 12 million people go hungry every single day, with 3.3 million of them being children. KFC Add Hope is a nationwide fundraiser dedicated to feeding hungry children. KFC Add Hope supports 11 national beneficiaries and 75 franchisee programmes on the ground ensuring the children that are supported by these organizations have access to nutritious meals every day. Thanks to the R23



million from our franchisee community contributions and the generous R26 million donated by customers for 2013, we are able to feed 40,000 more children a month in 2014. Nutritious meals help children learn better at school and play with their friends on the school field because they have a full tummy. A hungry nation simply cannot be a growing nation and with the help of our beneficiaries on the ground such as JAM (Joint Aid Management) and SOS Children's Villages & Hope Worldwide, Add Hope will look to feed 70,000 children a month.



KFC South Africa has also sponsored the KFC Mini-Cricket program since 2009. Through the Mini-Cricket program, KFC South Africa promotes active and balanced lifestyles among young boys and girls. Over 100,000 children across South Africa participate in the program each year and the experience is usually their first exposure to the game of cricket.

THAILAND

SCHOOL LUNCH PROGRAMS

In addition to supporting the Yum! World Hunger Relief program, Yum! Thailand collects funds throughout the year to provide nutritious lunches and healthy lives to local children. Suitable nutrition is an important factor for quality of life and students' ability to learn, so KFC and Pizza Hut in Thailand initiated the School Lunch Program in which the teams raise funds via donation boxes at restaurants. Funds collected support two initiatives:



- **Home-Grown School Feeding Program** – KFC Thailand is the first corporation to partner with this program, which was founded in 1980 by Her Royal Highness Princess Maha Chakri Sirindhorn.
- **Sustainable and Healthy School Lunch Program** – Students at 10 schools in rural areas throughout several regions are educated with knowledge in nutrition and agriculture to sufficiently and sustainably plant vegetables, feed animals, farm eggs and more for their own school meals. In 2013 nearly 800,000 children received nutritious lunches by participating in this program.

> **"Yum! Thailand is an organization that pays attention to the malnutrition of children in remote areas. Since 2011, 18,281,800 baht ($595,557 USD)have been raised by Yum! Thailand as the constant support to Her Royal Highness Princess Maha Chakri Sirindhorn's royal initiative, Agriculture for School Lunch Project and 10 schools in rural areas. On behalf of the children under the project, we would like to extend our gratitude to Yum! Thailand."**
>
> — **Sub-lieutenant Kitti Khanthanit**, Grand Chamberlain, H.R.H. Princess Sirindhorn's Agriculture for School Lunch Project

KFC and Pizza Hut in Thailand also raised funds and volunteered to help Thai residents in several communities affected by natural disasters.

KFC SEVEN SHOOT

Apart from fundraising to support hunger relief programs, KFC and Pizza Hut in Thailand are committed to improving Thai society. This team supports KFC Seven Shoot, the greatest 7-player youth football league in Thailand, originated by KFC Thailand in 2009. The league offers children in every school and every community the opportunity to demonstrate their football playing abilities. The goal of this program is to encourage children to spend their spare time exercising. Football is considered a way to strengthen relationships among children, families, schools and communities. Most importantly, KFC Thailand strives to help make dreams come true. The backbone of this campaign is the restaurant general managers and their team members who support and select children in each community. In Season Five, 3,115 teams participated in this program.



> For the third consecutive year, the American Chamber of Commerce in Thailand (AMCHAM) awarded this team the 2013 AMCHAM Corporate Social Responsibility Excellence Recognition and the Creative Partnership designation for excellence in creativity and innovation.

RUSSIA

KFC BUILDS PEOPLE CAPABILITY

Yum! Russia launched a social initiative that's helping orphaned teens transition from group homes to independent living.

"Orphan Teens Social Adaptation Program," which started in December 2013, connects orphans who have aged out of residential settings to social service professionals. Currently, about 20 teens from Orphan Houses in Novosibirsk are participating.

Through sessions and trainings with psychologists, teachers, lawyers and other volunteers, the teens gain the practical skills they need to adapt to life outside their orphanages and thrive as adults. Those interested in KFC careers can train on-site in restaurants with the possibility of continuing full time after completing the program.

Yum! Russia and Commonwealth of Independent States developed "Orphan Teens Social Adaptation Program" due to the lack of social services available to orphaned teens and the subsequent incidence of homelessness among the demographic. In the few months since it started, the program has been recognized by Novosibirsk government officials for proactively addressing these issues.

INDIA

COMMUNITY EMPOWERMENT RECOGNITION

In 2013, Yum! India was recognized by Impact, an advertising and marketing magazine, as one of the "Brands that Lend More than a Hand." The article highlighted India's World Hunger Relief Initiative and the specially-abled employment program, noting India's plan to hire 1,000 hearing and speech impaired employees by 2015 for 50 specially-abled KFC restaurants. Additionally, the KFC restaurants partnered with organizations in different cities that help with recruitment and training in the initial phases including training the managers on sign language. The stories have special equipment, which creates a more enabling environment. KFC currently has 20 specially-abled stores where hearing and speech-impaired employees account for more than 67% of the total staff.



More recently, Yum! India received the 2014 Economic Times Retail Award for its focus on employee diversity, specifically its commitment to hiring team members with hearing and speech impairments. The awards program, sponsored by financial publication The Economic Times and the Retailers Association of India, celebrates excellence in business operations, customer service, merchandise mix and corporate social development.



> **"At Yum! India 'Growth with a Big Heart' is at the core of everything we do – whether it's our global hunger relief program launched in 2007, World Hunger Relief, or an employment program through which KFC employs the specially-abled (hearing and speech impaired)."**
>
> **Niren Chaudhary**, President of Yum! India

HUNGER TO HOPE KITCHEN

In support of World Hunger Relief 2013, Yum! India and Bollywood actor/celebrity Sharman Joshi joined forces to fight hunger at a "Hunger to Hope Kitchen" event held in a New Delhi KFC restaurant. Proceeds from the restaurant's sales for the day were donated to World Hunger Relief agencies. Additionally, Joshi joined Yum! associates at the Smile Foundation, a well-known non-governmental organization, where they enjoyed a youth dance performance. The Smile Foundation runs a nutrition program that benefits more than 300,000 underprivileged children on the subcontinent.



World Hunger Relief
Volunteerism
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Harvest

524
Cities participated in China's 3-on-3 basketball tournament in 2013

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CHINA

FIRST LIGHT FOUNDATION



KFC China and the China Youth Development Foundation (CYDF) established the KFC China First Light Foundation in 2002 to help students in need. This scholarship fund is the first of its kind in the country and introduces recipient students to three aspects of "help" – receiving help via scholarships, engaging in work-study employment opportunities with Yum! and participating in social responsibility projects in the name of their own association, First Light Commune. This project has been funded for ten years and will be executed in phases through 2018. The project will include 54 universities in 28 cities and will help nearly 15,000 students complete their four years' of college.

PIZZA HUT GREEN SCOUT CAMP



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

Pizza Hut also launched the "Pizza Hut Green Scout Camp" nationwide in 2010, which encourages the Student Society of Universities to deliver six courses of environmental protection knowledge in one year to primary school students. The students become "Pizza Hut Green Scouts" if they successfully collect six pins after they complete all six courses. Yum! aims to bring two generations together to support a green future.

Since 2012, Pizza Hut has entrusted a non-governmental organization to execute the 'Green Scout' project. By 2013, nearly 4,500 primary school students have completed courses, and been named "Pizza Hut Green Scouts." In Nanjing, the "Pizza Hut Green Scout" became a mandatory course in Xiaozhuang primary school in September2012. "Pizza Hut Green Scout" is becoming one of the the most influential environment educational projects in China.

THREE-ON-THREE TOURNAMENT

In 2004, KFC in Yum! China launched a national youth three-on-three basketball tournament, the largest corporate-sponsored grassroots sports program in Chinese history. The program started with 48,000 participants representing 640 restaurants from 172 cities. The program is in its 10th season and is the world's largest grassroots basketball program with more than 176,800 participants and 34,900 teams in 524 cities. Yum! China is thrilled with the growth of this program and looks forward to replicating the event internationally.





THE HAPPY CAMP

More than 1.2 million children attend Yum! China's Happy Camp every year where they learn the benefits of exercise and healthy foods. This healthy lifestyle initiative teaches important concepts including "Breakfast is the most important meal of the day," "The secrets of fruit," "Milk is healthy food," and more.

SCHOOL PROGRAMS



KFC in China also sponsors two school programs to teach healthy lifestyles to children across China.

- **The Happy Classroom/Chicky Educational Course** – This community program aimed at enriching primary school students' extracurricular activities includes education on nurturing healthy eating and exercise habits among children along with other topics that are important to this age group. Today, the program is in 60 cities and 2,500 schools across China. In 2013 it was combined with the Chicky Sports Game, which covers 23 cities and 788 schools.
- **Chicky Sports Game** – Started in Shanghai in 2003, this program is designed to help children develop exercise habits and adopt a healthy lifestyle. Since its inception, 1.65 million students in 3,848 schools in 23 cities have participated in the program.

World Hunger Relief
Volunteerism
Community Engagement
Harvest

Nearly 740 million
Meals provided since World Hunger Relief began in 2007

Learn More

DISASTER RELIEF

In the spirit of our culture and vision to be a company with a Huge Heart, Yum!, together with our associates and franchise partners, has assisted with many relief efforts in response to natural disasters. Whether they are providing hot meals, financial assistance or volunteering their time, our teams are demonstrating their commitment to giving back and helping those who need it most.

We also work with our partners at the United Nations World Food Programme to allocate funds raised in our World Hunger Relief program to disaster relief campaigns.





Yum! Brands directed $1.5 million from its World Hunger Relief global effort to provide food to families affected by the November 2013 typhoon in the Philippines. The funds helped the United Nations World Food Programme feed those in urgent need of food assistance. Typhoon Haiyan devastated the impoverished nation of 96 million people. 9.6 million people were affected across 41 provinces, with more than 615,000 people displaced. With more than 385 restaurants in the Philippines, Yum! also provided up to $50,000 through its Yum! Family Fund to help employees and their families affected by the storm get assistance and rebuild their lives.



In October 2013, Yum!, in partnership with the World Food Programme (WFP) and 19 other local organizations, provided monthly food assistance to nearly 2.5 million Syrians. The Syrian Arab Red Crescent and WFP distributed food rations that contained rice, bulgur, pasta, dried and canned pulses, oil, tomato paste, salt and sugar to Syrian families in need. These rations provided recipients with enough food for one month. WFP deployed more than 700 trucks to deliver the rations and other vital goods each month to hundreds of distribution points across the country.

In response to the devastating tornadoes that ravaged through Oklahoma on May 20, 2013, Yum! and it's brands took immediate action to help those in need by taking the following actions:



The Taco Bell Foundation for Teens partnered with the Boys & Girls Club of Oklahoma County Keystone Club to host a statewide summit for teenagers to promote high school graduation and plans for the future, including training on how to apply for employment. The program included college and vocational tours as well as participation in national BGCA Keystone activities.



In the spirit of Pizza Hut's work to Share a Slice of Hope, the company dispatched the Pizza Hut Mobile Trailer the following day, to provide food and water to the victims. Pizza Hut associates teamed with Wichita-based franchisee Restaurant Management Company (RMC), to serve more than 21,000 hot meals over the course of five days to victims and first responders in Moore, Oklahoma. Additionally, the Pizza Hut franchisees in Oklahoma joined together by hosting a day of giving back. On June 3, all Oklahoma Pizza Huts donated 15 percent of sales to the Red Cross tornado relief efforts.

KFC activated the KFC Feeds program, feeding nearly 2,000 hot meals to the area's victims and first responders.

World Hunger Relief
Volunteerism
Community Engagement
Harvest



Cities participated in China's 3-on-3 basketball tournament in 2013

Learn More

HARVEST

For more than 20 years, Yum! and our brands have demonstrated a commitment to solving hunger in the United States. Through the Yum! Harvest program, the world's largest prepared food donation program*, KFC, Pizza Hut and Taco Bell restaurants donate more than 10 million pounds of food annually to partner agencies nationwide. Since 1992, the Yum! system has contributed more than 169 million pounds of product to over 3,000 nonprofit organizations—a fair market value of $763.5 million. Partner agencies include a diverse mix of nonprofits committed to hunger relief including women's shelters, food banks, soup kitchens and religious and community organizations. Each year, these organizations serve more than 10 million meals of brand donated food to those in need in cities all across the country.

Redirecting wholesome, safe-to-eat product is a responsible alternative to discarding the surplus. Donating surplus products through the Harvest program enables our restaurant operators to help individuals at risk of hunger and also create a healthier and safer environment.

We are committed to building on the success of this program and expanding the model to other countries to feed more people around the world.

*in terms of pounds of food donated

"Food Donation Connection and Yum! Brands have been fighting against hunger, hand in hand, for more than 20 years. Together we help to provide over 10 million pounds of prepared food every year from Yum! restaurants to worthy nonprofit organizations. We are proud and grateful to be able to partner with Yum! to put an end to hunger."



Bill Reighard, President, Food Donation Connection

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Community

Yum! Corporate Social Responsibility Report

45

Number of countries benefited by World Hunger Relief program

$42 million

Grants and Scholarships awarded by the Taco Bell Foundation for Teens since 1995

50 million

How many total meals served from restaurants employing hearing impaired team members

Amount raised to date for World Hunger Relief

$185 million

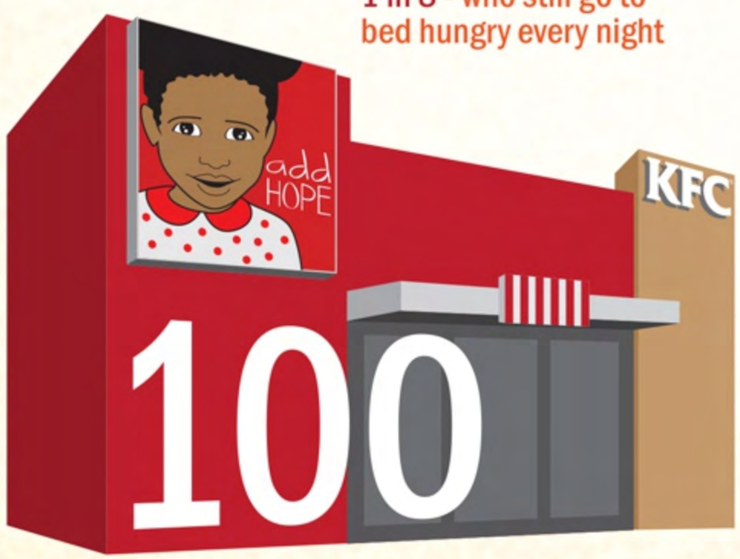
1 in 8 - who still go to bed hungry every night

14 million

Number of students reached by the Pizza Hut BOOK IT! program each year

524

Cities participated in China's 3-on-3 basketball tournament in 2013



Number of South Africa KFC restaurants that replaced the KFC logo with faces of children to represent the 40,000 children fed by the Add Hope program

Nearly **740 million**

Meals provided since World Hunger Relief began in 2007

$763 million

Fair market value of product donated in the U.S. through Yum! Harvest program since 1992

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Our Goals
Green Buildings
Energy Efficiency
Water Conservation
Supplier Scorecard
Sustainable Paper-Based Packaging
Waste Recovery & Recycling
Engaging our Communities With Sustainability



Learn More



OUR COMMITMENT

We are intentional about incorporating sustainability into our way of doing business to reduce our environmental footprint for the benefit of our customers, associates, franchisees and their families, shareholders and the planet.

We deliver on our commitment by focusing on these key areas:

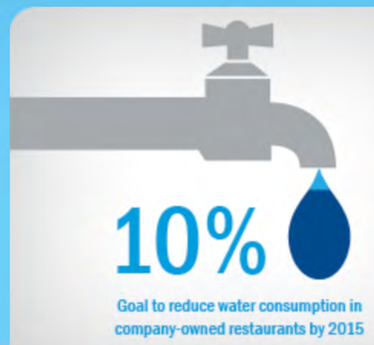
- Green Building Standards
- Efficient Energy
- Water Use
- Sustainable Paper-Based Packaging
- Waste Recovery and Recycling



Our Goals

- Green Buildings
- Energy Efficiency
- Water Conservation
- Supplier Scorecard
- Sustainable Paper-Based Packaging
- Waste Recovery & Recycling

Engaging our Communities With Sustainability



Learn More



OUR ENVIRONMENTAL GOALS

Environmental stewardship is at the heart of how we do business. With more than 40,000 restaurants, and our rapid growth around the globe, we acknowledge our responsibility to be environmentally responsible corporate stewards. We are committed to reducing our environmental footprint for the benefit of our customers, stakeholders and planet, as we work to become the Defining Global Company that Feeds the World. We believe we can continue to maximize our profit growth and increase our shareholder value, while reducing our environmental impact and continuing to serve the food our customers love.

Yum! welcomes the opportunity to drive environmental sustainability priorities and best practices into our day-to-day business. We do this following the principles that we use to operate great restaurants, namely by developing the know how of our people and by setting breakthrough goals.

Under the direction of our Chief Sustainability Officer, the Global Sustainability team is actively working to deliver on Yum!'s global enterprise-wide goals for sustainability:

1. Design and build all new company-owned restaurants to be LEED certifiable by 2015
2. Reduce energy consumption in company-owned restaurants 15% by 2015
3. Reduce water consumption in company-owned restaurants 10% by 2015
4. Implement supplier environmental audits by 2015
5. Purchase paper-based packaging with fiber from responsibly managed forest and recycled sources
6. Work to implement waste recovery projects that will reduce, recycle and reuse our waste in all company-owned restaurants

We are pleased to share the great progress we've made along our environmental sustainability journey thanks to the efforts of company and franchisee leaders and our suppliers across the globe. As we celebrate our successes, we also recognize that there's still much work to be done and we will continue working together to achieve our sustainability goals.

Our Goals
Green Buildings
Energy Efficiency
Water Conservation
Supplier Scorecard
Sustainable Paper-Based Packaging
Waste Recovery & Recycling
Engaging our Communities With Sustainability



Of new restaurant builds LEED certifiable by 2015

Learn More



GREEN BUILDING

GOAL: DESIGN AND BUILD ALL NEW COMPANY-OWNED RESTAURANTS TO BE LEED CERTIFIABLE BY 2015.

PROGRESS: **ON TARGET**

The core of sustainable building innovation and experimentation at Yum! has been the E^3 Initiative - Energy, Environment and Economics. The goal of the initiative is to develop green building solutions that meet the bottom line objectives of people, planet and profits. This holistic design approach looks at all aspects of our buildings, sites and endeavors to test technologies and approaches in experimental buildings. Green buildings focus on the core areas of energy savings, water conservation, site sensitivity, sensible material use and environments for people.

Developing sustainable solutions means investing in thoughtful and measured research. Only through this process can field-tested and restaurant-ready solutions be prepared and deployed into our system. Although green principles may remain constant, the execution of those principles across global markets varies. As we build our understanding, our expectation is to apply proven green solutions to more existing buildings and to all new buildings.

This know how is enabling us to work toward our goal of requiring 100% LEED certifiable buildings for new company-owned restaurants by 2015. Although individual markets and franchisees will have the option, they will not be required to submit for certification as part of this goal. They will be participating in an internal commissioning process designed to comply with minimum requirements. We are a member of the **United States Green Building Council** (USGBC) and the organization has been a valued supporter of the development of our green buildings around the world.

Our Goals
Green Buildings
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GREEN BUILDINGS IN ACTION

CHINA: KFC ACHIEVES LEED GOLD CERTIFICATION



On September 16, 2013, KFC China celebrated the opening of its new Leadership in Energy and Environmental Design (LEED) Gold certified restaurant in Beijing. The Xuan Wu Men location is KFC's third LEED restaurant in China.

The Xuan Wu Men restaurant features water and energy conservation technologies such as efficient lighting with sunlight harvesting controls and high performing air-conditioning design; setting a high standard for building performance. Electricity and water consumption are tracked by a real-time monitoring system located in the restaurant which enables KFC to continuously optimize energy savings and make future improvements.

Achieving the "green" standard is not only about operations inside the restaurant, suppliers must also adhere to environmental standards. The LEED report for the Xuan Wu Men restaurant reported that 98 percent of the construction waste was recycled and 25 percent of the building materials contain recycled content.

KFC is one of the leading quick service companies in China to attain LEED certification of its restaurant buildings, developing stores that are better for the environment.

UNITED STATES: TACO BELL LIVES MÁS WITH SUSTAINABILITY

Taco Bell has developed three sustainable restaurants, helping the brand become more socially responsible. By adapting to green building codes and proactively responding to rising energy costs, they are ultimately leading to higher margins. In 2010, Taco Bell restaurants faced increasing costs around energy and stronger sustainable building codes. The brand started looking at ways to develop more sustainable buildings. The first LEED certified restaurant was developed in 2011, and a second quickly followed in 2012.

Most recently, Taco Bell developed a restaurant in alignment with the International Green Construction Code. This new code adopts LEED standards with an emphasis towards utility conservation, primarily electricity, which seemingly provides the brand with the greatest wins for company and franchise developers, incentivizing the system to build more sustainable restaurants.

This energy savings incentive was strengthened by Taco Bell committing to a >25% ROI or four years or less payback on all energy saving design measures adopted for use in restaurants. This approach is to lower operating costs which flow directly to bottom line profitability and sustainability.

PERFORMANCE TO-DATE

The first restaurant, developed in 2011, achieved an average 10% reduction in electrical consumption. The second restaurant, developed in 2012, achieved a 17% reduction in energy usage. The target for the restaurant developed in 2013 is set at 40% or greater reduction in energy consumption, which will result in an average of $10,000 - $15,000 annual operating and maintenance savings.

Taco Bell is testing energy saving and green design ideas over the next two years, which will help the brand meet its sustainability goals.

AUSTRALIA: KFC OPENS COUNTRY'S FIRST GREEN RESTAURANT

KFC Australia made history on July 2, 2013, with the grand opening of the country's first "green" quick service restaurant, which was attended by the Environment Minister and Maitland MP, Robyn Parker, and Mayor Peter Blackmore. The restaurant is officially LEED certified.

The East Maitland store in New South Wales is designed to save as much as 15% of the annual energy and 25% of the annual water costs thanks to the latest in environmentally friendly building design.



It is estimated that the new facility will divert up to 800 kilograms (1,734 pounds) of waste each week from landfills. Everyday materials such as cardboard, bottles, and cans are recyclable, while food scraps can be turned into compost for the local community. Used cooking oil is also repurposed as animal feed or bio diesel.

"As one of the largest quick service restaurant brands in Australia, we believe it is our responsibility to minimize the impact of our business on the environment we live and operate in," said Michael Clark, Chief Supply Chain Officer for KFC Australia. "We are committed to making substantial investments in research and initiatives designed to reduce our environmental impact and to help ensure that all of our new restaurants are LEED certifiable by 2015."

UNITED KINGDOM: KFC FROM THE GROUND UP



A new KFC built in Denton, England in 2013 incorporated eco-friendly features. This is part of a larger effort the brand has had in place since 2010 to construct new locations that incorporate standards set out by LEED and Building Research Establishment Environmental Assessment Methodology (BREEAM), two councils that certify sustainability. Additional green features found in the Denton KFC as well as other new locations include:

- Solar panels for water heating
- LED lighting, including signage
- Low water bathroom fixtures
- Front entrance door automatic closure
- Heat recovery system from HVAC units
- Thaw cabinets for chicken
- FSC timbers
- Membership of the Considerate Contractors Scheme
- Generation of less than 5% waste during construction

FRANCE: KFC UNVEILS ONE OF COUNTRY'S GREENEST RESTAURANTS



France's KFC restaurant in the city of Orleans, which opened on November 19, 2013, is one of the greenest built restaurants and is officially the second LEED Gold restaurant in France. KFC Orleans includes a number of innovations such as natural lighting, solar hot water, low-water using restroom fixtures, high-efficiency automated landscape sprinklers and rainwater harvesting.

KFC has also created signage to teach customers about the environmental benefits of the innovations, which they plan to incorporate in future buildings. The Orleans green project is just one part of KFC France's commitment to reducing its environmental footprint for the benefit of customers, associates, stakeholders and the planet.

"LEED offers a wealth of ideas that are easy to apply," said Philippe Rouzier, head of construction for KFC France. "Our objective is to share our best practices from Orleans with all of our restaurants."

INDIA: KFC STRIKES GOLD



In 2013, a KFC restaurant in Chennai, India achieved LEED Gold certification. The Besant Nagar store earned a score of 76 LEED points, surpassing the 60 LEED points required to achieve a Gold rating and achieving the highest score for a Yum! restaurant.

Within one year of operations, the restaurant saved 42% of water by using fixtures designed for lower water use and cutting 30% in energy costs through technologies such as high efficiency air conditioning, ventilation, low-power LED lighting and more efficient kitchen equipment.

The restaurant's coastal location is particularly helpful in conserving energy. Sensors located adjacent the building's generous windows help control artificial lighting allowing the restaurant to rely on sunlight during the day. In addition, a solar collector on the roof assists in pre-heating water, reducing the need for fossil fuels.

The team developed and installed signage that highlights the green aspects of the building. This allows customers to learn about how KFC is working to improve the environment while enjoying their favorite KFC foods.

UNITED KINGDOM: KFC WINCANTON LEED AND BREEAM DESIGNED RESTAURANT



KFC UK built upon their sustainability successes at the KFC store in Wisbech with the opening of their new eco-restaurant in Wincanton. It is one of the company's most environmentally friendly restaurants and includes a host of new and improved eco-features including:

- An innovative system that enables the restaurant to generate electricity and hot water from used oil
- Energy monitoring and control system that remotely monitors and controls all cooking, HVAC and refrigeration
- LED lights in the dining room and parking lot to reduce energy consumption
- Waterless urinals and infra-red sensor taps to reduce water use
- Constructing the building and furnishings from sustainable timber derived from FSC and PEFC sources

The restaurant is certified LEED Gold as well as Building Research Estiblishment Environmental Assessment Methodology (BREEAM) Very Good. KFC Wincanton's remarkable "green" features are recounted in this video hosted by Ian Hagg, Head of CSR for KFC UK and Wesley Taylor, Assistant General Manager.

AUSTRALIA: KFC REDUCES ENERGY COSTS WITH LIGHTING UPGRADE

On the surface, it sounded like a straightforward project: replace restaurant lights with more efficient versions to reduce energy consumption and maintenance costs. However, as Fernando Morales, National Facilities Project Operations Manager for Australia, can attest this large scale project took careful preparation.

Morales said the project grew out of Australia's first LEED certified building in East Maitland. Based on the successful outcome of this new building, KFC decided to make eco-friendly improvements in existing restaurants.

After testing and researching, the brand retrofitted approximately 5,000 lamps, resulting in a 60-85% decrease in electricity consumption. Maintenance costs are also decreasing across the system. The team is moving to rollout low energy-using induction lighting in parking lots and working on exhaust hood improvements.

UNITED KINGDOM: NEW USE FOR USED COOKING OIL

Our Wincanton green restaurant, as well as a second site in Trafford, is using waste cooking oil to provide hot water and to generate electricity for use in the restaurant. This is done through a small-scale cogeneration system that turns the cooking oil into fuel. This saves on energy and eliminates the need to transport the oil away for treatment and disposal.

The system is expected to reduce transport-related CO2 emissions by more than 4,000 metric tons per year by eliminating over 1,000 miles travelled to waste disposal sites. And because the system is 50% more efficient than a typical power station, using the energy it produces is expected to cut a further 1,800 metric tons of CO2 emissions from the store each year.

KFC has plans to test the system in two additional stores early in 2014 and is working toward further roll outs of the units later in the year.

UNITED KINGDOM: RECYCLING CONSTRUCTION WASTE

Waste is inevitable when constructing new buildings. To minimize construction waste, the KFC UK team works with a company that tracks waste leaving restaurant development sites and ensures that as much material as possible is recycled. The results of this partnership have been astounding. In 2013, the team diverted 98.5% of its construction waste from landfills. Since the start of the program in 2010, this initiative has diverted 3,610 metric tons (7,958,688 pounds) of waste from landfills.

Click here to view Green Buildings in Action stories from the 2012 CSR Report.

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Number of electric delivery scooters in KFC Malaysia helping to reduce our carbon footprint

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ENERGY EFFICIENCY

GOAL: REDUCE ENERGY CONSUMPTION IN COMPANY-OWNED RESTAURANTS 15% BY 2015.

***PROGRESS:* ON TARGET**

Energy consumption is a key part of green building design and restaurants have very high levels of energy intensity due to their relatively small building size and the amount of cooking, ventilation and refrigeration needed to prepare and serve food. To meet our goals, we have continued our efforts to reduce energy intensity in both new and existing restaurants. Our teams work diligently to make improvements and work closely with vendors, consultants and organizations such as the U.S. Department of Energy's Better Building Alliance and the American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE) to not only reduce our restaurants' energy consumption, but also to help lead the industry to greener practices.

During 2013, our team members around the world continued to implement innovative energy conservation projects in markets representing over 97% of our company stores. Their efforts enabled us to save over 400 million kilowatt hours of energy in 2013 alone. These savings, combined with team member efforts from previous years resulted in the accumulated elimination of over 835,000 metric tons of CO2 from the atmosphere and an overall 12% reduction in energy use since 2006.

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Number of electric delivery scooters in KFC Malaysia helping to reduce our carbon footprint

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ENERGY EFFICIENCY GOAL IN ACTION

AUSTRALIA: IMPROVING REFRIGERATION

Inside the refrigeration equipment that keeps our fresh KFC chicken at the optimum chilled temperature, a new innovative device is attached to the refrigeration coils, quietly working to increase the equipment efficiency. This is something our customers and employees will never see, but it is reducing energy consumption of the refrigeration units by an average of 20%. The savings are achieved by utilizing more of the surface of the coil and thus improving heat transfer. The use of this innovative device extends beyond refrigeration units to HVAC equipment where we are seeing equally impressive savings.

CHINA: OPTIMIZED LIGHTING



Going green is not a destination, it is a journey—that's our philosophy at Yum!. Our journey to optimized lighting in China is a great example. In a series of steps we have worked to refine both the amount of lighting and applied technology to provide substantial energy savings and improve the look of our KFC dining rooms. By using this technology, we have been able to achieve a 50% reduction in lighting energy use.

UNITED STATES: SOLAR POWER EXPERIMENT AT TACO BELL



In sunny California, a forward thinking Taco Bell franchisee installed a 200 foot long roof over the drive-thru that is covered with solar panels. This building is the first completely solar powered restaurant for the brand. Although it is not feasible for every Taco Bell restaurant to be powered by the sun at this time, this is an inspiring example of one possible path to help our environment.

UNITED KINGDOM: TRANSFORMING USED COOKING OIL TO POWER



We are testing a new technology at two restaurants in the United Kingdom that will convert our used cooking oil into electricity and heat water via an on-site generator system. We are continuing to evaluate this technology and we are hopeful that it can supply up to 15% of the restaurant's energy needs. Although this technology is still in test, each year 100% of our used KFC cooking oil, 7.75 M liters, is collected and refined into biodiesel.

UNITED STATES: LED LIGHTING

Recently a small but substantial change was made to the interior Taco Bell lighting design—restaurant plans now include dining room LED ceiling lights as standard. Of course, this easy change will save energy, but it does more. The long life of LEDs means much less replacement which is good for the environment (less waste) and it's also good for our employees (saves time).

CHINA: OPTIMIZED HVAC DESIGN

You might not expect that the design and optimization of the Heating, Ventilation and Air-Conditioning System (HVAC) is one of the most important aspects to controlling energy consumption in a restaurant—but it is. Designs must provide a healthy, comfortable environment using the lowest amount of energy possible. This sounds easy, but maintaining comfortable conditions with low energy use is a design challenge. And, it is a challenge that our KFC team in China has met. The latest green design built in the city of Hangzhou uses 25% less HVAC energy.

CHINA: KFC HEATED HOLDING CABINET



Preparing all of the great tasting food that our customers in China crave takes energy. Not just from our employees, but from the power company. Cooking equipment is our largest energy consuming category. One example of the way our teams are working to reduce equipment energy is our procedure for keeping our world famous chicken warm. Our new holding cabinet, now being tested in China, uses 35% less energy than the previous model.

UNITED STATES: GREENING THE FLEET



Beginning in 2009, we began implementing a strategy to reduce our carbon footprint and provide a more fuel-efficient corporate passenger vehicle fleet in the United States. Since the start of the program, we have cut CO2 emissions by 10%, which was achieved by reducing the use of six-cylinder engines and, just recently, by increasing the use of hybrids. By replacing a standard vehicle in our fleet with a hybrid, carbon output is reduced by about 45%. The use of hybrids began in 2012 and continued adoption of these vehicles increased throughout 2013, making a positive impact on the environment.

UNITED KINGDOM: RECYCLING OIL INTO ENERGY

KFC has been turning used cooking oil into bio diesel for a long time. However, KFC and Tidy Planet founder Simon Webb recently developed a more sustainable solution for this oil. CHiP is a small cogeneration system, which turns used cooking oil into electricity and hot water on-site. The system can provide most of the hot water required by the KFC restaurant and potentially 15% of electricity. Due to the success of CHiP, we are looking at the 10 biggest oil producing equity Drive-Thrus to extend the scheme with a view to rolling out further across the country. We are the first company in the UK to develop and successfully pilot such a system.

WINCANTON APPROVED FOR LEED GOLD

Wincanton has been approved for LEED for Retail: New Construction Gold certification. There have been some great learnings from this development. LEED will save money as we roll out some of the initiatives, such as a new design extract canopy. This uses less power on extraction, reducing not only electricty costs, but also maintenance. Some top line results from Wincanton are: water 20% reduction; energy 36% reduction; energy offset with renewables 12%; construction waste 94% NOT sent to landfill.

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Gallons of water saved each year at Yum! headquarters

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WATER CONSERVATION

GOAL: REDUCE WATER CONSUMPTION IN COMPANY-OWNED RESTAURANTS 10% BY 2015

PROGRESS: BELOW TARGET

A finite quantity of water exists on the planet that is suitable for human consumption. We must all do our part to maintain the quality of water supplies and reduce demand for water as the global population continues to increase. In our restaurants, we use water for beverages and ice, to run equipment such as dishwashers, to irrigate landscapes and to provide clean buildings for our customers.



We are aggressively pursuing creative ways to reduce the water consumption in our stores and, with the 107 million gallons that we saved in 2013, we were able to increase our accumulated water savings to almost 355 million gallons saved since 2006. Despite these efforts and results, at the end of 2013 we have only achieved 20% of our goal. Our teams are working with great intentionality to implement several water-saving projects both inside and outside of our stores and will keep striving to achieve our goal.

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WATER CONSERVATION IN ACTION

UNITED STATES: OPTIMIZING IRRIGATION

Irrigation sprinklers are one of the hidden users of water. They are set to run early in the morning before our facilities open. We are aware of this consumption and are implementing water conserving technologies in our restaurants in 2013 to reduce the amount of water used for landscaping. We are also taking action at our corporate office in Louisville, Kentucky including installing high efficiency sprinkler heads and controls to reduce water consumption by 30%. That saves about 1 million gallons of water each year.

FRANCE: INNOVATIVE RAINWATER USE

Beneath a KFC parking lot in France is a 20,000 liter tank that holds rainwater collected from the roof. Although not seen by many people, this system, currently under test, is responsible for providing irrigation water to keep the landscape green and for providing water to restrooms.

INDIA: EFFICIENT FAUCETS

Washing hands is a must in restaurants and customers and associates at our green restaurant in Chennai, India are now washing their hands in a more earth-friendly way. This facility installed highly efficient water saving aerators in 2012. These small inserts for faucets control the flow rate of water and yield significant water savings. In fact, we anticipate a savings of over 18,000 gallons of water per year.

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SUPPLIER SCORECARD

GOAL: IMPLEMENT SUPPLIER ENVIRONMENTAL AUDITS BY 2015.

PROGRESS: **ON TARGET**

Along the journey to reducing our global carbon footprint, we recognized the need for an environmental audit of our suppliers. Our objective is to assess our suppliers in 5 key areas:

- Energy Efficiency
- Water Efficiency
- Waste/Recycling
- Pollution Reduction
- Environmental Management

The audit drives awareness as well as sustainable behaviors and actions within our supply chain.

Our Australia market introduced this environmental supplier audit into their supply chain in 2009. The Canada team followed by launching the environmental audit pilot in 2010. In 2012, the audit was successfully introduced to KFC UK/Ireland. Both Canada and Australia have reported significant efficiencies and sustainable improvements within their supply chains since the audit began.

To continue driving continuous improvement among our suppliers, Yum! China and Pizza Hut U.S. were added in 2013. We will continue to introduce the environmental audit to new markets each year.

95%

Of fiber sourced responsibly at Pizza Hut U.S. are from well-managed forests and recycled sources

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SUSTAINABLE PAPER-BASED PACKAGING

GOAL: PURCHASE PAPER-BASED PACKAGING WITH FIBER FROM RESPONSIBLY MANAGED FORESTS AND RECYCLED SOURCES.

PROGRESS: **IN PROGRESS**

Given the large volume of packaging we buy, Yum! is uniquely positioned to provide environmentally preferable packaging to our customers around the globe while also reducing our impact on the environment and our communities. Our ability to serve food safely, quickly and conveniently is largely dependent upon our use of disposable packaging.

Throughout the quick service restaurant industry, the way in which we package food has been consistent with the standardized packaging available. Understanding and addressing our packaging impact on the environment and working closely with our suppliers is vital for the long-term sustainability of our business.

Yum! is committed to making sustainable packaging a priority. In support of this commitment, we have developed the following Sustainable Sourcing and Waste Recovery Principles:

- Yum! is moving toward Sustainable Sourcing by ensuring that the paper and paper-based packaging products we buy do not knowingly come from illegal or other unwanted fiber sources.
- We will give preference to suppliers who source wood fiber, certified by a third-party, which meets the most rigorous forest management standards. Currently the Forest Stewardship Council standard is considered the most rigorous standard by leading conservation organizations. We will also source paper and packaging from other national certification systems that are endorsed by the Program for Endorsement of Forest Certification (PEFC), such as the Sustainable Forestry Initiative (SFI), provided the fiber avoids the unwanted sources listed above.
- Yum! is committed to Sustainable Packaging by increasing the amount of recycled content, as permitted by regulatory and technical constraints, across our global system. This will be done within packaging content regulations to ensure food safety, as well as within performance criteria to retain functionality. Though limited availability of suitable recycled fiber restricts our access to the supply of these materials in some geographical areas, we will work to leverage sustainable practices into all of our wrappers, napkins, and containers worldwide.

Over a 6-month period in 2013, Yum! surveyed our global suppliers and gathered data on all paper-based packaging sourcing to assess our current state. The survey asked questions about recycled and certified fiber content, country of forest fiber origin, environmental management systems, and several other parameters.

This survey allowed us to better evaluate our paper packaging supply base against our responsible paper sourcing policy. Through this process, we gained a better understanding of the forest sources of our fiber. We identified higher risk sources and are taking action in specific regions to avoid and phase out unwanted sources. We also identified opportunities to accelerate our progress toward more recycled or certified fiber sources.

As a result of having this more robust baseline data, we are collaborating with outside experts to further refine our procurement policy, to strengthen our internal procedures for bringing on board new suppliers and engaging with current suppliers, and developing public targets and reporting systems to achieve these goals.

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Of pizza box materials are capable of being recycled at Pizza Hut U.S.

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SUSTAINABLE PAPER-BASED PACKAGING IN ACTION

CHINA: SUSTAINABLE PACKAGING

Yum! China has made strides in the sustainability of its packaging. The teams have reduced the weight of their tray liners and french fries boxes. They have also optimized the structure of their congee cups to reduce the volume transported annually.

NETHERLANDS: STRIVING FOR CERTIFICATION

KFC Netherlands has shown great intention to sustainable packaging by increasing the amount of certified paper products within their market. The buckets will be labeled as certified product by the summer of 2014. They are also committed to increasing the amount of certified paper products with their clamshells and folding cartons.

UNITED KINGDOM: KFC LOSES THREE MILLION POUNDS OF PACKAGING

KFC UK and Ireland is finding new ways to give customers the high quality they depend on while also reducing its environmental impact. One way is through smart packaging changes, two of which have reduced packaging by more than 1,400 tonnes (3 million pounds) already – roughly the same weight as 111 double-decker buses.

The brand achieved this by switching from cardboard 'clamshells' to paper wrappers for Fillet and Zinger sandwiches and moved its classic chicken meals, the Colonel's Meal and Variety Meal, from cardboard boxes to paper bags.

"Additionally during 2013 we developed ways to reduce bag sizes and remove box liners," said Ian Hagg, Head of CSR, KFC UK&I. "These changes started in February 2014 and will save 125 tonnes (275,000 pounds) of paper per year."

Many of the brand's products and packaging currently use only recycled or recyclable materials, including:

- The iconic bucket, which can be widely recycled now that it does not have a plastic coating
- Napkins
- Krushems cups, which contain 40 to 50 percent recycled materials
- Mini Fillet Burger wrappers, which is 100 percent recyclable and biodegradable following a change to paper from foil

KFC is now investigating how to make further improvements by changing its use of plastics. "Our ideal is that 100 percent of the various branded plastics in our packing is made from either recycled materials, readily-recyclable or compostable materials," said Hagg. "This is challenging and we're exploring how we can make progress toward it."

UNITED STATES: KFC DELIVERING IMPROVEMENTS

KFC U.S. purchased 78% of all new wood fiber products from third-party certified sources. In addition, nearly 25% of all paper packaging was made from recycled content. As part of its effort to move toward renewable paper based resources, KFC has reduced plastic packaging in the KFC U.S. system from 40% to 28% by weight. These efforts represent an undertaking by KFC U.S. to increase the sustainability of the brand's packaging through maximizing recycled content, where allowed, and working to guarantee all fiber products come from third-party certified sources.

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Gallons of water saved each year at Yum! headquarters

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WASTE RECOVERY AND RECYCLING

GOAL: WORK TO IMPLEMENT WASTE RECOVERY PROJECTS THAT WILL REDUCE, RECYCLE AND REUSE OUR WASTE IN ALL COMPANY-OWNED RESTAURANTS.

PROGRESS: **IN PROGRESS**

Yum! is committed to implementing projects to reduce, reuse and recycle our food and packaging waste. This includes food recovery, diverting waste from landfills and packaging reclamation programs.

Reducing the amount of waste generated from restaurant operations is one of our major environmental challenges. Our waste reduction efforts address both restaurant operations as well as our corporate offices. While each of these areas of operation have different primary waste streams, our waste management program enables us to increase recycling and waste recovery efforts across our system.

In our restaurants, programs are focused on exploring ways to both reduce and utilize our waste streams. Restaurant waste falls into several main categories: food, spent cooking oil, corrugated cardboard and packaging. We are expanding recycling to all of our restaurants as recycling systems become available. We also work with cross-industry groups such as the Paper Recovery Alliance and Food Waste Reduction Alliance to further food waste recovery and recycling efforts.

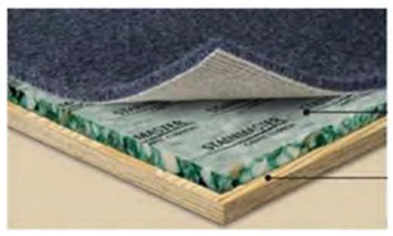
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WASTE RECOVERY AND RECYCLING IN ACTION

AUSTRALIA: KFC TURNS 60,000 OLD UNIFORMS INTO NEW CARPET



As KFC Australia uniforms get a new look in the coming months, the ones they're replacing will be getting a new purpose. Approximately 60,000 old uniforms will be transformed into 25,000 sq. meters (269,000 sq. feet) of commercial grade carpet underlay. The brand announced the plan to divert the uniforms from landfills on June 5, World Environment Day.

"It's incredibly important that we look for ways to repurpose unneeded products from our stores and reduce waste and energy consumption across our entire restaurant network," said KFC Australia Chief Supply Chain Officer Michael Clark, noting the project presented significant operational and logistical challenges that "forced KFC to really think outside the box."



To collect uniforms from more than 600 stores across the country, KFC will partner with its existing food delivery suppliers Cutfresh and Unifresh. The suppliers will pick up the uniforms during routine deliveries, then send the 7,000 kilograms (15,000 pounds) of materials from their distribution centers to Pacific NonWovens, a fiber technology company that will handle the repurposing.

"This program has strengthened our partnership," said Cathy Covino of Cutfresh. "Now we're not only delivering fresh salads but utilizing our services for a sustainable future."

UNITED KINGDOM: PIZZA HUT AIMS TO ACHIEVE ZERO WASTE TO LANDFILL

Pizza Hut Great Britain aims to achieve zero waste to landfill by the end of 2015. An analysis by their waste service provider showed that 90% of waste can be recycled and the remaining 10% can be diverted to an energy recovery plant.

To date they have rolled out full waste segregation in their restaurants in Scotland and with the company-owned delivery sites in the southeast region of England. Their goal is to have all restaurants and company-owned delivery sites on full segregation by the end of 2014. They also aim to engage franchisees.

Additionally, they are beginning to recycle oil with a few sites already equipped with fryers. The wasted oil is collected by a service provider, who also collects from KFC branches. The oil is converted into biodiesel.

Pizza Hut Great Britain has also become a Hospitality and Food Service Agreement (HaFSA) signatory with WRAP. HaFSA is a voluntary agreement to support the sector in reducing waste and increase recycling in the UK.

UNITED STATES: KFC OIL RECYCLING PROGRAM

KFC U.S. franchisee KBP Foods installed an automated closed-loop oil distribution system in all of its 163 restaurants. A closed-loop oil management solution automates fresh oil delivery, storage, handling and disposal of used oil. Not only is it better for employees, it is safer for the environment since it eliminates plastic and cardboard packaging typically required for oil shipping as well as reduces oil waste and increases used oil recycling yields.

GERMANY: KFC DRIVING RECYCLING PROGRAMS

At KFC Germany, 100% of cardboard is recycled and 100% of their food, cooking oil and organic waste is bio-recycled and used for energy production. Plastic packaging and aluminum is returned and recycled 100% through dedicated specialized certified partners. From one supplier alone, KFC Germany has saved over 600 metric tons of CO2.

UNITED STATES: CORPORATE OFFICES EMBRACE REDUCE, REUSE, RECYCLE



Corporate offices through the United States are focusing on the Three-R strategy of waste recovery: Reduce, Reuse and Recycle. Office paper, corrugated cardboard, plastic, glass, batteries and aluminum are collected and recycled. In one year alone, we recycled over 269,000 pounds of paper and 63,000 plastic drink containers. We are also striving to increase the recycled content in our office supplies. Currently about 11% of all office supply products include recycled materials.

Our Global Sustainability team also launched an internal recycling website to encourage corporate associates' understanding of, and commitment to, this effort. Associates visit this site to ask questions, seek advice and offer suggestions on ways Yum! can improve our waste recovery efforts.

AUSTRALIA: DO THE RIGHT THING, USE THE RIGHT BIN



KFC Australia is paving the way with their waste recovery and recycling efforts through their 2012-2013 rollout of new recycling systems at select KFC restaurants throughout New South Wales, Queensland, South Australia and Victoria. The program will expand nationally where possible.

KFC Australia is the first quick service restaurant to participate in a new nationwide recycling initiative, "Do the Right Thing, Use the Right Bin," a public-private partnership funded by the Australian Packaging Covenant.

To date, new recycling systems for public use have been installed at over 120 KFC restaurants across Australia—providing recycling opportunities for millions of customers per year. They will continue growing the recycling program in the front-of-house for bottles, cans and Krusher Cups this year.

During 2011-2013, across their company-owned stores nationally, they diverted over 1,800 tons of cardboard, bottles, cans and Krusher Cups from landfill through their Closed Loop recycling program.

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ENGAGING OUR COMMUNITIES WITH SUSTAINABILITY

At Yum!, we believe that everyone has the potential to make a difference. To help bring this belief to life we engage with our communities to foster sustainability. The sustainability journey is one that we must all share and we are proud of the action we are driving to engage our communities.

MAKING EVERY ACTION COUNT



Small changes can have a big environmental impact. That was the concept Louisville Yum! associates embraced during April, celebrating both Earth Day and Yum! CSR month, an effort focused on raising awareness about our larger CSR initiatives. During the month, associates engaged in all kinds of activites, including:

- Logged 1,198 sustainable actions as part of the One Million Actions for Planet Earth challenge
- Reduced CO2 emissions by 1,800 lbs.
- Donated hundreds of household items, from books to shoes to sporting equipment, to be repurposed for those in need
- Recycled 4,000 lbs. of personal electronics
- Cleaned up trash in one local neighborhood on the south side of Louisville

YUM! BRANDS AND LOCAL HIGH SCHOOL SENIORS BUILD 'GREEN' HOME FOR IMMIGRANT FAMILY

The Yum! Global Sustainability Team and members of Louisville, Kentucky's Manual High School's 2013 senior class decided they could help a local family and the environment at the same time.

Working through Habitat for Humanity, 40 Yum! employees and 80 Manual High School seniors found an innovative and fulfilling way to give back to their community for Earth Day and during Louisville Mayor Greg Fischer's "Give a Day" week of service. A house was built to be an environmentally friendly, LEED-certified home for a Louisville family in need.



Students and Yum! associates broke ground on April 18, 2013, and worked on the home until it was completed. The group constructed the house using specifications and materials that met LEED standards. LEED (Leadership in Energy and Environmental Design) is an international rating system for the design and construction of high-performance green homes.

On August 17, 2013, Yum!, Manual High School and Habitat for Humanity dedicated the home to Serge and his wife Pascasie, and their five children who came to the U.S. five years ago after having spent 14 years in a Tanzanian refugee camp. The family said that having a home gives them a sense of community, pride, self-confidence and peace of mind.

MALAYSIA: KFC SCOOTS RESPONSIBLY



KFC Malaysia is leading the pack among quick-service restaurants by introducing electric scooters for deliveries. The scooters are plug-in vehicles that can be recharged through any external electricity source and emit zero carbon dioxide, smoke and noise. In addition to lowering the company's carbon footprint, they also lower costs while increasing delivery speed.

Currently, there are 41 KFC restaurants that offer delivery service and 50 electric scooters in use. KFC Malaysia plans to expand its delivery service and usage of electric scooters and Pizza Hut plans to follow in the near future.

UNITED STATES: FOOD RECOVERY FOR GOOD



KFC and Pizza Hut restaurants across the United States are demonstrating their commitment to hunger relief by participating in the Harvest Program and donating surplus products to local hunger relief agencies. Through Harvest, the brands serve nearly 10 million meals of our product to over 3,000 non-profit agencies each year. Redirecting wholesome, safe-to-eat product is a responsible alternative to discarding any surplus—helping to feed the hungry in local communities. In total, $763 million of fair market trade food has been donated in the U.S. through Harvest since launching in 1992.

These donations are not only helping individuals in need, they are also creating a healthier and safer environment across the country. When food is disposed in a landfill, it quickly breaks down and becomes a significant source of methane—a potent greenhouse gas with 21 times the global warming potential of carbon dioxide. By donating our product, we are reducing, reusing and recycling product while helping those in need. Since our program began, we have diverted over 150,000 tons of greenhouse gases from the atmosphere!

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Environment

Yum! Corporate Social Responsibility Report



10%

Goal to reduce water consumption in company-owned restaurants by 2015



95%

Of fiber sourced responsibly at Pizza Hut U.S. are from well-managed forests and recycled sources



50%

Reduction in lighting energy usage in China KFC thanks to new technologies employed



1,800 Tons

Of cardboard, bottles and cans diverted from landfills through KFC Australia's closed loop recycling program from 2011-2013



98%

Of pizza box materials are capable of being recycled at Pizza Hut U.S.



50

Number of electric delivery scooters in KFC Malaysia helping to reduce our carbon footprint



100%

Of new restaurant builds LEED certifiable by 2015

1 million

Gallons of water saved each year at Yum! headquarters



100%

Of KFC cooking oil that is collected and re-used as biodiesal in the U.K.

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History & Culture
Our CSR Methodology
Governance, Public Policy & Government Affairs
Recognition & Rankings
CSR in the News



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REPORTING LIBRARY

We believe that having clear accountably to our CSR efforts is essential to demonstrating our true commitment to being a good corporate citizen. With this in mind, we will continue to make available our current and past reports to provide stakeholders a means to track out progress over time.

YUM! CSR REPORTS

- 2008
- 2010
- 2012
- 2013
- 2014

EXECUTIVE SUMMARIES

- 2014

MARKET CSR REPORTS

- KFC Australia
- KFC France
- KFC United Kingdom and Ireland