



# Yum! Brands 2015 Corporate Social Responsibility Report Performance Summary

Reporting annually on our Corporate Social Responsibility (CSR) performance is a key part of sharing our sustainability journey. This summary highlights our performance in 2015 in relation to our overall strategy and governance, in addition to our four CSR focuses: food, people, community and environment.

## CSR COMMITMENTS

## OUR 2015 PERFORMANCE HIGHLIGHTS

### OVERALL

#### Governance & Strategy

Build three iconic brands that people trust and champion by being open and transparent about our progress, challenges and outcomes.

- Formalized process to annually update our Board of Directors on our CSR commitments and progress.
- Strengthened our Human Rights & Labor Practices Policy and Supplier Code of Conduct.

### FOOD

#### Nutrition

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.

- Nearly all of our markets met our 2015 goal of having 15 percent of meal options meet one-third of the Recommended Daily Allowance (RDA) in every country in which we operate and we are now striving for our goal of 20 percent of meal options by 2020.
- Pizza Hut successfully removed over half a million pounds of salt from its menu in 2012 and removed another 1.5 million pounds of salt from core ingredients in 2015. They also removed artificial colors and flavors from nationally available pizzas and Wingstreet products.
- Taco Bell committed to simplified ingredients, announcing the removal of artificial colors and flavors from its food by the end of 2015. They also became the first Quick Service Restaurant (QSR) to offer menu items certified by the American Vegetarian Association (AVA).
- Issued global survey to assess progress against our goal to remove palm oil.

#### Food Quality & Safety

Maintain the safest, highest quality food supply and preparation in the industry.

- Enhanced food quality and safety language in regards to our supply chain management to better explain our governance approach as a result of key stakeholder input.

#### Ethical Sourcing & Supply

Source the freshest food from an environmentally and socially responsible agriculture supply chain.

- All of our brands committed to minimizing the use of antibiotics important to human medicine in poultry, with Taco Bell stopping completely by the end of Q1 2017.
- Taco Bell announced it will source 100 percent cage-free eggs for its breakfast menu in all U.S. restaurants by the end of 2016.

### PEOPLE

#### Culture & Employee Engagement

Cultivate a culture of engagement that attracts, retains and grows the best people.

- Took action against our 2014 Great Place to Work results, hosting consulting sessions and developing actions plans to make our organization an even better place to work.
- Piloted a new tool to develop all above managers called Coach 180, which will launch in the U.S. in 2016 to provide dynamic, action-oriented feedback.

#### Diversity & Inclusion

Build an inclusive culture among our employees, franchisees and suppliers to reflect the diversity of our customers.

- Established a diversity and inclusion council called Leading Inclusion for Tomorrow (LIFT) to continue elevating the importance of diversity and inclusion in our business.
- Presented inaugural Supplier Diversity Award at our annual supply chain awards, established to recognize suppliers that demonstrate significant leadership in the area of diversity and inclusion.

#### Building People Capability

Lead the industry with innovative learning experiences that drive and accelerate high performance in our teams and restaurants.

- Named a Learning Elite organization on the Learning! 100 list for the fourth consecutive year.
- Continued evolving our year-round performance management process called Building People Capability.
- Increased focus on restaurant employee development – like at KFC U.S. where rallies were held for Restaurant General Managers with nearly 95 percent participation.

COMMUNITY

World Hunger Relief

Mobilize our customers, employees, franchisees and their families to alleviate hunger through awareness, volunteerism and fundraising.

- In 2015, we raised \$35 million in cash and food donations for the World Food Programme and other hunger relief agencies – that’s equivalent to 140 million meals.
- Since 2007, we have donated more than \$640 million, equivalent to nearly 2.6 billion meals.

Volunteerism

Be the world’s defining volunteer movement, engaging employees and franchisees to make an impact in local communities.

- Awarded 150 grants worth \$325,000 to charitable organizations our employees volunteer with in their local communities.
- Tracked more than 40,000 employee and franchisee volunteer hours – 10,000 more than in 2014.

Local Community Engagement

Demonstrate our Huge Heart by giving back to our local communities through program partnerships, sponsorships and cause-related marketing efforts.

- The KFC Foundation in the U.S. launched the KFC Family Fund to provide temporary, financial relief to restaurant employees in crisis situations.
- With Pizza Hut’s continued focus on education, nearly 190,000 primary school students in China completed courses to become a Pizza Hut Green Scout through the Pizza Hut Green Scout Camp.
- Taco Bell directed more than \$10 million in grants to teen-serving organizations.

Harvest Food Donation

The global restaurant leader in wholesome, surplus food donations.

- Since 1992, we have contributed over 180 million pounds of food to more than 3,000 nonprofit organizations — a fair market value of \$860 million.
- Pledged to donate 10 million pounds of surplus product in 2016 as part of the U.S. Environmental Protection Agency’s Food Recovery Challenge.

ENVIRONMENT

Green Buildings

Design and build 100% of our new company-owned restaurants to be Blueline certified.

- At the conclusion of 2015, markets representing 85 percent of our new company-owned restaurant construction had integrated Blueline approaches and technologies into their development processes and specifications to deliver LEED certifiable buildings.

Energy Efficiency

Reduce energy consumption in company-owned restaurants by 15% by the end of 2015.

- Exceeded our 2015 energy reduction goal of 15 percent.
- Compared to our 2005 baseline, we achieved a combined savings of 17 percent – that’s equal to the release of 1.6 million tons of CO2 or the annual output from 300,000 homes.

Water Conservation

Reduce water consumption in company-owned restaurants by 10% by the end of 2015.

- Our journey to reaching our 10 percent total reduction target isn’t complete yet, but we are 45 percent of the way there.
- We saved more than 800 million gallons of water globally over the past 10 years – that’s roughly enough water to supply the entire Commonwealth of Massachusetts for one day.

Palm Oil

Source 100% of our palm oil used for cooking from responsible and sustainable sources by the end of 2017.

- Our markets are testing alternative oils and developing transition plans to remove palm oil or source only sustainable palm oil by the end of 2017.

Paper-Based Packaging

Purchase 100% of paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2020.

- Survey of global suppliers conducted in 2013 to assess our baseline revealed that every market will achieve our goal on or before 2020. For example, KFC South Africa converted to Forest Stewardship Council (FSC)-certified packaging.
- In early 2016, we will conduct a survey of all our global markets to analyze progress against our goal and help ensure they are on track.

Waste Reduction

Divert 50% of back-of-house operational waste generated by our restaurants in the United States by the end of 2020.

- Continued supporting existing programs focused on diverting waste from landfills, including food donation, used cooking oil repurposing and corrugated cardboard recycling.