January 10, 2020

VIA EMAIL: shareholderproposals@sec.gov

U.S. Securities and Exchange Commission
Division of Corporate Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549

Re: Yum! Brands — Exclusion of Shareholder Proposal
Submitted by Lisa Haage and Keith C. Schnip

Dear Sir or Madam:

Yum! Brands, Inc. (the “Company”), respectfully submits this letter pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), to notify the Securities and Exchange Commission (the “Commission”) of the Company’s intention to exclude from the Company’s proxy materials for its 2020 annual meeting of shareholders (the “2020 Proxy Materials”), a shareholder proposal submitted to the Company by Lisa Haage and Keith C. Schnip, as co-filers (the “Proponents”) in letters dated November 12 and November 22, 2019 respectively (the “Shareholder Proposal”).

The Company requests confirmation that the Commission’s staff (the “Staff”) will not recommend to the Commission that enforcement action be taken against the Company if the Company excludes the Shareholder Proposal from its 2020 Proxy Materials pursuant to Rule 14a-8(i)(10) under the Exchange Act, on the basis that the Company has already substantially implemented the Shareholder Proposal.

Pursuant to Exchange Act Rule 14a-8(j), the Company is submitting electronically to the Commission this letter and the Shareholder Proposal (attached as Exhibit A), and is concurrently sending a copy to the Proponents, no later than eighty calendar days before the Company intends to file its definitive Proxy Materials with the Commission.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (November 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to inform the Proponents that if the Proponents elect to submit additional correspondence to the Commission or the Staff with respect to the Shareholder Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.
The Shareholder Proposal

On November 12 and November 22, 2019, the Company received the following Shareholder Proposal from the Proponents, for inclusion in the 2020 Proxy Materials:

Resolved: Shareholders request that Yum! Brands, Inc. ("YUM") report annually to investors, at reasonable expense and excluding proprietary information, on how the company is curtailing the impact on the Earth’s climate caused by deforestation in YUM’s supply chain. The report should include quantitative metrics on supply chain impacts on deforestation and progress on goals for reducing such impacts.

Supporting Statement:

YUM utilizes beef, soy, palm oil, and pulp/paper in its business: the leading drivers of deforestation globally. But YUM’s limited action on deforestation sets the company behind peers like McDonald’s and exposes the company to significant business risks, given the link between deforestation and climate change. These include supply chain unreliability, brand damage, and failure to meet shifting consumer and market expectations.

A 2019 IPCC report that stated that “Agriculture, forestry and other types of land use account for 23% of human greenhouse gas emissions” and urged the world to halt deforestation1. Six million people participated in global climate strikes in September 2019, and consumers are increasingly making choices to reduce their environmental footprint. Yet YUM is still sourcing from Cargill and JBS, the two companies most responsible for the Amazon fires2.

Deforestation has attracted significant attention from civil society, business and governments. Value chains that are illegally engaged in deforestation are vulnerable to interruption with new regulations and enforcement. In the EU, regulators are planning new laws that will require companies to demonstrate that goods they put on the EU market are not tainted with deforestation or human rights abuses3.

The SCRIPT Soft Commodity Risk Platform scores YUM at 24 out of 100 due to lack of a strategy for addressing deforestation, risk awareness, board oversight, traceability, and time-bound targets4. Where policies have been adopted, there is a lack of transparency on implementation or they are limited in scope. For example YUM does not disclose its palm oil mill lists, which is an essential first step in verifying no deforestation or exploitation in its supply chain. Lack of transparency erodes investor and consumer confidence.

Proponents believe meaningful indicators in a report like the one we request could include:

- For key commodities that YUM sources such as palm oil, soy, beef, and pulp/paper, the proportion that can be traced back to its source, and the proportion verified as not contributing to physical expansion in to peatlands or forests using High Carbon Stock Approach methods, and including the supply chain across all geographies;
- Tracking these figures against an anticipated timeframe (as established by management) for meeting its sourcing goals for each commodity consistent with the criteria above, including processes for verification, supplier non-compliance protocols, supplier suspension procedures, and trackable grievance processes.

We urge shareholders to support this proposal.

A copy of the Shareholder Proposal and related correspondence from the Proponent is attached hereto as Exhibit A.

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1 https://www.ipcc.ch/2019/08/08/land-is-a-critical-resource_scccl/
2 https://stories.mightyearth.org/amazonfires/index.html
4 https://www.script.finance/tool/portfolio-risk/companies/97
Basis for Exclusion

We respectfully request that the Staff concur in our view that the Shareholder Proposal may be excluded from the 2020 Proxy Materials pursuant to Rule 14a-8(i)(10) because the Company has substantially implemented the Shareholder Proposal based on disclosures made on the Company’s website, including the Company’s 2018 Global Citizenship & Sustainability Progress Update (the “2018 GC & SP Update”), attached as Exhibit B.

Analysis

The Shareholder Proposal May be Excluded Pursuant to Rule 14a-8(i)(10) Because the Company Has Substantially Implemented the Shareholder Proposal.

A. Background

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if “the company has already substantially implemented the proposal.” Under the “substantially implemented” standard, a company may exclude a shareholder proposal when the company’s actions address the shareholder proposal’s underlying concerns, even if the company does not implement every aspect of the shareholder proposal. Magno Corporation (Mar. 29, 1999) (permitting exclusion on substantial implementation grounds where the company adopted a version of the proposal with slight modification and clarification as to one of its terms). See also MGM Resorts International (Feb. 28, 2012) (permitting exclusion on substantial implementation grounds of a proposal requesting a report on the company’s sustainability policies and performance, including multiple, objective statistical indicators, where the company published an annual sustainability report); Exxon Mobil Corp. (Rossi) (Mar. 19, 2010) (permitting differences between a company’s actions and a shareholder proposal so long as the company’s actions satisfactorily address the proposal’s essential objectives); Texaco, Inc. (Mar. 28, 1991) (“a determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal”). The purpose of Rule 14a-8(i)(10) is to “avoid the possibility of shareholders having to consider matters which have already been favorably acted upon by management.” See Exchange Release No. 34-20091 (August 16, 1983); and Exchange Act Release No. 34-12598 (July 7, 1976) (discussing Rule 14a-8(c)(10), the predecessor to Rule 14a-8(i)(10)).

The Staff has previously considered proposals similar to the Shareholder Proposal, and granted no-action relief pursuant to Rule 14a-8(i)(10) on the basis that those proposals were substantially implemented. See e.g., Wal-Mart Stores, Inc. (Feb. 21, 2017) (concurring with the company’s exclusion of a shareholder proposal that requested the company to establish time-bound quantitative goals for reducing food waste and a report with plans to achieve those goals where the company had already adopted such goals and the company website contained information on how the company planned to achieve those goals); Mondelēz International, Inc. (Mar. 7, 2014) (concurring with the company’s exclusion of a shareholder proposal that requested reporting on the company’s process for identifying and analyzing potential and actual human rights risks in the company’s operations and supply chain where the company had already provided the requested information in several different locations on the company website); The Wendy’s Company (Apr. 10, 2019) (same); Caterpillar, Inc. (Mar. 11, 2008) (concurring with the company’s exclusion of a shareholder proposal that requested the company to prepare a global warming report where the company had already published a report containing information on its environmental initiatives); Wal-Mart Stores, Inc. (Mar. 10, 2008) (same); PG&E Corp. (Mar. 6, 2008) (same); The Dow Chemical Co. (Mar. 5, 2008) (same); Alcoa Inc. (Feb. 3, 2009) (same).

5 The 2018 GC & SP Update is available at https://www.yum.com/wps/wcm/connect/yumbrands/9b104e05-5c1f-4063-8e35-6f9ec1872e87YSR-19501+2018+Recipe+for+Good+Progress+Update SINGLE_PAGE_FINAL.pdf?MOD=AIPERES&CVID=mRKd2FV.
The Shareholder Proposal requests that the Company (1) report annually to investors on how the Company is decreasing the impact on Earth’s climate caused by deforestation in the Company’s supply chain and (2) include in that report quantitative metrics on supply chain impacts on deforestation and progress on goals for reducing these impacts. As discussed below, the Company’s website, including the 2018 GC & SP Update, includes information that substantially implements both of these requests.

B. The Company’s Website Provides Disclosure Regarding Curtailing the Impact of Deforestation in the Company’s Supply Chain.

The Shareholder Proposal first requests that the Company “report annually to investors […] on how the company is curtailing the impact on the Earth’s climate caused by deforestation in [the Company’s] supply chain.” As discussed below and on the Company website, the Company already discloses such information. The Company greatly appreciates the significance of deforestation as a critical issue globally, and especially as the issue relates to several commodity supply chains. The disclosures made by the Company on its website represent significant attention to, and progress on addressing this important topic. As such, the Company has substantially implemented this aspect of the Shareholder Proposal through its (i) 2018 GC & SP Update and 2017 GC & SP Report (full-year sustainability report and progress reports are produced to disclose progress on an annual basis), (ii) CDP Climate, Water and Forest Reponses (produced on an annual basis), (iii) Supplier Code of Conduct, (iv) Global Forest Stewardship Policy, and (v) Paper-Based Packaging Sourcing Policy. Each of these reports and policies are available on the Company’s website at https://www.yum.com/wps/portal/yumbrands/Yumbrands/citizenship-and-sustainability.

The Company’s 2018 GC & SP Update is a full-year sustainability report that discloses annual progress. Throughout the 2018 GC & SP Update, decreasing the impact of deforestation in the Company’s supply chain is recognized as a key priority for the Company. The 2018 GC &SP Updates discloses that Company participates in comprehensive voluntary annual disclosures including CDP Climate, Forests, and Water (discussed in more detail below), the Dow Jones Sustainability Index and the Roundtable on Sustainable Palm Oil (“RSPO”) Annual Communication of Progress, and also that the Company continues to address the United Nations Sustainable Development Goals including those on Responsible Consumption and Production and Climate Action. In response to the findings of a 2018 World Wildlife Fund (“WWF”) global supply chain risk assessment, the Company “increased [its] engagement in several key commodities and expanded [its] deforestation commitments beyond palm and timber, to now include beef and soy.” As highlighted in the 2018 GC & SP Report, in 2018 the Company endorsed the New York Declaration on Forests (“NYDF”) which sets the private sector goals of (i) eliminating deforestation from the production of agriculture commodities such as palm oil, soy, paper and beef products no later than 2020, (ii) halving the rate of loss of natural forest globally by 2020, and (iii) ending natural forest loss by 2030. The NYDF aligns with the United Nations Sustainable Development Goals and has a secretariat, the NYDF Global Platform, which is provided by the United Nations Development Programme. Finally, the Company is serious about its sustainability standards and goals, and about holding its suppliers to those standards, and has demonstrated that commitment. The Company removed a supplier from its supply chain, following an assessment that determined the supplier did not meet the Company’s standards and had lost its RSPO certification. This removal was disclosed on the Company’s 2018 GC & SP Update.

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6 2018 GC & SP Update, at 12.
7 Id. at 1-3, 6-8.
8 Id. at 2.
9 Id. at 6.
10 Id.
11 Id.
The Company has also provided CDP Responses on the topics of Forests, Water, and Climate. These reports contain detailed responses to CDP’s annual questionnaires. The 2019 Forests CDP Response provides quantitative metrics specifically relating to the procurement and use of timber and palm oil in the Company’s supply chain, including percentage of procurement spend, percentage of revenue dependent on commodity, and consumption data. The Company disclosed in its response that sustainable sourcing is one of the Company’s top material issues. In its 2019 Forests CDP Response, the Company also disclosed two of its long-term sustainability objectives, included below:

First, it is to design, build and operate restaurants to be measurably more sustainable using green building standards to drive reductions in energy, GHG emissions, waste and water use and to report progress annually through CDP disclosures. Second is to work elevate the supply chain to reduce deforestation through objectives including the sourcing 100% of palm oil used for cooking and paper-based packaging from responsible and sustainable sources.

These objectives apply to the Company, but also to all suppliers within the Company’s operational control, as required under the Company’s Supplier Code of Conduct.

The Company’s Supplier Code of Conduct has a specific “Sustainability” section which requires that Company suppliers “demonstrate compliance with [the Company’s] sustainability policies and positions, including with respect to palm oil, paper-based packaging sourcing, […] and other policies and positions outlined in its Global Citizenship and Sustainability Report.” The Company further expects its suppliers to “develop environmental management systems” and “monitor and report performance against improvement targets.” The Company wants to see “year-over-year progress” from suppliers in reducing the environmental impact of their operations, which includes the impact of supplier operations in deforestation.

The Company has also published a Global Forest Stewardship Policy and a Paper-Based Packaging Sourcing Policy. The Global Forest Stewardship Policy focuses on four commodities that impact forests: palm oil, paper-based packaging, beef, and soy. In the Global Forest Stewardship Policy, the company sets the following goals for itself and its suppliers: (i) no development on High Conservation Value (HCV) landscape or High Carbon Stock (HCS) forests; (ii) no development on peatlands, regardless of depth, and use of best management practices for existing plantations on peat; (iii) compliance with country laws and regulations and the Company Supplier Code of Conduct; and (iv) prevention and resolution of social and/or land conflicts consistent with the principle of free prior and informed consent. The Company’s Global Forest Stewardship Policy also reiterates the Company’s adoption of the NYDF as

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13 2019 Forest CDP Response, at 37.
14 Id.
17 Id.
18 Id.
21 Company Global Forest Stewardship Policy.
22 Id.
a central component of its forest policy. As discussed above, the NYDF sets the following goals related
to deforestation: (i) end natural forest loss by 2030, (ii) halve the rate of loss of natural forest globally by
2020, and (iii) eliminate deforestation from the supply chains of major agriculture commodities by 2020.
Within the Company’s four primary supply chains, palm oil has a time-bound goal of 2018, while paper
packaging, beef, and soy all align with time-bound goals of 2020. The Company reports on its progress
towards meeting these goals annually in its CDP Forests Responses as well as in its annual Global
Citizenship and Sustainability Progress Report or Update. The Paper-Based Packaging Sourcing Policy
includes the following sustainable sourcing principles designed to guide packaging procurement decisions:
(i) the Company does not purchase products made with fiber from illegal or unwanted sources, including
wood harvested from forests that have been converted to plantations or non-forest use, wood from high
conservation value forests (unless those forests are credibly certified), wood where the source forest and
species are unknown, wood harvested in a manner that violates human rights, and wood harvested in a way
that violates local or international laws; (ii) the Company gives preference to suppliers that are certified by
the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forestry Certification
(PFEC), or the Sustainable Forestry Initiative (SFI); (iii) the Company will increase the amount of recycled
content used in its paper-based packaging; and (iv) the Company will work to ensure compliance with its
policies. Collectively, these principles guide the Company in prioritizing sustainable packaging.

The reports and policies discussed above amply demonstrate that the Company has substantially
implemented the principal objective of the Shareholder Proposal by furnishing information “on how the
company is curtailing the impact on the Earth’s climate caused by deforestation in [the Company’s] supply
chain.” Cumulatively, the Company’s public disclosures provide a thorough description of the goals and
implementation strategies the Company has regarding the issue of deforestation as it relates to the
Company’s supply chain, and thus substantially implement the reporting element of the Shareholder
Proposal. Additionally, as discussed below, the Company’s public disclosures on its website also include
the quantitative data and progress on goals requested by the Shareholder Proposal.

C. The Company’s Website Provides Quantitative Metrics On Supply Chain Impacts On Deforestation
And Progress On Goals For Reducing These Impacts.

The Shareholder Proposal also requested that the Company provide “quantitative metrics on supply
chain impacts on deforestation and progress on goals for reducing such impacts” as part of the deforestation
report. As discussed below and on the Company website, the Company already discloses such information.
The Company has substantially implemented this aspect of the Shareholder Proposal through its (i) 2018
GC & SP Update (full-year sustainability report produced on a bi-annual basis) and (ii) CDP Climate, Water
and Forest Responses (produced on an annual basis), and both of these are available on the Company’s

The 2018 GC & SP Update contains a specific section on Company supply chain goals and progress
made towards achieving those goals, which include quantitative metrics. The Company disclosed the
following goals related to reducing the impact its supply chain has with respect to each of the four
commodities identified in the Shareholder Proposal as the leading drivers of deforestation: beef, soy, palm
oil and pulp/paper:

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23 Id.
24 Id.
25 Id.
26 Company Paper-Based Packaging Sourcing Policy.
27 Id.
(i) source 100% of palm oil used for cooking from responsible and sustainable sources by the end of 2018;

(ii) purchase 100% of paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2020;

(iii) eliminate deforestation from the production of agriculture commodities such as palm oil, soy, paper and beef products no later than 2020;

(iv) halve the rate of loss of natural forest globally by 2020 (Company endorsed NYDF goal); and

(v) end natural forest loss by 2030 (Company endorsed NYDF goal).\(^{28}\)

The 2018 GC & SP Update also provided quantitative status updates on these goals, as requested in the Shareholder Proposal. The Company’s status update on the above goals is as follows:

(i) In 2018, 96% of the Company’s cooking oil volume was not palm oil or was sustainable palm oil. For the palm oil that our system purchased, approximately 94% of that volume was reported to be sustainable palm oil.

(ii) In 2018, markets reported an estimated total of 70% of fiber came from certified forests or recycled sources.

(iii) In 2018, approximately 95% of Brazilian feed mills in the Company’s supply chain were audited as compliant in aligning with the Amazon Soy Moratorium to help protect tropical forests.

(iv) In 2018, 98% of beef supply chain comes from origins of lower tropical deforestation risk including Australia, Canada, New Zealand, South Africa and the United States, and less than 2% of the beef comes from Brazil which is an origin of higher risk.\(^{29}\)

The Company plans to take additional steps by continuing to engage with WWF and focus on the Brazil supply chain by undertaking a landscape analysis and strategic implementation plan to deliver on its no deforestation commitments.\(^{30}\) On its own, the 2018 GC & SP Update addresses the Shareholder Proposal request that the Company provide quantitative metrics on supply chain impacts on deforestation and progress on goals for reducing such impacts. As stated previously, the Company plans to produce similar full-year sustainability reports or updates on an annual basis.

The Company has also provided additional quantitative metrics in its 2019 Climate and Forests CDP Responses. In its 2019 Forests CDP Response, the Company provided data on percentage of procurement spend per forest risk commodity, percentage of revenue that is dependent on each forest risk commodity, consumption volume for each forest risk commodity, as well as other information on the goals it has for itself and progress towards meeting those goals. In its 2019 Climate CDP Response\(^{31}\), the Company provided data on potential financial impact of various primary climate-related opportunity drivers, emissions targets, waste targets, sustainable palm oil targets, paper-based packaging targets, and energy consumption. The Company completes the CDP Responses once a year, and each response is

\(^{28}\) 2018 GC & SP Update, at 8.

\(^{29}\) Id.

\(^{30}\) Id.

\(^{31}\) The Company’s 2019 Climate CDP Response is available at https://www.yum.com/wps/wcm/connect/yumbran...
available on the Company website. The Company has completed annual CDP Climate Responses since 2015, and CDP Forests Responses since 2018.

The Shareholder Proposal includes in its supporting statement some suggestions for meaningful indicators that could be included in the requested annual report. It does not, however, require the Company to provide these indicators. The Staff has recognized that when a proposal merely suggests that a certain issue be addressed, the proposal may be excluded where the company has addressed the requested, but not suggested, matters. See e.g. Wal-Mart Stores, Inc. (Feb. 21, 2017) (concurring with the company’s exclusion of a proposal that included recommendations, but not requirements, in the supporting statement, for the goals requested in the shareholder proposal); ConAgra Foods, Inc. (July 3, 2006) (concurring with the company’s exclusion of a proposal requesting that the board issue a sustainability report, where the supporting statement recommended that the report follow certain guidelines that the company did not address in its existing policies and procedures); Wal-Mart Stores, Inc. (AFL-CIO Fund) (Mar. 30, 2010) (concurring with the company’s exclusion of a proposal urging the board to adopt principles related to global warming “based on” a set of principles listed in the support statement, where the company argued that it did not need to fully adopt the listed principles). In the instant case, the requested matter is the delivery to investors of an annual report on the efforts of the Company to curtail deforestation related to its supply chain that includes quantitative metrics as well as progress on goals, and the Company has substantially implemented the requested matter as described in detail above. Here, the suggested matters are the two meaningful indicators suggested by the Proponents in the supporting statement, the implementation of which should be irrelevant in the determination of whether the Shareholder Proposal is properly excluded from the 2020 Proxy Materials.

Finally, the Staff has consistently concurred in the exclusion of shareholder proposals seeking a report where the information sought in the requested report had already been disclosed in multiple locations on the company’s corporate website. See, e.g. Wal-Mart Stores, Inc. (Feb. 21, 2017); Mondelez International, Inc. (Mar. 7, 2014); The Gap, Inc. (Mar. 16, 2001). Like in Wal-Mart, Mondelez, and Gap, the Shareholder Proposal is excludable as substantially implemented even though the Company’s disclosure of the information requested in the Shareholder Proposal is in several locations on the Company website, including in the 2018 GC & SP Update. Collectively, through these disclosures, the Company has publicly disclosed its efforts to curtail the climate impact caused by deforestation in the Company’s supply chain as well as quantitative metrics on supply chain impacts on deforestation and progress towards accomplishing goals related to reducing such impacts. For the above reasons, the Company has substantially implemented the Shareholder Proposal, and it may be excluded from the 2020 Proxy Materials in reliance on Rule 14a-8(i)(10).

**Conclusion**

Based on the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Shareholder Proposal from its 2020 Proxy Materials, on the basis that the Shareholder Proposal has been substantially implemented by the Company. Should the Staff disagree with the Company’s conclusions regarding the omission of the Shareholder Proposal, or should any additional information be desired in support of the Company’s position, I would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of your response.
If the Staff has any questions regarding this request or requires additional information, please contact the undersigned at 502-874-8719 or lawrence.derengeiii@yum.com.

Sincerely,

[Signature]

Lawrence Derenge
Corporate Counsel
Yum! Brands, Inc.

cc: Lisa Haage
    Keith C. Schnip
    Fatah Sadaoui
Exhibit A

Proponent Proposal

See Attached
Larry Derenge  
Corporate Counsel  
YUM! Brands, Inc.  
1441 Gardiner Lane  
Louisville, KY 40213  
502-874-8719 (ph)  
502-874-2112 (fax) 
Larry.Derenge@yum.com

From: 
Fatah Sadaoui  
fatah@sumofus.org 
+33 788 26 78 77

Re: Shareholder resolution for 2020 Yum! Brands AGM

Dear Mr Derenge,

Please find enclosed a shareholder proposal for the 2020 Yum! Brands AGM, concerning the company's exposure to supply chain risks associated with deforestation.

Please do not hesitate to contact me regarding this proposal. We are keen to further engage with the company to discuss ways that Yum! Brands can reduce deforestation-related risks in its supply chain, to curtail the impacts of the earth's climate caused by deforestation.

Sincerely,

Fatah Sadaoui
November 12, 2019

Scott Catlett
General Counsel and Corporate Secretary
YUM! Brands, Inc.
1441 Gardiner Lane
Louisville, Kentucky 40213

Re: Shareholder proposal for 2020 annual meeting

Dear Mr. Catlett:

I submit the enclosed shareholder proposal for inclusion in the proxy statement that YUM! Brands, Inc. plans to circulate to shareholders in connection with the 2020 annual meeting. The proposal is being submitted under SEC Rule 14a-8.

I am located at the address shown above. I have been a registered shareholder owning more than $2,000 worth of YUM! Brands, Inc. common stock for longer than a year. I hold the stocks in my own name, although I also hold stocks derived from the dividend reinvestment program, and those certificates are managed and held by the dividend reinvestment company, Compusure. I intend to continue ownership of at least $2,000 worth of YUM! Brands, Inc. common stock through the date of the 2020 annual meeting. My co-sponsors will be submitting materials under separate cover. The proposal relates to the impact of the company's supply chain on deforestation.

I would be pleased to discuss the issues presented by this proposal with you. If you require any additional information, please contact Mr. Fatah Sadaoui who is advising me on this issue. Mr. Sadaoui can be reached via email at fatah@sumofus.org.

Very Truly Yours,

Lisa Haage
Resolved: Shareholders request that Yum! Brands, Inc. ("YUM") report annually to investors, at reasonable expense and excluding proprietary information, on how the company is curtailing the impact on the Earth's climate caused by deforestation in YUM's supply chain. The report should include quantitative metrics on supply chain impacts on deforestation and progress on goals for reducing such impacts.

Supporting Statement:

YUM utilizes beef, soy, palm oil, and pulp/paper in its business: the leading drivers of deforestation globally. But YUM's limited action on deforestation sets the company behind peers like McDonald's and exposes the company to significant business risks, given the link between deforestation and climate change. These include supply chain unreliability, brand damage, and failure to meet shifting consumer and market expectations.

A 2019 IPCC report that stated that "Agriculture, forestry and other types of land use account for 23% of human greenhouse gas emissions" and urged the world to halt deforestation1. Six million people participated in global climate strikes in September 2019, and consumers are increasingly making choices to reduce their environmental footprint. Yet YUM is still sourcing from Cargill and JBS, the two companies most responsible for the Amazon fires2.

Deforestation has attracted significant attention from civil society, business and governments. Value chains that are illegally engaged in deforestation are vulnerable to interruption with new regulations and enforcement. In the EU, regulators are planning new laws that will require companies to demonstrate that goods they put on the EU market are not tainted with deforestation or human rights abuses3.

The SCRIPT Soft Commodity Risk Platform scores YUM at 24 out of 100 due to lack of a strategy for addressing deforestation, risk awareness, board oversight, traceability, and time-bound targets4. Where policies have been adopted, there is a lack of transparency on implementation or they are limited in scope. For example YUM does not disclose its palm oil mill lists, which is an essential first step in verifying no deforestation or exploitation in its supply chain. Lack of transparency erodes investor and consumer confidence.

Proponents believe meaningful indicators in a report like the one we request could include:

- For key commodities that YUM sources such as palm oil, soy, beef, and pulp/paper, the proportion that can be traced back to its source, and the proportion verified as not contributing to physical expansion into peatlands or forests using High Carbon Stock Approach methods, and including the supply chain across all geographies;
- Tracking these figures against an anticipated timeframe (as established by management) for meeting its sourcing goals for each commodity consistent with the criteria above, including processes for verification, supplier non-compliance protocols, supplier suspension procedures, and trackable grievance processes.

We urge shareholders to support this proposal.

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1 [www.ipcc.ch/2019/08/03/land-is-a-critical-resource-sr_sccl](www.ipcc.ch/2019/08/03/land-is-a-critical-resource-sr_sccl)
2 [stories.mightybear.org/amazonfires/index.html](stories.mightybear.org/amazonfires/index.html)
4 [https://www.script.finance/tool/portfolio-risk/companies/973](https://www.script.finance/tool/portfolio-risk/companies/973)
November 22, 2019

Scot Catlett
General Counsel and Corporate Secretary
YUM! Brands, Inc.
1441 Gardiner Lane
Louisville, Kentucky 40213

Re: Shareholder proposal for 2020 annual meeting

Dear Mr. Catlett:

I submit the enclosed shareowner proposal for inclusion in the proxy statement that YUM! Brands, Inc. plans to circulate to shareowners in connection with the 2020 annual meeting. The proposal is being submitted under SEC Rule 14a-8.

I am located at the address shown above. I have beneficially owned more than $2,000 worth of YUM! Brands, Inc. common stock for longer than a year. A letter from [PLEASE TYPE THE NAME OF YOUR BROKERAGE FIRM], the record holder, confirming my ownership is being sent by separate cover. I intend to continue ownership of at least $2,000 worth of YUM! Brands, Inc. common stock through the date of the 2020 annual meeting. My co-sponsors will be submitting materials under separate cover. The proposal relates to the impact of the company’s supply chain on deforestation.

I would be pleased to discuss the issues presented by this proposal with you. If you require any additional information, please contact Mr. Fatalah Sadaou who is advising me on this issue. Mr. Sadaou can be reached via email at fatalah@sumofus.org.

Very truly yours,

[Signature]
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A 2019 IPCC report that stated that “Agriculture, forestry and other types of land use account for 23% of human greenhouse gas emissions” and urged the world to halt deforestation. Six million people participated in global climate strikes in September 2019, and consumers are increasingly making choices to reduce their environmental footprint. Yet YUM is still sourcing from Cargill and JBS, the two companies most responsible for the Amazon fires.

Deforestation has attracted significant attention from civil society, business and governments. Value chains that are illegally engaged in deforestation are vulnerable to interruption with new regulations and enforcement. In the EU, regulators are planning new laws that will require companies to demonstrate that goods they put on the EU market are not tainted with deforestation or human rights abuses.

The SCRIPT Soft Commodity Risk Platform scores YUM at 24 out of 100 due to lack of a strategy for addressing deforestation, risk awareness, board oversight, traceability, and time-bound targets. Where policies have been adopted, there is a lack of transparency on implementation or they are limited in scope. For example YUM does not disclose its palm oil mill lists, which is an essential first step in verifying no deforestation or exploitation in its supply chain. Lack of transparency erodes investor and consumer confidence.

Proponents believe meaningful indicators in a report like the one we request could include:

- For key commodities that YUM sources such as palm oil, soy, beef, and pulp/paper, the proportion that can be traced back to its source, and the proportion verified as not contributing to physical expansion into peatlands or forests using High Carbon Stock Approach methods, and including the supply chain across all geographies;
- Tracking these figures against an anticipated timeframe (as established by management) for meeting its sourcing goals for each commodity consistent with the criteria above, including processes for verification, supplier non-compliance protocols, supplier suspension procedures, and trackable grievance processes.

We urge shareholders to support this proposal.

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1. [IPCC report link]
2. [IPCC report link]
3. [Amazon fires index]
4. [EU report link]
5. [SCRIPT platform link]
Exhibit B

Company’s 2018 Global Citizenship & Sustainability Progress Update

See Attached
OUR RECIPE FOR
GOOD

SERVING UP
MORE GOODNESS

Yum! KFC Pizza Hut

2018 Global Citizenship &
Sustainability Progress Update
As a global citizen, Yum! Brands believes in acting responsibly as we grow KFC, Pizza Hut and Taco Bell restaurants around the world. We use our Recipe for Good as a roadmap to guide our business practices concerning our food, planet and people. I couldn’t be more excited to share our 2018 Global Citizenship & Sustainability Progress Update, highlighting our recent announcements and commitments.

"We have made tremendous progress over the past year advancing our Recipe for Good agenda to drive socially responsible growth and manage risk."

From working to remove antibiotics important to human medicine in our protein supply chain to expanding our deforestation commitments to progressing our work around diversity and inclusion, we are leveraging our scale to help address key societal issues. We will continue to partner with our employees, franchise owners and suppliers, together serving up more goodness to our customers, shareholders, communities and the planet.

I hope you enjoy learning more about our efforts to make the world better.

Cheers,

GREG CREED
Chief Executive Officer
Yum! Brands, Inc.
At Yum!, we are committed to being a good corporate steward. Our mindset to make the world better is grounded in our Global Citizenship & Sustainability Strategy, called our Recipe for Good. We continue to focus on the sustainable stewardship of our food, planet and people to drive socially responsible growth and mitigate our business risk. We are committed to sharing progress with, and providing transparency for, our stakeholders including employees, customers, franchisees, shareholders and communities.

We also continue to address the United Nations Sustainable Development Goals that are closely related to our material areas of impact including Zero Hunger, Quality Education, Gender Equality, Responsible Consumption and Production, and Climate Action.

**Stakeholder Engagement**

Honest and regular engagement with our stakeholders continues to be a key element of our Global Citizenship & Sustainability Strategy. We identified employees, customers, franchisees, shareholders and communities as our priority stakeholders. Listening to them provides us with important insight into food and industry trends and concerns around topics such as animal welfare, climate change and supply chain risks.

Working with organizations that have shared interest when it comes to the areas that are most material to our business helps us address industry challenges, opportunities and public policy issues. Key partnerships include:

- Dairy Sustainability Alliance
- NextGen Consortium
- RSPO
- U.S. Roundtable on Sustainable Beef
- U.S. Roundtable for Sustainable Poultry & Eggs
- World Wildlife Fund (WWF)

Additionally, we have continued to expand our engagement with the WWF. Following a supply chain risk assessment conducted over the past year, we are collaborating to increase the understanding of risk derived from the Brazilian supply chain.

**Strategy & Governance**

As a global franchisor with three iconic brands and more than 1.5 million franchise system employees, we know how important it is to align our organization with our goals and drive progress in the areas of food, planet and people. We continue to focus on the priority issues identified in our most recent Enterprise Risk Management assessment, in addition to those in our most recent materiality assessment including climate change, deforestation, plastics and packaging, and diversity and inclusion.

Under the leadership of Jerian Greene, Yum! chief communications and public affairs officer, and Jon Hixson, Yum! vice president of global government affairs and sustainability, we are mobilizing internal stakeholders to keep advancing our sustainability agenda. From our executive leadership to functional leads in our global markets, we believe that everyone in our system plays an important role.

In addition to engaging internal stakeholders, we also updated key internal global governance documents including the Yum! Global Employee Code of Conduct and the Yum! Supplier Code of Conduct. You can view the full list of our current policies and positions here.

Regular reporting continues to be the primary way we share our progress and show transparency around our environmental, social and governance (ESG) practices. We participate in comprehensive voluntary disclosures annually including the Bloomberg Gender Equality Index, CDP Climate, Forests and Water, the Dow Jones Sustainability Index (DJSI) and the Roundtable on Sustainable Palm Oil (RSPO) Annual Communication of Progress.

---

**OUR RECIPE FOR GOOD**

- **FOOD**
  - We Serve Food
  - People Trust

- **PLANET**
  - We Grow Sustainably

- **PEOPLE**
  - We Unlock Potential

---

**2018 GLOBAL CITIZENSHIP & SUSTAINABILITY PROGRESS UPDATE**
OUR RECIPE FOR GOOD JOURNEY

1992
Established the world's first prepared food donation program called Harvest

2005
Created Animal Welfare Advisory Council to continue elevating animal well-being practices

2006
Set first energy conservation goal

2008
- Published first Corporate Social Responsibility Report
- Became first company to announce voluntary placement of product calorie information on menu boards
- Became member of United States Green Building Council (USGBC)

1984
Pizza Hut created the BOOK IT! Program, the longest-running corporate supported reading program

2003
Established Food Standards Council to continue sharpening food safety practices

2007
Introduced Achieving Breakthrough Results leadership training program

2009
- Created Yum! Office of Sustainability

2014
- Set first paper-based packaging goal
- Introduced Yum! Blueline green building standards

2012
Published Human & Labor Rights Policy

2016
Joined Roundtable on Sustainable Palm Oil (RSPO)

2010
- Started reporting to CDP Climate (and to CDP Water in 2011 and CDP Forests in 2017)
- Set first water reduction goal

2015
- Established diversity and inclusion council called Leading Inclusion for Today and Tomorrow (LIFT)
- Awarded inaugural Diverse Supplier of the Year award
- Set first palm oil goal
- Set first operational waste goal
- Achieved goal of 15% energy reduction by 2015 for company restaurants

2017
- Conducted first-ever formal materiality assessment
- Published Sustainable Animal Protein Principles
- KFC U.S. announced antibiotics commitments
- Launched innovative employee development program called Grow Yourself Week
- Achieved goal of 10% water reduction and 22% energy and GHG reduction

2018
- Published first-ever investor grade sustainability report
- Published Animal Welfare Policy
- Taco Bell joined the U.S. Roundtable for Sustainable Beef
- Introduced two days of paid time off (PTO) for employee volunteering
- Signed on to the CEO Action for Diversity & Inclusion
- Joined Paradigm for Parity® Coalition
- Joined NextGen Consortium

2019
- KFC announced global plastics commitment
- Started exploring how to reduce greenhouse gas (GHG) emissions by setting science-based targets
- Endorsed New York Declaration on Forests (NYDF), expanding deforestation commitments to palm oil, soy, paper and beef
- Opened 34th LEED-certified restaurant
We have an unwavering commitment to serve food people trust and give our customers an industry-leading food supply from farm to table. Listening to our customers lets us better understand their needs and what they want in regards to where our food comes from, what goes into it and how it’s made. We continue to focus our improvements around animal welfare, antimicrobial stewardship and food safety.

Enhancing Animal Welfare

Our approach to animal welfare is holistic and a key element to providing our customers with the food they not only love, but can trust. In 2018, we published a new Global Animal Welfare Policy to further advance our efforts around improvements made from the farm through the supply chain including raising, handling, transportation and processing. As outlined in the policy, ongoing engagement with a range of stakeholders from governments, research institutions and industry animal welfare groups on the poultry, beef, dairy and pork industries remains a priority. We remain on track to develop animal welfare performance indicators by the end of 2020.

Continuing Good Antimicrobial Stewardship

We continue to make progress on our antimicrobial stewardship journey. KFC U.S. met its public commitment to remove antibiotics important to human medicine from its poultry supply by the end of 2018. The brand was the first major chicken restaurant in the U.S. to extend its antibiotic commitment to bone-in chicken. Globally, we focus on delivering science-based programs that are locally relevant and compliant.

Collaborating to Elevate Food Safety

Food safety is of the utmost importance to Yum! and our brands. Strategic partnerships that further elevate best practice sharing in this space are critical to make positive change happen. This is why Yum! engages with groups like the Alliance on Foodborne Illness, a cooperative of foodservice and retail companies dedicated to building awareness, educating the public and encouraging best practice sharing to drive food safety forward industrywide.

Additionally, Taco Bell announced a Good Antimicrobial Stewardship Program to seek continuous improvement in its beef supply and provide consumers with the highest quality beef. Its position supports reductions in antibiotics used in livestock production, with a focus on antibiotics important to human health and reducing antibiotic resistance. Taco Bell’s goal is to reduce antibiotics important to human health in its beef supply chain by 25% by 2025. The brand will share progress for this goal beginning in 2022.

We also know that it’s important to work with others to drive progress around antimicrobial stewardship. With this in mind, Yum! joined The Antimicrobial Resistance (AMR) Challenge, an effort to accelerate the fight against antimicrobial resistance across the globe, sponsored by the United States Centers for Disease Control (CDC).

TACO BELL RAISES THE BAR ON BEEF

By 2025, Taco Bell will reduce antibiotics important to human health in its beef supply chain by 25%.

2018 GLOBAL CITIZENSHIP & SUSTAINABILITY PROGRESS UPDATE
<table>
<thead>
<tr>
<th>Food Safety</th>
<th>Goal</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>Maintain the safest, highest-quality food supply and preparation in the industry.</td>
<td>Maintain industry-leading, safe, high-quality food supply and customer experience.</td>
<td>Provided restaurant team member training on employee health, product handling, ingredient and product management, and prevention of cross-contamination. Conducted more than 265,000 restaurant food safety audits between 2016 and 2018 with approximately 3,700 food safety supplier audits in 2018 alone.</td>
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<tr>
<th>Choice Nutrition &amp; Stewardship</th>
<th>Goal</th>
<th>Status</th>
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<tbody>
<tr>
<td>Be the preferred restaurant for consumers seeking delicious, balanced options by offering more choice, more stewardship and nutritional improvements to our ingredients under the goal of the World Health Organization (WHO).</td>
<td>Offer lower calorie menu options across main dishes, combos, and sides, consistent with Yum’s global nutrition standards, to continue to improve our food’s nutrition.</td>
<td>We are currently collecting data when it comes to our work in this area and plan to share a public goal in 2020.</td>
</tr>
<tr>
<td></td>
<td>Reduce sodium across menu options, consistent with Yum’s global nutrition standards, to continue to improve our food’s nutrition.</td>
<td>We are currently collecting data when it comes to our work in this area and plan to share a public goal in 2020.</td>
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<td></td>
<td>Remove artificial colors and flavors, and preservatives where possible from core food ingredients by 2020.</td>
<td>• We estimate that we are currently 86% complete in achieving our goal of removing artificial flavors and 92% complete in removing artificial coloring from our food ingredients. • In early 2019, Taco Bell fully removed the preservative TBHQ from all menu items in the U.S.</td>
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<td></td>
<td>Remove all partially hydrogenated oils (PHOs) from ingredients by 2020.</td>
<td>In 2018, we are an estimated 96% complete in removing PHOs.</td>
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<td></td>
<td>Continue our commitments to reduce antibiotics important to human medicine in our food production. By 2022, Pizza Hut U.S. plans to remove antibiotics important to human medicine from chicken used for wings. By 2025, Taco Bell will reduce antibiotics important to human health in its beef supply chain by 25%.</td>
<td>• KFC, Pizza Hut (chicken for its pizzas) and Taco Bell in the U.S. have met public commitments to remove antibiotics important to human medicine from our U.S. poultry supply. • Pizza Hut U.S. is on track to remove antibiotics important to human medicine from chicken used for wings. • Taco Bell announced global commitment to reduce antibiotics important to human health in its beef supply.</td>
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<tr>
<th>Responsible Marketing</th>
<th>Goal</th>
<th>Status</th>
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<tbody>
<tr>
<td>Promote transparency about our food through responsible labeling and advertising practices in our restaurants and beyond.</td>
<td>Provide consumers with convenient access to food information regarding menu labeling and allergens.</td>
<td>Published online nutrition calculators for all three brands’ U.S. menus as well as provided consumers with convenient access to allergen and nutrition information.</td>
</tr>
<tr>
<td></td>
<td>Limit marketing communications to children under 12.</td>
<td>Followed U.S. and international guidelines to avoid marketing to children.</td>
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</table>
Being a good environmental steward matters to us. With our system opening over eight new restaurants each day on average, we recognize how important it is to use our scale for good and minimize the environmental impact of our restaurants and supply chain. Over the past year, we have made significant progress by expanding our deforestation commitments across the additional commodities of beef and soy, establishing new sustainable packaging goals and reducing greenhouse gas (GHG) emissions.

Reducing GHG Emissions

We are committed to energy and climate initiatives to minimize our climate impact. We are pleased that we achieved a CDP Climate score of B with ever-increasing standards. In the last 12 months, we also began an evaluation of our entire Scope 1, 2 and 3 GHG emissions, in accordance with the Science-Based Targets initiative. This project will help us better understand our footprint, refine GHG reduction targets and identify emission reduction initiatives like renewable energy on the path to setting science-based targets. We will continue to share updates along the way as we identify our approach, goals and timeline.

Eliminating Deforestation

Yum! has been on a journey to reduce our environmental impact for years, including minimizing deforestation risk. The last year marked significant progress in this area with additional research and expanded policies. In 2018, WWF conducted a global supply chain risk assessment across our food and agriculture, which includes paper and packaging, and procurement. In line with the priorities identified in the risk assessment, we increased our engagement in several key commodities and expanded our deforestation commitments beyond palm and timber, to now include beef and soy.

We endorsed the New York Declaration on Forests (NYDF) and believe it is an important step toward us meeting the private sector goal of eliminating deforestation from the production of agriculture commodities such as palm oil, soy, paper and beef products no later than 2020, and halving the rate of loss of natural forest globally by 2020 and striving to end natural forest loss by 2030.

Following our 2018 global supply chain risk assessment, we started to deepen our work in preventing deforestation in our supply chains. After expanding our deforestation policy in 2019, we have focused on prioritizing markets and establishing more baseline transparency. Approximately 98% of our beef supply chain comes from origins of lower tropical deforestation risk including Australia, Canada, New Zealand, South Africa and the United States. Less than 2% of the beef in our supply chain comes from Brazil, an origin of higher risk. In regards to soy, approximately 95% of Brazilian feed mills in our supply chain were audited as compliant in aligning with the Amazon Soy Moratorium to help protect tropical forests. We are now taking steps for prioritized actions in key markets. Our engagement with WWF continues with a focus on the Brazil supply chain and includes a landscape analysis and strategic implementation plan to better understand how to deliver on our no deforestation commitments.

There were also several challenges last year in an effort to purchase from suppliers who meet our sourcing principles and are certified by RSPO. As a result, we removed Indofood from our supply chain. We remain committed when it comes to all of our palm oil suppliers meeting our rigorous standards.

Sustainable restaurant development has been a key element of our sustainability strategy for more than a decade. In 2009, our first green restaurant built in Northampton, Massachusetts, earned Leadership in Energy and Environmental Design (LEED) Gold Certification. Ten years later, we have nearly 35 LEED certified restaurants around the world and celebrate a decade of membership in the United States Green Building Council in support of its LEED program. These foundational green restaurants provided a better understanding to help create our green building program called Blueline that incorporates energy and water conservation measures into thousands of restaurants. As a result of this work GHG emissions equivalent to the yearly release of over 600,000 U.S. homes have been avoided.
Investing in Sustainable Packaging

We continue to advance our work around sustainable packaging. Yum! joined the NextGen Consortium as a supporting partner in 2018, alongside other food and beverage brands, industry experts and innovators, to help advance food-service packaging solutions that are recoverable across global infrastructures. The NextGen Consortium marked a major milestone in the search for sustainable packaging solutions with the announcement of the NextGen Cup Challenge winners who participated in the open-source, global challenge and are bringing forward innovative packaging options to positively impact the value chain.

KFC announced a new global sustainability pledge that all plastic-based, consumer-facing packaging will be recoverable or reusable by 2025.

The goal supports KFC's long-term plan to implement a more sustainable packaging strategy in its restaurants and builds on progress already made in some markets to eliminate plastic packaging items. In 2019, KFC U.S. will transition out of large side containers made from expanded polystyrene, also known as Styrofoam, and into recyclable and consumer reusable polypropylene containers. This transition represents early and significant progress to meet the 2025 pledge. Additionally, a recyclable paperboard platter replaced foam plates and other cartons for dine-in and non-buffet customers.

Taco Bell U.S. announced that it started using recyclable cold cups and lids in all restaurants. By 2021, it is committed to making all cups 100% recyclable.

MARKETS MAKING AN IMPACT

- In China, KFC rolled out reusable serving baskets.
- KFC Singapore launched the No Straw Initiative.
- In Romania, KFC announced the removal of straws.
- Pizza Hut U.K. replaced plastic straws with paper.
- Taco Bell U.S. started using recyclable cold cups and lids.

PROGRESS ON KEY GOALS IN 2018

Palm Oil

Goal to source
100% of palm oil used for cooking from responsible and sustainable sources

96% of cooking oil volume was sustainable palm or palm oil substitutes

94% of palm oil purchased was sustainable

Paper-based Packaging

Goal to purchase
100% of our paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2020

70% of fiber came from certified forests or recycled sources
# PLANET 2018 PERFORMANCE SUMMARY

<table>
<thead>
<tr>
<th>Goal</th>
<th>Status</th>
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| **10%**  
Design, build and operate restaurants to be measurably more sustainable using green building standards to drive reductions in energy consumption, water use, greenhouse gas (GHG) emissions and waste.  
Reduce average restaurant energy and GHG emissions by an additional 10% by the end of 2025. | In 2018, we avoided the release of 740 mtcO2e. That is equivalent to removing over 150,000 passenger vehicles from the road for a year. |
| **Reduce average restaurant water consumption by an additional 10% by the end of 2025.** | Our efforts to reduce water consumption in 2018 saved enough water to fill over 2,000 Olympic sized swimming pools. |
| **Divert 50% of back-of-house operational waste, measured by weight, generated in our U.S. restaurants by the end of 2020.** | In the U.S. we estimate that we removed 914,500 tons of solid material from our restaurants. We avoided disposal of 22% of that waste in 2018. Key areas of diversion in our restaurants were corrugated cardboard, used cooking oil, donated food and mixed recyclables. |
| **Reduce food loss and waste 50% by 2030 in accordance with U.S. Food Loss and Waste 2030 Champions.** | Yum! Brands and our franchisees donated 5.6MM pounds of food in 2018, with 23 countries participating. |
| **We continue to advance our work around sustainable packaging through impactful brand commitments and strategic partnerships. By 2025, all KFC plastic-based, consumer-facing packaging will be recoverable or reusable globally. By 2021, Taco Bell is committed to all cups being 100% recyclable.** | • KFC announced sustainability pledge that all plastic-based, consumer-facing packaging will be recoverable or reusable.  
• Taco Bell started using recyclable cold cups and lids in its more than 7,000 U.S. restaurants.  
• Yum! joined NextGen Consortium as a supporting partner. |
| **Source 100% of palm oil used for cooking from responsible and sustainable sources by the end of 2018.** | In 2018, 96% of our cooking oil volume was not palm oil or was sustainable palm oil. For the palm oil that our system purchased, approximately 94% of that volume was reported to be sustainable palm oil. |
| **Purchase 100% of our paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2020.** | In 2018, markets reported an estimated total of 70% of fiber came from certified forests or recycled sources. |
| **Endorse the New York Declaration on Forests (NYDF) and the private sector goal of eliminating deforestation from the production of agriculture commodities such as palm oil, soy, paper and beef products no later than 2020, and halving the rate of loss of natural forest globally by 2020 and striving to end natural forest loss by 2030.** | • Approximately 95% of Brazilian feed mills in our supply chain were audited as compliant in aligning with the Amazon Soy Moratorium to help protect tropical forests.  
• 98% of beef sourced from origins of lower risk of tropical deforestation. |
| **Seek continuous improvements in sustainable production systems that protect human, animal and environmental health as stated in our holistic Sustainable Animal Protein Principles & Good Antimicrobial Stewardship Program.** | Published new animal welfare policy in 2018. Reporting metrics to be established by the end of 2020. Continued expansion and reporting of antibiotics progress. |
| **Serve 100% cage-free eggs and source 100% cage-free egg ingredients at U.S. and Canada Taco Bell locations.** | We have met these goals and will continue to provide eggs and use egg ingredients that are cage-free at Taco Bell locations in the U.S. and Canada. |
Having unrivaled culture and talent is one of our business growth drivers and is more important than ever before with at least 98% of our restaurants owned by franchisees. Developing our people and their capabilities requires an approach that’s customized and interactive given the diversified and decentralized structure of our organization. By taking this approach, we are able to unlock potential in our employees and help them make a difference at work, at home and in their communities.

Advancing Diversity & Inclusion

As a global company, we want to reflect the local communities our restaurants serve around the world. With diverse employees, customers, franchisees and shareholders, we are sharpening our approach to attracting, developing and retaining top diverse talent, and also maintaining a workplace where all people are valued and respected. A key element includes our increased focus on developing inclusion as a leadership competency. Over the past year, we have continued to expand our Inclusive Leadership program to corporate and franchisee employees.

We are proud that more than 50% of our global workforce are women. We also continue our work to advance women into senior roles and achieve gender parity in leadership globally by 2030, in alignment with the Paradigm for Parity® coalition. In 2018, approximately 40% of global leadership positions were held by women. In fact, we have made more progress in the past 18 months than in the previous 10 years. We have focused our efforts on increasing coaching capability, leaning into sponsorship programs and cultivating top level women talent through events like our first-ever Yum! Women’s Leadership Summit. As a result of these efforts, we were named once again to the Bloomberg Gender Equality Index. We are also working to make the same progress when it comes to underrepresented minorities.

Our partnership with the CEO Action for Diversity and Inclusion, the largest CEO-driven business commitment to advance diversity and inclusion within the workplace, continues to help support our work in this area by amplifying the voice of corporate leadership and providing tangible training and resources around unconscious bias.
Building Culture Capability

To continue elevating our culture, we launched Inspiring Others to Fuel Results, the next iteration of our global leadership development course called Leading Culture to Fuel Results for corporate employees and franchisees. Our CEO Greg Creed created the course to encourage our people to become leaders who prioritize inspirational leadership. Since the program launched in 2016, a majority of senior corporate leaders have participated. Over the past several years, our leaders have conducted approximately 20 courses with employees and franchisees across more than 10 countries. Our focus moving forward is to continue expanding the training to our franchise system.

Unlocking Potential in Communities

Making the world better is one of our core values, and our people do that by sharing their time, talents and money.

In 2018, KFC celebrated its first-ever global community outreach effort through a new, annual giving initiative called “Acts of Colorealness,” in honor of founder Colonel Harland Sanders’ 128th birthday. KFC challenged 800,000 team members in more than 135 countries to commit to doing a total of 128,000 acts of kindness in their communities during September. Actions included KFC South Africa expanding its Harvest program to all franchise restaurants and KFC partners in Egypt, Saudi Arabia and UAE recognizing more than 1,000 delivery drivers with care packages.

Pizza Hut U.S. continued its long-standing focus on literacy—making progress against its commitment to impact 100 million lives in 10 years. By the end of 2018, its second full year of the commitment, Pizza Hut was nearly 23% of the way to achieving its goal. Initiatives that contributed to this progress include the brand’s in-restaurant fundraisers and the Pizza Hut BOOK IT! Program, which officially launched a digital version—making it easier for educators to enroll in the program and reward student reading achievement. Additionally, Pizza Hut develops its own educator resources and classroom tools. One example is Shell Help—a monthly newsletter featuring new and noteworthy book recommendations that teach kids about character traits like kindness, citizenship and inclusivity.

Taco Bell also grew its community efforts by launching the Round Up program that gives customers the option to “round-up” their order total to the nearest dollar at checkout to help fund the educational dreams of passionate innovators and creators. Plus, the Taco Bell Foundation’s Live Mas Scholarship more than doubled its funding goal in 2018, committing to award $21 million in scholarships by 2021.

The Yum! Brands Foundation continued to help our employees unlock potential in the communities where they work and live by giving $1.23 million to causes they’re most passionate about supporting.
<table>
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<tr>
<th>Goal</th>
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<tbody>
<tr>
<td><strong>Culture &amp; Talent</strong></td>
<td><strong>Goal</strong></td>
</tr>
<tr>
<td>Create a culture of engagement that attracts, retains and grows the best people and creates high performance in our restaurants.</td>
<td>Measure Yum! Brands' employee engagement.</td>
</tr>
<tr>
<td><strong>Status</strong></td>
<td>In 2019, we will launch an enhanced global employee engagement survey to all above restaurant corporate employees.</td>
</tr>
<tr>
<td><strong>Goal</strong></td>
<td>Provide Yum! Brands' employees with training and development that builds world-class leaders and business results.</td>
</tr>
<tr>
<td><strong>Status</strong></td>
<td>Nearly 10,000 employees participated in our core corporate level training programs in 2018 including Leading Culture to Fuel Results, Leading with Heart and Unconscious Bias.</td>
</tr>
</tbody>
</table>

| **Diversity & Inclusion**                                           | **Goal**                                                                                                                                 |
| Build an inclusive culture among our employees, franchisees and suppliers to reflect the diversity of our customers. | Minimize or eliminate unconscious bias through employee education.                                                                                                                                  |
| **Status**                                                           | Continued to expand our unconscious bias training program called Inclusive Leadership to above restaurant corporate employees and franchisees.                                                       |
| **Goal**                                                             | Significantly increase the number of women in senior leadership globally and achieve gender parity in leadership globally by 2030 in alignment with Paradigm for Parity®. |
| **Status**                                                           | Aligned with the Paradigm for Parity®, a coalition of companies working to increase the number of women in senior operating roles. In 2018, 40% of global leadership roles were held by women. |
| **Goal**                                                             | Significantly increase diverse representation of underrepresented minorities in the U.S. among corporate employees.                                                                                 |
| **Status**                                                           | Increased focus on coaching capability; sponsorship programs and customized individual development plans.                                                                                         |
| **Goal**                                                             | Help ensure our workplaces are places where employees can have complex conversations about diversity and inclusion.                                                                            |
| **Status**                                                           | Continued driving global strategy for diversity and inclusion. Hosted a companywide diversity chat to engage employees in meaningful dialogue around diversity and inclusion issues. |

| **Ethics & Human Rights**                                           | **Goal**                                                                                                                                 |
| Hold our employees, franchisees and suppliers to the highest standards of professional and ethical conduct. | Remain committed to our Global Code of Conduct and Supplier Code of Conduct, which addresses guidelines for working conditions consistent with frameworks such as those of the International Labour Organization (ILO) and the UN Guiding Principles on Human Rights. |
| **Status**                                                           | Published updated Code of Conduct and Supplier Code of Conduct. Nearly 7,000 employees completed anticorruption training included in our Code of Conduct. Delivered annual compliance training to all company-owned restaurant employees. |

| **Community & Philanthropy**                                        | **Goal**                                                                                                                                 |
| Support global initiatives related to hunger relief, literacy and youth education, and nonprofits near our hometown headquarters. | Donate food, funds, time and talent to help local and global communities.                                                                                                                             |
| **Status**                                                           | Our global organization donated $55.6 million and impacted over 27 million people in 2018 through programs like the KFC Foundation, Pizza Hut’s BOOKIT! Program and the Taco Bell Foundation’s Live Más Scholarship. We also donated 5.6 million pounds of food through our Harvest Program. |
ABOUT THE PROGRESS UPDATE

We remain committed to disclosing our sustainability progress and will produce a full-year sustainability report on a bi-annual basis. Our previous report was a full-year sustainability report released in 2018, covering our results and progress for calendar year 2017. You can view our 2017 Global Citizenship & Sustainability Report here.

This progress update covers key commitments and initiatives that have been announced since our last report was published, in addition to full-year sustainability data from Jan. 1 - Dec. 31, 2018. Data was gathered from our corporate operations, company-owned restaurants and select franchisees.

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