VIA ONLINE SHAREHOLDER PROPOSAL PORTAL

Office of Chief Counsel
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: YUM! Brands, Inc. – Shareholder Proposal Submitted by SOC Investment Group – Rule 14a-8

Ladies and Gentlemen:

On behalf of YUM! Brands, Inc. (the "Company") and pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934 (the "Exchange Act"), we hereby respectfully request confirmation that the staff (the "Staff") of the Division of Corporation Finance (the "Division") of the Securities and Exchange Commission (the "SEC" or the "Commission") will not recommend enforcement action if, in reliance on Exchange Act Rule 14a-8, the Company excludes the Proposal (as defined below) submitted by SOC Investment Group (the "Proponent") from the proxy materials for the Company's 2025 annual general meeting of shareholders (the "Proxy Materials").

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the SEC no later than 80 calendar days before the Company intends to file its definitive 2025 Proxy Materials with the SEC; and

- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) 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 Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the 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 Staff Legal Bulletin No. 14D (Nov. 7, 2008).

The Proposal

The Company received the following proposed resolution for consideration at its 2025 annual general meeting of shareholders:

> **Resolved:** Shareholders request the Board of Directors of Yum! Brands, Inc. ("the Company") commission an independent third-party audit on the impact of the Company's policies and practices on the safety and well-being of workers throughout all Company-branded operations. A report on the audit, prepared at a reasonable cost

and omitting proprietary information, should be made available on the Company's website.

The audit should include:

- Evaluation of management and business practices that contribute to an unsafe or violent environment, including staffing capacity;
- Meaningful consultation with workers and customers to inform appropriate solutions, including whistle-blower protections for workers reporting health and safety related incidents; and
- Recommendations for actions and regular reporting with progress on identified actions.

Pursuant to Rule 14a-8(j), we have enclosed a copy of the proposed resolution and the supporting statement (collectively, the "Proposal"), and the accompanying cover letter, as transmitted to the Company as Exhibit A.

Basis for Exclusion

The Company believes that the Proposal may be properly omitted from its 2025 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations.

Analysis

I. The Proposal may be excluded under Rule 14a-8(i)(7) because it deals with matters relating to the Company's ordinary business operations.

This Proposal seeks a third-party audit on the impact of the Company's policies and practices on the safety and well-being of workers, specifically addressing the Company's "management and business practices that contribute to an unsafe or violent environment, including staffing capacity." As discussed below, the Proposal may be omitted under Rule 14a-8(i)(7) as it relates to the safety and well-being of workers, and it does not focus on any significant social policy issue that transcends the Company's ordinary business operations.

A. Background on the ordinary business standard.

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that deals with a matter relating to the company's "ordinary business" operations. According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations."

Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting," and identified two central considerations that underlie this policy. *Id*. As relevant here, one of these considerations is that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." *Id*. Examples of the tasks cited by the Commission include "management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers." *Id*.

The 1998 Release further distinguishes proposals pertaining to ordinary business matters from those focusing on "significant social policy issues," which are not excludable under Rule 14a-8(i)(7) because they "transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." 1998 Release. In this regard, when "determining whether the focus of these proposals is a significant social policy issue, [the Staff] consider[s] both the proposal and the supporting statement as a whole." *See* Staff Legal Bulletin No. 14C, part D.2. (June 28, 2005).

A shareholder proposal being framed in the form of a request for a report does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the report is within the ordinary business of the issuer. *See* Exchange Act Release No. 20091 (August 16, 1983). In addition, the Staff has indicated that "[w]here the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business…it may be excluded under [R]ule 14a-8(i)(7)." *Johnson Controls, Inc.* (October 26, 1999).

B. The Proposal is excludable because it relates to workplace safety, an ordinary business matter.

The Staff has routinely recognized that proposals relating to workplace safety are a matter of ordinary business and excludable under Rule 14a-8(i)(7). For example, *Amazon.com, Inc. (International Brotherhood of Teamsters General Fund)* (April 1, 2020, *recon. denied* April 9, 2020) ("Amazon 2020"), the proposal requested a report on the company's efforts to "reduce the risk of accidents" that "describe[s] the [b]oard's oversight process of safety management, staffing levels, inspection and maintenance of facilities and equipment and those of the [c]ompany's dedicated third-party contractors." In concurring with exclusion under Rule 14a-8(i)(7), the Staff noted that "the [p]roposal focuses on workplace accident prevention, an ordinary business matter, and does not transcend the [c]ompany's ordinary business operations." In *Verizon Communications Inc.* (March 14, 2024) ("Verizon") and *AT&T Inc.* (March 14, 2024) ("AT&T"), Staff concurred with the exclusion of identical proposals requesting a third-party assessment of the company's "due diligence process for preventing health and safety violations," stating that the proposals relate "to ordinary business matters."

Similarly, in *Pilgrim's Pride Corp.* (February 25, 2016) ("Pilgrim's Pride"), the proposal requested that the company publish a report describing the company's policies, practices, performance, and improvement targets related to occupational health and safety. The supporting statement also referred to alleged occupational health and safety violations and stated that workers in that company's industry suffer injury and illness at five times the national average. The company argued that workplace safety is at the core of its business operations, and that the broad report requested by the proposal "implicates every aspect of the [c]ompany's workplace safety efforts" and therefore related to the company's ordinary business operations. The Staff concurred with the exclusion of the proposal, noting that the proposal "relates to workplace safety." *See also Amazon 2020*; *The Chemours Co.* (January 17, 2017) (concurring with the exclusion of a proposal requesting a report "on the steps the [c]ompany has taken to reduce the risk of accidents" with the supporting statement citing to a number of industrial accidents at the company's facilities and significant regulatory fines that had been assessed against the company for various safety violations).

The Staff's determinations in the foregoing precedents are consistent with decades-old precedent concurring with the exclusion of proposals addressing workplace safety issues as implicating a company's ordinary business operations. See *CNF Transportation, Inc.* (January 26, 1998) (concurring with the exclusion of a proposal requesting that the board of directors develop and publish a safety policy accompanied by a report analyzing the long-term impact of the policy on the company's competitiveness and shareholder value because "disclosing safety data and claims history" was a matter of the company's ordinary business); *Chevron Corp.* (February 22, 1988) (concurring with the exclusion of a proposal as ordinary business because it related to the protection and safety of company employees).

Here, the Proposal is concerned with workplace safety and seeks an "independent third-party audit on the impact of the Company's policies and practices on the safety and well-being of workers throughout all Company-branded operations." Such audit "should include…management and business practices that contribute to an unsafe or violent environment, including staffing capacity." This is reiterated in the supporting statement, which references workplace safety issues and risks multiple times and raises concerns about safety incidents relating to the Company's customers and other "unsafe working conditions" such as "high kitchen temperatures."

As with the proposals in Verizon, Amazon 2020 and Pilgrim's Pride, the Proposal seeks a broad report implicating every aspect of the Company's workplace safety efforts as a part of its ordinary business operations. Workplace safety has been and remains important to the Company. The Company's "policies and practices on the safety and well-being of workers throughout all Company-branded operations" are integrally related to, and are dynamically integrated into, the management of the Company's operations and involve a number of complex considerations. As a result, workplace safety involves an enormous range of (in the words of the 1998 Release) "core matters involving the [C]ompany's business and operations," such as compliance with varying regulations governing workplace safety around the world, designing and operating facilities, and attracting, training and retaining employees. Such policies and practices are integrally related to

routine elements of the management of the Company's operations and comprise a significant component of the Company's day-to-day business. Thus, as in the precedents discussed above, the Proposal may properly be excluded under Rule 14a-8(i)(7) as relating to the Company's ordinary business operations.

C. The Proposal does not focus on any significant social policy issue that transcends the Company's ordinary business operations.

In the 1998 Release, the Commission reaffirmed the standards for when proposals are excludable under the "ordinary business" provision that the Commission had initially articulated in the 1976 Release. In the 1998 Release, the Commission also distinguished proposals pertaining to ordinary business matters that are excludable under Rule 14a-8(i)(7) from those that "focus on" significant social policy issues. The Commission stated, "proposals relating to [ordinary business] matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote" (emphasis added) 1998 Release.

In contrast, as Staff precedent has established, referencing aspects of a topic that might include significant social policy issues, but which do not define the scope of actions addressed in a proposal and do not limit the principal focus of a proposal, does not transform an otherwise ordinary business proposal into one that transcends ordinary business. For example, the proposal in *Union Pacific Corp.* (February 25, 2008) addressed safety concerns in the course of the company's operations and requested disclosures of the company's efforts to safeguard the company's operations from terrorist attacks and "other homeland security incidents." The company argued that the proposal was excludable because the proposal related to the company's day-to-day efforts to safeguard its operations—including not only terrorist attacks, but also earthquakes, floods, and other routine operating risks that were overseen by the Department of Homeland Security but were incident to the company's ordinary business operations. The Staff's response noted that the proposal was excludable because it "include[d] matters relating to [the company's] ordinary business operations," despite the fact that safeguarding against terrorist attacks might be viewed as not part of the company's ordinary business. See also *Amazon.com, Inc. (Domini Impact Equity Fund and the New York State Common Retirement Fund)* (March 28, 2019) (concurring with the exclusion of a proposal requesting a report on the company's "analysis of the community impacts of [the company's] operations" where although the proposal might have touched on significant inequality concerns, the proposal was so broadly worded that the Staff concurred that the proposal did not focus on any single issue that transcended the company's ordinary business); *PetSmart, Inc.* (March 24, 2011) (concurring with the exclusion of a proposal requesting that the board require suppliers to certify that they had not violated animal cruelty-related laws, finding that while animal cruelty is a significant social policy issue, the scope of laws covered by the proposals was too broad); *Apache Corp.* (March 5, 2008) (concurring with the exclusion of a proposal requesting the implementation of equal employment opportunity policies based on certain principles and noting that "some of the principles relate to [the company's]

ordinary business operations"); *General Electric Co.* (February 10, 2000) (concurring with the exclusion of a proposal relating to the accounting and use of funds for the company's executive compensation program because it both touched upon the significant social policy issue of senior executive compensation, and involved the ordinary business matter of choice of accounting method).

Here, the Proposal's broad application to "safety…of workers" encompasses matters incident to the Company's (and many other businesses') ordinary business operations, ranging from employee injury and illness (including matters of simple first-aid), to matters related to employee monitoring and supervision, employee policies and practices (including those related to health and safety), general employee relations, and other matters related to the Company's management of its workforce. Moreover, the "well-being of workers" broadly encompasses a variety of other employee programs and benefits that the Company offers, such as educational assistance (including tuition reimbursement and family scholarship programs), employee assistance (including financial and legal services, counseling services, resilience skills, and support for families), wellness programs (including physical therapy, weight-loss resources, and smoking, alcohol and drug cessation programs), and training programs (including related to leadership development and communication skills), all of which are ordinary business matters. The fact that the supporting statement cites alleged workplace safety concerns does not make workplace safety unique or transcendent, as the supporting statements in both Amazon 2020 and Pilgrim's Pride also cited past workplace incidents. The Company acknowledges that workplace safety issues are important. However, nothing about the Proposal, which refers broadly to addressing the Company's "policies and practices" related to "safety and well-being of workers," raises it beyond the day-to-day safety management issues that are incident to the Company's ordinary business operations.

In Staff Legal Bulletin No. 14L (November 3, 2021), the Staff stated that it "will realign its approach for determining whether a proposal relates to 'ordinary business' with the standard the Commission initially articulated in [the 1976 Release]…and which the Commission subsequently reaffirmed in the 1998 Release." As such, the Staff stated that it will focus on the issue that is the subject of the shareholder proposal and determine whether it has "a broad societal impact, such that [it] transcend[s] the ordinary business of the company." The Staff noted further that "proposals squarely raising human capital management issues with a broad societal impact would not be subject to exclusion solely because the proponent did not demonstrate that the human capital management issue was significant to the company" (citing to the 1998 Release and *Dollar General Corp.* (March 6, 2020) ("Dollar General 2020") and providing "significant discrimination matters" as an example of an issue that transcends ordinary business matters). This guidance does not affect the excludability of the Proposal because, unlike Dollar General 2020, the Proposal does not raise significant discrimination matters or board oversight of human capital issues, and does not focus on any other issue "with a broad societal impact" such that it transcends ordinary business matters. Instead, as discussed above, the Proposal focuses on general workforce concerns that the Staff has consistently determined over the years do not transcend ordinary business. *See also*, *Intel Corp.* (March 18, 1999) (concurring with the exclusion of a proposal seeking adoption of an

"Employee Bill of Rights," which would have established various "protections" for the company's employees, including limited work-hour requirements, relaxed starting times, and a requirement that employees treat one another with dignity and respect, noting that the foregoing was excludable as relating to "management of the workforce").

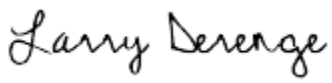
Accordingly, consistent with the precedent cited above, because the Proposal relates to ordinary business matters—workplace safety and management of the Company's workforce—and does not focus on a significant social policy issue, the Proposal may be excluded under Rule 14a-8(i)(7).

II. Conclusion

For the foregoing reasons, we request your confirmation that the Staff will not recommend enforcement action to the Commission if the Company omits the Proposal from its 2025 Proxy Materials.

If the Staff has any questions, please contact the undersigned at (502) 874-8719 or Larry.Derenge@yum.com. We would appreciate it if you would send your response by email.

Very truly yours,



Larry Derenge
Vice President and Associate General Counsel
YUM! Brands, Inc.

cc: Louis Malizia
SOC Investment Group

EXHIBIT A

Proposal and Cover Letter

SOC INVESTMENT GROUP
UNITING WORKERS' CAPITAL

November 19, 2024

Via UPS

YUM! Brands, Inc.
1441 Gardiner Lane
Louisville, Kentucky 40213
Attn: Erika Burkhardt, Chief Legal Officer & Corporate Secretary

Re: Shareholder proposal for 2025 Annual Shareholder Meeting

Dear Ms. Burkhardt,

We are submitting the attached proposal (the "Proposal") pursuant to the Securities and Exchange Commission's Rule 14a-8 to be included in the proxy statement of YUM! Brands, Inc. (the "Company") for its 2025 annual meeting of shareholders.

We have continuously beneficially owned, for at least 3 years as of the date hereof, at least $2,000 worth of the Company's common stock. Verification of this ownership will be sent under separate cover. The SOC Investment Group intends to continue to hold such shares through the date of the Company's 2025 annual meeting of shareholders.

The Proposal requests that the Company commission an independent third-party audit on the impact of the company's policies and practices on the safety and well-being of workers. We support this proposal because we believe that YUM! and its shareholders would benefit from increased transparency on the Company's policies and practices regarding employee safety and well-being.

We are available to meet with the Company in person or via teleconference on Monday, December 9 between 2:30 and 4:00 p.m. ET; Wednesday, December 11 between 1:30 and 3:30 p.m. ET; or Tuesday, December 17 between 9:30 and 11:30 a.m. ET.

Please contact my colleague Louis Malizia, (202) 288-9289 or by email at lmalizia@socinvestmentgroup.com to schedule a meeting or with any questions.

Sincerely,

T.K.Pat

Tejal K. Patel
Executive Director
SOC Investment Group

Resolved: Shareholders request the Board of Directors of Yum! Brands, Inc. ("the Company") commission an independent third-party audit on the impact of the Company's policies and practices on the safety and well-being of workers throughout all Company-branded operations. A report on the audit, prepared at a reasonable cost and omitting proprietary information, should be made available on the Company's website.

The audit should include:

- Evaluation of management and business practices that contribute to an unsafe or violent environment, including staffing capacity;
- Meaningful consultation with workers and customers to inform appropriate solutions, including whistle-blower protections for workers reporting health and safety related incidents; and
- Recommendations for actions and regular reporting with progress on identified actions.

Supporting Statement:

Workplace violence is recognized as a national cause for concern. The U.S. Occupational Safety and Health Administration (OSHA) states that acts of violence and other injuries are the third leading cause of fatal occupational injury in the U.S.[1] and that "workplace violence is a major concern for employers and employees nationwide."[2] It is in the best interests of Yum!, its shareholders and employees to conduct an audit of its policies and practices and take action to limit employee exposure to health and safety risks. Yum!'s ability to attract and retain employees is particularly important to the company's long-term success, particularly given the high turnover in this industry.

Yum! Workers are frequently exposed to safety risks from customers. In 2023, Taco Bell workers in Detroit were threatened by a customer with violence, and another in North Carolina was shot by a customer. In 2024 a Taco Bell worker in Texas was shot and killed during a robbery and other workers in South Carolina and Illinois were also victims of gun violence.

Workplace safety issues are not limited to customer violence. In June, employees at a San Jose Taco Bell and KFC location went on strike in protest of high kitchen temperatures and other unsafe working conditions. Workers had repeatedly complained to franchise management before going on strike and had lodged multiple complaints with Cal/OSHA. Since many Yum! branded restaurants are operated by franchisees, the report requested by this proposal should evaluate the adequacy of current policies in assuring that the Company learns about potential reputational, legal and financial risks in a timely manner. Yum! states that it wants to "foster a culture of inclusion and belonging." Ensuring that workers health and safety needs are taken care of is vital to that mission, but unfortunately those needs are not currently being met. We urge shareholders to vote FOR this proposal.

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[1] https://www.osha.gov/workplace-violence
[2] Ibid.