

PEOPLE

We Unlock Opportunity



PEOPLE DASHBOARD



ESTABLISHED GOALS

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



OPPORTUNITIES & CHALLENGES

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



KEY TAKEAWAYS

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



MATERIAL ISSUES

- Equity, Inclusion & Belonging
- Employee Health & Safety
- Talent Attraction, Engagement & Retention
- Community & Philanthropy
- Human Rights & Labor Practices



Strengthening Our Unrivaled Culture & Talent

As one of the world's largest restaurant companies, our people are our biggest assets. From the restaurant to the corner office, investing in people with globally scalable development programs that benefit our restaurant general managers is at the center of our strategy to elevate the customer experience, unlock growth for our **2,000 franchisees** and make a difference in the world.

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



Investing in Social Impact: Unlocking Opportunity

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

UNLOCKING OPPORTUNITY INITIATIVE



Equity & Inclusion

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



Education

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



Entrepreneurship

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

EQUITY & INCLUSION



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

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

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

Insights & Strategy

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

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



U.S. Multicultural Commitments

We aspire to increase representation of underrepresented people of color at Yum!. People of color already make up the majority of restaurant employees within our U.S. system, and we are working diligently to translate this representation into our corporate leaders and employees. We are a member of the **OneTen coalition**, a group of U.S. businesses leading a bold initiative to create career mobility and advancement opportunities for **1 million Black individuals** in the U.S. over the **next 10 years**. Yum! has also committed to the Hispanic Promise, a national pledge to hire, promote, retain and celebrate Hispanics in the workplace, and the CEO Action for Diversity & Inclusion.

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

KEY EQUITY & INCLUSION PARTNERSHIPS



CEO **ACT!ON** FOR
DIVERSITY & INCLUSION

ONCE
& FOR ALL
COALITION

POWERED BY
PUBLICIS
MEDIA



PARADIGM
FOR PARITY

PEOPLE

Elevating Women Leaders

When it comes to advancing our women leaders, it starts at the top with our CEO, leadership teams and franchisees who serve as champions to advance our global strategy while encouraging grassroots advocacy efforts. From being a founding member of the Women's Foodservice Forum in 1999 to establishing female mentoring programs for our restaurant general managers (RGMs) and offering leadership coaching, we know that investing in our female talent is a key element to driving growth for our business. In 2020, we increased the number of women in senior leadership globally to **47%**, accelerating our target to achieve gender parity in leadership globally by 2025. Our previous aspiration was in line with Paradigm for Parity's goal to advance women to senior roles and achieve gender parity in leadership globally by 2030.



Expanded Employee Engagement

As part of our broad commitments to tackle inequality and racial injustice, our brands have made independent strides to strengthen their approaches. For example, each brand required employees to **create a diversity and inclusion goal** that would guide them throughout 2020. Goals could include raising awareness about the need for more inclusive benefits or leading change through Employee Resource Groups (ERGs). Taco Bell launched **five new ERGs** in the summer of 2020 alone. All brands also conducted listening tours to understand employees' and franchisees' perspectives and learn how we can do better.

Inclusion Around the World

Among employees of our franchise restaurants around the world, there's already plenty to celebrate. KFC marked the opening of its **25,000th** restaurant in 2020, which is led and operated by an all-female team in Hyderabad, India, joining the ranks of teams at KFC Saudi Arabia and Pizza Hut Ethiopia with **all-female staffs**. Our first KFC in Senegal is the first franchise chain to have a female-only staff – from restaurant workers all the way to the franchise CEO.

Another KFC India franchisee operates more than **30 restaurants** staffed entirely by team members with disabilities, as does a Pizza Hut franchisee in Sri Lanka. These restaurants focus on training, development and creating an accessible work environment with tailored equipment, and the KFC franchisee hopes to expand to **70** of these restaurants over the next four years.

EDUCATION



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

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



Heartstyles

Building World-Class Restaurant Managers

In March 2020, we acquired the Heartstyles company after years of partnership to advance Yum!'s commitment to cultivating world-class leaders across the organization and especially at the front lines of our brands. Heartstyles is an intuitive and practical method for helping people learn how to become the best versions of themselves, lead authentically and build workplace cultures that unlock the potential of teams and deliver strong results. At Yum!, we have initiated multiyear plans to scale Heartstyles so we can offer it efficiently to our **2,000 franchisees** who run **98%** of our over **50,000 restaurants**.

A key component of the hands-on training program is the Heartstyles Indicator, an online self- and 360-degree assessment and action plan that helps individuals identify and generate positive and constructive attitudes, thinking and behaviors that help them in life and at work. In 2020, nearly **6,500 Heartstyles Indicators** were completed by employees and franchisees across our brands. The benefits of Heartstyles are not only felt by an individual and their colleagues, but also by customers in our restaurants. When RGMs are more engaged, their team members are, too. This translates into better employee retention, better food and a better customer experience.

KFC has seen a

9% INCREASE

in guest satisfaction for RGMs who have gone through Heartstyles.

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



ENTREPRENEURSHIP



We're creating pathways to entrepreneurship for restaurant employees wanting to lead a business, franchise or social enterprise, as well as for small businesses and social entrepreneurs looking to make a meaningful difference in their communities.

At Yum!, we are dedicated to recruiting franchisees who are people of color and women and are actively engaged in programs that support their development. We helped launch the International Franchise Association's Minority Franchise Program, an initiative that provides a one-stop point of access for minority prospects who are exploring franchise opportunities.

Advancing Franchise Health & Diversity

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

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



Scott Catlett,
Yum! Chief Legal & Franchise Officer

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



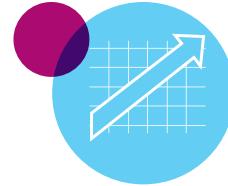
Wanda Williams,
Head of Yum! Global Franchising

UNLOCKING OPPORTUNITY IN ACTION



Building Capacity to Jumpstart Entrepreneurship

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



Investing in Young Entrepreneurs

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



Driving Economic Growth With Black Entrepreneurs

In Louisville, Kentucky, the first business incubator for Black entrepreneurs aims to increase business creation to drive economic growth, mobility and independence. Through **Russell Tech Business Incubator (RTBI)** Black business owners will have **access to services and resources to help them get started, succeed and grow**. This includes everything from marketing and finance services to sales and technical advice and business coaches for expertise and support. The incubator is under the umbrella of AMPED, the **Academy of Music Production Education and Development**, focused on full-service family support to empower youth and their families. AMPED intends RTBI to become a national model within three to five years.



Tackling Female Youth Unemployment

In South Africa, Pizza Hut is tackling youth unemployment through its **Equal Employability, LeadHERship program**. Unemployment among the country's youth is more than 50%, and the brand is committed to doing its part to drive change. In particular, the program will focus on marginalized young females, ages 18 to 24, as they make up more than 70% of the unemployed youth. Pizza Hut South Africa believes that this employability program will start to shift the way youth show up in the workplace. Pizza Hut and Yes4Youth will partner with nonprofit organizations around the country to **identify and drive internship opportunities for pre-selected young women** who will go through a **12-month work experience** to gain required skills and support better career opportunities.



Ensuring Success in School for Teens

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

Brand Community Impact

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

HUNGER RELIEF

As one of the world's largest restaurant companies, feeding people is core to what we do. In 2020, Taco Bell U.S. and The Habit Burger Grill participated in a "round up" program through which customers could round up the cost of their order to the nearest dollar, with the extra amount donated to No Kid Hungry. The Taco Bell Foundation raised **\$19.5 million** through its Round Up program in 2020. Similarly, KFC South Africa continued its popular Add Hope program, which provides **150,000 meals** for children each day through customers rounding up the cost of their meals. In addition to its long-term partnership with No Kid Hungry, The Habit has begun working with Second Harvest, a Southern California-based food bank that makes fresh food available to underserved communities.

Beyond giving time and funds to hunger relief organizations, our brands also donate food from our restaurants. Yum!'s Harvest program, the world's first prepared food donation program, continued in 2020, with our distribution centers serving as a key source of donations when our restaurants were impacted by the pandemic. Since the program's inception in 1992, we have donated **209 million pounds** of food through Harvest.

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



In response to the pandemic, KFC U.S. donated more than

**3 MILLION
PIECES OF CHICKEN**

to feed front-line healthcare workers, educators and seniors in need across America.



The Habit's fleet of food trucks served

**30,000
MEALS**

to medical workers at hospitals and vaccination centers throughout 2020.

LITERACY & EDUCATION

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

Internationally, Pizza Hut offers the ASPIRE Scholarship Program for top RGMs. The scholarships are **100%** funded to unlock the true potential of their top restaurant leaders by giving them access to higher education and the ability to grow at work and in life. Since the program began in 2019, nearly **40 RGMs** have participated.

The Habit Burger Grill supports schools through cash grants as well as donations of "char tickets" that students can use to conduct their own fundraisers. In Australia, the KFC Youth Foundation is focused on the role of confidence in young people's well-being and future success and commissioned a nationwide research report on how confidence affects the lives of Australian youth.

In the summer of 2020, the Taco Bell Foundation hosted a virtual gathering for the Live Más Scholarship community to catalyze inspiration, action and resilience in a time of change. The six-week long program saw nearly **1,000 students** register for **18 sessions** and **21 plus hours of content** including Virtual HR Coaching, Financial Wellness, the Power of Authenticity, Personal Branding and more.



The Taco Bell Foundation opened its sixth annual Live Más Scholarship application period in 2020, with

\$7 MILLION

in scholarships available for passionate young students,

\$2 million of which was for Taco Bell team members.



Pizza Hut offers top RGMs the ASPIRE Scholarship Program that is

100% FUNDED

to unlock the true potential of their top restaurant leaders.

Yum!'s COVID-19 Response

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



Supporting Impacted Employees

Application-based Global Medical Relief Fund that made one-time grants to corporate and franchisee employees in 85 countries affected by COVID-19

One-time \$1,000 bonuses for nearly 1,200 RGMs at company-owned stores

One-time bonuses for employees at company-owned stores

Increased sick time for restaurant team members and shift leads at company-owned stores

Memorial program to cover funeral or medical costs for employees who pass away



Keeping Restaurants Open Safely

Low-contact options including delivery, drive-thru and curbside pickup

Contactless delivery through our own and third-party services

Temperature checks and counter shields for increased safety



Helping Franchise Business Owners

Global Franchise Health and COVID-19 Support Team for business continuity

Capital assistance and grace periods for payments



Giving Back to Communities

Hundreds of thousands of meals donated to food banks, healthcare workers and other essential personnel

Books and other educational resources for students without access to these items at home

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



\$11.5M

in COVID-19 relief

\$1.4M

to global food bank support

\$1.6M

in community aid

\$8.5M

to the Employee Medical Relief Fund and memorial support for impacted restaurant employees



Ethics & Human Rights

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

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

HUMAN RIGHTS IN THE SUPPLY CHAIN

We require suppliers to conduct audits and inspections to verify compliance with our Code of Conduct as well as to conduct unannounced assessments, audits and inspections of supplier facilities. In recent years, we have strengthened commitments in key areas of our supply chain, including vegetables, fresh produce and palm oil, to further emphasize the importance of leading human rights practices. Our practices are aligned with the Fair Food Standards Council and the Roundtable for Sustainable Palm Oil.

We strive to maintain a work environment that respects and supports human rights for all employees around the world, as well as those of our suppliers. To this end, our company has further invested in human rights due diligence and is sharpening our efforts to align with the United Nations Guiding Principles

on Business & Human Rights. In 2020, we established a global membership with Sedex, a leading ethical trade organization that works with businesses to improve working conditions in global supply chains. Sedex simplifies the auditing process for suppliers, allowing them to undergo a single audit for multiple customers. Becoming a member of Sedex will strengthen our risk assessment and remediation processes, particularly around human rights and labor practices, enabling better supplier development and engagement. We aim to have all suppliers globally on the Sedex platform by 2023.

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

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

Human Rights Due Diligence Approach

