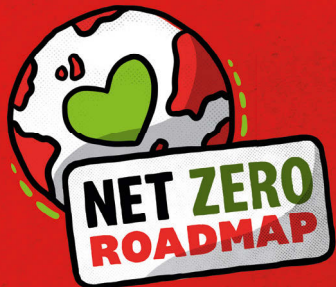


KFC UKI'S NET ZERO ROADMAP



KFC[®]

INTRODUCTION

For the majority of businesses, taking responsibility for the impact we have on the planet, and the people around us, is of paramount importance.

In recent years, the hospitality industry has had to deal with a series of unprecedented crises, challenging the way it operates but also demonstrating the sector's ability to flex in the face of change. As a result, it's uniquely positioned to meet the demands of a rapidly changing environment.

The climate emergency is the next big challenge facing the industry, and therefore building a sustainable future for our business and our communities is absolutely key, particularly as we continue to serve a demanding customer base in a time of economic challenge.

In 2021, we made a big commitment to become a Net Zero Carbon business by 2040. We understood the need to do things the right way, starting with a clear picture of our carbon footprint, which would then allow us to map out how we intended to turn our climate goals into a reality.

To help us on our journey, we teamed up with carbon strategists Arete Zero Carbon, as well as the University of Liverpool's Zero Carbon Research Initiative. We're also members of Zero Carbon Forum, WRAP Courtauld 2030 and the BRC Climate Action Roadmap to collaborate with other businesses within our sector.

Our number one priority is to take action to reduce our emissions. This means decreasing our operational emissions - whether that's energy, heat or transport used by our business - as well as addressing those across our wider supply chain. We'll be working closely with our business, franchisees, suppliers and delivery partners to find innovative ways to make these reduction targets possible.

We know that we won't be able to reach our Net Zero ambition just by reducing emissions. We'll be left with some residual emissions, which we'll neutralise through credible and verifiable offset schemes. Transparency underpins all that we do, and we will publicly disclose our carbon emissions and offsets purchased.

As part of Yum! Brands, we've joined the businesses supporting the UN's Race to Zero initiative. Our climate ambitions are aligned with its science-based target, which has been approved by the Science-Based Targets initiative (SBTi) to limit global temperature rises to 1.5°C above pre-industrial levels.

There's a lot of work to do, but we're all on this journey together and we're excited about the opportunities to lead, innovate and collaborate so that we can all reach our targets.

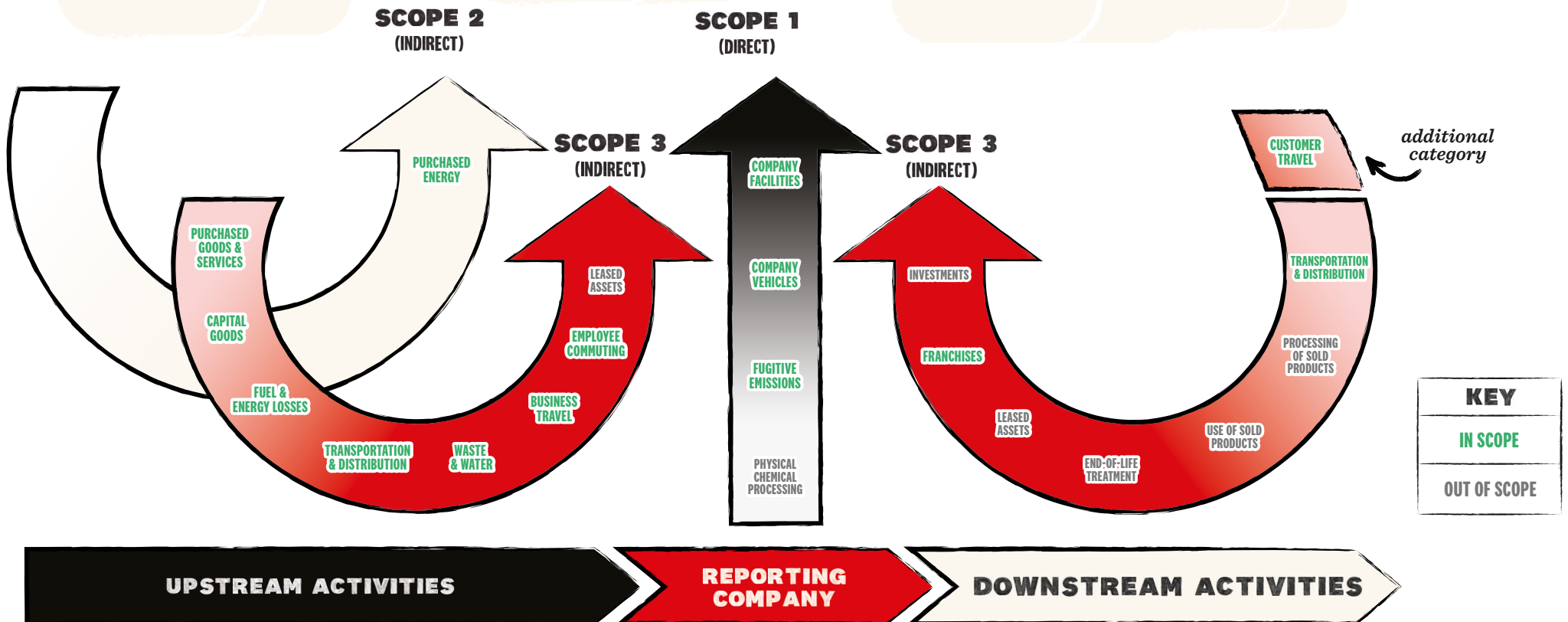


SETTING OUR BASELINE

We have conducted an in-depth assessment of our carbon footprint across our entire business, following the Greenhouse Gas (GHG) Protocol, the world's most widely used standard for corporate accounting and reporting of emissions.

We've set a bold organisational boundary by including emissions not only from our own operations (Scope 1 and 2), but also from across our entire value chain (Scope 3). This means we're trying to account for everything, from where we source our ingredients to where our products reach our customers.

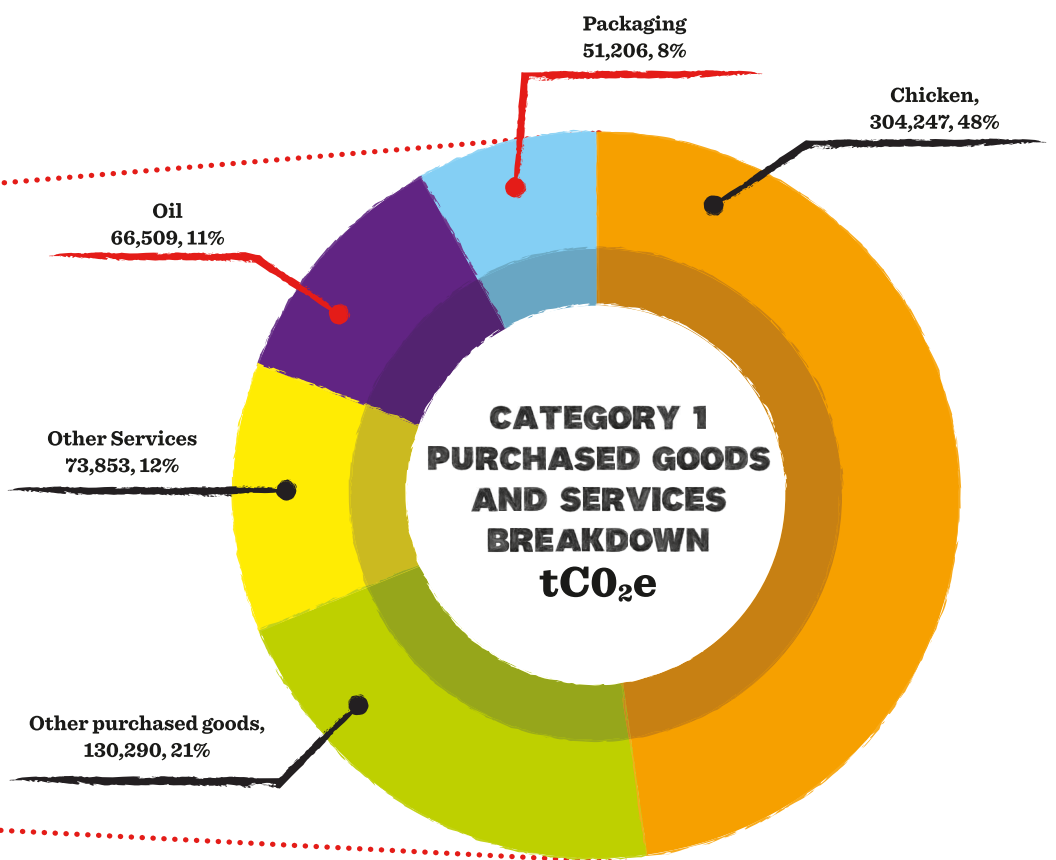
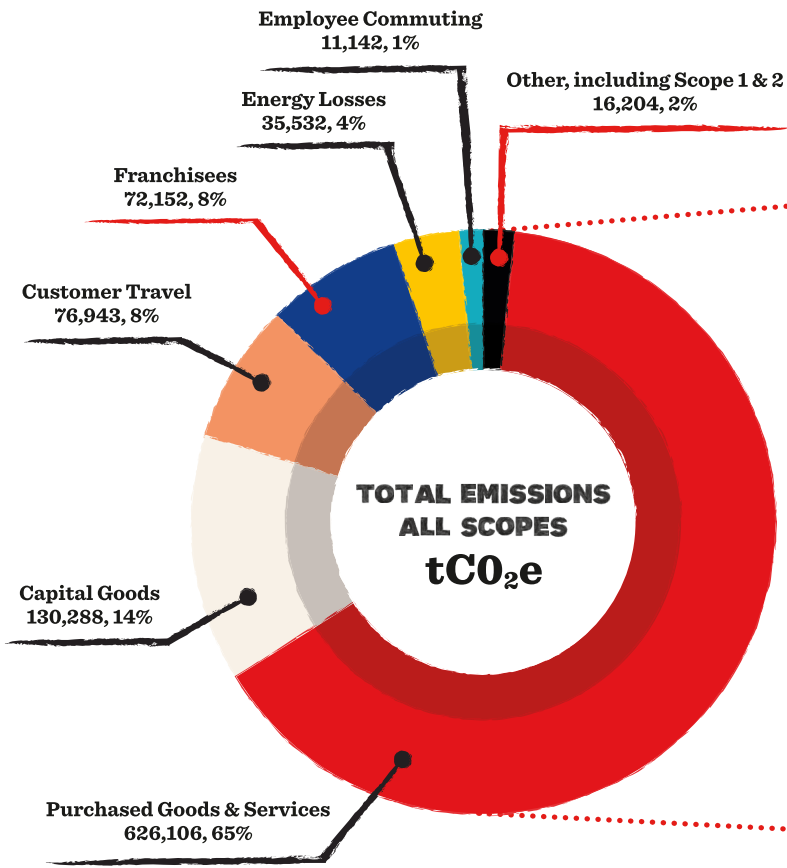
GHG EMISSIONS



2021 CARBON FOOTPRINT

KFC UKI's total emissions in **2021** were approximately **970,000 tCO₂e**, which includes contributions from all of our UKI franchisees. This equates to **<1,000 tCO₂e** per restaurant.

We've learnt that around **65%** of our total emissions are from our supply chain for purchased goods and services – of which approximately **48%** are from the chicken we purchase – so this is where we'll be focusing our reduction activities.

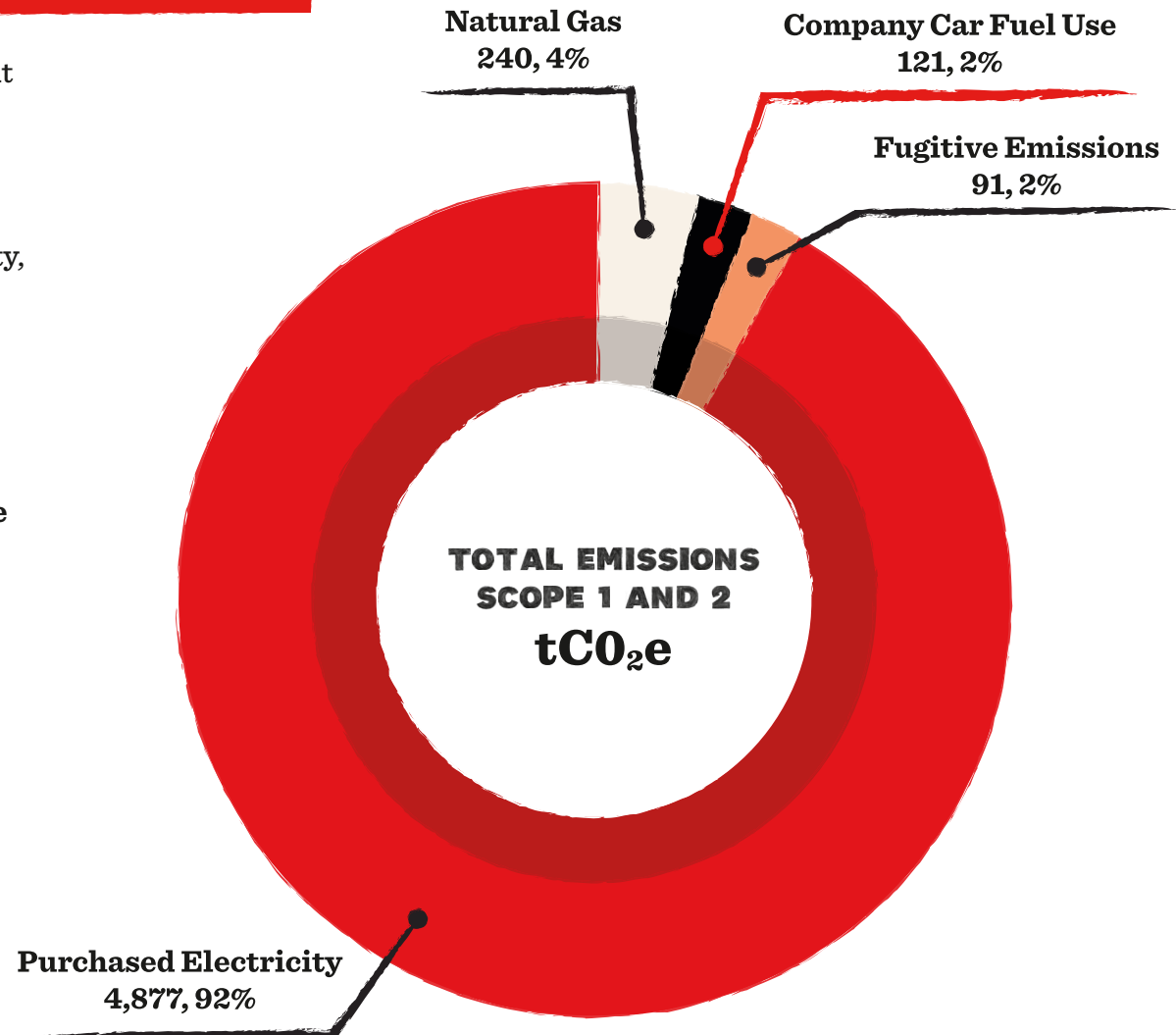


2021 CARBON FOOTPRINT

Our operational emissions (Scope 1 and 2) represent less than **1%** of our total carbon footprint, and as we have direct control over this, we'll be aiming to reduce these emissions to zero.

We're committed to transparency and accountability, and will reassess our carbon footprint regularly so that we capture any carbon savings made through improving business practices. As we go forward, we will seek to improve the quality of our data and scope of our reporting.

Using this information, we've identified feasible actions to reduce our emissions and ultimately create a roadmap to net zero.



OUR KEY ACTIONS

Our Net Zero Roadmap identifies seven workstreams that we're focusing on to reach our ambition:



RESTAURANTS

Building Net Zero Carbon Restaurants



SUPPLY CHAIN

Working with our suppliers to reduce emissions and source more sustainably



ENERGY

Reducing energy use and moving towards **100%** renewable energy



WASTE

Becoming a fully circular, zero-waste business by 2035



CAPITAL GOODS

Creating a new brand standard to purchase capital goods sustainably



TRANSPORT

Offering zero-carbon deliveries through our delivery partners and encouraging sustainable travel



WATER

Monitoring water usage and exploring ways to reduce it

We have outlined short- to medium-term milestones to adopt more sustainable business practices and reduce our carbon emissions



NET ZERO ROADMAP

KFC UK & Ireland made a commitment to become a Net Zero Carbon business by 2040 and this roadmap sets out just how we're going to get there.

2022
KFC UKI LAUNCH NET ZERO ROADMAP



RESTAURANTS

We're building our first Net Zero Carbon Restaurant in 2023 and creating a playbook for future builds



SUPPLY CHAIN

We'll work with our suppliers to reduce emissions, source more sustainably, and purchase sustainable soy*. We'll also evolve our meat free offer and trial carbon labelling



ENERGY

We're exploring lower carbon impact equipment, energy reduction measures, and renewable energy options



WASTE

Reducing packaging and food waste are top priorities. All restaurants will be donating surplus food by March 2023. 70% of our waste will be reused or recycled by 2025



CAPITAL GOODS

We're creating a brand standard for the procurement, reuse and recycling of capital goods



TRANSPORT

We'll work with our delivery partners to offer zero carbon deliveries



WATER

We'll monitor water usage and explore water saving equipment for our kitchens

*100% deforestation and conversion free soy

2025



WATER

We'll continue monitoring water usage and install water saving equipment in our kitchens



TRANSPORT

We'll keep working with our delivery partners on zero carbon deliveries, and incentivise more sustainable travel for KFC teams



CAPITAL GOODS

We'll adopt a new brand standard to ensure we purchase capital goods sustainably



WASTE

Our packaging and food waste reduction strategies will be embedded and 85% of our waste will be reused or recycled by 2030



ENERGY

We'll find ways to use less energy, install lower carbon equipment, and procure 100% renewable energy



SUPPLY CHAIN

We'll continue to reduce the carbon impact of our supply chain, and keep evolving our meat free offer



RESTAURANTS

We'll collaborate with our franchisees to build more Net Zero Carbon restaurants

2030



RESTAURANTS

We'll continue to build Net Zero Carbon restaurants, and aim for all new restaurants to be Net Zero by 2040



SUPPLY CHAIN

We'll continue working with our suppliers to jointly achieve Net Zero by 2040, and provide a market leading meat free offer



ENERGY

We'll continue to find ways to reduce energy use and purchase/generate 100% renewable energy



WASTE

We'll continue to find ways to reduce, reuse or recycle 100% of our waste to become a fully circular, zero waste business by 2035



CAPITAL GOODS

All new builds will use the new brand standard to procure capital goods sustainably



TRANSPORT

All our delivery partners will offer zero carbon deliveries



WATER

Water use will be continuously monitored and we'll keep looking for ways to reduce it

2040
KFC UKI TO OFFSET ANY RESIDUAL EMISSIONS AND REACH NET ZERO








Find out more about our journey and the work we're doing at www.kfc.co.uk/behind-the-bucket

HOW WE'RE PROGRESSING

Here are some of the things we're already doing now:

- ✓ We buy renewable electricity for our head office and equity restaurants
- ✓ We've started adding electric vehicles to our fleet
- ✓ Our restaurants are built to be well insulated, and we use high-efficiency LED lighting throughout
- ✓ Our food waste is collected for anaerobic digestion, where it's recycled into biofuel and nutrient-rich fertiliser
- ✓ Our Food Donation Scheme enables all our restaurants to donate unsold food to help feed people in need
- ✓ Our used cooking oil is collected for recycling into biodiesel
- ✓ We've signed the UK Soy Manifesto, pledging to purchase 100% deforestation- and conversion-free soy in our supply chain by 2025

Our internal teams are working hard to deliver emissions reductions against each workstream. This year we're focusing on:

| | |
|---|---|
|  <p>RESTAURANTS Building our first Net Zero Carbon restaurant</p> |  <p>CAPITAL GOODS Developing a Net Zero Carbon restaurant playbook to inform future builds and refits</p> |
|  <p>SUPPLY CHAIN Engaging with suppliers on Net Zero and sustainability commitments</p> |  <p>TRANSPORT Engaging with our delivery partners</p> |
|  <p>ENERGY Installing energy monitoring and control equipment across our estate</p> |  <p>WATER Upgrading our water meters to smart meters</p> |
|  <p>WASTE Rolling out our recycling programme to all restaurants</p> | |

NET ZERO
ROADMAP

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