



**WHEREAS:** Without immediate and sustained new commitments throughout the plastics value chain, annual flows of plastics into oceans could nearly triple by 2040.<sup>1</sup>

The growing plastic pollution crisis poses increasing risks to YUM! Brands. Corporations could face an annual financial risk of approximately \$100 billion should governments require them to cover the waste management costs of the packaging they produce.<sup>2</sup> Such policies addressed at single-use plastic (SUP) packaging increasingly are being enacted globally, including new laws in Maine, Oregon, Colorado, and California.<sup>3</sup> The European Union has banned ten SUP products commonly found in ocean cleanups and imposed a tax on non-recycled plastic packaging waste.<sup>4</sup>

Pew Charitable Trusts' groundbreaking study, *Breaking the Plastic Wave*, concluded that improved recycling alone is insufficient to address plastic pollution – instead, recycling must be coupled with reductions in use, materials redesign, and substitution.<sup>5</sup> At least one-third of plastic use can be reduced, and reduction is the most viable solution from environmental, economic, and social perspectives.<sup>6</sup>

YUM! has a goal to reduce virgin plastic by 10% over a 2020 baseline yet does not publish the tonnage of plastic used in the baseline year nor any strategies to achieve this goal, leaving investors unable to verify progress.

Nearly 100 consumer goods and retail companies have committed to taking meaningful action towards reusables and make all packaging recyclable, compostable, or reusable.<sup>7</sup> In 2024, competitor McDonald's will publish an assessment of opportunities for reusable packaging.<sup>8</sup> The report may include possible new actions and potential goal frameworks on reusables.<sup>9</sup> Starbucks is also actively embracing reusable packaging with new global reusable container goals, having committed that all stores and drive-throughs will facilitate reusables beginning 2024.<sup>10</sup> By contrast, YUM!, despite stated intentions, has taken little public action to invest in reusables and lacks a timebound and quantifiable goal for entirely recyclable, compostable, and reusable packaging.

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<sup>1</sup> [https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave\\_mainreport.pdf](https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave_mainreport.pdf), p.4

<sup>2</sup> [https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave\\_mainreport.pdf](https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave_mainreport.pdf), p.9

<sup>3</sup> <https://www.packworld.com/news/sustainability/article/22419036/four-states-enact-packaging-epr-laws>

<sup>4</sup> [https://environment.ec.europa.eu/topics/plastics/single-use-plastics\\_en](https://environment.ec.europa.eu/topics/plastics/single-use-plastics_en)

<sup>5</sup> [https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave\\_mainreport.pdf](https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave_mainreport.pdf), p.9

<sup>6</sup> [https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave\\_mainreport.pdf](https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave_mainreport.pdf), p.10

<sup>7</sup> <https://www.ellenmacarthurfoundation.org/global-commitment-2023/overview>

<sup>8</sup> <https://www.asyousow.org/press-releases/2023/3/16/mcdonalds-publish-report-reusable-packaging>

<sup>9</sup> <https://www.asyousow.org/press-releases/2023/3/16/mcdonalds-publish-report-reusable-packaging>

<sup>10</sup> <https://stories.starbucks.com/stories/2022/starbucks-global-environmental-and-social-impact-report-2021/>



More than one-third of YUM! investors supported a 2023 shareholder proposal urging the Company reduce its plastics use through permanently embracing reusables.<sup>11</sup> YUM! has failed to meaningfully respond. The Company can reduce reputational and regulatory risk by addressing plastic pollution through strong investment in reusables.

**BE IT RESOLVED:** Shareholders request that the Board issue a report, at reasonable expense and excluding proprietary information, describing how YUM! can reduce its plastics use by shifting away from single-use packaging in alignment with the findings of the Pew Report or other authoritative sources.

**SUPPORTING STATEMENT:** The report should, at Board discretion:

- Assess the reputational, financial, and operational risks associated with continuing to use substantial amounts of SUP packaging;
- Evaluate significantly reducing the amount of plastic used in our packaging by transitioning to reusables; and
- Describe how YUM! can further reduce SUP, including any planned reduction strategies or goals, materials redesign, substitution, or reductions in overall plastic use.

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<sup>11</sup> <https://www.asyousow.org/resolutions/2022/12/9-yum-brands-transition-to-reusable-packaging>