

[YUM! Brands, Inc: Rule 14a-8 Proposal, December 3, 2020]
[This line and any line above it – *Not* for publication.]
ITEM 4* – External Public Health Cost Disclosure

RESOLVED, shareholders ask that the board commission and disclose a study on the external environmental and public health costs created by the use of antibiotics in the supply chain of our company (the “Company”) and the manner in which such costs affect the vast majority of its shareholders who rely on a healthy stock market.

The Company is a conventional North Carolina corporation, so that directors have no mandatory fiduciary obligations beyond considering the interests of the Company and its shareholders (except to the extent consideration of other stakeholders may create value for shareholders). Accordingly, when the financial return of the Company to its shareholders and the interests of stakeholders such as workers or customers clash, the directors will favor shareholder return. (The Company could reincorporate as a public benefit corporation¹ in another state to overcome this.)

For our Company, this may lead to overuse of antibiotics in raising livestock to increase profit, despite increasing the ability of diseases to resist antimicrobials. In addition to the resulting loss of life and increased poverty, antimicrobial resistance may decrease global GDP 3% by 2030, and almost 4% by 2050.² At an intermediate discount rate, this will amount to economic losses by 2050 with a current value of \$54 trillion.³

The Company does not report such external costs and consequent harm to the wider economy. This information is essential to shareholders, who are almost all broadly diversified. Indeed, as of September 2020, the top three holders of our shares are T. Rowe Price Associates, BlackRock and Vanguard—investment managers with indexed or otherwise broadly diversified investors.

Such shareholders and beneficial owners are materially harmed when companies impose external costs that lower GDP, which can reduce equity value. While the Company may profit by ignoring externalized costs, diversified shareholders ultimately pay these costs, and they have a right to ask what they are.

The Company’s prior disclosures and prior shareholder proposals do not address this issue, because they do not address *the public health costs the Company imposes on shareholders as diversified investors who must fund retirement, education, public goods and other critical social needs*. This is a separate social issue of great importance. A study would help shareholders determine whether to seek a change in corporate direction, structure, or form in order to better serve their interests and to match its commitment to stakeholders.

Please vote for: External Public Health Cost Disclosure – Proposal [4*]
[This line and any below are *not* for publication]
Number 4* to be assigned by the Company

¹See, e.g., 8 Del. Code Section 361.

² <http://documents1.worldbank.org/curated/en/323311493396993758/pdf/final-report.pdf>

³ Id.