

## **Kentucky Fried Chicken (Great Britain) Limited**

### **Strategic Report**

**Period from 30 December 2019 to 27 December 2020 (continued)**

#### **SECTION 172 STATEMENT**

The directors of the Company consider that they have responsibly and appropriately discharged their duties under the Companies Act 2006 (the "Act"), including their duty to act in the way that they consider, in good faith, will be most likely to promote the success of the Company for the benefit of its members as a whole, having due regard in doing so for the matters set out in section 172 (1) (a) to (f) in the Act.

#### **The likely consequences of any decision in the long term**

The Directors are the current custodians of a well-established brand in the UK and Ireland and therefore will always consider long-term implications of any decisions taken. The company have reduced the number of restaurants it runs at the direction of its ultimate parent company, Yum! Brands Inc., to ensure the Directors can fully focus on continuing to grow the brand in the interest of all stakeholders.

#### **The interests of the company's employees**

Employees are at the heart of the KFC business, with Directors regularly seeking feedback on all aspects of the business from both restaurant teams and the Restaurant Support Centre ("RSC") team. There are regular opportunities for employees to provide feedback and also to share in the success of the business via celebratory events, targeted bonuses and long-term incentive plans.

There are a number of development opportunities available to employees with ongoing in-role training to allow them to take more senior roles in the business, external training via apprenticeships and our bespoke degree programme and also support with professional qualifications, where relevant. All restaurant managers and RSC employees have access to the Heartstyles programme with structure feedback annually, as well as clear goals and individual development plans.

Employees are regularly informed about future plans and strategies for the business as well as regular information on current business performance.

As a business we have supported employees during the Covid-19 pandemic complying with Government guidelines via the Corona Virus Job Retention Scheme until August 2020 and then directly by the company since that point in time. All RSC employees have been supported to work from home with equipment provided where needed.

#### **The need to foster the company's business relationships with suppliers, customers and others**

The Directors encourage collaboration, ownership and celebration of success with both Franchise partners and suppliers. This is achieved through Franchisee representation on key areas of the business including Marketing strategy, Development and Design of restaurants and technology.

We work closely with suppliers to ensure we have a sustainable relationship with our suppliers ensuring the supplier gets a fair-price and our customers get a consistently great product. We worked with suppliers to provide a contingency plan in the result of potential disruption as a result of Brexit to ensure there would be contingent stock in the event of delays in supplies as a result of Brexit.

Customer feedback is encouraged, and Directors will monitor and challenge both company and Franchisee teams to ensure we offer the customers the best possible experience in our restaurants.

#### **The impact of the company's operations on the community and the environment**

The Directors are committed to reduce the impact of our restaurants on the environment and this has been committed to by the ultimate parent company, Yum! Brands Inc. who have committed to decrease its greenhouse gas (GHG) emissions 46% by 2030 in partnership with its franchisees, suppliers and producers as part of its broader strategy to address climate change. Additionally, Yum! pledged to achieve net-zero emissions by 2050.

## Kentucky Fried Chicken (Great Britain) Limited

### Directors' Report

**Period from 30 December 2019 to 27 December 2020 (continued)**

#### Environmental matters

##### Carbon Emissions

In line with the governments streamlined energy and carbon reporting requirements we are required to report our organisation's carbon emissions for the period 1st April 2020 to 31st March 2021.

We have set 2019 as our baseline year and reported our total emissions using the financial control boundary. Our methodology aligns with Defra's Environmental reporting guidelines (2020) and uses the government's greenhouse gas reporting conversion factors (2020) to quantify emissions.

For the purposes of evaluating performance to date we have reported our emissions as below

Scope	UK and offshore	Consumption	Carbon tonnage
Scope 1	Gas (kWh)	1,369,685.0	252.0
Scope 1	Transport Fuel (kWh)	148,530.0	44.0
Scope 2	Electricity (kWh)	16,838,584.0	3,926.0
Scope 3	Electricity (Transmission and Distribution)	16,838,584.0	338.0
<b>Total tCO<sub>2</sub></b>			<b>4,560.0</b>

SECR Emission	tCO <sub>2</sub>
Scope 1	296.0
Scope 2	3,962.0
<b>Total</b>	<b>4,222.0</b>
<b>Intensity/FTE</b>	<b>0.18</b>

In an effort to reduce our emissions we have undertaken a number of energy efficiency measures in the year, these include:

- 100% renewable across our offices
- Intensified action to reduce plastic waste and improve sustainable packaging.
- Expanding deforestation commitments to palm oil, soy, paper, and beef

The assessment methodology for the Greenhouse Gas Assessment follows the reporting principles and guidelines provided by the Greenhouse Gas Protocol published by the World Business Council for Sustainable Development and the World Resources Institute (WBCSD/WRI Protocol), in conjunction with DEFRA's Greenhouse Gas conversion factors 2019/2020

#### Events after reporting period

Particulars of events after the reporting date are detailed in note 28 to the financial statements.

#### Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.