



Yum China Releases 2021 Sustainability Report

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Yum China Submits Near-Term Science-Based GHG Emissions Reduction Targets for Validation

SHANGHAI, June 20, 2022 /PRNewswire/ -- Yum China Holdings, Inc. (the "Company" or "Yum China", NYSE: YUMC and HKEX: 9987) today issued its fifth annual sustainability report. Yum China's 2021 Sustainability Report highlights the Company's commitment to sustainability and provides an overview of progress made in 2021 towards its sustainability goals.



Yum China formally submitted the near-term science-based greenhouse gas emissions reduction targets to the Science Based Target Initiative (SBTi) for validation on 8th June, 2022. The specific targets, in line with criteria and recommendations of SBTi, are expected to be announced before the end of 2022 following official approval from SBTi. The targets will provide a clearly defined pathway for Yum China to reach net-zero value chain GHG emissions by 2050.

"As we continue to navigate the challenges brought by COVID-19, we remain steadfast in our long-term commitment to sustainability and sustainable growth," said Joey Wat, CEO of Yum China. "We will continue to collaborate with stakeholders across the value chain to transform and find innovative solutions for sustainable growth. I am confident that together we will continue to make meaningful progress towards a more sustainable future."

Focusing on areas where the Company's expertise and scale can have the most meaningful impact, Yum China's 2021 Sustainability Report shares progress across three strategic pillars: Food, Environment and People. Highlights include:

- Committed to providing customers with delicious, safe, nutritious, and high-quality food, the Company further enhanced food safety management through an industry-leading intelligent and digitalized supply chain management system.
- Reaffirmed its commitment to nutritional improvements through product innovation. Through the application of multiple cooking methods, and recipe changes with less salt, sugar, and oil, the Company realized remarkable achievements in its product offerings.
- Committed to reducing the adverse environmental impacts from its entire value chain, the Company developed a decarbonization strategy and roadmap supported by science-based emissions reduction targets that have been submitted to SBTi for validation. Additionally, the Company continued efforts to enhance transparency by disclosing climate action progress through CDP and committing to TCFD reporting in the near-term.
- Committed to the "People First" philosophy, the Company released the Yum China Human Rights Policy and Occupational Health and Safety Policy, reiterating its commitments to create a "Fair, Care, and Pride" workplace.
- Continued to prioritize the health and safety of employees and further upgraded medical insurance coverage for its eligible Restaurant General Managers ("RGMs"), restaurant management teams and supervisors. These enhanced benefits are expected to cover around 100,000 frontline employees and their family members.
- Committed to promoting sustainable rural development through supporting nutrition improvement and enhancing STEM

education. The Company's flagship One Yuan Donation program has supported the health and growth of children in remote rural areas for 14 years with nutritious meals. In 2021, the program developed a Charity E-Shop to engage millions of Yum China's customers and popularize the concept of "Everyone does good."

Yum China's sustainability efforts continue to receive high-profile external recognition:

- Scored industry best in the 2021 DJSI CSA for the second consecutive year and listed in both 2021 DJSI World Index and DJSI Emerging Market Index.
- Received an 'A' rating in the latest MSCI ESG rating for 2021.
- Included in Bloomberg's 2022 Gender-Equality Index for the fourth consecutive year.
- Certified as a Top Employer China by the Top Employers Institute for the fourth consecutive year in 2022, and the only restaurant company among the top 20 employers.

Read the full 2021 Sustainability Report [here](#).

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the fact that they do not relate strictly to historical or current facts and by the use of forward-looking words such as "expect," "expectation," "believe," "anticipate," "may," "could," "intend," "belief," "aim," "plan," "estimate," "target," "predict," "project," "ambition," "likely," "will," "continue," "should," "forecast," "outlook," "look forward to" or similar terminology. These statements are based on current estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions, and expected future developments, as well as other factors that we believe, are appropriate and reasonable under the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. Forward-looking statements are not guarantees of performance and are inherently subject to known and unknown risks and uncertainties that are difficult to predict and could cause our actual results or events to differ materially from those indicated by those statements. We cannot assure you that any of our expectations, estimates, or assumptions will be achieved. The forward-looking statements included in this press release are only made as of the date of this press release, and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances, except as required by law. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. You should consult our filings with the Securities and Exchange Commission (including the information set forth under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q) for additional detail about factors that could affect our financial and other results.

About Yum China Holdings, Inc.

Yum China Holdings, Inc. is a licensee of Yum! Brands in mainland China. It has exclusive rights in mainland China to KFC, China's leading quick-service restaurant brand, Pizza Hut, the leading casual dining restaurant brand in China, and Taco Bell, a California-based restaurant chain serving innovative Mexican-inspired food. Yum China also owns the Little Sheep, Huang Ji Huang and COFFii & JOY concepts outright. In addition, Yum China has partnered with Lavazza to explore and develop the Lavazza coffee shop concept in China. The Company had 12,117 restaurants in over 1,700 cities at the end of March 2022.

In 2021, Yum China has been selected as a member of both Dow Jones Sustainability Indices (DJSI): World Index and Emerging Market Index. In 2022, Yum China ranked # 359 on the Fortune 500 list. The Company was also named to the Bloomberg Gender-Equality Index and was certified as a Top Employer 2022 in China by the Top Employers Institute, both for the fourth consecutive year. For more information, please visit <http://ir.yumchina.com>.

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