



KFC and Pizza Hut Launch New Plastic Reduction Initiatives in China

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- Yum China steps up efforts to provide sustainable options for consumers
- 30% reduction of non-degradable plastic packaging weight by 2025

SHANGHAI, Jan. 5, 2021 /PRNewswire/ -- Yum China Holdings, Inc. (the "Company" or "Yum China", NYSE: YUMC and HKEX: 9987) announced that it has launched a series of plastic reduction and environmentally friendly packaging initiatives across its brands in line with the latest regulations in China. This includes replacing existing plastic packaging with paper straws, paper bags, and biodegradable plastic bags. As a result of these initiatives, Yum China expects a reduction of approximately 8,000 tons of non-degradable plastics annually starting from 2021.



KFC China recently launched a "Be Natural, Be You" sustainability campaign to enhance consumers' awareness of environmental protection and encourage more sustainable lifestyles, including reducing the use of disposable plastic packaging and better waste sorting. From January 2021, all KFC restaurants in mainland China will stop using plastic straws and over 90% of KFC restaurants will replace disposable plastic cutlery with wooden cutlery for dine-in and takeaway. In addition, non-degradable plastic bags used for delivery and takeaway in over 50% KFC restaurants will be replaced with paper bags or biodegradable plastic bags. By the end of 2025, all KFC restaurants will phase out non-degradable plastic bags and cutlery in mainland China.



As of the end of 2020, all Pizza Hut restaurants in mainland China have eliminated the use of plastic straws. At the same time, over 70% of Pizza Hut restaurants across the country have replaced existing plastic bags with paper bags or biodegradable plastic bags. Building on these achievements, Pizza Hut will eliminate the use of non-degradable plastic bags by the end of 2022.



In addition to complying with regulatory requirements, these latest actions reflect Yum China's company-wide packaging strategy that aims to reduce disposable packaging from source through the use of new packaging solutions, new materials, as well as innovative technologies. The strategy includes ensuring that all customer facing, plastic-based packaging is recyclable, refusing to purchase paper products from suppliers that knowingly cause deforestation, and working towards a 30% reduction on non-degradable plastic packaging weight by 2025.

"The new plastic reduction initiatives reinforce our sustainability strategy to drive meaningful change through packaging innovation and reduction."

said Joey Wat, CEO of Yum China. "In line with our long-term commitment of supporting economic, social and environmental development, we are committed to working with customers, partners, and all other stakeholders to promote a more sustainable future."

Guided by our Sustainability 4R Principles (Reduce, Reuse, Recycle and Replace), Yum China has been exploring more eco-friendly materials and designs to reduce disposable packaging from source of use and seek behavioral change among the public. Since 2017, KFC China has provided a "No Cutlery" option for customers when placing an order via its Super APP to encourage customers to reduce the use of disposable packaging. In addition, KFC China rolled out reusable serving baskets in 2019, which saved more than 2,000 tons of paper packaging and reduced restaurant waste in 2019 by approximately 20%. In addition to the reusable serving basket program, KFC China launched the Grassland Restoration Initiative in 2019, which encouraged over 200,000 people to give their support to the restoration of more than 1 million square meters of grassland in Inner Mongolia.

In 2020, Yum China was named the Industry Leader for the Restaurant & Leisure Facilities Industry in Dow Jones Sustainability Indices (DJSI) in recognition of the Company's strong performance across economic, environmental and social dimensions. Yum China was also selected as a member of 2020 DJSI World and DJSI Emerging Markets. By making sustainable development an integral part of business operations, Yum China is committed to promoting mutually beneficial stakeholder relationships that enhance the Company's long-term value.

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. 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," "plan," "estimate," "target," "predict," "likely," "will," "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 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 our 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, East Dawning and COFFii & JOY concepts outright. Yum China also partners with Lavazza to explore and develop the Lavazza coffee shop concept in China. The Company had 10,150 restaurants in over 1,400 cities at the end of September 2020. Yum China ranked # 361 on the Fortune 500 list for 2020. In 2020, Yum China was named to the Bloomberg Gender-Equality Index and was certified as a Top Employer 2020 in China by the Top Employers Institute, both for the second consecutive year. For more information, please visit <http://ir.yumchina.com>.

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