



Yum China Releases 2020 Sustainability Report

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SHANGHAI, June 18, 2021 /PRNewswire/ -- Yum China Holdings, Inc. (the "Company" or "Yum China", NYSE: YUMC and HKEX: 9987) today issued its 2020 Sustainability Report, which highlights the Company's commitment to sustainability and provides an overview of progress made in 2020 towards its sustainability goals.

In 2020, Yum China engaged internal and external stakeholders to complete a comprehensive materiality review. As a result, the Company resolved to focus efforts around three pillars: Environment, Food and People. Within these, Yum China identified 23 material issues in the value chain to work on as initial sustainability priorities. In the report, progress made in 2020 has been summarized in accordance with Global Reporting Initiative (GRI) best practices and the Dow Jones Sustainability Indices (DJSI) rating requirements for corporate sustainability reporting. The report also highlights Yum China's firm commitment to taking actions that contribute towards achieving the Sustainable Development Goals and supporting the United Nations 2030 Agenda.



"With more than 30 years of operations in China, our culture and our values have been built on a solid foundation of caring - for our customers and employees, and for society at large," said Joey Wat, CEO of Yum China. "2020 was an extraordinary year, in which the world faced unprecedented disruption from the COVID-19 pandemic. I take great pride in how our people responded to help the communities we serve get through an incredibly trying time. As the world recovers, we are excited to turn our capabilities to the broader challenges of the future."

As outlined in the report, Yum China strives to establish a responsible ecosystem and continuously address key sustainability issues, such as climate change, waste management and sustainable packaging. The Company has committed to a series of sustainability goals, including:

- *Accelerating climate action:* Yum China is committed to setting science-based emissions reduction targets in accordance with the Paris Agreement and is driving for net-zero GHGs emissions across the value chain by 2050.
- *Minimizing environmental impact throughout the supply chain:* Yum China is embarking on an ambitious journey to drive towards a zero-deforestation supply chain. To achieve this, Yum China has committed to achieving 100% FSC-certified paper packaging by 2025, and continues to only source RSPO-certified palm oil.

Focusing on areas where Yum China's expertise and scale can have the most meaningful impact

The 2020 Sustainability Report shares progress across the three strategic pillars: Environment, Food and People. Highlights include:

Environment: *Enhancing waste management.* In September 2020, Yum China first piloted a Food Bank program to distribute surplus food to nearby residents in need and reduce food waste. The Company has also continued to expand its pilot project to recycle used cooking oil which adopts an ISCC certified process to convert used cooking oil into biodiesel.

Food: *Technology-enabled food safety management.* Yum China has established an intelligent online food safety and quality management system and utilizes food safety risk alert and assessment tools that leverage knowledge graphs. This enables real-time data collection and analysis, improves visibility of key processes, and supports timely rectification.

People: *Employee care and serving the community.* Yum China has always prioritized the well-being of its employees and is committed to serving the community. In response to the Covid-19 pandemic, the Company quickly put in place contactless delivery and takeaway services to protect the health and safety of its employees and customers. The Company also launched an upgraded employee insurance policy and established a special fund to provide assistance for frontline employees and their families. In addition, Yum China also provided donations, free meals and volunteer services to support medical workers on the frontline.

Despite the challenges of 2020, Yum China is proud to have been recognized for its continuous efforts to make a positive impact on the environment and society. Yum China was named the Industry Leader for the Restaurant & Leisure Facilities Industry in the 2020 Dow Jones Sustainability Indices (DJSI) and was selected as a member of the 2020 DJSI World and DJSI Emerging Markets. In 2021, the Company was named to the Bloomberg Gender-Equality Index and was certified as a Top Employer China by the Top Employers Institute, both for the third consecutive year.

Read the full 2020 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. 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. In addition, Yum China has partnered with Lavazza to explore and develop the Lavazza coffee shop concept in China. The Company had 10,725 restaurants in over 1,500 cities at the end of March 2021. Yum China ranked # 363 on the Fortune 500 list for 2021. Yum China has been named the Industry Leader for the Restaurant & Leisure Facilities Industry in the 2020 Dow Jones Sustainability Indices. In 2021, Yum China was named to the Bloomberg Gender-Equality Index and was certified as a Top Employer 2021 in China by the Top Employers Institute, both for the third consecutive year. For more information, please visit <http://ir.yumchina.com>.

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