



Yum China Launches First KFC Green Pioneer Stores in Hangzhou and Beijing

4/22/2022

SHANGHAI, April 22, 2022 /PRNewswire/ -- Yum China Holdings, Inc. (the "Company" or "Yum China", NYSE: YUMC and HKEX: 9987) today announced the launch of KFC's first Green Pioneer Stores in Hangzhou and Beijing, aiming to further integrate innovative solutions for building net-zero restaurants in the future. The move is part of Yum China's climate strategy and roadmap towards the ambition of reaching net-zero value chain greenhouse gas (GHG) emissions by 2050, following the signing and submission of the Business Ambition for 1.5°C Commitment Letter to the Science Based Target initiative (SBTi) in 2021.



"We are committed to driving meaningful change and pioneering in the restaurant industry towards net-zero emissions. Building Green Pioneer Stores is an important part of our journey," said Joey Wat, CEO of Yum China. "We will continue to explore utilization of innovative technologies in restaurant construction and operations to promote sustainable development as well as contribute to the low carbon economy."

Guided by Yum China's 4R (Reduce, Reuse, Recycle and Replace) Principles, KFC has already integrated energy saving, emissions reduction, plastic reduction, and other environmentally friendly measures in its stores across the country. Green Pioneer Stores utilize advanced low-carbon technologies in their construction and daily operations. Compared with the average GHG emissions of KFC stores in 2020, Green Pioneer Stores are expected to further reduce GHG emissions by approximately 15% per year.

- **Renewable Energy / Solar Power:** At KFC's Green Pioneer Store in Hangzhou, solar panels are installed on the roof of the store, generating about 10,000 kWh of solar power every year, reducing carbon emissions from electricity consumption. An advanced Power Storage System is integrated to further improve energy efficiency.
- **IoT Based Intelligent Energy Management:** An Internet of Things (IoT) based intelligent restaurant energy management system improves the energy efficiency of Green Pioneer Stores, utilizing technologies such as IoT, big data and artificial intelligence (AI) to effectively reduce energy consumption by about 10% per year.
- **Natural Lighting:** Green Pioneer Stores are equipped with a Tubular Daylighting System to fully utilize natural lighting. This allows customers to enjoy natural light while reducing electricity consumption.
- **Solar Energy Powered Outdoor Umbrellas:** Solar energy powered outdoor umbrellas are provided for outdoor seating. Using integrated solar panels, the umbrellas generate electricity for nighttime lighting.
- **New Environmentally Friendly Materials:** Recycled materials, such as ceramic floor tiles manufactured in the process of energy recycling, low-carbon bamboo materials, and leather alternative made from recycled KFC coffee grounds, are applied in the construction and furniture of Green Pioneer Stores. All these recycling initiatives help reduce GHG emissions in the construction and operation of the stores.

Green Pioneer Stores allow customers to experience and learn about environmentally friendly restaurants through "green interior design". At KFC's Green Pioneer Store in Beijing, a special Family Bucket located at the store is made entirely of recycled KFC food packaging, showcasing the artistic charm of turning waste into resources. Meanwhile, at KFC's Green Pioneer Store in Hangzhou, a section of wall has been intentionally left unfinished with an opening to show customers the environmentally friendly construction process, including reducing construction waste by decorating over the store's existing walls.

Yum China uses multiple channels to promote more sustainable lifestyles and increase customers' awareness of eco-friendly behavior. A "Virtual Green Store" launched on the KFC Super APP in early April advocates for over 330 million KFC members to join together to promote sustainable lifestyles. It motivates customers toward low-carbon behavior, such as opting out of disposable cutlery and mobile ordering, and engages customers in carbon reduction and eco-friendly activities.

Since 2017, 100% of newly built KFC restaurants in China comply with *Yum China's Green Building Standards*, fully considering environmental factors such as environmentally friendly materials, energy saving facilities, indoor air quality and thermal comfort control systems. Meanwhile, energy efficient and low-carbon operations for restaurants have been prioritized to reduce GHG emissions. Yum China has been continuously upgrading equipment and facilities with advanced technologies such as the value-added technology application (VTA) system and IoT to promote the digitization, automation and intelligence of its stores. To reduce GHG emissions in its logistics and warehousing, Yum China developed the Transportation Management System (TMS) to optimize its national distribution network and route planning, vehicle loading rates and delivery mileage. In addition, Yum China is finding ways to support and cooperate with its supply chain partners to measure, reduce and report on their GHG emissions.

Yum China is committed to establishing a responsible ecosystem in collaboration with its stakeholders across the value chain. From green buildings and green operations to sustainable packaging and green waste disposal, among other initiatives, Yum China's sustainability strategy is effectively integrated to its long-term business growth strategy.

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) 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 12,163 restaurants in over 1,600 cities at the end of February 2022.

In 2021, Yum China ranked # 363 on the Fortune 500 list and was named to TIME100 Most Influential Companies list. Yum China has also been selected as member of both Dow Jones Sustainability Indices (DJSI): World Index and Emerging Market Index. In 2022, the Company was 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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