



Yum China Releases First TCFD Report, Advancing its Commitment to Climate Action

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SHANGHAI, July 25, 2022 /PRNewswire/ -- Yum China Holdings, Inc. (the "Company" or "Yum China", NYSE: YUMC and HKEX: 9987) today released its first climate-focused report in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. Aligned with Yum China's commitment to driving towards net-zero value chain GHG emissions by 2050, the Company outlines in the report its approach to addressing climate-related risks and opportunities and highlights key progress it has made on climate action.



"At Yum China, we recognize potential risks and opportunities across the value chain brought by climate change. We are fully committed to the positive role we can play in the transition to a lower-carbon economy," said Joey Wat, CEO of Yum China. "Yum China's first TCFD report is an important step towards enhancing the climate resilience of our business model. Moving forward, we will continue to work closely with all our stakeholders to make meaningful progress towards a more sustainable future."

The report is structured around the four TCFD pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

- **Governance** – Yum China's systematic and comprehensive sustainability governance mechanism helps ensure that climate-related matters are managed from the Board to the operations teams.
- **Strategy** – Yum China has identified transition and physical risks and conducted climate-related scenario analysis to assess the potential impact of those material risks on the Company's businesses under hypothetical climate futures. In turn, this helps guide the Company's strategic planning and risk management.
- **Risk Management** – Yum China has conducted risk screening, and disclosed how climate-related risks are effectively addressed within its existing risk management measures in four aspects: restaurants, supply chain, logistics, and product and services.
- **Metrics and Targets** – Yum China has developed a GHG emissions inventory across the entire value chain including upstream, downstream, and own operations, in accordance with the latest Greenhouse Gas Protocol. The Company uses the GHG emissions inventory as the basis to develop GHG emissions reduction targets. On June 8, 2022, Yum China submitted its near-term science-based GHG emissions reduction targets to Science Based Target initiative for validation.

The publication of the report is in line with the Company's ongoing efforts to enhance transparency on climate action, adding further context and disclosures to previous Sustainability and CDP reports.

Learn more about Yum China's TCFD 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 COFFi & 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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