



RGM 3.0

Culture and Talent The Foundation Behind Growth

2025 Yum China Investor Day

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2025

YUM CHINA
INVESTOR DAY

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For the purpose of this presentation, "China" refers to the People's Republic of China, excluding Hong Kong SAR, Macau SAR, and Taiwan.

R.G.M. Defines Our Way Forward in Strategy and People

**Company
Strategy**

Resilience

Growth

Moat



**Frontline
Leader**

Restaurant

General

Manager

Embody the RGM No.1 Principle with Comprehensive Employee Care Programs



Core Benefits

- Medical & Risk Insurance
- Health Check



Supplementary Benefits

- Critical Illness Coverage for Parents
- Medical Insurance Coverage Up to RMB 1mn



Flexible Benefits

- Voluntary Top-up Medical Plan



~8.3%

RGM Turnover Rate (Oct 1, 2024 to Sep 30, 2025) ⁽¹⁾

1. RGM turnover rate calculated as the number of RGMs departures divided by the average of the number of RGM during the period.

Achieve RGM No.1

Through Centralization and Recognition



Centralized Recruitment & Training Platform

~89%

Restaurant Crew Hiring Needs Fulfilled by Centralized Recruitment ⁽¹⁾



Centralized New Store Opening Platform

~100 hours

Saved per RGM, per New Store

RGM Voice

80%+

Problems Solved Within One Week ⁽²⁾



Store-level Recognition & Reward

90%+

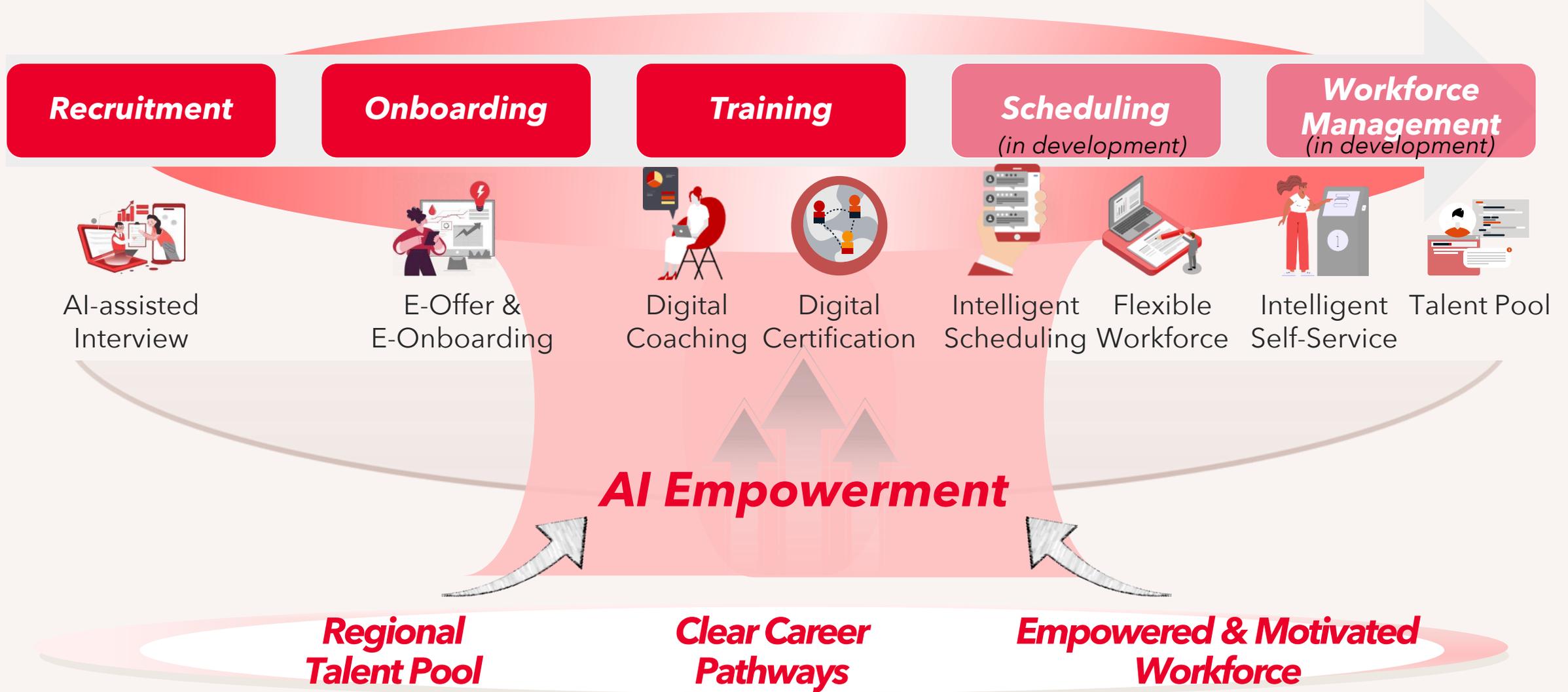


Store-level Employees Recognized & Rewarded Through K-Bean ⁽³⁾

1. Centralized recruitment fulfillment from Jan 1, 2025 to Sep 30, 2025, calculated as the number of new hires through the Centralized Platform divided by total new hires (incl. full-time, part-time, and flexible workforce, etc.).
2. Problem Solved Within One Week Percentage based on KFC RGM Voice (since the launch of RGM Voice 2.0 in Mar 2025).
3. Over 90% of KFC store-level employees have been recognized and rewarded through K-Bean program 2025 Q3YTD.

Transform Employee Management

from Store-level to an AI-enabled, End-to-end Model



Mega RGM Tackles Critical Challenges in Our Growth Journey



Mega RGM

~50%

Mega RGM⁽¹⁾



1 Stronger Talent Pipeline

for Store Expansion

2 More Diverse Growth Opportunities

for Frontline Employees

3 Efficiency Improvement

via Sharing Model

1. As of Sep 30, 2025, Mega RGMs as a percentage of total RGMs

Mega RGM Inspires Engagement and Strengthens People Foundation

5.1% vs **8.3%**

Mega RGM Turnover Rate⁽¹⁾

Overall RGM Turnover Rate

钱多

Higher Pay

事好

Greater Impact

离店近

More Accessible

20%-30%⁽²⁾ ↗

**Supported by Centralized
& Digitalized Mid-Platform**



**One System Store
Management**

1. Mega RGM turnover rate from Oct 1, 2024 to Sep 30, 2025, calculated as the number of Mega RGM departures divided by the average number of Mega RGMs during the period.
2. For 2025 Mega RGMs, up around 20%-30% target total cash (incl. base, performance bonus and allowances), vs. the same group in 2023.

RGM No.1 Outlook: Enable Seamless Intelligence and Stronger Impact

1 RGM-Centric Empowerment



**Streamline Routine |
Optimize Solution**

2 Franchise Enablement



**Designated Franchise
Support**

3 Competency Evolvment

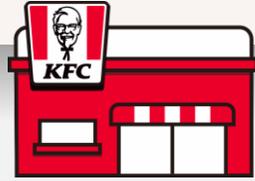
**求真务实的
创始人精神**



**Capability Cohesion |
Culture Engagement**

Optimize Restaurant Priorities

from All Management to What Matters Most



Restaurant



1 "Place"

New Store Opening Platform

(Rolled out)

2 "People"

End-to-end Employee Management

(Phase One Completed)

3 "Customer"

Customer Support Center

(In Planning)

4 "Product"

Inventory Management

(In Planning)

5 "Asset"

Equipment Maintenance

(In Planning)

Restaurant Support Center

Build a One-Stop Service Center to Turbo-Boost Store-Level Problem-Solving

From Fragmented Support

"Air Conditioner broke down
and customers complained"



"Poor peak-hour forecasting
caused material waste."



Operational Complexity



Peak-hour Disruptions



Off-site and Multi-store Management

To Seamless Service



Service Operations Agent



Case Support Agent



Dashboard Agent



**"Keep Simplicity in Our Restaurants and Leave
Complexity to Shared Services."**

"把简单留给餐厅，把复杂留给部门。"

Strengthen Franchise Support Through Empowerment and Talent Pipeline Building

Empowerment



Market

Designated Franchise Operations/
Development Team

Designated Franchise Business
Partners of C&F ⁽¹⁾ /HR



Technology

One System Store Management

One-Stop Franchise Service APP
(In Planning)

1. C&F indicates Construction and Facilities

Talent Pipeline



Restaurant

Consistent Standards for RGM
Selection

Talent Support
(e.g., Assigned RGM)

Franchise Capability Training
Program

Food Safety

RGMs are Actively Engaged in Capability Building and Culture Unity



Capability

Role Model



Championship



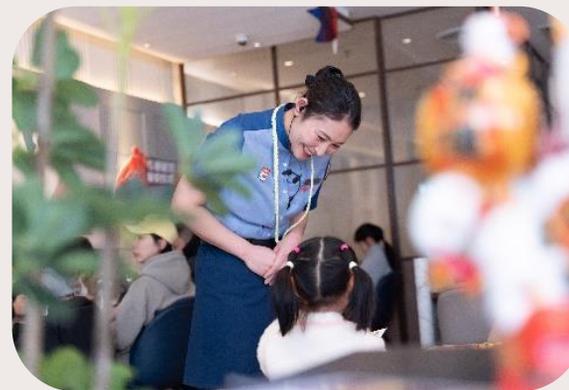
Training/Workshop



Understanding



Application



Engagement



求真务实的
创始人精神
RGM NO.1
文化
Culture



Culture is the Living Soil Shaping How We Think, Act, and Grow

求真务实的
创始人精神

