



Yum China Reinforces Commitment to Sustainability with the Launch of Pioneering New Initiatives

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- First restaurant company in China to get the ISCC (International Sustainability and Carbon Certification) certification for its used cooking oil that will be converted into sustainable biodiesel
- Rolled out reusable serving baskets in all KFC restaurants across China

SHANGHAI, May 15, 2019 /PRNewswire/ -- Yum China Holdings, Inc. (the "Company" or "Yum China") (NYSE: YUMC) announced on May 13, 2019 that it is the first restaurant company in China to get the ISCC (International Sustainability and Carbon Certification) certification for its used cooking oil that will be converted into sustainable biodiesel following a successful pilot project in Chengdu. At the same time, the Company has successfully rolled out its in-house developed reusable serving baskets in over 6,000 KFC restaurants across China.

"We are very proud to be the first restaurant company in China to supply its ISCC Certified used cooking oil as a sustainable feedstock for biodiesel production," said Joey Wat, CEO of Yum China. "The pilot biodiesel conversion project and the introduction of the reusable serving baskets in our KFC restaurants underlines our commitment to improving sustainability throughout our value chain, while making a greater positive impact on society and the environment. We will continue to leverage our strengths and scale to play a greater role in helping build a sustainable future for our planet and we will encourage our people, our partners, the communities we operate in, as well as the millions of customers we serve, to contribute as well. Guided by our principles of "reduce, reuse, recycle, and replace", we strive to explore innovative opportunities and leverage new technologies to build sustainable and environmentally friendly restaurants."

Yum China launched its first biodiesel conversion pilot project in Chengdu in October 2018 to ensure that all used cooking oil at Company-owned KFC restaurants in the city is successfully converted into biodiesel. In accordance with the ISCC certification process, Yum China has established a comprehensive data recording and tracking system with local partners covering those KFC restaurants, waste collection companies, used oil storage sites and biodiesel plants. The system records information concerning used oil at every stage of the conversion process. In the future, Yum China plans to selectively roll out the biodiesel conversion initiative nationwide.



As one of Yum China's sustainable packaging initiatives, the KFC reusable serving basket is designed to reduce and replace the use of disposable paper packaging without compromising customers' in-store dining experience. The reusable serving basket has already replaced over 10 types of disposable paper packaging for fries, chicken products and snacks.



After initial testing in October 2018, the reusable serving basket was introduced in over 6000 KFC restaurants nationwide in February 2019. As a result, KFC restaurants across the country are expected to save more than 2,000 tons of paper per year and the total amount of waste in restaurants is expected to be reduced on average by approximately 20%.

These pioneering new initiatives, among others, are contributing to Yum China's overarching sustainability strategy to Create A Responsible Ecosystem (CARE) with a focus on building sustainable restaurants, improving sustainability across the entire supply chain and promoting sustainability in communities. The Company has integrated sustainability with its long-term business growth strategy "Sustainable Platform for Growth" and will continuously leverage its strengths to provide customers with safe and nutritious food in a way that is economically, socially and environmentally sustainable. Yum China has also created a roadmap of commitments to implement this strategy, which clearly defines the objective and goals for critical environmental and social focus areas.

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 "Forward-Looking Statements" in our Annual Report on Form 10-K) for additional detail about factors that could affect our financial and other results.

About ISCC

ISCC (International Sustainability and Carbon Certification) is a globally leading sustainability certification system. It is applied by more than 3,300 companies in 100 countries. ISCC is an independent multi-stakeholder system used to verify compliance with strict sustainability, GHG and traceability requirements. The certification is carried out by independent third-party organizations. ISCC is a high-level standard, widely recognized by authorities and industry initiatives. It is governed by the ISCC Association comprising 117 members as of 10 April 2019. A key objective of ISCC is to support the development of a sustainable bioeconomy. Find out more at: www.iscc-system.org

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, East Dawning and COFFi & JOY concepts outright. The Company had more than 8,600 restaurants in over 1,300 cities at the end of March 2019. In 2019, Yum China was named to the Bloomberg Gender-Equality Index and was certified as a Top Employer 2019 in China by the Top Employers Institute. For more information, please visit <http://ir.yumchina.com>.

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