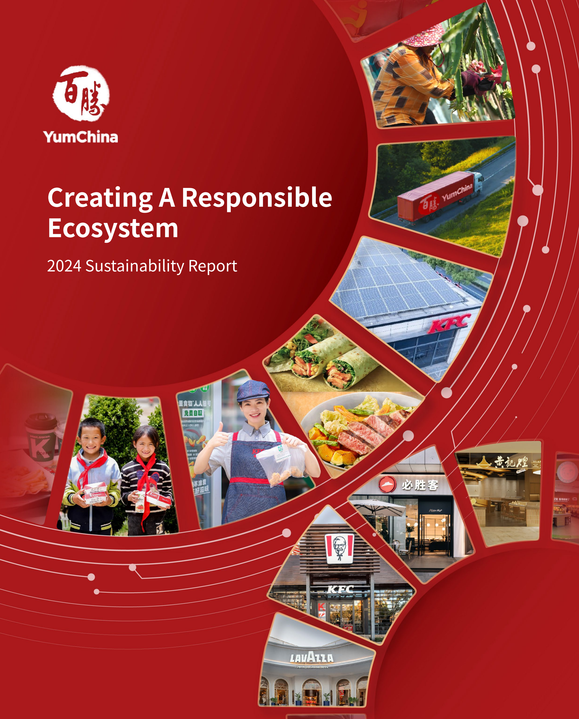
YumChina

Creating A Responsible Ecosystem

2024 Sustainability Report



"Navigating the complexities of sustainability requires innovative solutions that balance the needs of all stakeholders: employees, customers, partners, shareholders, and others. In 2025 and beyond, Yum China will continue collaborating closely with stakeholders to achieve our sustainability goals. As we pursue opportunities and deliver shareholder value, we remain anchored in ethical, responsible practices – driven by our vision to build a more sustainable future for all."

Joey Wat

Chief Executive Officer
Yum China Holdings, Inc.

「2024 External Recognition」

S&P Global

Dow Jones Sustainability Indexes

Industry No.1 in S&P Global Corporate Sustainability Assessment (CSA) for the 5th consecutive year

Included in the Dow Jones Sustainability World Index (DJSI World) and the Dow Jones Sustainability Emerging Markets Index (DJSI Emerging Markets)

The only company in the consumer services industry from Mainland China to be included as a member of DJSI World

MSCI

Industry Highest Ranking ("AA") in MSCI ESG Rating for the 3rd consecutive year

top EMPLOYER 中国杰出雇主 CHINA 2025 FOR A BETTER WORLD OF WORK

"China Top Employer" by the Top Employers Institute for the 7th consecutive year

「Active participation in international initiatives」

UNGC

A member of the United Nations Global Compact (UNGC)

WEPs

A signatory to the United Nations Women' s Empowerment Principles (WEPs)

SBTi

Near-term Target Approved by Science-based Target Initiative (SBTi)

「Sustainability Approaches and Practices Across the Entire Value Chain」

Suppliers

We partner with **800+** independent suppliers and their global network of upstream suppliers, primarily in food-related industries

- Manage food safety and quality across the supply chain
- Promote supply chain management compliance
- Engage the supply chain with a goal to reduce GHG emission
- Contribute to the development of the entire industry

Logistics

We have established a comprehensive logistics system, with **33** logistics centers and infrastructure

- Manage food safety and quality in logistics
- Improve logistics system efficiency continuously
- Reduce GHG emissions from logistics

Restaurants

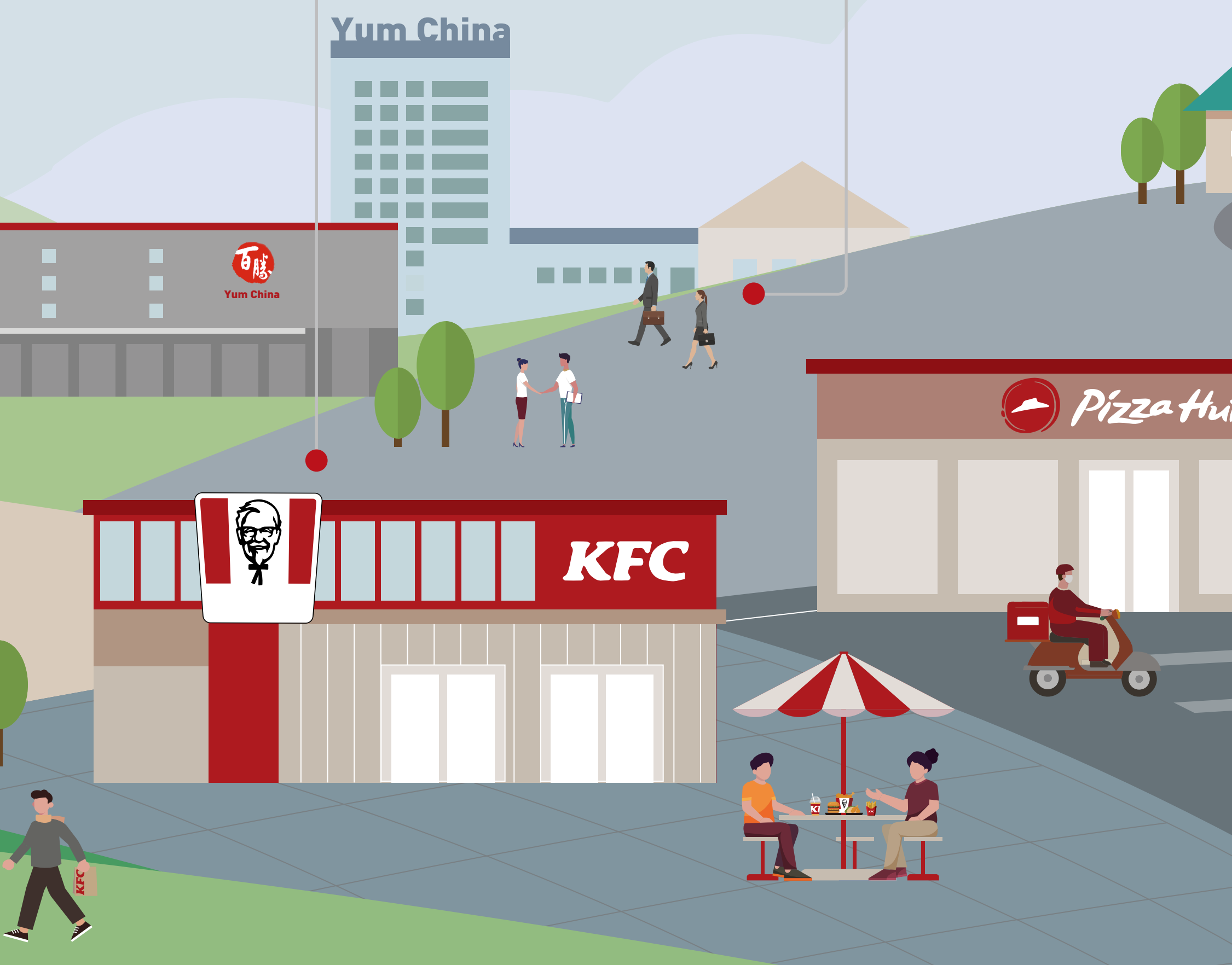
With **16,000+** restaurants, our Purpose is "Make Every Life Taste Beautiful"

- Manage food safety and quality in restaurants
- Develop innovative store models and products
- Reduce GHG emissions and environmental impact from restaurants

Employees

We had **350,000+** employees as of the end of 2024

- Prioritize frontline employee needs with RGM No.1 principle
- Protect employee rights and ensure occupational health and safety
- Provide extensive development opportunities for employees
- Foster a fair and inclusive work environment
- Care about employees with special needs



Customers

We serve **2 billion+** customer visits annually

- Provide delicious and safe food
- Advocate nutritious and healthy diets
- Focus on customer satisfaction
- Enhance customer experience

Community

We operate across **2,200+** cities and towns in China

- Contribute to rural revitalization
- Support community care
- Advocate for healthy lifestyles

「2024 Highlights」

Food

We are committed to providing our customers with a safe, delicious, nutritious, and high-quality dining experience.

Food Safety and Quality

>80% of our food ingredient and food-contact packaging materials obtained Global Food Safety Initiative (GFSI) benchmarked food safety certifications

100% Operational Excellence Compliance (OEC) audit coverage achieved for our restaurants worldwide

Further upgraded **Food Safety Risk Assessment and Early Warning Management System** and developed an interconnected food safety big data ecosystem

Nutrition and Health

Further improved existing product formulations while introducing a series of innovative **products with less salt and sugar**, and offering **4 diverse range of ingredient combinations**

"Nutrition Butler", an automated, digital and intelligent nutrition and health management platform

Environment

We collaborate closely with our value chain partners to address the challenges posted by climate change and ecological crises

Climate change

First systematic GHG inventory for Forest, Land, and Agriculture (FLA) across the value chain conducted and completed

Low-Carbon Operations

Total energy usage in 2024 amounted to

~200,000MWh

Annual renewable energy consumption

~38,000MWh

>370% year-on-year growth

Low-Carbon Supply Chain

40+ suppliers have joined the Yum China Distributed Photovoltaic (DPV) & Virtual Power Purchase Agreement (VPPA) Alliance with

~270,000MWh annual renewable energy usage achieved by the Alliance

Nature, Forests and Water

Palm Oil — **100%** of the palm oil we purchase is Roundtable on Sustainable Palm Oil (RSPO)-certified

Soybeans — **100%** of the soybeans used for our soy milk powder can be traced

Beef — **100%** of the beef we purchase has received external quality or sustainability-related certifications*

*Including, but not limited, NON-GMO, ABCDE, NSQC, GMP, BRC, GLOBAL G.A.P. certifications

Circular Economy

Our collection network for coffee grounds has expanded to

~8,700 KFC restaurants

~2,000 tons of coffee grounds were collected and transported

KFC Food Bank program has expanded to

150+ cities, **~1,000** stores

Sustainable Consumption

As of the end of 2024, the "Virtual Green Store" accumulatively attracted

29 million+ participants

People

We consider and respond to the needs and expectations of every stakeholder across our value chain

Technology Empowerment

AI Powered Centralized Recruitment to Streamline Hiring Processes, significantly reducing the administrative burden on Restaurant General Managers (RGMs)

AI tools offer more accurate guidance for everyday operations, optimising operational efficiency

Our **Remote Store Management System** enables RGMs to monitor real-time operation, thus improving management efficiency

Employee Well-Being

14,700+ Restaurant General Managers (RGMs) cumulatively were granted company shares

Listening to employees' voices, established a platform for direct dialogue with frontline employees, understanding and addressing their concerns in daily operations

Angel Restaurants expanded to **66** restaurants in **60** cities

Employee Training & Development

Full-Career-Cycle Development System launched with upgraded online learning platform

YUMC College program expanded to

~20 markets nationwide

Supporting **3,800+** employees in obtaining professional certifications

Supporting **3,000+** employees in receiving continuing education grants and higher education diplomas

Customer Mania

2 billion+ customer visits served annually

Generative Artificial Intelligence (GenAI) was utilized, increasing consumer communication efficiency by **10%**

Supplier Management

We Launched our **Digital Supplier Recruitment Program** and are dedicated to building a diverse and high-quality supply chain ecosystem

100% of key suppliers participated in Yum China supplier Corporate Social Responsibility (CSR) audits

Community

Driven by a commitment to positively impact society, we leverage our own strength to support social development

Rural Revitalization

The One Yuan Donation program has accumulatively raised RMB **270 million+**

provided **58 million+** nutritious meals for children in underdeveloped regions

provided cooling training to **620+** rural schools

Pizza Hut Grow Local Initiative cumulatively conducted **90+** training sessions covering **700+** participants

Community Care

KFC Little Mighty Bird Fund have accumulatively benefited

6 million+ children in need

600+ emergency science knowledge sharing activities have been conducted and **41** emergency/fire safety-themed restaurants have been constructed

Health Advocacy

The Chinese Nutrition Society Research Fund — **Yum China Dietary Health Foundation** has cumulatively provided funding of RMB **26 million+** to **100+** projects by the end of 2024

1,500+ schools participated in KFC China 3-3 Basketball Championship in 2024

「About Yum China」

Yum China is the largest restaurant company in China with a mission to make every life taste beautiful. KFC and Pizza Hut are the leading brands in the quick-service and casual dining restaurant spaces in China, respectively. In addition, Yum China has partnered with Lavazza to develop the Lavazza coffee concept in China Little Sheep and Huang Ji Huang specialty in Chinese cuisine. Taco Bell offers innovative Mexican-inspired food. Yum China has a world-class, digitalized supply chain, which includes an extensive network of logistics centers nationwide and an in-house supply chain management system. Its strong digital capabilities and loyalty program enable the Company to reach customers faster and serve them better. Yum China is a Fortune 500 company with the vision to be the world's most innovative pioneer in the restaurant industry.

Note: Cumulative data is as of the end of 2024, all other figures reflect the reporting period.