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YumChina

# Creating A Responsible Ecosystem

## Yum China Releases
## 2022 Sustainability Report

YumChina
肯德基
KFC
KFC
Pizza Hut
Pizza Hut

> While many uncertainties may lie ahead, I firmly believe that Yum China is uniquely positioned to thrive as a business – and as a responsible corporate citizen. We are grateful to everyone who has joined us on our ESG journey, and we will continue to foster a culture of creativity and collaboration as we work towards our ESG goals.

**Joey Wat**
**Chief Executive Officer**
**Yum China Holdings, Inc.**

# 2022 Highlighted Achievements

# Yum China's near-term Science-Based Targets (SBTs) approved

## - 1st restaurant company in China to reach this milestone

Member of
**Dow Jones Sustainability Indices**
Powered by the S&P Global CSA

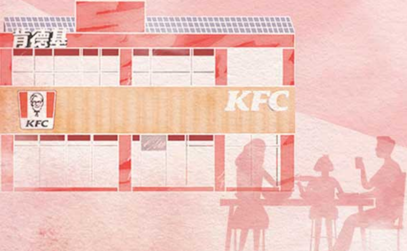
Received the best score in the industry for the 3rd consecutive year, and received the **Top 1% S&P Global ESG Score**

**MSCI**
ESG RATINGS
AA
CCC | B | BB | BBB | A | AA | AAA

The only restaurant company worldwide to receive MSCI ESG '**AA**' rating

**top** EMPLOYER
中国杰出雇主
CHINA
2023
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

Certified as a **Top Employer in China** for the 5th consecutive year, ranked **first** in the restaurant industry for the 2nd consecutive year



# Food

## Nutrition & Health

Offer delicious and nutritious food choices while promoting a balanced and healthy diet

***Yum China Nutrition and Health Policy*** **and Commitments published**

**100%**

KFC, Pizza Hut, and Taco Bell Kids Meal meets *Nutrition Guidelines for Meals Offered by the Restaurant Industry to School-Age Children* issued by the Chinese Nutrition Society

**100%**

KFC, Pizza Hut, and Taco Bell Light Meal meets *Guidelines for Design of*

**700+**

Tons of salt reduction in French fries/ketchup/ frozen cheese by 2030

*Nutritional Light Meal* issued by the China Cuisine Association

from a 2020 base year

**100%**

KFC, Pizza Hut, and Taco Bell products are free of trans fat originating from hydrogenated/partially hydrogenated oils

**4,500+**

Tons of total sugar reduction by 2030 from a 2020 base year

## Food Safety & Quality

A value chain food safety management system, with Culture as foundation, and Technology as enabler

**iFS**, **eQA**, **iQA**, **IoT**, **SCDI**
launched, the digitalized quality management system of Yum China reached a significant scale

# Environment

## Climate Action

Driving towards **net-zero** value chain GHG emissions by 2050

**15%** ↓

Average restaurant electricity consumption reduction as compared to 2021

**100%**

Renewable energy for two of our company-owned restaurants

**1st**

Supply Chain Sustainability Workshop held to drive low-carbon value chain transformation

## Circular Economy

Exploit less resources and recycle more waste, creating **zero-waste** restaurants

**~19,000**

Tons of packaging reduced in 2022

**1st**

Restaurant chain in China to pilot packaging waste recycling

**325**

International Sustainability and Carbon Certification (ISCC)-certified restaurants

**3,518**

Tons of used cooking oil (UCO) converted into biodiesel since 2019

Pizza Hut
Pizza Hut

## Supply Chain Environmental Impact

Address supply chain environmental risks, to build a **zero deforestation** supply chain

**100%**

Roundtable on Sustainable Palm Oil (RSPO)-certified palm oil purchased

**21%**

Forest Stewardship Council (FSC)-certified paper packaging achieved

# People

## Good Health and Well-being

Respect and protect human rights, and safeguard the health and livelihood of employees and their family members

- ***Yum China Human Rights Policy*** <br>***Yum China Occupational Health and Safety (OH&S) Policy*** **released**
- **'Employee Mutual Aid Fund' established**
- **Upgraded medical insurance coverage for Restaurant General Managers (RGMs) up to RMB 1 million**

**0**

Work-related fatalities for employees for 5 consecutive years*

## Gender Equality, Diversity, and Inclusion

Foster a diverse, inclusive, and non-discriminatory working environment and provide every employee with equal opportunities

**>50%**

Of female employees in our total workforce, and in all employees hired, trained, promoted, and retained

**>1.5%**

Of staff with disabilities

of our full-time positions

## Quality Education

Encourage professional development, nurture innovative pioneers in the restaurant industry

**8.8 million**

Training and development hours

**338 million**

RMB invested in training and development

*The number does not include casualties that are not attributed to work.

# Community

**>4 million**

hours of employee volunteer time in 2022

## Rural Revitalization

Improve child nutrition, provide access to digital education, and revive rural industries

### 15th Anniversary One Yuan Donation

**>240 million**

RMB raised accumulatively

**>140 million**

Customers participated accumulatively

### Digital Classroom

**~340**

Schools covered accumulatively

## Community Care

Give back to our community with love, cultivating a supportive and friendly community

**5 million**

Children benefited from KFC Little Migratory Birds Fund

**>100 million**

Books distributed through KFC Book Kindom Program accumulatively

**>450**

Knowledge sharing sessions organized in Public Safety-themed Restaurants

**~55,000**

Books stored through Pizza Hut Public Reading Program

## Other Recognitions

Named for the 5th consecutive year to the Bloomberg Gender-Equality Index (GEI)

Named in Equileap's Gender Equality Global Report & Ranking, the only company from China to be included in the list

Received the Hong Kong Corporate Governance and ESG Excellence Awards

Nominated in the *Fortune* China ESG Impact List

Received Bloomberg Green's ESG Pioneer Award - Environmental Pioneer of the Year

Received the China Best ESG Employers Award from Aon

Received the ESG China Awards - ESG Report of the Year from the British Chamber of Commerce in Shanghai

# About Yum China

Yum China Holdings, Inc. (NYSE: YUMC and HKEX: 9987) is

China's largest restaurant company with a vision to be the world's most innovative pioneer in restaurant industry. From a single restaurant in 1987, the Company now operates nearly 13,000 restaurants in over 1,800 cities and towns spanning every province and autonomous region across mainland China.

Data as of the end of 2022