

Yum China Holdings, Inc.

No Deforestation Commitment

Forests help to regulate ecosystems and play an integral role in the carbon and water cycles. Yum China is committed to complying with applicable laws, striving to support global forest protection initiatives, and exploring opportunities to mitigate potential deforestation risks across our operations and upstream supply chain.

OUR COMMITMENTS

We rigorously manage our own operation sites to prevent encroachment on protected habitats. Before constructing new facilities including restaurants, office buildings, and logistics centers, necessary environmental impact assessments are conducted to mitigate disruptions to surrounding areas.

We have also set an ambitious goal of achieving a zero-deforestation supply chain in collaboration with our suppliers. By continuously strengthening traceability management in our upstream supply chain, we support sustainable sourcing of commodities, including palm oil, soy, cattle, and timber.

Palm Oil:

- We have been a RSPO member since 2017 and commit to only purchasing palm oil that meets the eight principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO).
- We strive to protect natural resources and biodiversity while supporting sustainable palm oil production in collaboration with stakeholders.

Timber:

- We refuse to purchase paper products from suppliers that knowingly cause deforestation
- We aim to use 100% Forest Stewardship Council (FSC)-certified paper packaging by 2025.

Soy:

- We are developing soy traceability systems in collaboration with our upstream suppliers and leveraging best practices from external stakeholders to help identify risks and enhance transparency and disclosure.
- We encourage poultry suppliers to comply with the Amazon Soy Moratorium and other international tropical forest protection conventions and initiatives.

Cattle:

- We follow relevant laws and regulations related to imported meat products, including the *List of Registered Meat Products Enterprises Exporting to China*.



- We are analysing the risks in our cattle supply chain in collaboration with our suppliers.

SCOPE

The No Deforestation Commitment applies to Yum China's own operations, partners and supply chain. Our own operations include company-owned restaurants across all brands, office buildings and logistics centers within our operational control.

MANAGEMENT STRUCTURE

Yum China has an established governance mechanism on sustainability matters from the Board to Operation Teams. At the Board level, the Food Safety and Sustainability Committee assists the Board in its oversight of the Company's practices, policies, procedures, strategies and initiatives relating to sustainability including environmental and climate-related issues, and supply chain.

Yum China also established a Sustainability Committee, which is a management committee responsible for evaluating sustainability risks and monitoring the implementation of key initiatives and regularly reports to the Food Safety and Sustainability Committee. Yum China also established the Sustainability Task Force, which monitors current and emerging climate-related regulations, develops sustainability action plans, and promotes the implementation of key sustainability initiatives.

This commitment is approved and endorsed by Yum China Chief Supply Chain Officer and Sustainability Committee.

