

# Yum China Holdings, Inc.

## Engagement and advocacy in climate policy with trade associations and business groups

### OUR POSITION ON CLIMATE CHANGE

We wholeheartedly support the long-term goals of the Paris Agreement, which aim to limit the global average temperature increase to 1.5°C above pre-industrial levels. Meanwhile, we fully back the Chinese government's targets of peak carbon emissions by 2030 and carbon neutrality by 2060. We have set near-term GHG emissions reduction targets in line with prevailing scientific consensus on climate change. The Science Based Targets initiative (SBTi) has officially endorsed these targets, underscoring our dedication to achieving net-zero value chain GHG emissions by 2050.

Our climate change stance informs our review of trade associations' positions, activities, and advocacy efforts. We expect that all trade associations of which we are members to be aligned with our climate change viewpoint and actively advocate for measures that contribute to our shared goals.

### OUR APPROACH

In determining whether to join trade associations or reassess our existing memberships, we take into account several factors, including:

- The association's alignment with our business purpose, ambition, focus areas, activities, positions, and advocacy efforts.
- The benefits or consequences of our participation or non-involvement.
- Our potential to exert influence.
- The establishment of appropriate protocols regarding anti-trust and competition law.
- Financial and time commitments required.

We regularly review our association memberships - as well as the positions, campaigns, and advocacy initiatives they undertake - to determine whether they remain appropriate.

We value diverse viewpoints and perspectives. When differences emerge between our perspective and that of a trade association, we remain open to dialogue with the intention of finding common ground with the trade association's position and related advocacy work. If our views and those of an association seem irreconcilable despite our efforts, we will take the following actions:

- i. To establish a clear framework for addressing misalignments between the climate change policies of trade associations and the Company's own climate change positions.



- ii. To engage with the relevant trade associations, setting clear timelines and expectations for addressing the misalignment.
- iii. To escalate the matter through an established process, if the engagement does not result in satisfactory progress, with the goal of seeking a resolution.
- iv. To consider withdrawing our membership from the trade associations, if all efforts to address the misalignment prove unsuccessful.

## TRANSPARENCY

The Company is committed to transparency. We will provide updates as needed on our engagement related to climate change with trade associations which the Company collaborates with. This includes reporting on advocacy activities of these trade associations and their alignment with our climate change goals and positions.

## ACCOUNTABILITY

The Chief Public Affairs Officer is responsible for oversight of public policy engagement and collaborating with the Sustainability Officer to conduct briefings for the management team on a regular basis.

