

Yum China Holdings, Inc.

Responsible AI Management

Commitment

Yum China is committed to the responsible development and deployment of artificial intelligence, upholding responsible AI principles and implementing appropriate governance practices to support innovation and risk management for sustainable business growth.

1. Core Principles of Responsible AI

1.1 Data Privacy: Yum China has established a comprehensive privacy policy, which also applies to artificial intelligence systems developed or used by the Company. We strictly protect personal data and respect data privacy throughout the full lifecycle of AI development and deployment, in compliance with the Personal Information Protection Law of the People's Republic of China ("PRC"), the Data Security Law of the PRC, the Cybersecurity Law of the PRC and other applicable laws and regulations. We enforce least-privilege access controls for sensitive AI capabilities, limiting access to authorized personnel and conducting periodical reviews.

1.2 Cybersecurity: We implement robust cybersecurity measures to protect AI systems from threats. Our practices include regular penetration testing, secure coding standards, and periodic incident response drills. We also conduct model security assessments covering AI alignment testing, prompt shielding and harmful content interception, ensuring secure and controllable AI systems.

1.3 Fairness & Bias Management: We are committed to avoiding potential bias and aiming to deliver fair, non-discriminatory AI outcomes. We conduct regular fairness and bias assessments, supplemented by audits conducted as needed, to identify and address potential biases, so as to strive for equitable outcomes. Prior to deployment, models will complete AI alignment testing, and real-time monitoring is enabled throughout operation to uphold ethical standards.

1.4 Human-in-the-Loop: We uphold the human-in-the-loop principle: keep humans in the loop, maintain human oversight and maintain the role of humans in decision making. To make irreversible or high-stakes decisions, AI recommendations must require human oversight and mechanisms for human review or override.

1.5 Transparency & Explainability: We define clear use cases and capability boundaries for our AI applications, deployed only in compliant business scenarios. Out-of-scope requests are intercepted or redirected to prevent misuse. We aim to deliver transparency of AI systems and explainability of AI outputs. AI-generated content or decisions are clearly labeled, and users are proactively informed when they are interacting with an AI system. We also provide understandable explanations based on user needs under reasonable circumstances to



safeguard users' right to know.

1.6 Continuous Monitoring: We continuously monitor AI model performance to detect and address model drift or degradation, and take corrective actions such as retraining or parameter adjustments to ensure that the AI system remains reliable and relevant.

1.7 Feedback Mechanism: Customers or affected third parties can raise concerns regarding AI-driven decisions through our existing multi-tiered customer complaint handling mechanism, which includes refined issue-tagging, hierarchical handling, and closed-loop resolution.

1.8 Environmental Sustainability: Yum China fully considers environmental impact in its use of AI, aiming to reduce energy consumption and carbon emission intensity while increasing renewable energy usage. We monitor data center electricity and renewable energy usage, collaborate with suppliers to improve algorithm efficiency, and adopt energy-efficient hardware and servers to reduce AI-related energy consumption and carbon emissions.

1.9 Prohibited High-Risk AI Practices: We do not deploy AI systems that are explicitly prohibited by applicable laws and regulations or high-risk AI systems, including those that engage in manipulative behavior, exploitation of vulnerabilities, social scoring, and unauthorized biometric surveillance (including real-time remote biometric identification). All AI systems deployed by us are used for legitimate commercial purposes.

2. Implementation and Enforcement

2.1 Board Oversight: Yum China's existing governance framework, including the Board and its committees, also covers responsible AI.

2.2 AI Outcome Accountability & Incident Management: We establish clear accountability for outcomes generated by AI models and tools. Relevant owners of AI models and tools are responsible for their respective AI outcomes, risk decisions and compliance.

2.3 Training & Awareness: Our AI-related training for employees incorporates content on ethical AI use and security practices, helping build a responsible working atmosphere and keep employees aligned with our AI compliance policies.

2.4 Model Selection: We prioritize the use of certified, compliant large models to ensure safe and trustworthy AI applications.

