

# Supplier Code of Conduct – ESG

Date:

Supplier Name:

Supplier Address:

Re: Yum China Holdings, Inc. Supplier Code of Conduct – ESG

Dear Suppliers:

Yum China Holdings, Inc. (“Yum China” or the “Company”) is committed to conducting its business in an ethical, legal and socially responsible manner.

This Supplier Code of Conduct - ESG applies to all Suppliers of Yum China and its subsidiaries.

## Supplier ESG Requirement

Suppliers should follow Yum China’s ESG program to assess potential ESG risks and take relevant actions to safeguard sustainability performance along the supply chain.

## Ethical Sourcing Standards

- **Environmental Impact.** Suppliers must comply with all applicable environmental laws and regulations on waste management, pollution control, energy consumption management and greenhouse gas emissions reduction. Suppliers are expected to have systems in place to ensure the safe handling, movement, storage, recycling, reuse and management of waste, air emissions and wastewater discharge.
- **Freedom of Association and Collective Bargaining.** We respect that our Suppliers acknowledge the rights of workers to associate or not associate with any group and collective bargaining, as permitted by and in accordance with all applicable laws and regulations.
- **Anti-competitiveness.** Suppliers shall comply with anti-trust and fair competition laws. Acts of collusion, cartel, price fixing or other anti-competitive practices are prohibited.
- **Resource Efficiency.** Suppliers shall take efforts to develop strategies to reduce the consumption of natural resources like materials, energy, and water. Suppliers are encouraged to monitor, track and document the performance of resource efficiency.
- **Biodiversity and Zero-deforestation.** Suppliers are highly encouraged to take appropriate steps to ensure that biodiversity protection, as well as zero-deforestation policy, is applied throughout their operations and their entire supply chain.
- **Anti-corruption.** We prohibit offering or paying bribes, kickbacks, or other improper benefits to anyone. Suppliers shall comply with applicable laws concerning bribery, corruption, fraud and any other prohibited business practices.

## Audit and Inspection

The Company continuously reviews Supplier’s procurement practices on a regular basis. Supplier should conduct audits and inspections to ensure their compliance with this Supplier Code of Conduct - ESG and all applicable legal and contractual standards. In addition to any contractual rights of Yum China, any Supplier's failure to observe this Supplier Code of Conduct - ESG may subject such Supplier to disciplinary action, which could include termination of the Supplier relationship. Failure to comply with this Supplier Code of Conduct – ESG, such as unable to meet the minimum ESG requirements within a set timeframe, will be a sufficient cause for Yum China



to exercise its right to revoke a Supplier's approved status. Yum China reserves the right, as a condition of continuation of approval, to conduct (or have its designee conduct) periodic, unannounced inspections of a Supplier and its facilities and business practices to verify compliance with these standards. The business relationship with Yum China is strengthened upon full and complete compliance with this Supplier Code of Conduct - ESG and the Supplier's agreements with Yum China.

Any subcontractor retained by a Supplier must follow this Supplier Code of Conduct - ESG and each Supplier is responsible for ensuring its subcontractor's compliance.

In addition, Yum China deploys annual Supplier Corporate Social Responsibility (CSR) audit to address Suppliers' social and environmental compliance.

Thank you for helping us maintain the highest ethical standards and promoting a fair and competitive work environment.

Respectfully,  
Joey Wat  
CEO  
Yum China Holdings, Inc.

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I have read, understand and agree to follow the Yum China Holdings Inc. Supplier Code of Conduct - ESG.

DATE:

NAME:

SIGNED:

TITLE:

Supplier Name:

\*Please acknowledge and return by registered mail

