



YumChina

FORTIFYING RESILIENCY, ACCELERATING GROWTH

2021 YUMC INVESTOR DAY

Danny Tan

Chief Supply Chain Officer

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Non-GAAP Measures. This presentation includes certain non-GAAP financial measures. Reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures are included in this presentation where indicated. You are urged to consider carefully the comparable GAAP measures and reconciliations.

Market and Industry Data. Unless we indicate otherwise, we base the information concerning our industry contained on this presentation on our general knowledge of and expectations concerning the industry. Our market position and market share is based on our estimates using data from various industry sources and assumptions that we believe to be reasonable based on our knowledge of the industry. We have not independently verified the data obtained from these sources and cannot assure you of the data's accuracy or completeness. Trademarks, logos, service marks, materials, designs and other intellectual property used in this presentation are owned by Yum China Holdings, Inc. and its affiliates, or their use has been officially authorized by their respective owners. This presentation also may refer to brand names, trademarks, service marks and trade names of other companies and organizations, and these brand names, trademarks, service marks and trade names are the property of their respective owners.

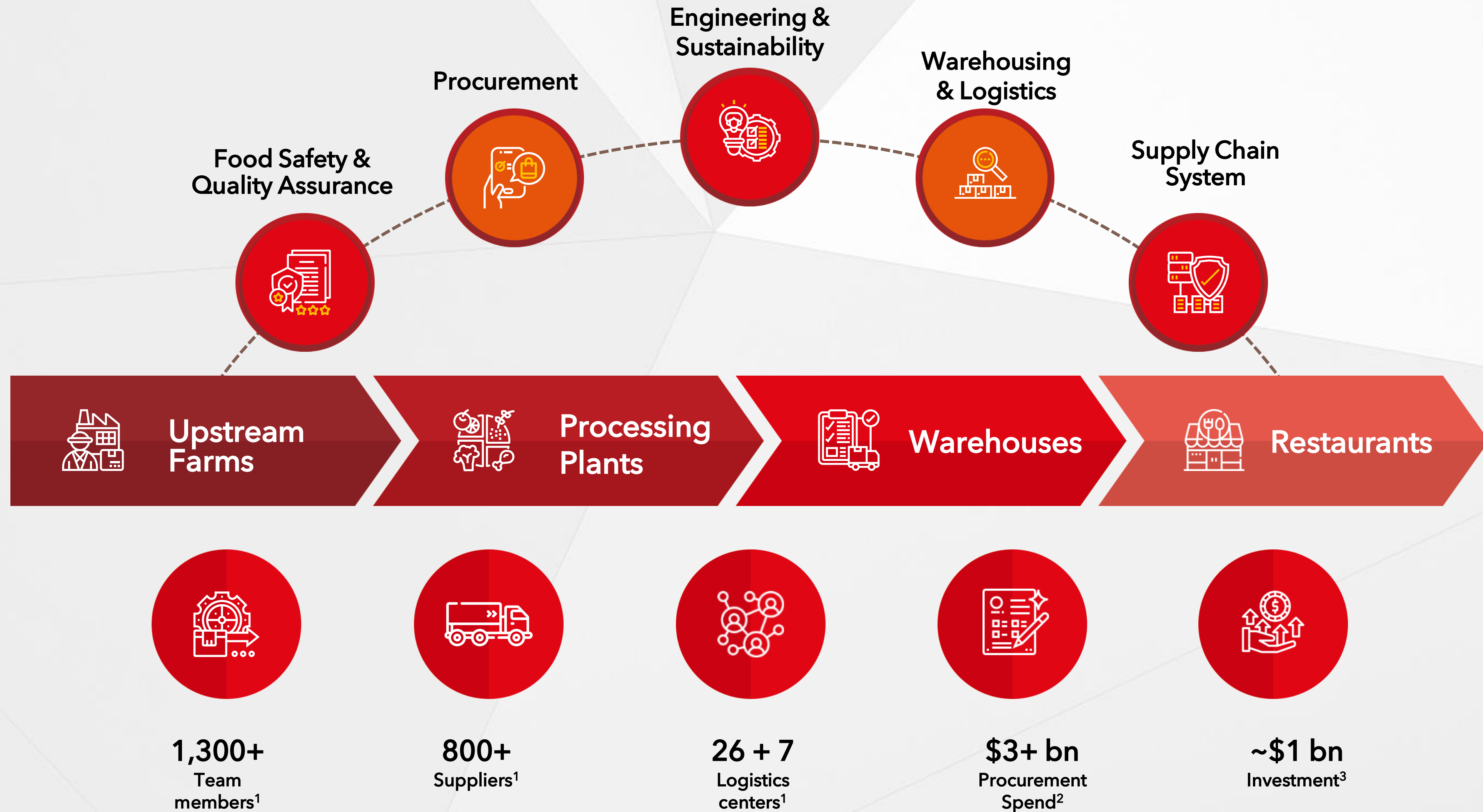
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Yum China's World-class Supply Chain



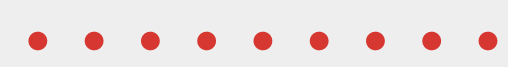
1. As of June 30, 2021; 2. Spending in 2020; 3. Estimated amount in five years



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Supply Chain Key Pillars

01



02




03




04


Food Safety and Quality #1 Priority



Innovative and Resilient Infrastructure



Digitalization and Technologies Empowerment



Sustainability - Environmental and Social



Holistic Food Safety and Quality Assurance Management System



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Supply Chain is an Integral Part of Yum China's Innovation

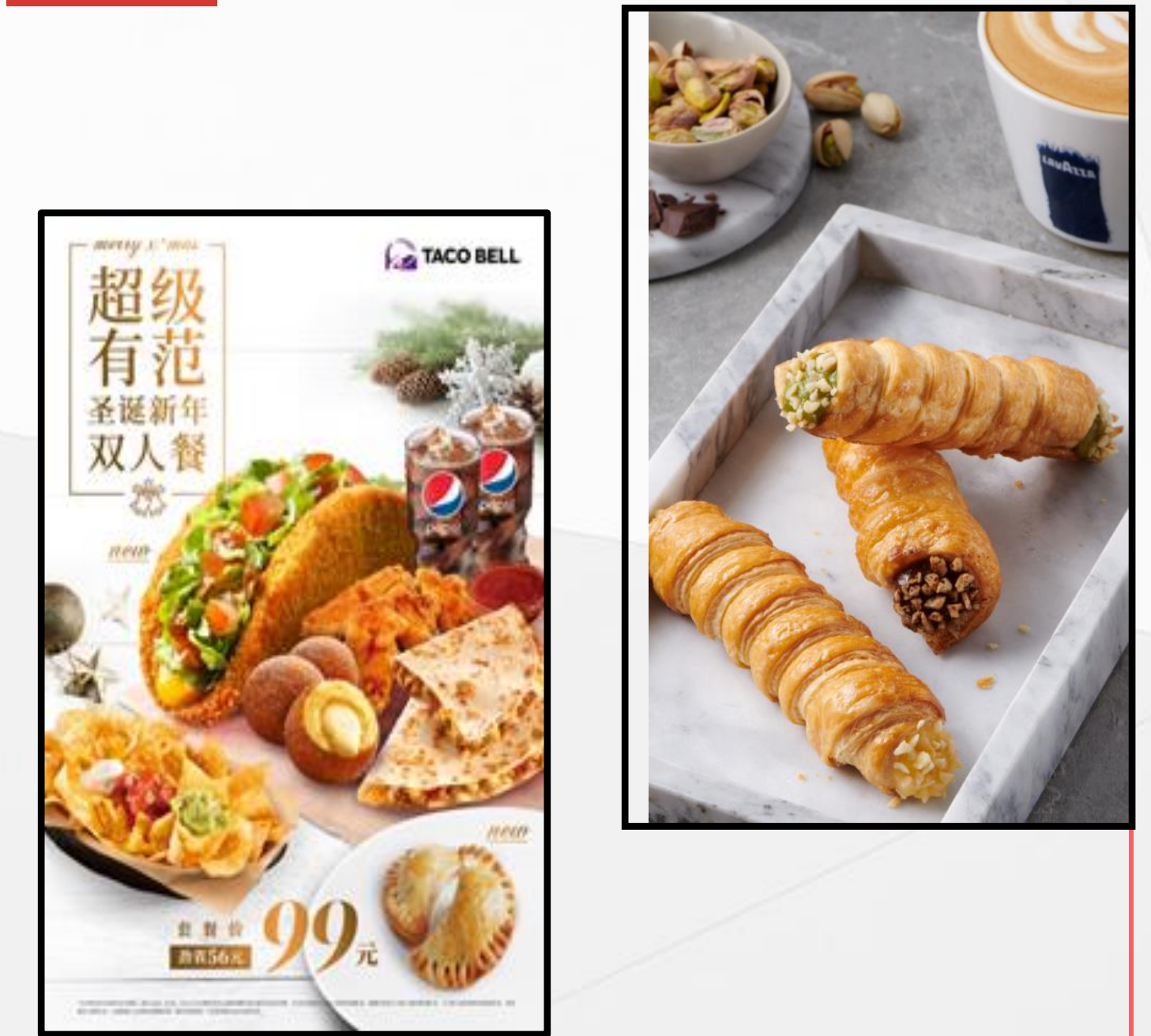
New Products



New Channels



New Brands



Ideas & Concepts



Compliance & Regulatory



Commercial & Inventory



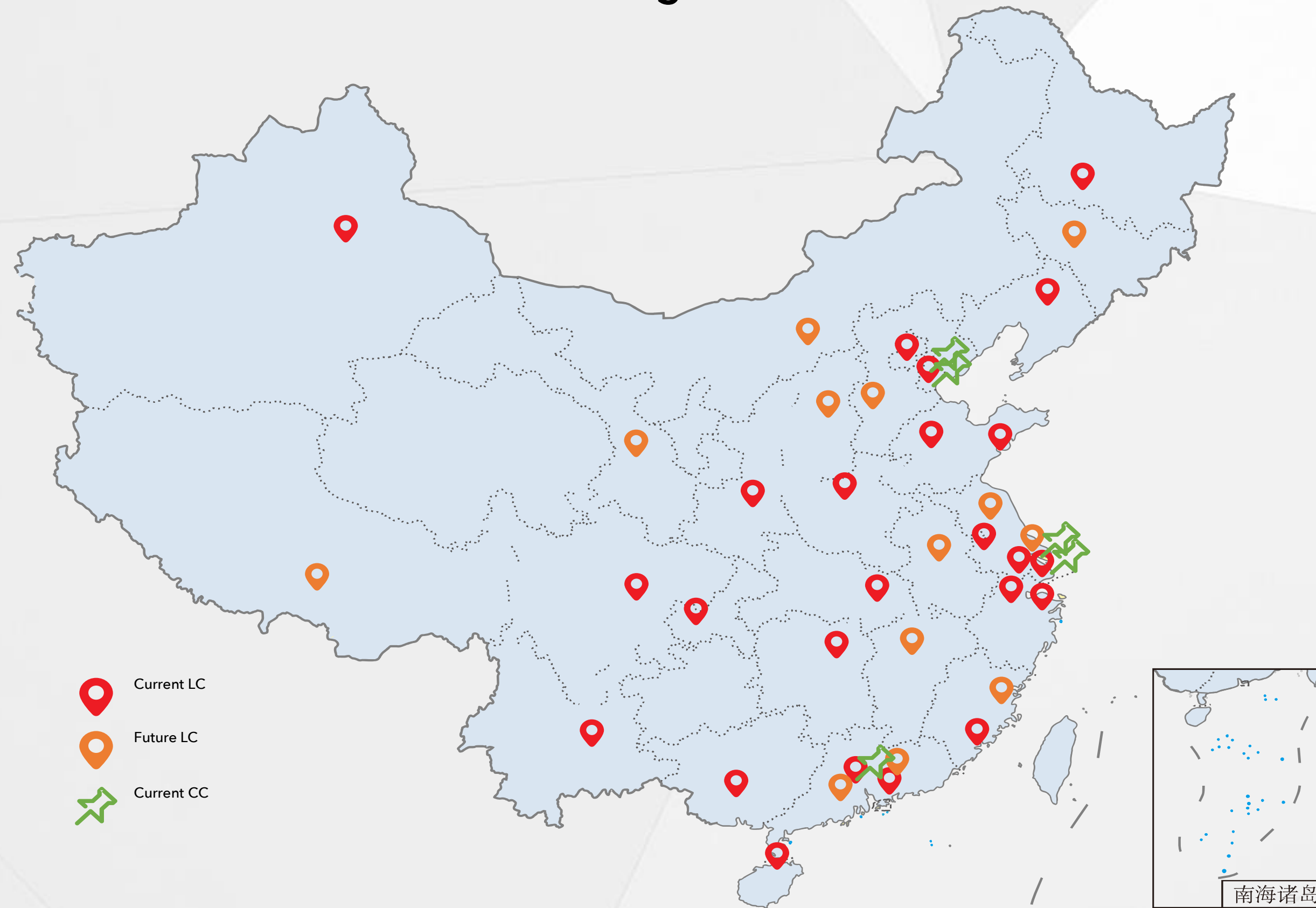
Pre & Post Launch



YumChina

Logistics is the Last Mile Enabler for Our 11,000+ Stores

Current and Planned Network Coverage



1,500+

cities served¹

1,200+

greenfield cities can be covered

45-50

LCs and CCs in the future²

2,200+

refrigerated trucks¹

24*7

Temperature monitoring

1. As of June 30, 2021; 2. CC is consolidation center and LC is logistics center



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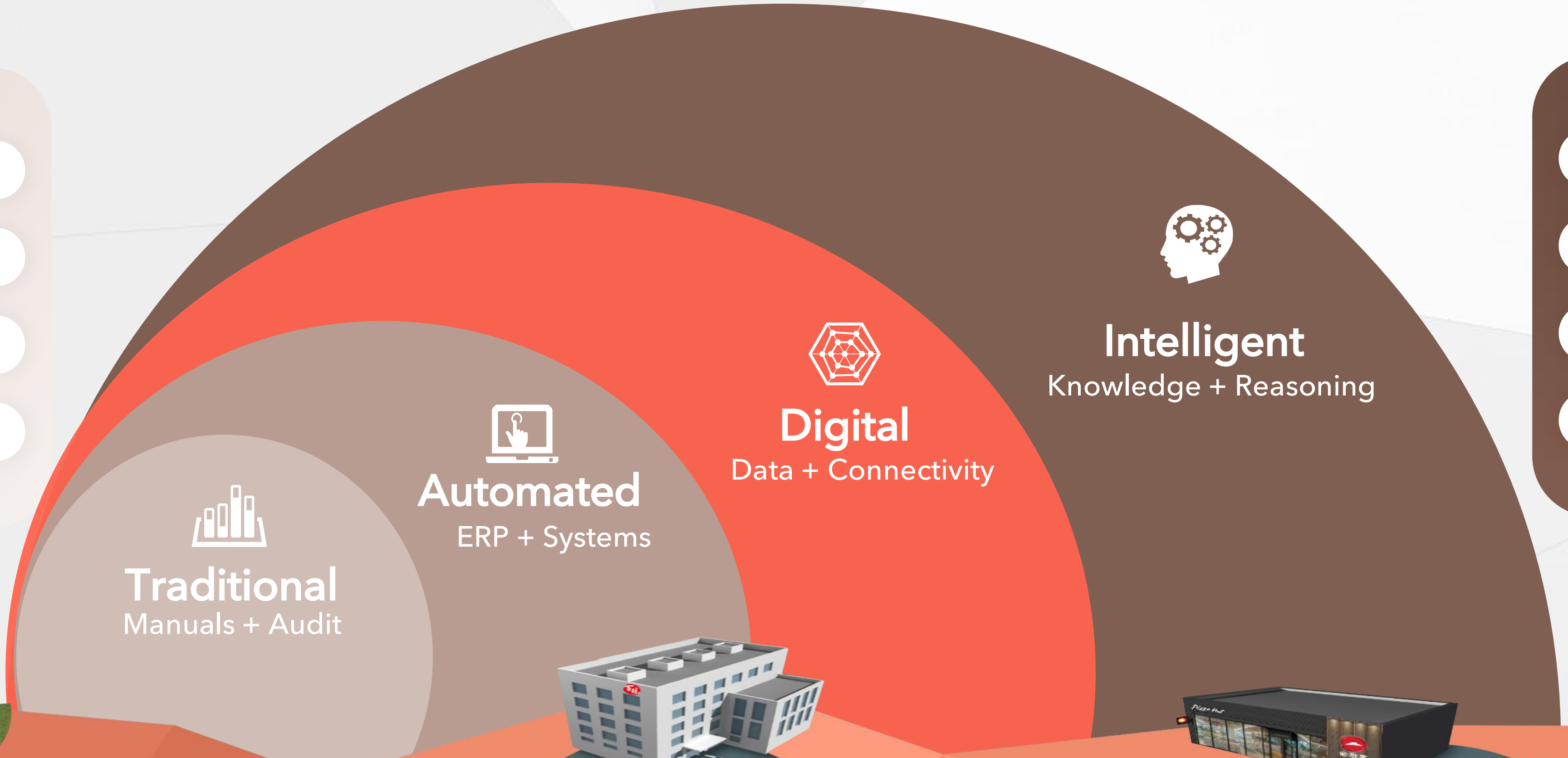
Supply Chain Digital Innovation Roadmap

From

- Snapshot visibility
- Post-auditing rectification
- Siloed data
- Experience based decision

To

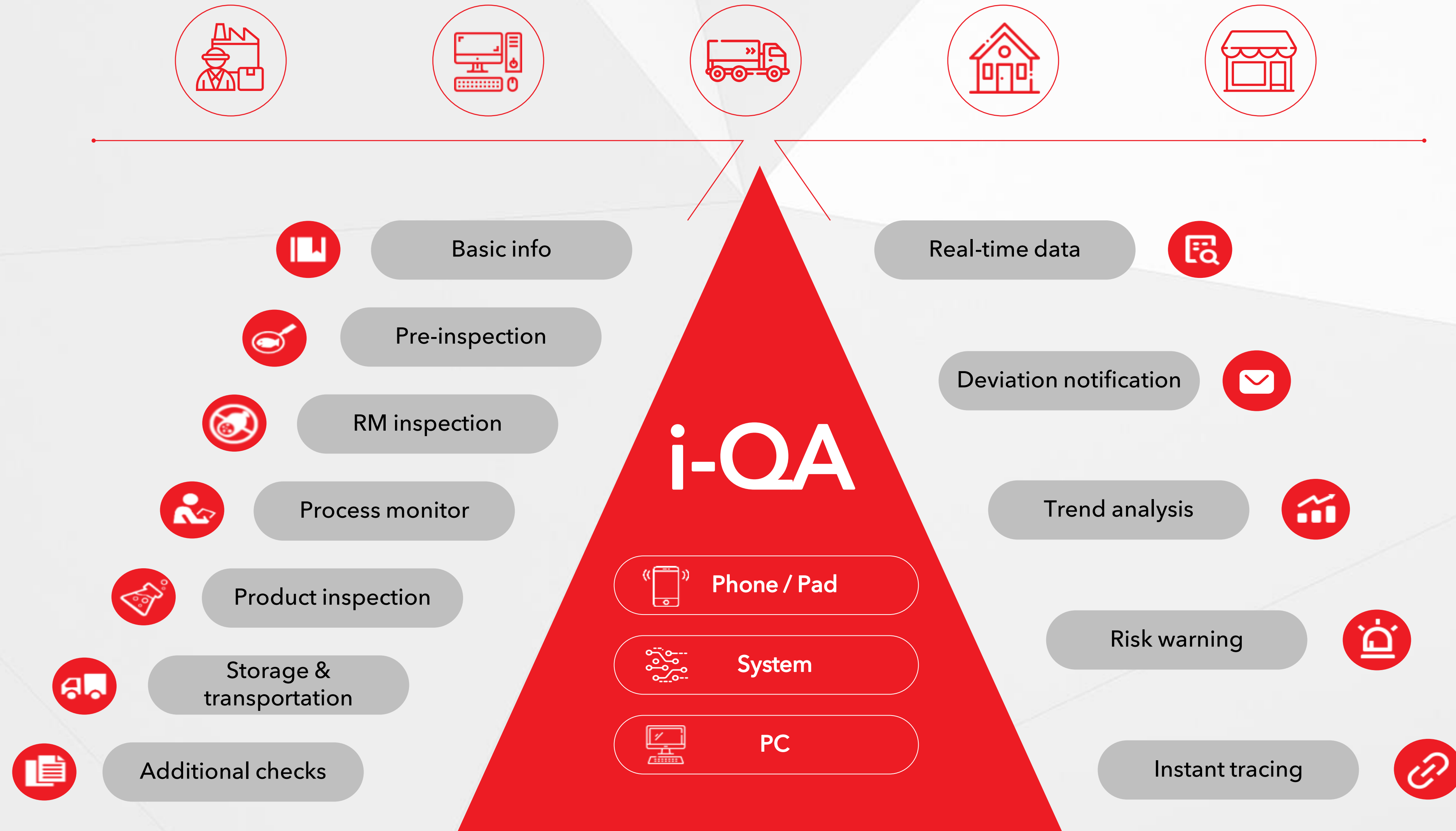
- Full continuous visibility
- Real-time monitoring & exception management
- Connected data
- Intelligent decision support





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Inter-connected Quality Management System - iQA





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Intelligent Food Safety Alert System - iFS





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IoT Enabled Cold Chain Monitoring System





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Supply Chain Control Tower

Management Dashboard



Supply Chain Intelligent Control Tower

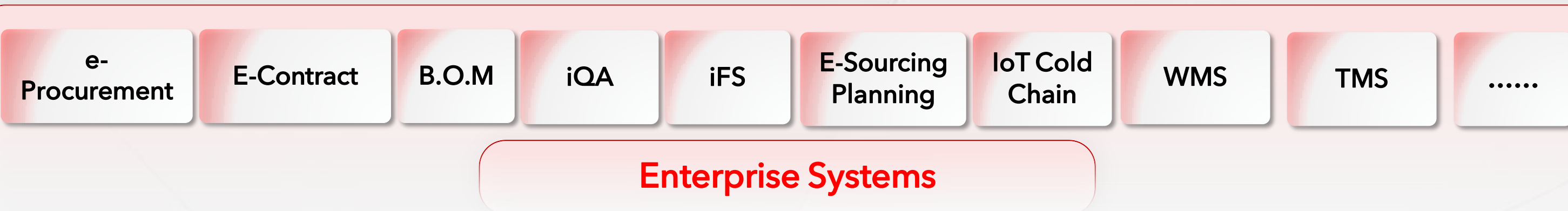
Management Reporting

Monitoring & Risk Alerts

Supply Demand Collaboration

"What if" Analytics and Decision Support

Supply Chain Data Middle Layer + YUMC AI Middle Layer





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Creating A Responsible Ecosystem

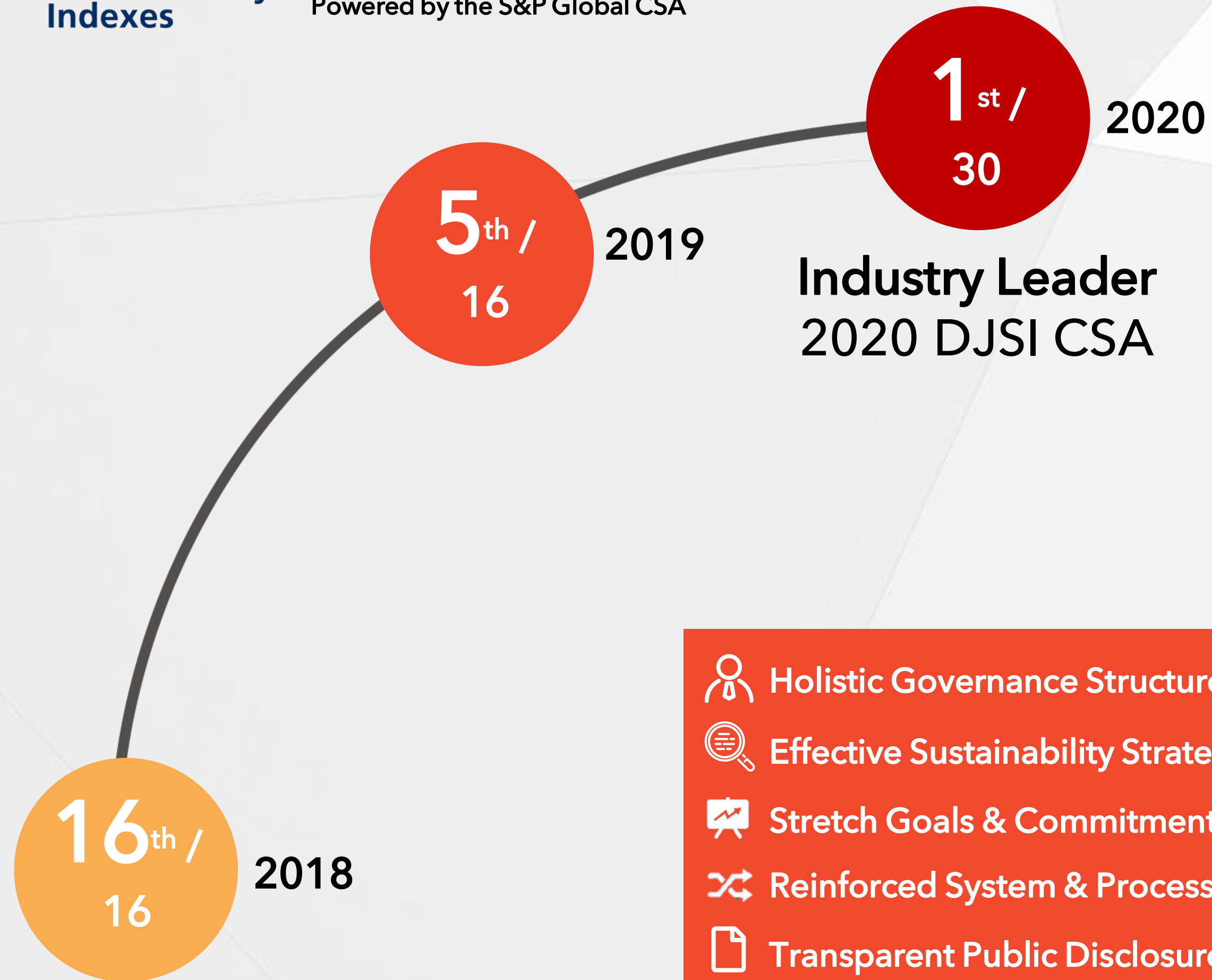




Improved ESG Performance








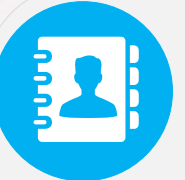

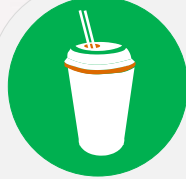

Member of
Dow Jones Sustainability Indexes
 Powered by the S&P Global CSA




- Holistic Governance Structure
- Effective Sustainability Strategy
- Stretch Goals & Commitment
- Reinforced System & Process
- Transparent Public Disclosure

ISS 2,2,1 Up from 8,9,1	<u>Opportunities:</u> - OHS management - Climate action - Labor right
Sustainalytics 20.4 Up from 23.5	<u>Opportunities:</u> - Climate action - OHS management - Deforestation
MSCI BBB Up from B	<u>Opportunities:</u> - Raw material sourcing - Labor management - Product safety & quality
CDP TBD 1 st yr participation	<u>Opportunities:</u> - Climate action - Deforestation

Key Priorities Going Forward

Environmental		Social
 <p>GHG / Energy Efficiency</p> <p>2030 SBT goal on GHG reduction in line with 1.5C Committing to reach net-zero by 2050</p>	 <p>Water Management</p> <p>10% Reduction of average restaurant water consumption by 2025 against 2017</p>	 <p>Food Safety & Quality</p> <p>100% Restaurant, LCs and critical suppliers audited</p> <p>100% Restaurants' and LCs employees covered by training and testing</p>
 <p>Sustainable Packaging</p> <p>100% Customer facing, plastic based packaging is recyclable</p> <p>30% Reduction on non-degradable plastic packaging weight by 2025</p>	 <p>Green Building</p> <p>100% Newly built restaurants are in full compliance with YumC Green Building Standards</p>	 <p>Diversity & Equal Opportunity</p> <p>50% No less than 50% of our total workforce is female</p> <p>50% Women are employed, trained, promoted and retained at a rate of no less than 50%</p>
 <p>Supply Chain Env. Impact</p> <p>Eliminate deforestation from YUMC supply chain</p> <p>100% RSPO (B&C) certified palm oil</p> <p>100% FSC certified fiber-based packaging by 2025</p>	 <p>Food Loss & Waste</p> <p>10% Driving towards a 10% reduction of our food waste per restaurant by 2030 as compared to the 2020 baseline</p>	 <p>Supply Chain Social Impact</p> <p>100% Critical suppliers covered by CSR Audit</p>



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Commitment to net-zero greenhouse gas emission by 2050



YumChina

Supporting 20,000 Stores

U n-rivaled Building Blocks

- Food Safety & Quality System
 - Supplier community
 - Logistics network

S tep-changing Capabilities

- Digitalization and Technologies
 - Cost Leadership
- Customer-oriented Innovation and Agility

W orld-class People & Execution

- Tenured Leaders
 - Integrated Supply Chain Functions
- Integrity and Executional Excellence

Sustainable Supply Chain

Supply Chain -Yum China's Growth Foundation



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