



YumChina

RESILIENCE GROWTH MOAT 2.0

2023 YUM CHINA INVESTOR DAY

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Chief Supply Chain Officer

Cautionary Statements



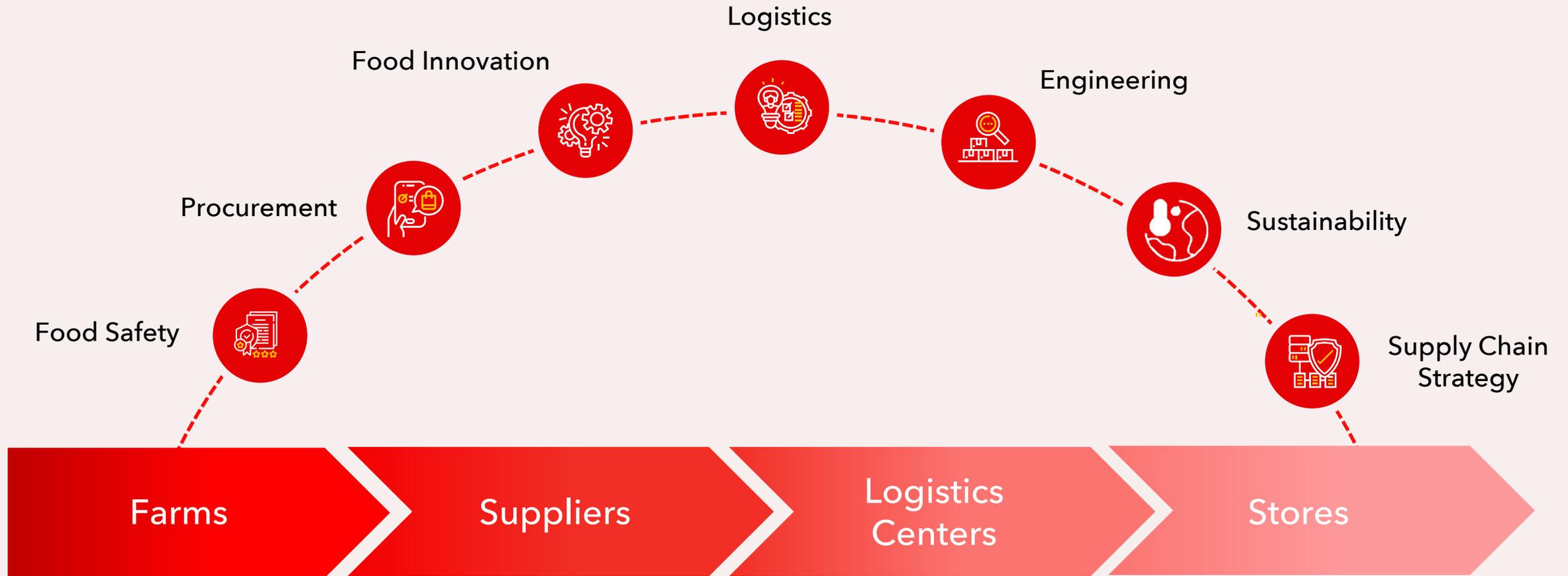
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Market and Industry Data. Unless we indicate otherwise, we base the information concerning our industry contained on this presentation on our general knowledge of, and expectations concerning, the restaurant industry in China. Our market position and 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 Has Built a World-Class Supply Chain



Four Key Pillars Fueling Business Growth

01

Food Safety

Our #1 priority

02

Innovation

To maintain competitive costs and fulfill customer needs

03

Efficiency

Reliable and agile supply chain operation

04

Sustainability

Creating a responsible ecosystem



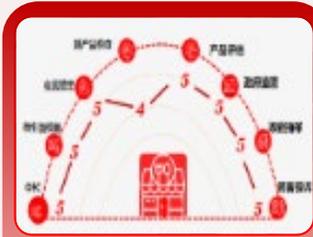
Holistic Food Safety and Quality Assurance Management System



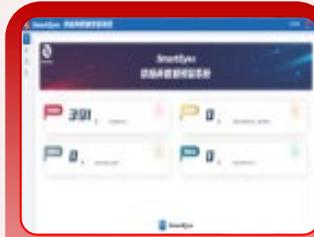
Risk Alert Platform



eQA¹



iQA²



Smart Eyes



Smart Temperature System



Remote Store Supervision

End-to-end Digital Food Safety and Quality System

Farms

Suppliers

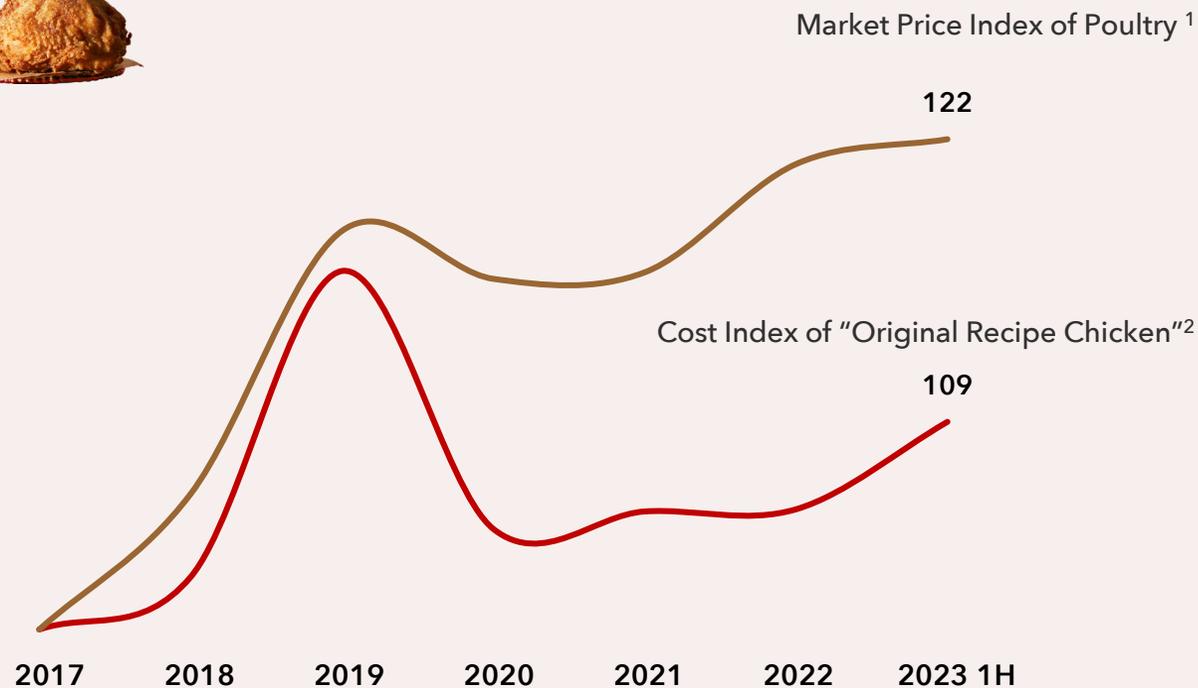
Logistics Centers

Stores



1. eQA: Intelligent quality assurance system
2. iQA: Inter-connected Quality Management System

Proactive Cost Management Mitigating Inflationary Pressure



Food Material

Non-food Material

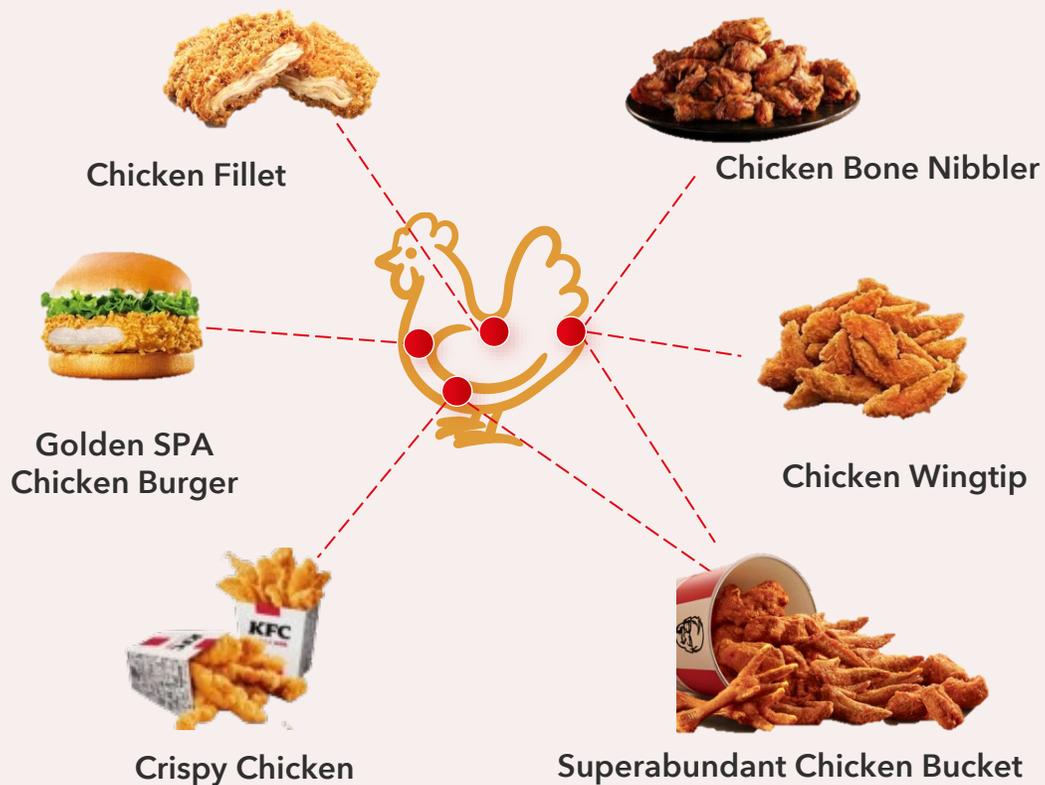
Equipment

Logistics & Others

All price indices are cumulative, 2017 index=100
1. Data from National Bureau of Statistics
2. Yum China Raw Material Index - Original Recipe Chicken

Innovative Material Utilization for Further Cost Management

Full Utilization of White-feathered Broilers



Exploring Other Chicken Breeds

"817" Special Breed



Juicy Whole Chicken

Layer Chicken



Chicken Soup



Investing in Infrastructure and Digital to Further Improve Efficiency



Capital Expenditure

Intelligent Network

End-to-End Intelligent Network to Optimize Cost and Service Quality

Automation

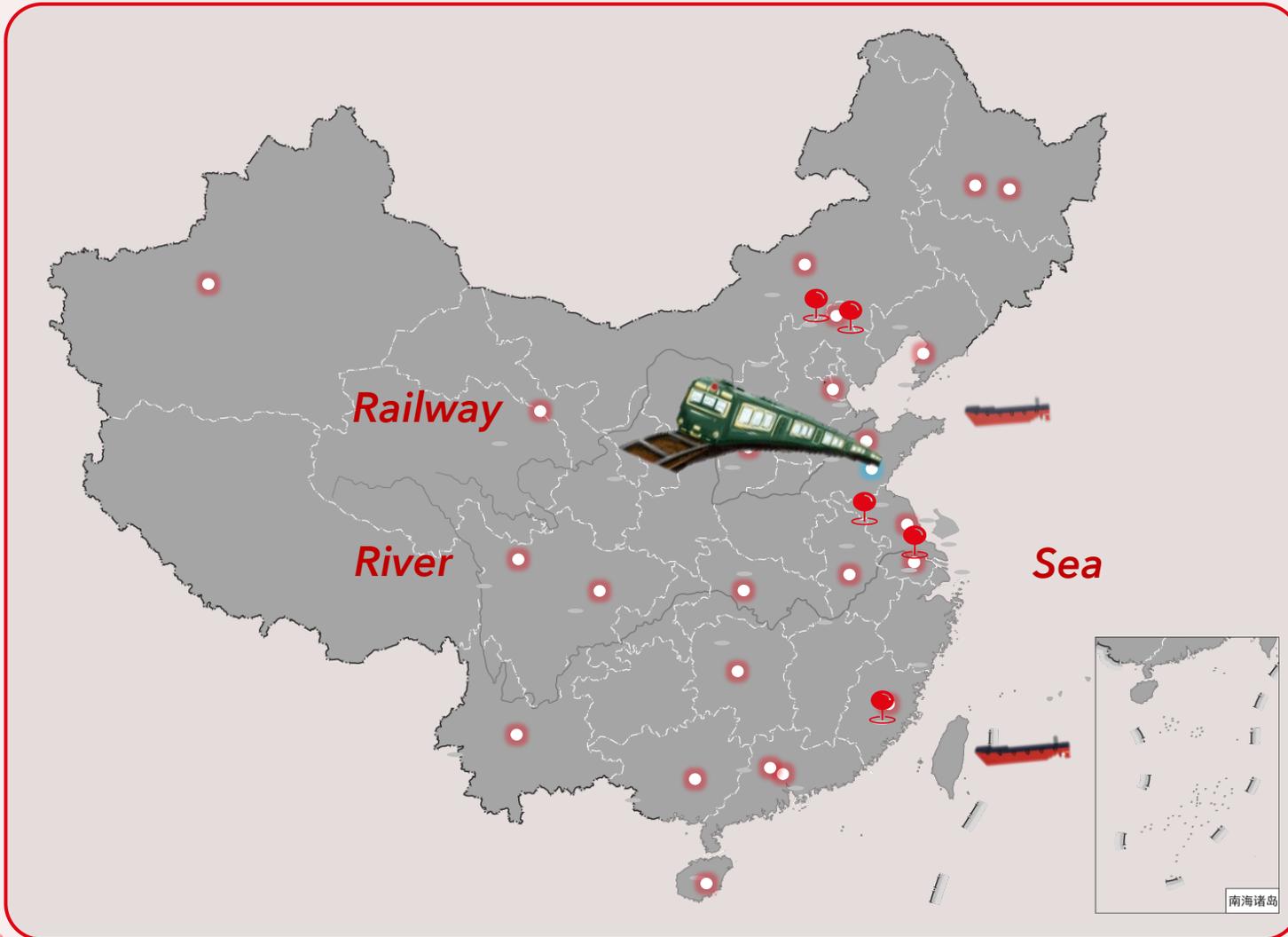
Drive Operational Excellence

Increase Automation for Efficiency

Infrastructure

Company-owned Logistics Centers

Network and Transportation Efficiency Enhancement



Intelligent Network

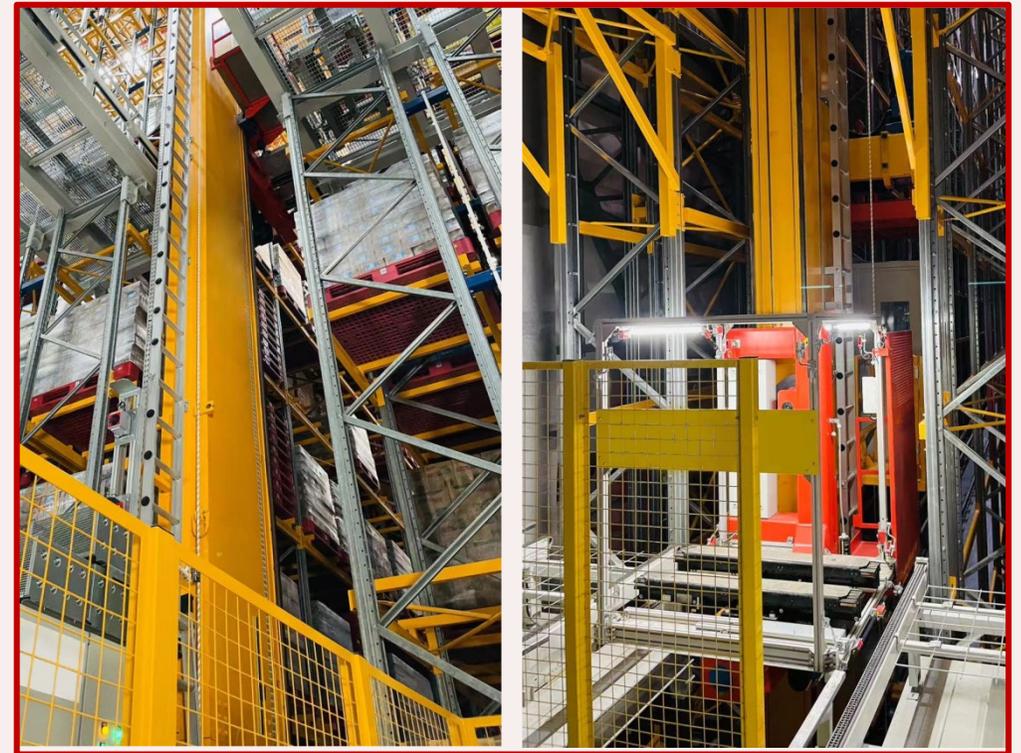
- » Optimize Logistics Center **Locations** & Redesign **Coverage**
- » Collaborate with Suppliers to **Save Inbound Cost**
- » Diversify Transport Mode to **Manage Transportation Cost**

Investing in Automation to Improve Efficiency

Xi'an Logistics Center
High Density Four-Way Shuttle System



Nanxiang Logistics Center
Automated Storage and Retrieval System



Expanding Infrastructure to Support Potential Growth



2018

Xi'an Logistics Center

First Self-owned

2023

Nanning Logistics Center

100% Green Power

2024E

Nanxiang Logistics Center

Automated Storage and Retrieval System

1. As of Jun 30, 2023

2. Target in the next three to five years

Our Sustainability Efforts Focus on People and Environment

Creating a Responsible Ecosystem



PEOPLE

We CARE about our people
with 'Fair, Care and Pride'



FOOD

We CARE about our customers
with safe & nutritious foods



ENVIRONMENT

We CARE about our environment
and minimizing our footprint

Sustainable Restaurants

Sustainable Supply Chain

Sustainable Community

Corporate Governance and Culture

Three Environmental Sustainability Priorities



Climate
Action



Circular
Economy



Upstream
Collaboration

Targets

BY 2035

↓ 63%

Reduction in absolute Scope 1
and 2 GHG emissions

↓ 66.3%

Reduction in Scope 3 GHG
emissions from purchased
goods per ton of goods
purchased

BY 2050

NET-ZERO

Note: From a 2020 base year



Reduce Waste and Recycle More



Packaging

- Reusable Packaging



Food

- Reduce Food Loss and Waste
- Food bank

*Circular
Economy*



Waste Recycle

- Used Cooking Oil
- Packaging Waste
- Coffee Grounds





Explore New Business Opportunities in Supply Chain Services



Procurement



Logistics

3rd Party Logistics Revenue
(\$ mn)



Engineering



Food Safety



Sustainability





Foundation of Growth for Yum China

RGM

2.0

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