



**Responsible Marketing Policy
of
Sphera Franchise Group SA
and its Subsidiaries**

The Sphera Group supports consumers by providing product diversity, promoting transparency through information campaigns.

We undertake to understand and comply with their needs, and we strive to earn their trust in everything we do.

Responsible Marketing

The basic principle of the Group in terms of Responsible Marketing is: **We help people make the right choice.**

Sphera is a mature organization that acts responsibly in all matters relating to the activities of the entities in its portfolio.

The Group undertakes to conduct the marketing processes responsibly and in accordance with the applicable internal policies and requirements. The integrity and reputation of our brands are very important, so we address all marketing campaigns honestly, in a transparent manner, being open to improvements suggested by our main stakeholders, all business practices being aligned with our business and sustainability values and objectives.

The Responsible Marketing Policy:

1. Defines guidelines and actions recommended for a responsible and fair marketing, including specific instructions on advertising for children who are particularly vulnerable to advertisements:
 - **Advertising for Children:** Sphera does not directly target children under 15 years old. We do not advertise via the media where at least 35% of the target audience are children aged between 3 to 15 years or on media or digital channels which target children or children's television watch hours. While our Group does not always enjoy full control of paid advertising coverage, we undertake to take all reasonable steps to prevent our marketing content from reaching children under 15 years old unintentionally.
 - **Distribution of Marketing Materials:** We do not distribute marketing materials in or near schools and do not advertise in the informal education system (community centres, youth movements, sports and religious associations, schools, etc.).

- **Promotional Activities:** We prohibit gifts of any kind for children under 15 years old in the form of an “insertion” which means to promote product sales and refrain from promotional activities that are specifically aiming children under 15 years old. We shall not use in any communication sponsorships of sports and entertainment events that mainly target children under 15 years old.

Observing Parental Authority: We do not take advantage of children’s imagination or lack of experience and we do not undermine their parents’/guardians’ authority through marketing messages. We shall not use in any communication images with our products consumed by children under 15 years old without the presence of an adult. We shall not show children who are or appear to be under three years old.

- **Complying with Inclusion:** We do not allow gender segmentation of products by physical properties such as colours (e.g., blue for boys, pink for girls) or other elements. The use of licensed characters is carefully reviewed, and we avoid other stereotypes.
- **Hiring Children:** We refrain from hiring children or adolescents for advertising purposes and from compensating minors with benefits, including through subcontractors.

2. Describes how we act, serving as a statement of commitment from the Sphera Group’s management team, a guide to our marketing and communication actions, as well as a promise to employees, partners, suppliers, and all other stakeholders we interact with.

The Marketing Strategy

Sphera marketing and promotional activities are essential to attracting new customers and retaining the existing ones.

Whether we are talking about our products, the supply of raw materials and products, the marketing activity and food safety, all these subscribe to our values in terms of responsibility. We inform consumers about the products sold and we want to make sure that the marketing and promotional activities are socially responsible, in line with our values of diversity and inclusion, and do not exploit the vulnerabilities of any individuals or groups.

At the same time, the marketing activities undertaken at Sphera level show the sincere and responsible concern of the Group in terms of the environment, sustainability, and the well-being of the communities in which we operate.

Specifically:

○ **We are concerned about the quality of the environment and life:**

Sphera eliminated polystyrene and expanded polystyrene (EPS) from 2021 in all KFC, Pizza Hut, and Taco Bell points. KFC has undertaken to recover or reuse all consumer-oriented plastic packaging by 2025. The goal supports KFC's long-term plan to implement a more sustainable packaging strategy in its restaurants – both through the development and use of sustainable packaging options – and builds on the progress already made in some markets for the disposal of plastic packaging.

More information about our actions is available here:

- [**SUSTAINABLE PACKAGING POLICY**](#)
- [**PAPER-BASED PACKAGING SUPPLY POLICY**](#)

○ **We are a sustainable business:**

In partnership with our suppliers, we are constantly looking to optimize natural resources and minimize the negative impact on the environment, including air and water quality, carbon footprint and land use.

More information about our actions is available here:

- [**SUSTAINABLE PRINCIPLES FOR ANIMAL PROTEINS**](#)

○ **We stand by the communities in which we operate:**

We want to create a climate that benefits mutual development with them. We are actively fighting to reduce food waste and as part of our efforts to do so, we are working to develop the entire KFC restaurant network of the food donation program – Harvest – through which we offer products to several humanitarian organizations.

The marketing activity is structured on four main directions:

1. Commodity Support:

By promoting products that are considered emblematic of the brands within the Group's portfolio, such as Hot Wings®, Crispy Strips®, Bucket from KFC, PAN crust pizza recipes from Pizza Hut or taco from Taco Bell. These products are an important part of our sales mix and usually generate above average gross margins.

We always display accurate information about the nutritional value of our products so that consumers can make informed choices. That is why we have created easy and transparent access for all our customers to this information, both in restaurants (as printed format, located in the area of cash registers, and digital format, through Kiosk-type control tools), and on the individual websites of each of the brands within the Sphera Group's portfolio, in the dedicated sections.

Whenever there is a change in the composition of a product, we include clear information about these changes on the websites of the brands within Sphera portfolio: [KFC & KFC Moldova](#); [Pizza Hut & Pizza Hut Delivery](#) and [Taco Bell](#).

All information provided to consumers on nutrition and allergen matters is based on scientific sources, being carried out by competent institutions (specialized laboratories), which operate and are accredited in accordance with the legal provisions in force governing this industry.

2. Accelerating Innovation:

By launching new products and offers, generally for a limited time, in order to bring new elements to our menus and increase the perception of variety among our customers.

In recent years, we have been very successful with the launch of new products such as Fillet Bites®, Burritos, BoxMaster, Meltz and American Bites for KFC, Cheesy Bites Remix pizza or Flatbread for Pizza Hut.

The Sphera Group aims to maintain the attractiveness of its products through innovation and the frequent launch of new recipes. In our restaurants, through a combination of innovative products and attractive offers from a financial and culinary point of view, we aim to increase the frequency of visits by our customers, as well as loyalty to brands. According to the franchise contracts concluded so far,

Sphera must spend on each brand (KFC, Pizza Hut, Pizza Hut Delivery and Taco Bell) at least 5% of the restaurant sales for marketing and promotional activities.

The digital communication of menus and the use of new technologies for ordering, to improve the experience of our customers and of Sphera employees, together with other innovative technologies for our products are priority initiatives within the Group in the sustainable development of the company.

We constantly analyse the consumer perception patterns towards Sphera brands, products, and services, as well as their consumption habits and lifestyle preferences, in order to constantly improve our offer and to maintain our relevance to our customers. Another tool implemented in our restaurants is the digital menus, currently used in 24 of the locations, i.e., approximately 30% of KFC restaurants. This way of presenting the menu allows the efficient management of communication in restaurants and has a positive impact from an operational point of view. In addition, digital menus are a great way to promote the products on offer at different times of day, but also to inform customers about their favourite products.

3. New Product Development

Through which we can address new customer segments or different times of day, introducing product categories such as sandwiches, snacks, new ranges of beverages, coffee and desserts. Consumer preferences in the food service segments, namely fast-food restaurants, catering restaurants and restaurants with delivery/pick-up service are affected by several factors, such as: consumer tastes, national, regional, and local economic conditions, and geographical trends.

4. Increase in Value and Relevance

Through which we constantly maintain attractive offers in the menus and promotional campaigns, essential aspects for our strategy.

Sphera Group Communication is based on:

- **Transparency:** we use clear marketing communications that do not mislead consumers. Product pictures try to reflect them as accurately as possible.
- **Authenticity:** our marketing communications use real people, rather than characters, as much as possible.
- **Inclusion:** our messages encourage human diversity in all its forms, and we avoid content that encourages extremes or messages with sexual connotations. We are careful to avoid offending individuals or groups through the content we generate, and we avoid politically sensitive issues, racism, social exclusion, etc.
- **Sincere statements:** we always communicate about our products and their ingredients honestly and accurately. We do not make misleading comparisons between our products and other food products.
- **Balance:** we encourage consumption and a balanced diet by providing information that can lead to smart food choices.
