



Sustainable Packaging Policy of Sphera Franchise Group SA and its Subsidiaries

Sphera is committed to using sustainable packaging that reduces the impact on the environment and the communities in which we operate.

We work with stakeholders - suppliers, manufacturers, and distributors to support our business approach. The Group's sustainable packaging policy includes the following policies and commitments:

SPHERA POLICY ON PAPER-BASED PACKAGING SOURCING

Sphera treats sustainable packaging as a priority. In support of this commitment, we have developed the following Sustainable Procurement Principles:

1. Sphera will not knowingly purchase paper-based packaging products that have been made from fibers from illegal or the following undesirable sources:
 - Wood harvested from forests that have been transformed into plantations or have been assigned other non-forest destinations;
 - Wood from forests with high conservation value, unless those forests are credibly certified;
 - Wood for which the forest and the source species are unknown;
 - Wood harvested in a way that violates human rights;
 - Harvested wood that violates local or international laws.
2. We will prioritize suppliers who provide certified third-party paper packaging that meets the most stringent forest management standards. At this moment, *Forest Stewardship Council* standard – FSC is considered to be the most rigorous forest certification by conservation organizations in the field. However, we need to gauge this aspiration in the context of technical requirements, unequal supply, and other regulations. Therefore, we also recognize other international certifications regulated by the *Programme for the Endorsement of Forestry Certification systems* – PEFC and *Sustainable Forestry Initiative* – SFI, provided that, the fibers do not come from the sources listed above.
3. Sphera is committed to using sustainable packaging by increasing the amount of recycled content, as permitted by technical and regulatory constraints. This is done in accordance with the regulations on the contents of the packaging to help ensure compliance with food safety, as well as performance criteria to maintain functionality. Although the limited availability of suitable recycled fibers restricts our access to the supply of such materials at times, we will strive to capitalize on sustainable practices for all packaging, napkins, and containers used in our restaurants.
4. To demonstrate compliance with this supply policy, suppliers must certify that the fibers used in the production of paper packaging have been legally harvested and marketed and that they do not come from undesirable sources, as noted above.



SPHERA PAPER-BASED PACKAGING FIBER COMMITMENT

Sphera will fully purchase fiber-based paper packaging from responsibly managed forests and recycled sources by the end of 2025.

SPHERA STYROFOAM AND EXPANDED POLYSTYRENE COMMITMENT

Sphera removed Styrofoam and expanded polystyrene (EPS) since 2021 from all KFC, Pizza Hut, and Taco Bell locations.

KFC GLOBAL PACKAGING COMMITMENT

KFC pledged that all plastic-based, consumer-facing packaging will be recoverable or reusable by 2025. The goal supports KFC's long-term plan to implement a more sustainable packaging strategy in its restaurants – by both developing and using sustainable packaging options – and builds on progress already made in some markets to eliminate plastic packaging items.

TACO BELL GLOBAL PACKAGING COMMITMENT

Taco Bell will make all consumer-facing packaging recyclable, compostable or reusable, remove all added PFAS, Phthalates and BPA from consumer-facing packaging materials, and add recycling and/or composting bins, where infrastructure permits in restaurants across the globe by 2025.

PROGRESS REPORTING

Progress on the group's goals will be reported through the annual sustainability reports.
