

Modern slavery statement

Contents

1	Definition of modern slavery	1
2	Overview	1
3	Child labour	2
4	Responsibilities.....	2
5	Documentation.....	3
6	Our operations	3
7	Due diligence, monitoring and auditing processes.....	4
8	Penalties for breach.....	5
9	Training.....	5

1 Definition of modern slavery

- 1.1 “Modern slavery” is a term which covers slavery (where ownership is exercised over a person); servitude (which involves the obligation to provide services imposed by coercion); forced or compulsory labour (which involves work or service exacted from any person under the menace of a penalty and for which the person has not offered himself voluntarily); and human trafficking (which concerns arranging or facilitating the travel of another with a view to exploiting them, even where the person consents to the travel).
- 1.2 We will ensure that we will comply with the Modern Slavery Act 2015 and are putting strict measures in place to ensure that modern slavery is not part of any of our business operations. This includes our supply chains, goods and services. This statement sets out the steps we are taking to continually develop our procedures and to check our compliance.
- 1.3 This statement covers our financial year ending December 2025.

2 Overview

Our KFC franchise: Gastronomy was formed in 2006, starting out with 7 KFC restaurants in North and Mid Wales. There are now 43 restaurants across our franchise in the UK.

KFC is part of Yum! Brands, Inc. (“Yum! Brands”) which is based in Louisville, Kentucky. Yum! Brands and its subsidiaries or franchisees operate a system of over 58,000 restaurants in more than 155 countries and territories under the company’s four concepts – KFC, Taco Bell, Pizza Hut and The Habit Burger Grill. In 2022, the company was named to the Dow Jones Sustainability Index North America for its commitment to citizenship and sustainability across its restaurant business. Yum!’s Global Citizenship & Sustainability Strategy, called its Recipe for Good, is the company’s roadmap for social responsibility, risk management and sustainable stewardship of its people, food and planet. Details of Yum!’s commitments on human rights are outlined on KFC’s Modern Slavery Statement.

As a franchisee we understand that modern slavery - whether slavery, servitude, forced or compulsory labour, human trafficking or otherwise - is a continual and growing global issue that can be found especially in the sector in which KFC operates. We have a zero-tolerance approach on, and condemn, modern slavery and human trafficking of any kind within our business and our supply chain.

We are committed to a compassionate and proactive response in the event of an incident, while also leveraging our business scale to minimize the risk of modern slavery within our operations and the communities in which we operate.

We embrace socially responsible trading as part of SEDEX (the Supplier Ethical Data Exchange), and wherever possible we use Fairtrade ingredients.

3 Child labour

- 3.1 With the UK being a member of the International Labour Organisation (ILO), the company respects, promotes and supports the abolition of child labour. We therefore conform to Convention NO. 138 on 'minimum age' and the Convention No. 182 on the 'worst forms of child labour'.
- 3.2 Child labour is defined by the ILO as children who are:
- below the age of 12 years working in any economic activities
 - aged between 12-14 years engaged in work that is more than light work and
 - aged under 18 years and engaged in the worst forms of child labour.
- 3.3 Convention No. 182 on minimum wage ensures the minimum age for starting employment or to carry out work to a level that is consistent with the fullest physical and mental development of a young person.
- 3.4 The ILO Convention, article 3, no. 82 sets out the worst forms of child labour, which are likely to form modern slavery.
- All forms of slavery or practices similar to slavery (for example the sale and trafficking of children, debt bondage and serfdom and forced compulsory labour, including forced or compulsory recruitment of children for use in armed conflict.
 - The use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances
 - The use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties
 - Work but which its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

4 Responsibilities

- The Board of Directors of Gastronomy Restaurants Ltd, Gastronomy Foods UK Ltd and What's Klukkin Ltd is responsible for overseeing our efforts to help to eliminate modern slavery and for monitoring progress against the key performance indicators (KPIs) contained in this document.
- The HR Director is responsible for ensuring that all recruitment and terms and conditions of employment comply with statutory requirements, and that any agencies used are appropriately checked and commit to ethical standards.
- Managers are responsible for upholding our "core values" and for ensuring that employees who work for them also behave in accordance with these.
- Our supply team is responsible for ensuring that appropriate checks are made prior to placing any orders with new suppliers, and that existing key suppliers are audited from time to time to ensure continued compliance.

- Our Franchisor work with our major customers to provide them with appropriate information on our modern slavery initiatives and to gain suggestions and feedback.

5 Documentation

- 5.1 We have the following policies in place for employees:
- Grievance policy
 - Equal opportunity policy
 - Modern Slavery policy
 - Recruitment and selection policy
 - Safeguarding, children, and vulnerable adults' policy
 - Whistleblowing policy
- 5.2 These are referenced in our Employee Handbook and copies are available on a shared drive accessed via a QR Code in all team rooms, additionally these can be requested via HR Business Partners. All policies are updated on an annual basis.
- 5.3 Employees are reminded of the policies from time and time and notified of any updates.
- 5.4 Our Franchisor issues all suppliers with a Supplier Code of Conduct and require that they sign up to this prior to any orders being placed with them.

6 Our operations

To measure our effectiveness and progress on the issues of modern slavery and human trafficking, The Franchisor (KFC) has created Key Performance Indicators (KPI's), and reports on the progress of each KPI as set out below:

- Supply Chain, due diligence and Risk Assessment.
- Policies
- Awareness and Training
- Organisational Structure – Employees.

We are committed to conducting our business with the highest degree of integrity. Our Franchisor seeks to assure the quality of our products, and we prioritise the wellbeing of the people working in our restaurants and supply chain by maintaining a close, stable relationship with our franchisor and our direct suppliers, managing performance and the continuous improvement of quality, service, cost, innovation and risk management.

Direct suppliers mean suppliers of goods that are core to our business, namely food, drink and packaging, but excludes suppliers of branded products. With regards to recruitment practices within our supply chain, we rely on our direct suppliers' good ethical business practices. Open communication with our direct suppliers is critical for identifying and resolving any supply chain issues so that together we can respond rapidly and fully to ethical issues.

Our Franchisor has processes for the sourcing and management of our direct suppliers in order to minimise risk to our brand, the environment and the communities that our restaurants and supply chains impact.

The franchisor carefully selects our direct suppliers, developing long-term relationships with them that give us the confidence that a global brand like KFC demands in its supply chain. We are aware that parts of our supply chain are predominately resourced with a seasonal, low-paid, unskilled workforce and that these industries can be at risk from the exploitation of workers and modern slavery. Whilst we are confident that our sourcing practices minimise this risk, we know that risk can only be reduced if we are continually vigilant and demanding on our supply chain. Inherent supply chain risk mapping conducted by our modern slavery consultants, Stop The Traffik, in 2021, indicated 59% of our direct suppliers were either high risk or relatively high risk of modern slavery based on the types of goods or services they provide. KFC responded to this information by ensuring 100% of all direct suppliers were registered with SEDEX which was achieved in 2023. Further risk mapping of the supply chain will be conducted.

6.1 Employees

- 6.1.1 Our recruitment and selection policy aims to assist all those involved in the recruitment process to comply with equal opportunity.
- 6.1.2 All new employees are recruited directly, and we conform to the ethical standards set out in our SEDEX accreditation. Right to work checks are conducted prior to joining and inform them of the procedures that should be followed should they wish to leave our employment.
- 6.1.3 We conform to the International Labour Organisation's Convention No. 138 (minimum age) and Convention No. 182 (the worst forms of child labour).

7 Due diligence, monitoring and auditing processes

We recognise the importance of being fully aware of the ethical practices and any associated risks in our supply chain. As part of their contract with KFC, direct suppliers are expected to establish management systems for delivering compliance to KFC policies and to maintain records demonstrating this. Suppliers must take appropriate steps to ensure that:

- The Sourcing Code is communicated to all relevant employees
- There is regular engagement with relevant management teams about the need for compliance
- Appropriate training on the Sourcing Code is provided to key employees
- Processes and systems are in place to provide means for workers to report or discuss non-compliance confidentially.

KFC expects any non-compliance with the Sourcing Code to be reported by our direct suppliers so that we can work together to create a time-measured plan to correct the situation as quickly as possible.

In addition, our direct suppliers are required to register with SEDEX, an ethical data exchange that ensures that ethical standards are monitored and measured. All direct suppliers are required to complete a risk assessment, including a Self-Assessment Questionnaire and undertake independent third-party audits when required. This provides KFC with an overview of the level of risk posed by each supplier and allows us to focus on the areas of greatest risk. In any instances where we feel there is an unacceptable risk, we will contact our direct suppliers in writing, reminding them of our values and ethical standards and reiterating the expectations we have when working with them. We contractually reserve the right to audit our direct suppliers if the need arises.

8 Penalties for breach

- 8.1 If a supplier is found to be involved in any form of modern slavery, its contract will be terminated either immediately or on its due renewal date, depending on the severity of the breach. We may also report any suspicions of criminal activity to the police.
- 8.2 If it is established that any employee has acted in breach of any of our policies, or is aware of, has condoned or failed to report any suspicion of modern slavery within our business or supply chains, they will be subject to our disciplinary procedure.

9 Training

- 9.1 All employees complete annual compliance training online, in relation to our policies.

An assessment of our training programme by The Franchisor in 2021 showed the need to expand training modules to include modern slavery and sexual exploitation training to all our in-restaurant colleagues. In 2022, KFC developed a new mandatory training series with Stop the Traffi containing modules on modern slavery, human trafficking, child criminal exploitation and child sexual exploitation.

The Franchisor included training on child criminal exploitation and child sexual exploitation because of the demographics and age of our workforce. The training programme was rolled out to Team Members, Team Leaders, Assistant Restaurant Managers, and Restaurant General Managers across both the KFC corporate and franchise businesses. Since its launch, the training has been included in our mandated induction process, ensuring that all new team members complete it when they start work at KFC. This process ensures that every individual working at KFC is trained on these issues.

Name: Sean Williams – Managing Director

Date: January 2025