

Modern Slavery and Human Trafficking Statement – 2025

1. Background and Overview

SME Group PLC ([SME Group PLC](http://www.smegroup.co.uk)) is a family-owned business that has been operating in the UK for over 40 years. The business comprises a group of 27 companies ("the Group"). A list of the subsidiaries of the Group is set out in Appendix 1.

Our Group comprises the following three divisions:

1. Restaurant Division

We operate and own over 70 franchised restaurants. The majority of these are franchised with world-class global brands, including:

1. Yum! Brands (currently comprising over 50 KFC restaurants franchised under agreements with KFC (Great Britain) Limited);
2. Coca-Cola (comprising over 20 Costa Coffee cafés franchised under agreements with Costa Coffee Franchising Limited); and
3. Pizza Hut (now comprising one restaurant, following the sale of the other 11 restaurants to another franchisee in December 2024).

2. Real Estate Division

We explore residential and commercial real estate opportunities and develop land and buildings. Our Group currently owns the freehold of both commercial and residential properties. Most of our commercial properties are occupied through commercial arrangements with Group companies who lease the premises for the operation of our:

1. restaurants;
2. hotels; and
3. serviced offices.

A minority of our commercial premises are sub-let to wholly independent third-party businesses. Most of our residential properties are let on assured shorthold tenancies.

3. Hotels and Offices Division

We operate and own three hotels under franchise arrangements with well-known brands, including Holiday Inn. We also operate and own one serviced office under a franchise agreement with Regus PLC.

2. Our Approach to the Modern Slavery Act 2015 ("the Act")

Our approach to the Act is underpinned by a deep-seated desire to honour the values of our founders and the lived experience that brought them to the UK. It is centred on respect for others and seeking to treat all our people, customers and suppliers as we would wish to be treated ourselves; to be as much a family community of people as a group of businesses and companies.

In that context, we present this 2025 statement as required by Section 54 of the Act. The Board of Directors endorsed this report at its meeting on 22 October 2025. This statement covers the activities of the Group for the year ended 31 March 2025.

As the CEO of SME Group PLC, I am proud to present this public statement of our position. We fully intend this to be a living policy that informs our culture and development and which will be updated annually.

If you wish to ask anything about the content of this statement and/or have any:

1. questions about how we approach or apply the Act; and/or
2. suggestions as to how we can improve how we monitor, police and comply with our obligations and adherence to the Act,

please send an email to legal@smegroup.co.uk. Alternatively, you may contact me directly using the contact details

provided below.

3. Our Restaurant Division

As regards our staff, we operate in strict compliance with all UK laws and guidance (see Section 6 below).

In addition, and as an extra layer of compliance, we have very strict contractual obligations to operate each of our franchised restaurants under the terms of our agreements with our franchisors, including the use of suppliers nominated by our franchisors. All suppliers are subject to extensive ethical sourcing policies and codes of practice. In this way, we are reassured that goods and services sourced through our franchisors are subject to extensive scrutiny.

As evidence of this scrutiny, we rely on the relevant statements published under the Act by KFC, Costa Coffee and Pizza Hut, each of which is available on the relevant business website.

We do, however, recognise that some elements of the quick-service restaurant sector can present risks in respect of grooming and trafficking activity. This has most frequently been associated with "at risk" children and young people. To mitigate that risk, we operate measures to deter inappropriate activity on our premises, including monitored CCTV systems.

No issues relating to slavery or trafficking were identified during our monitoring this year or in previous years.

Despite the acknowledged risks associated with the quick-service restaurant sector, we categorise our overall risk level as low based on:

1. the commercial relationships we have with our franchisors;
2. the development and application of our own extensive policies and procedures (see Section 6 below); and
3. our localised monitoring activity.

Nothing has occurred during the last year which suggests that we should assess our overall risk as anything other than low.

4. Real Estate Division

In respect of our property portfolio, we appreciate that this sector could present risks relating to both modern slavery and human trafficking.

As regards development and maintenance, we only use reputable UK building companies or our own staff. Each of those companies is carefully monitored to ensure compliance with the Act.

Our commercial property is either:

1. sub-let to a Group company (and, to the extent that it is, subject to the rigorous monitoring outlined in this statement); or
2. under the day-to-day control of reputable managing agents.

Our contractual arrangements with our managing agents require them to operate on our behalf in full compliance with UK law. Local premises management remains under our scrutiny.

Again, we would categorise our overall risk level as low, and no issues relating to slavery or trafficking have been identified this year, nor has anything arisen to suggest that our overall risk assessment should change.

Our residential agents undertake Right to Rent checks before letting premises to tenants. They retain proof on file for our inspection throughout the tenancy.

Our agents visit the property six months after the tenant has moved in and conduct a final inspection when the tenant leaves. Our property inspections are thorough, and agents are vigilant for signs of inappropriate activity.

Again, no issues which could relate to slavery or trafficking were identified during inspections this year, nor has anything arisen to suggest that our overall risk assessment should change.

5. Hotels and Offices Division

Our hotels and offices are managed and operated to the same standards that apply to our other businesses.

An additional risk factor is that, for housekeeping services, we continue to use a reputable outsourced agency. We ensure that the agency provides an employment contract to each of its employees which complies with relevant legislation.

As part of our arrangements with the agency, they are required to ensure that checks are conducted on all employees to

confirm that they have the right to work in the UK. Reference checks are also completed by the agency. We monitor this regularly to ensure that the agency is complying with both its contractual obligations to us and its legal obligations, including those under the Act.

Again, no issues which could relate to slavery or trafficking were identified during inspections this year, nor has anything arisen to suggest that our overall risk assessment should change.

6. Our Policies and Procedures

6.1 Employees

Our Group employs around 1,300 people in the UK. Our staff are one of our greatest assets, and we are committed to upholding the highest standards in how we treat our people. We embrace principles that support equal treatment of staff without discrimination and with the full protection of employment law.

In particular, and to support our commitment to opposing modern slavery, servitude, forced or coerced labour and human trafficking in every form, we:

- bear the full costs of recruitment and do not charge staff fees for hiring, placing or promoting them;
- ensure that all staff we engage have the legal right to work in the UK. However, we do not hold or retain original passports, identity documents or residency papers;
- provide written statements of terms and conditions of employment to all staff as required by law;
- support the right to seek, obtain and hold employment without discrimination and with complete respect for dignity;
- do not coerce anyone to work for us, and each employee who chooses to work for us does so voluntarily;
- ensure that all staff are paid regularly in accordance with their written terms and conditions. We provide an itemised payslip on every occasion;
- accept that everyone has the right to join or not join a trade union at their complete discretion;
- provide safe and decent working conditions, together with suitable training where necessary. Our operations comply with or exceed statutory health and safety standards;
- do not impede anyone's freedom of movement or their opportunity to seek employment elsewhere;
- provide clear guidance to staff about tackling bribery and corruption through our Anti-Bribery Policy;
- operate specific procedures through which employees can confidentially report work-related concerns by way of our:
 1. Grievance Procedure; and/or
 2. Whistleblowing Policy;
- operate and promote a Confidential Reporting Procedure which is available to everyone irrespective of length of service or position;
- promote equality and diversity through our Equal Opportunities and Diversity Policy; and

- have adopted measures to deal with any instances of intimidation, bullying or harassment through our Bullying and Harassment Policy.

Our employee policies and procedures are regularly reviewed and were last updated in March 2025.

6.2 Relationships with Suppliers

We require staff to observe the provisions of the Bribery Act 2010. This is particularly important in respect of staff involved in the procurement or management of goods and services, who could otherwise be bribed to “look the other way” when they know things are being sourced or managed inappropriately.

All staff are trained and encouraged to report any inappropriate approaches by, or concerns about, the suppliers with whom we work.

As previously explained, the majority of our supply chain is managed and designated by our franchisors, each of whom is conscious of its obligations and publishes its own statement under the Act.

Although our other suppliers form a relatively small part of our business, we are committed to ensuring that they understand and uphold their obligations under the Act.

During the last year, we have not identified any products, materials, services or labour practices exposing us to situations involving slavery, exploitation, coercion or human trafficking. Our ability to verify this is, of course, limited.

7. Conclusion

We are fully aware of our obligations under the Act and are committed to operating ethically and humanely in all our dealings and interactions.

We believe that, based on where we operate and how we manage our operations, the Group presents a low risk of offences being committed under the Act.

Nevertheless, we shall remain vigilant and continue to train and encourage our staff to do likewise.

We intend this statement to be a living document that is updated regularly and which informs our culture and development. We also intend to hold a number of training courses during the next twelve months to further embed our approach to, and compliance with, the Act throughout our business and among our people.

Signed: _____

Dated: _____

Aly M Esmail

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Appendix 1-SME Group PLC Subsidiaries as at 31 March 2025)

1. ALIM INVESTMENTS LTD
2. ALIM CATERERS LTD
3. FAZAL FAST FOODS LTD
4. GULAB LTD
5. HIGHRAK LTD
6. KSC HOSPITALITY LTD
7. MOSSDYP LTD
8. SMECOFFEE LTD
9. SME COFFEE (2) LTD
10. SME COFFEE (3) LTD
11. SME COFFEE (4) LTD
12. SME CATERERS LTD
13. SME CORPORATION LTD
14. SME CORPORATION (2) LTD
15. SME HOLDINGS LTD
16. SME ENTERPRISE LTD
17. SME FAST FOODS LTD
18. SME (HAMMERSMITH) LTD
19. SME INVESTMENTS LTD
20. SME (PIZZA) LTD
21. SME PIZZA (2) LTD
22. SME PIZZA (3) LTD
23. SMEPIZZA (4) LTD
24. SME PROPERTIES LTD
25. SME RESTAURANTS LTD
26. SME TRADING LTD