



A QUALITY OF LIFE IN BUSINESS AND BEYOND

Human Rights & Modern Slavery Report 2016/17

sodexo
QUALITY OF LIFE SERVICES

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Andy Rogers
HR Director, Sodexo UK
& Ireland

Sodexo is a people business. Every day our 34,000 employees across the UK and Ireland strive to develop, manage and deliver a diverse range of services designed to improve the quality of life for our clients, customers and communities. However, our relationships and responsibilities do not stop at our borders. We are part of Sodexo's global business with a significant supply chain connecting us with over six thousand additional businesses.

I am proud to be part of a company that shares the same principles as those set out in the Modern Slavery Act of 2015. We believe in the elimination of all forms of compulsory labour and to ensuring slavery and human trafficking does not take place in any part of our business or supply chain.

Sodexo is already a signatory to the UN Global Compact and respects human rights, including the right of people to be free from involuntary or forced labour as set forth in the International Bill of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

As you will see in this Statement, we are showing our commitment to the cause through a range of actions consistent with our position as a world leader in its respect for human rights both within our business, supply chain and beyond.

This statement outlines our key commitments across the business, including; our supply chain (page 6), our principles, policies and approach (page 8), our due diligence (page 10), our assessment and management of suppliers (page 12), our effectiveness and training (page 15), and our view looking to the future (page 18).

We must all play our part in upholding human rights and combatting modern slavery. This is why we must be vocal in our commitment to safeguarding the highest standards of ethical conduct across our business and beyond.

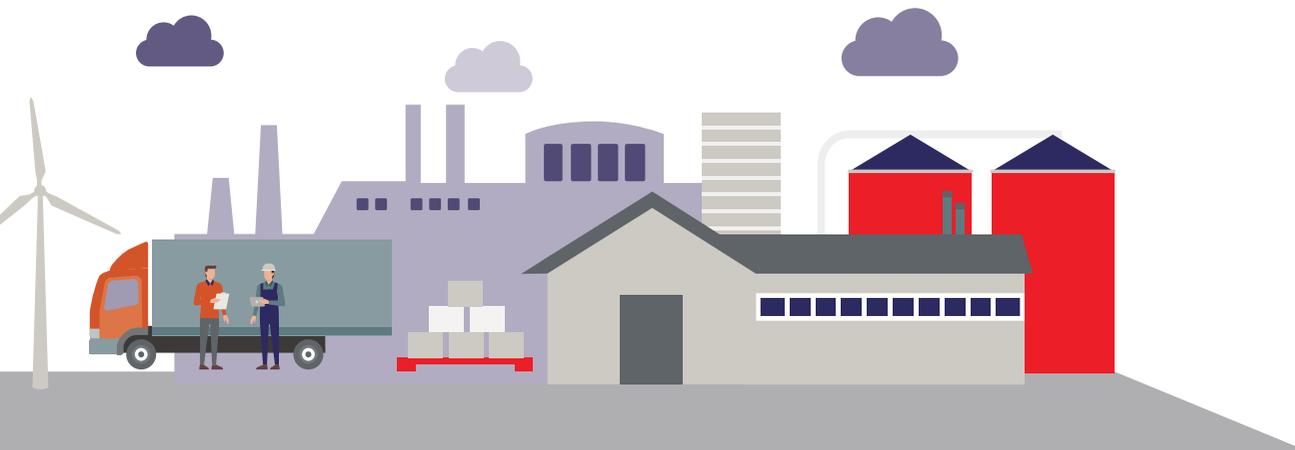
Knowing our business

“ Our global success and performance are founded on our independence, our sustainable business model and our ability to develop and engage our 425,000 employees worldwide

Sodexo Holdings Limited and Sodexo Global Services UK Limited are subsidiaries of the Sodexo Group, and our parent company is Sodexo SA which is headquartered in France. Operating in 80 countries and serving 75 million consumers every day, our global success and performance are founded on our independence, our sustainable business model and our ability to develop and engage our 425,000 employees worldwide.

Here in the UK and Ireland our employees serve clients in more than 1,850 locations across the corporate, healthcare, schools, universities, sports, leisure and travel, justice, defence and energy & resources sectors.

We deliver more than 100 services across the region ranging from catering, cleaning, reception, and accommodation to asset management, security, laboratory and grounds maintenance services, enabling our clients to focus on their core business.



Our supply chain

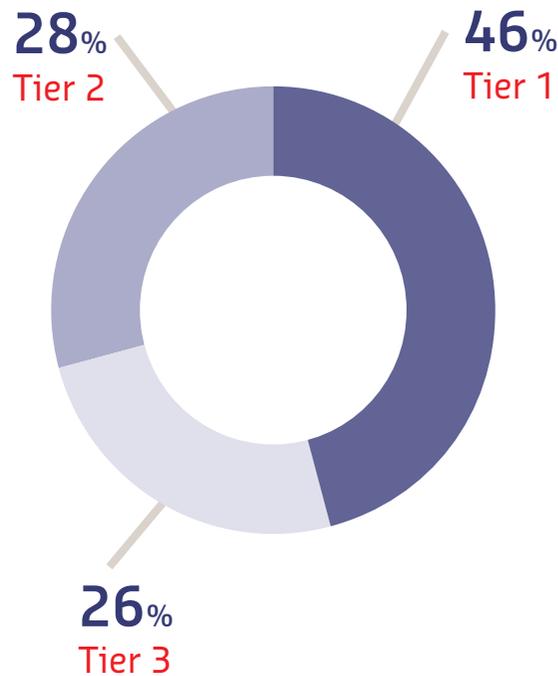
The landscape of the supply chain in Sodexo UK & Ireland is defined both by the type of supplier that we trade with and the nature of how we source goods and services.

To deliver good business practice throughout our supply chain we make efforts to detail and categorise all our suppliers into three tiers:

Tier 1 suppliers – there is a managed relationship with an allocated buyer and full contract in place including detailed terms and conditions and commercials.

Tier 2 suppliers – no allocated buyer, they are managed at site level but require a full PQQ (pre-qualification questionnaire) detailing competence, capability and standard T&Cs.

Tier 3 suppliers – these are suppliers providing overheads, tax and pensions, one-off spend, marketing agencies, utilities where a PQQ or buyer allocation is not appropriate.



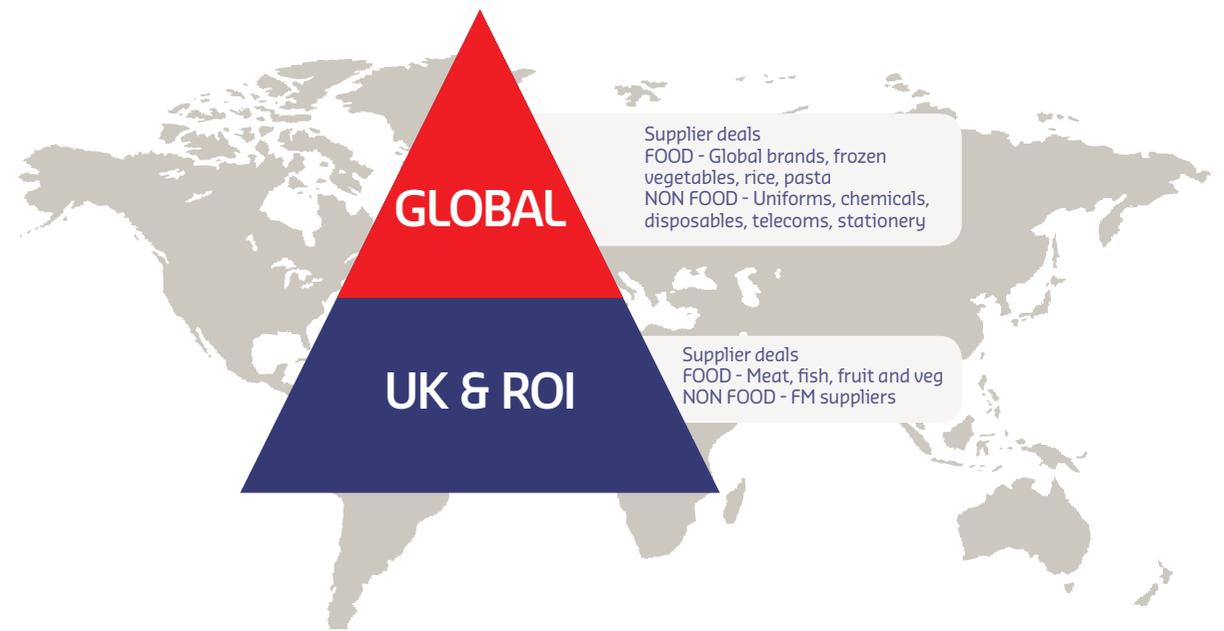
Spend type	Vendor count	% of spend
Tier 1	419	46
Tier 2	4515	28
Tier 3	814	26
Total	5748	100

“ We evaluate and monitor suppliers’ stated ethical principles and we seek guarantees from them on the origins of all the products we purchase

In the UK and Ireland we work with 419 tier 1 suppliers, all based locally. Whilst a number of source products are from outside of the UK and Ireland, this is monitored and controlled on a risk basis looking at the nature of the product and the level of issues relating to corruption and human rights in the country of provenance.

We are also an AB member of the Supplier Ethical Data Exchange (Sedex),

the largest repository of supplier information. Through Sedex we can request all suppliers to share their data with us, meaning there is complete transparency when analysing our tier 2 and above suppliers. We use this information to evaluate and monitor their stated ethical principles and we seek guarantees from them on the origins of all the products we purchase.



Our principles, policies and approach

Sodexo UK & Ireland's policies reflect our commitment to acting ethically and with integrity in all our business relationships. We are implementing and enforcing effective systems and controls to address and avoid slavery or human trafficking in our supply chain. The following policies, and supporting guidance, are relevant to slavery and human trafficking, and are available on request:

- Sodexo Policy on Human Rights
- Sodexo Charter concerning Fundamental Rights at Work
- Sodexo Statement of Business Integrity
- Code of Ethics
- UK & Ireland whistleblower policy
- Supplier Code of Conduct
- Supplier governance and supply management policies

Our policies are made available to all employees via the external website www.uk.sodexo.com as well as the internal employee intranet. The Fundamental Rights at Work Charter specifically addresses forced labour and is supported by training modules with clear expectations of employees.

Whistleblower policy

Sodexo UK & Ireland's whistleblower policy was updated in January 2016 to reference the Modern Slavery Act. This policy now includes our commitment to

the elimination of compulsory labour, slavery and human trafficking, as well as providing the facility for employees to raise concerns via a confidential channel.

A hardcopy and electronic employee handbook references Sodexo's policies and is provided to all new starters. The revised employee handbook for 2016 includes a statement confirming the expectation of our employees and workers to maintain certain standards relating to the code of ethics, as well as Sodexo's commitment to guaranteeing that slavery and human trafficking does not take place in any part of our business or supply chain.

All managers are notified of any changes to the policies via an electronic weekly brief. They are required to cascade the updates to all team members who do not have access to the electronic communication channels. This includes Sodexo's non-office based employees, who are able to access a range of HR guidance and policies from a dedicated website, accessible from outside of the Sodexo IT network.

Complaints and concerns raised by staff, whether via the whistleblower portal or otherwise, are managed and monitored by the Disclosure Review Committee. This group is chaired by the HR Director and comprises the Chief Financial Officer, the General

Counsel and the Head of Internal Audit. The Committee monitors the status of any matters raised and the actions taken, policies, training and trends. The Committee reports periodically to the Sodexo Board of Directors.

Supplier Code of Conduct

Sodexo's 'Code of Practice' documents are in place to determine the health, safety, environment and quality standards each supplier must meet prior to engagement with Sodexo. The Sodexo Safety Management System outlines the requirements for supplier engagement at site level. All suppliers are required to adhere to these standards on a continuous basis as a condition of their supply agreement, and these standards are monitored throughout the duration of the contract.

Suppliers are expected to provide information such as proof of insurance,

accreditation and their Health & Safety Policy. Suppliers are required to demonstrate competence within their particular field of expertise, such as via accreditations to relevant bodies or a demonstration of similar activity with existing clients.

Sodexo requires suppliers to sign up to our Supplier Code of Conduct or to provide evidence that they have a similar code in place governing their organisation. The Supplier Code of Conduct sets out specific expectations that suppliers avoid and address slavery and human trafficking in their operations and in their own supply chains. The code is reviewed every three years to reflect the changing needs of our business and any fundamental changes to legislation not covered. The current Supplier Code of Conduct was updated and reissued in April 2017 and is available by [clicking here](#).



Due diligence

Sodexo UK & Ireland manages risks across the company through a combination of policies, procedures, training and committees which monitor incidents and report to the Board of Directors. As part of our initiative to identify and mitigate slavery and human trafficking risk, we have in place systems to:

1. Identify and assess potential risk areas in our supply chains.
2. Mitigate the risk of slavery and human trafficking occurring in our supply chains.
3. Monitor potential risk areas in our supply chains.
4. Protect whistle blowers.



We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our standards, we have in place a supplier governance programme. This consists of various elements including:

- A supplier governance team to monitor and govern the contractual relationships Sodexo has with those persons and companies that provide services or supply goods on its behalf. This team works closely with Sodexo's legal department, internal audit and specialist risk experts, to ensure protocols, governance procedures and contractual documents are continuously improved in line with legislative and best practice developments. They also manage effectively any potential risk exposure through the Sodexo supply chain.
- Sodexo uses a 'prequalification' process in order to assess suppliers against the Supplier Code of Conduct. The level of initial assessment and on-going monitoring relates

directly to the products provided or the activity the supplier will be performing and the associated risk. The structure for both the initial and on-going assessment is detailed in governance protocols for both food and non-food suppliers. The supplier pre-qualification process has been updated to include questions relating to the Modern Slavery Act and the steps being taken by the suppliers with regards to compliance.

- Assessment of supplier suitability is carried out by professionals who are independent from the day-to-day operational management of the suppliers they evaluate. Only those suppliers that achieve a pass will be considered, and where a supplier fails initial assessment, a secondary assessment may be undertaken subject to further discussions with Sodexo's purchasing department and internal audit team.

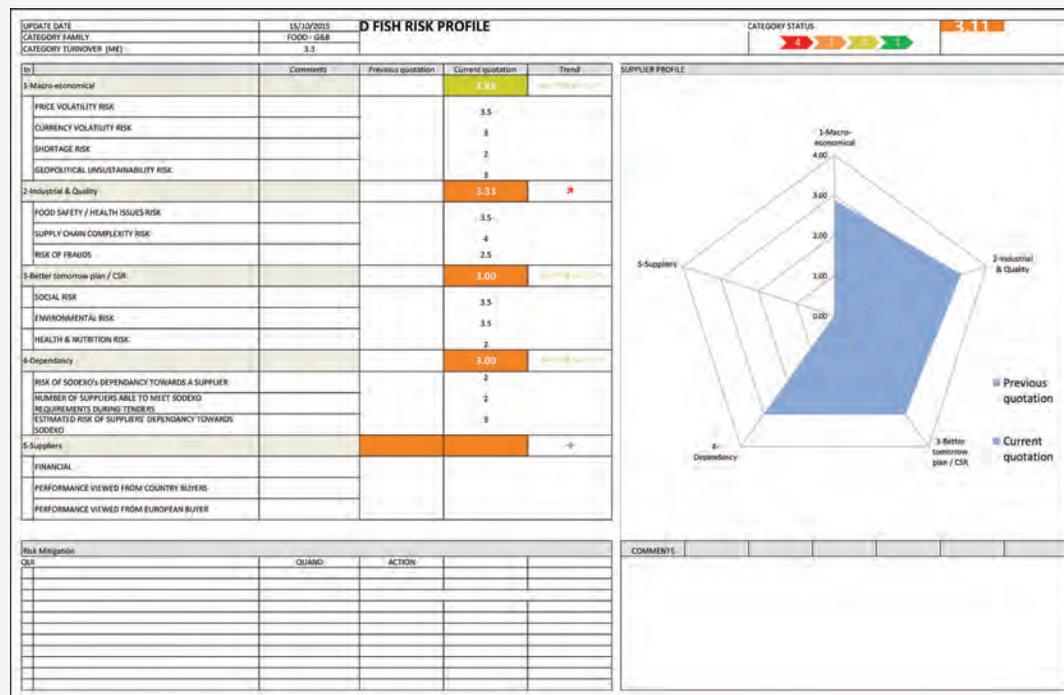
Sodexo uses central tracking of certification and documentation validity. As supplier qualifications reach their end date, the governance function is prompted to request new documentation from the supplier.

Assessment and management of our suppliers

Sodexo is working to improve its assessment and prioritisation of risks in its supply chain. Sodexo draws upon external resources and engages with external stakeholders to identify areas where risk may be most significant. For example, Sodexo has appointed two quality assurance/corporate social responsibility auditors to work with uniform suppliers in Asia. The textile industry is a potential area of risk, so auditors provide an additional level

of assurance to ensure suppliers are following Sodexo's code of conduct.

It is of vital importance to Sodexo that all suppliers adhere to our ethical values. In order to ensure this is the case we have commenced a risk rating of categories of spend which includes areas such as; risk of fraud, social risk, environmental risk and geographical stability. An example of risk mapping is show below:



This risk mapping is designed to enable category managers to concentrate on areas of risk within the supply chain for any particular product by highlighting areas of significant risk. This then allows Sodexo to take steps to eradicate any risk we may uncover.

We have a dedicated supplier compliance team with involvement and support from Senior Management, Internal Audit, HR and Legal. This team has reviewed all of Sodexo's supplier contracts and implemented new provisions to address slavery and human trafficking risk in our supply chain. For all of Sodexo's existing Tier 1 suppliers, this has included implementing updated terms and conditions that will be tracked through the prequalification tool. A copy of these revised terms and conditions is available on request.

Particular provisions to address this area of risk include:

- Categories of suppliers must provide to Sodexo a slavery and human trafficking statement on a periodic basis;
- Suppliers must maintain and enforce policies and due diligence for their own staff and suppliers;
- Sodexo reserves audit rights; and
- Suppliers must report suspected breaches and must implement training programmes.

By stipulating warranties, indemnities and termination rights in our supplier contracts, we aim to create a culture of deterrence and compliance in our supply chain.

“ It is of vital importance to Sodexo that all suppliers adhere to our ethical values





Our effectiveness and training

To ensure our commitments outlined in this Statement remain top of mind throughout our business, we must continuously measure the effectiveness of our approach and provide regular training for our employees.

Effectiveness

These policies are included in annual controls testing performed by the control and compliance team. Testing includes the areas of ethical values, disciplinary measures, whistleblowing, fundamental rights at work, reporting and correcting deficient procedures and controls, HR policies and procedures,

identifying business risks, definition and review of key performance indicators, supply management engagement with suppliers and sub-contractors, incident reporting process, approval of time worked and authorisation of overtime, screening of employees and buyer conduct.

Test results are reported at regional and group level, including Sodexo Group internal audit. Where deficiencies are identified, appropriate remedial actions are raised and progress monitored and reported to the regional leadership committee.

“ As the largest food supplier to Sodexo, Brakes share many of the same ethical values and in particular strive to eradicate forced labour from the supply chain.

In choosing our supply partners their ethical standards are paramount in the decision making process.

Sodexo is one of the leaders in the catering industry in this area through its Better Tomorrow Plan – its sustainability strategy - and we are proud to play our part in supporting it through our sourcing strategies.



Our effectiveness and training

Training

In May 2016, the Regional Chairman of Sodexo UK & Ireland issued a company-wide communication stating that all Sodexo employees in managerial and supply chain roles are required to complete the mandatory training course on Fundamental Rights at Work.

To date, approximately 942 employees have completed the course, with the training covering what Fundamental Rights at Work are and why these are so important at Sodexo. Attendees can then apply their knowledge of Sodexo's Charter on Fundamental Rights at Work to their day-to-day roles. This training is mandatory for all new starters in relevant roles.

Completion rates are monitored by the company and we have a reporting process in place to ensure our HR Director is notified if anyone has not completed the training within six months. Employees are required to retake their training exercises every three years.

This Fundamental Rights at Work training is also mandatory for the global supply chain team based in the UK and mandatory for all employees in our UK & Ireland Benefits & Rewards business and our Energy & Resources business.

The UK and Ireland team reviewing the requirements of the legislation comprises senior executives representing our procurement, service operations, legal, internal audit, HR and communications functions. Regular progress updates are communicated to the UK & Ireland Sodexo Ltd Board to ensure continued executive sponsorship and progress is monitored by the Risk Management Committee and the Disclosure Review Committee.

The team has worked closely with Sodexo Group representatives to ensure a co-ordinated approach to the topic globally, with a particular focus on continuing to process, integrate and embed respect for human rights throughout our organisation.



Looking to the future

Following a review of the steps we have taken this year to ensure that there is no slavery or human trafficking in our supply chains we intend to conduct a periodic review of the measures in place and reflect progress in subsequent annual statements.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 August 2017.

Signed:



Sean Haley, Director

Sodexo Holdings Limited

Sodexo Global Services UK Limited

Regional Chair, Sodexo UK & Ireland

Dated: 20 December 2017



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