A Quality of Life in Business and Beyond

Human Rights & Modern Slavery Report 2022
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Sodexo is a people business. Every day our 29,000 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.

For us, it all starts with the everyday, we believe that taking action on the concrete things of everyday life can significantly improve the lives of people, communities and the planet.

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. In support of our contribution to the government’s ambition to level up the UK, Sodexo has committed within its social value agenda tangible actions and outcomes that support equity and inclusivity and aim to drive change for individuals and communities. These commitments focus on enabling individuals and our supplier network to thrive by creating access to opportunity through our inclusive, impact focused approach that supports resilience and growth amongst our partner network.

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 work to ensure slavery and human trafficking does not take place in any part of our business or supply chain. I’m pleased to see the ongoing progress we have made in this area, particularly in light of the challenges created by the pandemic.

Sodexo is 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.

The risks faced by survivors of modern slavery – which are a serious concern at any time – are compounded by the Covid-19 public health crisis. It is therefore even more critical at this time to ensure that our policies and practices are in place to ensure that employees and those of our supply chain partners are protected and not taken advantage of at this challenging time.

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 within our business, supply chain and beyond.

This statement outlines our key commitments across the business, including: our supply chain (page 8), our principles, policies and approach (page 13), our due diligence (page 16), our assessment and management of suppliers (page 20), our effectiveness and training (page 24), and our view looking to the future (page 26).

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.

Sarah Perry

Human Resources Director UK & Ireland and Global Service Operations
Our global success and performance are founded on our independence, our sustainable business model and our ability to develop and engage our 412,000 employees worldwide.

Knowing our business

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 56 countries and serving 100 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 412,000 employees worldwide.

Here in the UK and Ireland our employees serve clients in more than 1,951 locations across the corporate, healthcare, schools, universities, sports, leisure and travel, government 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

Throughout another challenging year, Supply Management has relentlessly pushed forward our ‘Tackling Modern Slavery’ programme which forms part of our Responsible Sourcing strategy and is incorporated into our Social Impact Pledge.

Our programme has three pillars - compliance, education and leverage. In the compliance pillar, during the first year of the programme we implemented audits with all high-risk suppliers and, with our audit partner Verisio, completed a number of on-site audits, in both an announced and unannounced format.

In our education pillar, we have broadened the scope of our training and completed sessions with all senior executive teams across the Sodexo UK and Ireland business. These sessions highlighted the key areas which should be considered by the senior teams with regards modern slavery risk and was delivered by the Ethical Trading Initiative.

In our leverage pillar, we have driven forward our Modern Slavery Strategic Supplier Forum holding two successful virtual events. We have grown the Forum to incorporate an SME to ensure we capture the voice of a key part of our supplier landscape. We also invited the Slave - Free Alliance to attend and present at one of our events. A key initiative for the Forum is a Whistleblowing press release. This communication will be shared on our social media channels in early 2022 and will inform the public how to report suspicious behaviour within our organisations and in our supply chains.

Another initiative from the Modern Slavery Strategic Supplier Forum was a HR Masterclass, which sits within both our Leverage and Education pillars. In October, Sodexo invited more than 300 SMEs and VCSEs to attend a complimentary session delivered by our HR experts within Sodexo on how to ensure HR processes are created and used correctly, and that modern slavery ‘markers’ (behaviour which exhibits a possibility of modern slavery being utilised) are understood. We will continue to provide similar sessions throughout 2022 and the members of the Strategic Supplier Forum will do the same within their organisations.
Following the success of the Modern Slavery Strategic Supplier Forum, and the opportunities we have to create change, Sodexo has taken forward the spirit of this group and is working with others in the FM market and beyond to form the Service & Infrastructure Project Providers Modern Slavery Council. This council will work to find ways to identify and eradicate modern slavery in our marketplace and to set standards to ensure this is the case. We have a wide range of organisations who have agreed to participate and, through working with different UK Government teams, we have increased our reach to markets and suppliers. We are also in discussion on how the teams at the Business Services Association and the Home Office can support the council.

We are currently planning a number of events in 2022 including the Service & Infrastructure Project Providers Modern Slavery Council and also a supplier conference, which will provide our supply chain with expert knowledge about modern slavery risk from a number of organisations and charities including our audit partner Verisio and also the Slave - Free Alliance.

Finally, we have now begun our rollout of the Ecovadis solution in the UK and Ireland. This global compliance process allows us to conduct increased category risk mapping and support development of our category strategies. It also includes key elements for supplier on-boarding and performance assessment.

We will continue our focus and determination to tackle this issue.
Sodexo UK and 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 across our business and 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
- Equality, Diversity and Inclusion policy
- UK and Ireland whistle-blower 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 and workers.
**Whistle-blower policy**

Sodexo UK and Ireland’s whistle-blower policy was updated in December 2020 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 hard copy and electronic employee handbook references Sodexo’s policies and is made available to all new starters. The employee handbook 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 our 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 employees, whether via the whistle-blower portal or otherwise, are managed and monitored by the Ethics and Compliance Committee. This group is chaired by the HR Director and comprises the Regional Chair, Chief Financial Officer, General Counsel, Head of Internal Audit, Corporate Responsibility Director, Head of Internal Control, Head of Supply Management and Segment CEO.

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

**Supplier Code of Conduct**

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 regularly to reflect the changing needs of our business and any fundamental changes to legislation not covered.

In addition, our 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 and 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.

The current Supplier Code of Conduct is available by clicking here.
Due diligence

Sodexo UK and 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.

- 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 a pre-qualification 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 includes questions relating to the Modern Slavery Act and the steps being taken by the suppliers with regards to compliance.

We also complete a modern slavery audit on our current supply chain on a rolling basis, and are implementing a requirement for a modern slavery audit for all new suppliers which sit in high and medium risk industries. These will be conducted independently by our social audit partner, Verisio. These checks are supplemental to our standard processes detailed previously.

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 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. As the textile industry is a potential area of risk, auditors provide an additional level of assurance to ensure suppliers are following Sodexo’s Code of Conduct.

We have a dedicated supplier compliance team with involvement and support from senior management, Internal Audit, HR and Legal. This team ensures that all of Sodexo’s supplier contracts include provisions to address modern 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 pre-qualification tool. A copy of these 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.

In addition to our standard processes, we also partner with Verisio, a leader in the field of social auditing in the UK and Ireland and members of the Association of Professional Social Compliance Auditors, to complete modern slavery audits across our supply chain. The audit is not a one-off event as it is used to create a corrective action plan which is shared with the supplier, who is then supported to remedy areas of concern.

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.
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

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 Ethics and Compliance Committee.

Testing includes the areas of ethical values, disciplinary measures, whistle-blowing, 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.

Training

Since 2016, it has been mandatory for all Sodexo employees in managerial and supply chain roles to complete the training course on Fundamental Rights at Work.

To date, over 2,200 current 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 and Ireland Benefits & Rewards business and our Energy and Resources business. Additionally, the International Sanctions and High Risk Third Party training has been introduced for relevant colleagues.

The Ethics and Compliance Committee regularly reviews the legislative requirements, providing updates to the UK and Ireland Sodexo Ltd board, thus ensuring continued executive sponsorship. Progress is monitored by the Risk Management Committee and the Ethics and Compliance Committee.

The team works closely with Sodexo Group representatives to ensure a co-ordinated approach to the topic globally, with a 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.

Sean Haley
Region Chair, Sodexo UK and Ireland Director

Approved and signed on January 28, 2022

For and on behalf of the boards of:
Sodexo Holdings Limited
Sodexo Limited
Sodexo Global Services UK Limited