

HUMAN RIGHTS & MODERN SLAVERY REPORT

2015/16

TACKLING MODERN SLAVERY

Sodexo Benefits and Rewards Services (BRS) UK is a people business who welcomed the UK's Modern Slavery Act 2015 and the duty it places on businesses to publicly disclose the steps they are taking to tackle forced labour and human trafficking. Every day our 370 employees 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 ILO Declaration on Fundamental Principles and Rights at Work. Victims of modern slavery experience some of the most severe breaches of human rights in the world today. 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 5), our Principles, Policies and Approach (page 6), our Due Diligence (page 8), our Assessment and Management of Suppliers (page 9, our Effectiveness and Training (page 10), and our view Looking to the Future (page 11).

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

Nicola



Nicola Britovsek
Director of HR, Sodexo Benefits
and Rewards Services UK

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INTRODUCTION

Iain McMath, CEO and Nicola Britovsek, Director of HR at Sodexo Benefits and Rewards Services (BRS) UK

Sodexo is committed to ethical conduct, the elimination of all forms of compulsory labour and to ensuring that 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 principles contained in the ILO core conventions set out in the Declaration on Fundamental Principles and Rights at work.

We are proud of the steps we are taking to combat slavery and human trafficking. As you will see in this Statement, we are tackling the issue through a range of actions – we are committed to ensuring that our business is a world leader in its respect for human rights both within our organisation, and its supply chains.



« Sodexo's success and performance are founded on its independence, its sustainable business model and its ability to continuously develop and engage its 420,000 employees throughout the world.

KNOWING OUR BUSINESS

Sodexo (BRS) UK is a subsidiary of the Sodexo Group, and our ultimate parent company is Sodexo SA which has its head office in France. Sodexo is the global leader of services that improve Quality of Life, an essential factor in individual and organisational performance. Operating in 80 countries, Sodexo serves 75 million consumers each day through its unique combination of Benefits and Rewards Services, On-site Services, and Personal and Home Services. Sodexo's success and performance are founded on its independence, its sustainable business model and its ability to continuously develop and engage its 420,000 employees throughout the world.

In the UK, Sodexo (BRS) is organised by market sectors (which we call "segments"), supported by service operations and functions. Sodexo (BRS) UK employs around 370 people.

With an annual turnover of £38 million, Sodexo (BRS) UK delivers over 100 services from employee benefits, incentive and recognition, consumer promotions and loyalty and government services.

In the UK Sodexo (BRS) is renowned for creating memorable experiences that make people's lives better. From improving employee culture and inspiring success

in the workplace, to driving consumer engagement with a brand, we transform the way in which employees and consumers behave or perform, meaning they will engage more deeply with an organisation.

People are firmly rooted at the heart of everything we do. Our mission is to put our deep knowledge and expertise to the test. We work with our clients to create the most memorable and impactful outcomes possible – those that generate true, and lasting, change. We shake up the status quo – we will always ask 'why' to make sure we get the best result. Being outcome-led in our approach means our focus is always about what our clients want to achieve – we match their strategic goals to tailored offers and innovative solutions and then make sure that they achieve (and exceed) their objectives. It means together, we will get the best result for our clients, and that is what matters to us.

We believe in bringing people and business together through creativity and excellent service, with our long-standing mission of improving the quality of life of everyone we work with – and we have over 50 years' experience to back it up. That is what makes us world leaders in employee and consumer engagement.

OUR SUPPLY CHAIN

The landscape of the supply chain in Sodexo (BRS) UK is defined both by the type of vendor that we trade with and the nature of how we source goods and services.

The chart below shows that we operate with our vendors at three levels;

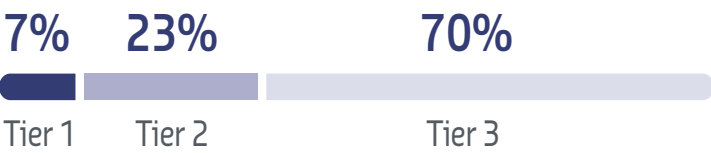
Tier 1 vendors – there is a managed relationship with an allocated buyer and full contract in place including detailed terms & conditions and commercials. Currently, we are updating our contract and terms and conditions to include provisions of the anti-slavery and human

trafficking, to safeguard the supply chains from slavery and human trafficking.

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

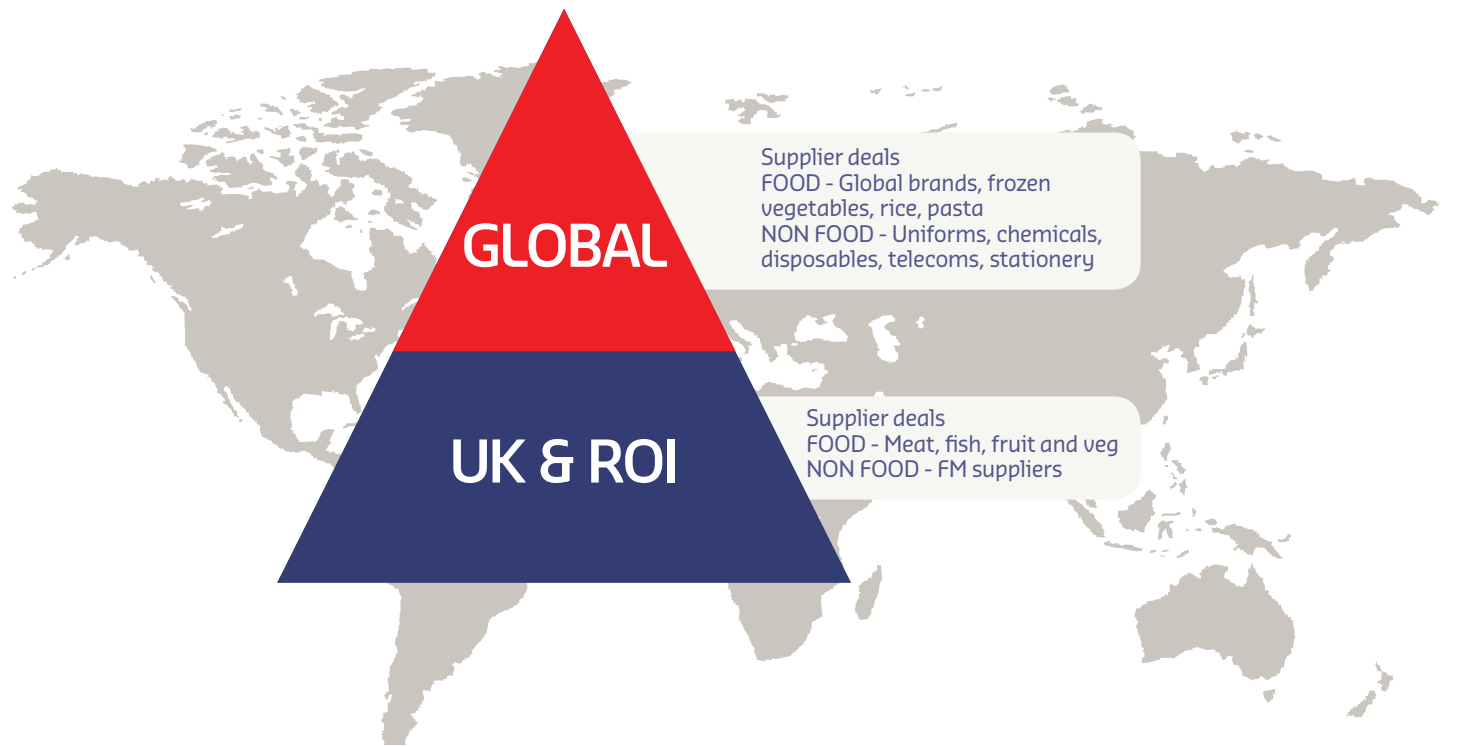
Tier 3 vendors – these are vendors supplying overheads / tax and pensions / one-off spend / marketing agencies/utilities where a PQQ or buyer allocation is not appropriate.

The director of segments will be responsible for driving the supply chains procedure.



SUPPLY CHAIN LANDSCAPE FY16		
Spend	Vendors	% of Vendors
Tier 1	74	7%
Tier 2	260	23%
Tier 3	779	70%
Total	1113	100%

In addition, as a global organisation, our activity can be categorised by how we organise the sourcing of goods and services to leverage maximum value from the supply chain.



Sodexo (BRS) UK works with 1113 suppliers to service its business in the UK providing products and services in Benefits and Rewards (Services), soft services and hard services. Our tier 1 suppliers for the UK are all based in the UKGI, however

a number source products from outside of the UKGI – 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.

OUR POLICIES

Our company policies reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to assess and mitigate the risk of the occurrence of slavery or human trafficking in our supply chains.

Sodexo (BRS) UK has the following policies which are relevant to slavery and human trafficking and available on request:

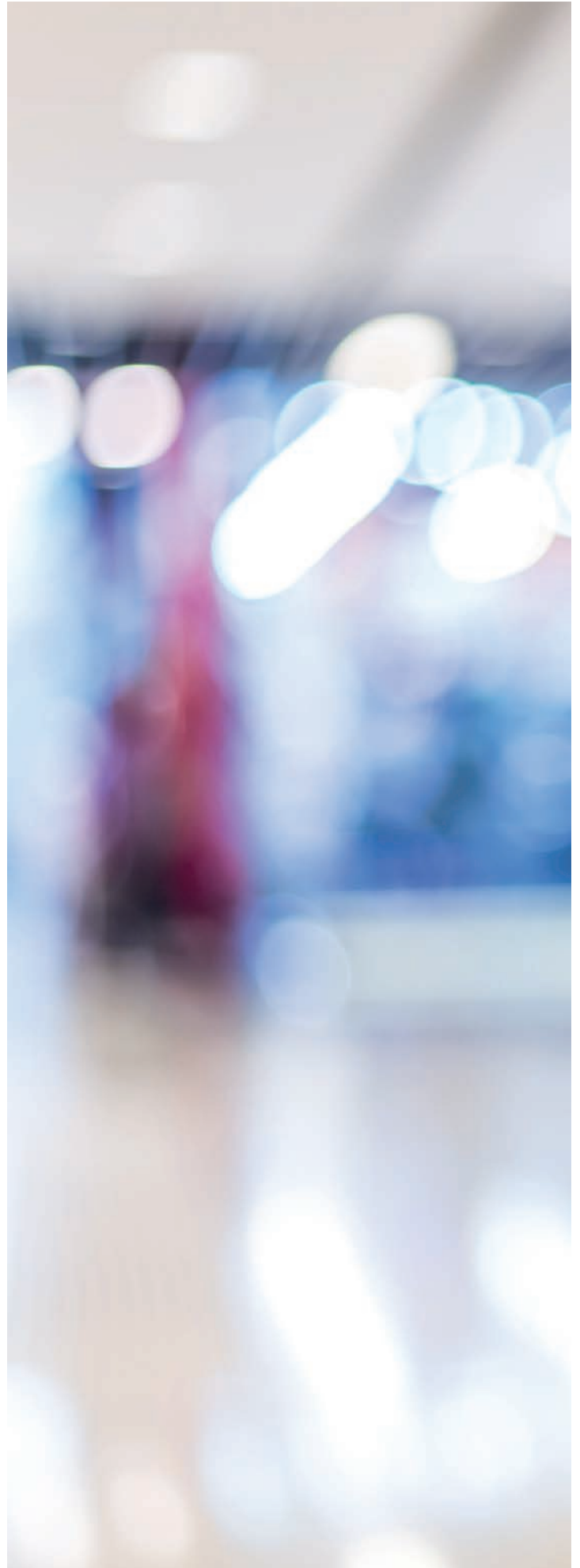
- ✓ Sodexo Policy on Human Rights
- ✓ Sodexo Charter concerning Fundamental Rights at Work
- ✓ Sodexo's Statement of Business Integrity
- ✓ Code of Ethics
- ✓ UK Whistleblower Policy
- ✓ Supplier Code of Conduct
- ✓ Sodexo Anti-Slavery and human Trafficking Policy

Sodexo (BRS) UK's policies are made available to all employees via the internal employee website (the Hub). Sodexo (BRS) UK is committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Anti-Slavery and Human Trafficking Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains. Furthermore, the Fundamental Rights at Work Charter specifically addresses forced labour, and is supported by training modules with clear expectations of personnel. The UK Whistleblower Policy – UK V4 was updated on 1st September 2016 to reference the Modern Slavery Act and the company's commitment to the elimination of compulsory labour, slavery and human trafficking. The policy provides the facility for employees to raise concerns via a confidential channel as set out in Article 6.0 of the Whistleblower Policy – UK V4.

A hardcopy employee handbook (also available in electronic format) references Sodexo (BRS) UK'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 (BRS) UK's commitment to ensuring that slavery and human trafficking does not take place in any part of the business or supply chain. Policy changes are notified via an electronic weekly brief to the management population so that managers can cascade information to all their team members who might not normally access electronic communication channels. The latest version of the Whistleblower policy was communicated to all UK employees on 5th September 2016 through this standard communication channel that is used to notify all employees of policy changes.

A range of HR guidance and policies are available to Sodexo (BRS) UK employees via the internal website (the Hub).

Complaints and concerns raised by staff, whether via the Whistleblower facility or otherwise, are managed and monitored by the disclosure review committee ("Review Committee"). This Review Committee is chaired by HR Director (BRS) UK and comprises of the Chief Financial Officer, the Legal Counsel and the Compliance Manager. The Review



Committee monitors the status of any matters raised and the actions taken, policies, training and trends. The Review Committee periodically reports to the CEO of Sodexo (BRS) UK.

Sodexo (BRS) UK 'Code of Practice' documents are in place to determine the health, safety, environment and quality standards each vendor must meet prior to engagement with Sodexo (BRS) UK and once engaged, the Sodexo (BRS) UK Safety Management System outlines the requirements for supplier engagement. All vendors 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.

Vendors are expected to provide information such as proof of insurance, accreditation

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

Sodexo (BRS) UK requires suppliers to sign up to its Supplier Code of Conduct or supply evidence that they have a similar code in place governing their organisation. This code is reviewed every other year to reflect the changing needs of our business and any fundamental changes made to legislation, the most recent document is available at www.uk.benefits-rewards.sodexo.com/legal-and-compliance. The global Supplier Code of Conduct and related materials are currently being reviewed with publication anticipated in due course.

« Our company policies reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls...



DUE DILIGENCE

Sodexo (BRS) UK manages risk across the company through a combination of policies, procedures, training and committees which monitor incidents and report to the Executive Committee. As part of our initiative to identify and mitigate slavery and human trafficking risk, we have in place systems to:

Identify and assess potential risk areas in our supply chains.

Mitigate the risk of slavery and human trafficking occurring in our supply chains.

Monitor potential risk areas in our supply chains.

Protect whistle blowers.

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

- Director of Segments to monitor and govern the contractual relationships Sodexo (BRS) UK has with those persons and companies (vendors) it asks to provide services or supply goods on its behalf. This team works closely with Sodexo (BRS) UK's legal department and Compliance Manager to ensure that protocols, governance procedures and contractual documents are continuously improved in line with legislative and best practice developments

and to manage effectively any potential risk exposure through the Sodexo (BRS) UK supply chain.

- Sodexo (BRS) UK utilises a 'prequalification' process in order to assess vendors against the Supplier Code of Conduct and the level of initial assessment and on-going monitoring relates directly to the products provided / activity the vendor will be performing and the associated risk. The structure for both the initial and on-going assessment is detailed in governance protocols for vendors and suppliers. The vendor pre-qualification process has been updated to include questions relating to the Modern-Day Slavery Act and the steps being taken by the vendors with regard to compliance.
- Assessment of vendor suitability is carried out by our Compliance Manager who is independent from the day to day operational management of the vendors. Only those vendors that achieve a pass will be considered and where a vendor fails initial assessment, a secondary assessment may be undertaken subject to further discussions with Sodexo (BRS) UK's purchasing department and Compliance Manager.
- Central tracking of certification and documentation validity – as vendor qualifications reach their end date the governance function is prompted to request new documentation from the vendor.



ASSESSMENT AND MANAGEMENT OF OUR SUPPLIERS

Sodexo (BRS) UK is working to improve its assessment and prioritisation of risks in its supply chain. Presently, Sodexo (BRS) UK draws upon internal resources and engages with internal stakeholders to identify areas where risk may be most significant.

Sodexo (BRS) UK has commenced a risk rating of its categories of spend including risk of fraud, social risk, environmental risk and geographical stability. This risk mapping is designed to enable the purchasing team to concentrate on the areas of risk within the supply chain for that product by highlighting where a significant risk exists. Further we then complete any mitigating actions which are being deployed to minimise/eradicate the risk.

Sodexo (BRS) UK has a dedicated vendor Compliance Manager with involvement and support from senior management, HR and Legal.

Sodexo (BRS) UK has reviewed its supplier contracts and implemented new provisions to address slavery and human trafficking risk in its supply chains. For all our existing suppliers updated terms and conditions are in place and tracked through our prequalification tool. A copy of the revised terms and conditions is available on request.

Sodexo (BRS) UK has implemented provisional processes to address this area of risk which include the following: categories of suppliers must provide to Sodexo (BRS) UK an annual slavery and human trafficking statement; suppliers must maintain and enforce policies and due diligence for their own staff and suppliers; Sodexo (BRS) UK reserves audit rights; suppliers must report suspected breaches and suppliers must implement training programmes.

The warranties, indemnities and termination rights stipulated by Sodexo (BRS) UK in its supplier contracts aim to cultivate a culture of deterrence and compliance in its supply chains.



OUR EFFECTIVENESS AND TRAINING

Effectiveness

Sodexo is in the process of formulating key performance indicators (KPIs) to measure how effective we are in ensuring that slavery and human trafficking is not taking place in our business and supply chains. We will update in our next published statement on how measures are being deployed.

Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we have published Anti-Slavery and Human Trafficking Policy for our staff.

At the date of this statement, Sodexo is in the process of setting out a detailed training programme for our staff and will make it a mandatory requirement to complete the slavery training by 31st August 2017. Any new joiner in the company into any such role is allocated the training as mandatory. A reporting process ensures that anyone not completing the training within 6 months is notified to the HR Director so that the training gap is closed. We also require our business partners to provide training to their staff, suppliers and providers.

The Fundamental Rights at Work training is mandatory for all employees of Sodexo (BRS) UK, especially supply chain team based in the UK and completion rates are monitored by HR team. With effect from September 2016, the Fundamental Rights at Work training also became mandatory for all employees in our UK Benefits and Rewards business.

Our Head of Legal and Public Affairs is reviewing the requirements of the legislation and providing recommendations to segment directors. Regular updates on progress are communicated to the CEO of Sodexo (BRS) UK to ensure continued executive sponsorship, and progress is monitored by the senior management and chaired by CEO.

Our Head of Legal and Public Affairs has worked closely with Sodexo Group representatives to ensure a co-ordinated approach to the topic globally. By way of example, Sodexo is reviewing the programme of due diligence and risk assessment measures which would be required for compliance with proposed new legislation in France (the "Droit de Vigilance").





FURTHER STEPS

Following a review of the effectiveness 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 take the following further steps to combat slavery and human trafficking: to publish an Anti-Slavery and Human Trafficking Policy; impose same or similar contractual obligations on our suppliers, provide training to our staff; introduce an anti-slavery questionnaires form (to be complete by all suppliers) to identify risk of slavery activity.

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 31st August 2016.

HR Director

Sodexo Motivation Solutions U.K Limited

21st June 2017

