

Statement of Corporate Governance

For the year end 31 August 2022

The Companies (Miscellaneous Reporting) Regulations 2018

Under The Companies (Miscellaneous Reporting) Regulations 2018, the Company is required to make disclosures in the following areas:

- A description of how the Directors have addressed the requirements of the Companies Act 2006 section 172(1) (a)-(f) in carrying out their duties as directors during the year.
- A description of how the directors have had regard to suppliers, customers and employees as well as the resulting effect on the principal decisions of the Company.
- A description of the Company's corporate governance arrangements for the year.

The Wates Corporate Governance Principles for Large Private Companies have been followed during the year ended 31 August 2021. Further detail on the Company's application of these principles is shown in more detail within the Statement of corporate governance arrangements.

Disclosure of the Company's application of Principle 6 - Stakeholder Relationships and Engagement, is also considered to explain how the directors have met the requirements of section 172 of the Companies Act 2006 and how they have had regard to suppliers, customers and employees.

Statement of corporate governance arrangements

During the year ended 31 August 2022 (“FY21”), under The Companies (Miscellaneous Reporting) Regulations 2018, Sodexo Limited (“the Company”) has applied the **Wates Corporate Governance Principles** for Large Private Companies.

The Company has a well established corporate governance framework reflecting its activities as part of a multinational organisation. The directors have set out below an explanation of how the Wates Principles have been applied during FY22.

The Company is a subsidiary of Sodexo S.A. which has its headquarters in Paris. Sodexo’s Fiscal 2022 Universal Registration Document is available on **Sodexo’s website**.

Principle 1 – Purpose and leadership

“An effective board develops and promotes the purpose of the Company, and ensures that its values, strategy and culture align with that purpose.”

Purpose

The Company is the main operational corporate entity for the business activities in the UK and is a private company limited by shares. It forms part of the Sodexo S.A. Group of Companies (the “Group”), a global provider of facilities management services.

Why we do it: We create a better everyday for everyone to build a better life for all.

How we do it: We serve with care the essential daily needs of millions of people. We build inclusive progress; we drive engaged and responsible performance.

What we do: We improve the Quality of Life of those we serve and our teams and contribute to the economic, social and environmental development of the communities, region and countries in which we operate.

The Company carries out Sodexo’s mission through its provision of on-site services across the UK and Ireland region. The Company partners with clients in many sectors across business and industry; schools and universities; sports and leisure; energy and resources; government including defence, justice, agencies and healthcare. A range of services are provided, including food and catering, facilities management, and workplace and technical services.

The Company has developed an FY22 regional roadmap, aligned with Sodexo Group purpose, values, strategy and culture, reflecting its regional strategy and enablers

Principle 2 - Composition

“Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the Company.”

Chair

The Regional CEO (chief executive officer) chairs and leads the board and is responsible for its overall effectiveness, promoting open debate and facilitating constructive discussion and leading the team to responsible and good commercial decisions. The CEO reports to the Sodexo Group through the Europe Zone President, Sodexo.

The roles and responsibilities of the CEO are clearly defined and documented to ensure that there is a balance of responsibilities, accountabilities and decision making across the Company. The CEO, supported by the Company Secretary, is responsible for the leadership and effective operation of the Board, including establishing the framework and procedures to govern the work of the Board and to support Directors in the discharge of their legal and regulatory obligations.

Balance, Diversity, Size and Structure

The Board comprises six members: UK&I CEO, UK&I CFO (chief financial officer), UK&I HR (human resources) Director, SVP Investments & Contracts Government Worldwide, Group CFO, and Group General Counsel.

Board members have a diverse range of skills, expertise, backgrounds, knowledge and experience reflecting the diverse nature of the Company’s business and enabling the Directors to discharge their duties and responsibilities effectively. Female representation on the Board is 16%.

The Directors have equal voting rights when making decisions and the Chair has a casting vote. All Directors have access to the advice and services of the Company Secretary and may, if they wish, take professional advice at the Company’s expense.

Effectiveness

The Company continues to review the membership, operation, and effectiveness of the Board. Directors keep their skills and knowledge up to date by attending appropriate seminars and training courses. Induction materials and briefing sessions are available to new Directors which are tailored to their specific experience and knowledge.

The Company will continue to review the Board’s composition in order to ensure that the Board has the appropriate mix of skills, backgrounds, independence and diversity to meet the strategic needs of the Company in the future.

Principle 3 - Responsibilities

“The board and individual directors should have a clear understanding of their accountability and responsibilities. The board’s policies and procedures should support effective decision-making and independent challenge.”

Accountability

The Group has in place a well developed and embedded global operating framework which sets out Group operating rules, policies, procedures and delegations of authorities. In addition, the Company has established a UK governance framework, aligned to the global operating framework, designed to meet the Company’s requirements in the UK.

Board and Executive Team

The Board has delegated the day to day management of the Company to the UK & Ireland Regional Leadership Committee (“RLC”) which is representative of the Company’s diverse segment businesses and supporting functions.

The Board and the RLC are responsible collectively for the corporate governance of the Company. The day to day operational management of the Company’s business, including sales & financial performance, is implemented through each business segment. The segments are supported by the functions, including finance, legal, human resources, service operations, and communications, with executive oversight from the RLC and the Board.

The RLC is responsible for the executive management of the Company’s business. The Board promotes the purpose of the Company in the region in alignment with the Sodexo Group; ensuring that its values, strategy and culture align with that purpose; provides constructive challenge to the RLC and oversees the stewardship and accountability of the Company in terms of financial governance and risk management.

The RLC meets at least monthly and the Board operates a programme of four scheduled meetings a year, with ad hoc meetings held as and when required. In 2022, the Board met a total of four times. Minutes of decisions and actions are recorded for each meeting. Board meetings are scheduled to follow RLC meetings and the Directors have access to the same key management information.

The Board and the RLC consider and oversee significant matters which carry potential financial, operational, reputational or legal risk for the Company and which might influence the strategy and sustainable success of the Company. Agenda items include:

- Health and safety
- Sales and financial performance
- Risk management and governance
- Strategy, growth and business planning
- Human resources
- Ethics and compliance
- Environmental social and governance
- Technical and services support
- Brand and communications
- Potential acquisitions and divestments

Specific items will also be considered at meetings depending on the circumstances – for example: the impact of the Ukraine situation, COVID-19, and inflation on the Company, current market and competitor activity; and the progress of the annual Internal Audit Plan.

Governance and management committees

The Company has established a sound and proportionate governance model given the size and complexity of the business. This includes several empowered committees which identify, manage and report on the risks which might impact the Company and the progress of plans to address those risks. Each committee has its own terms of reference and reports ultimately to the Board. Each is reviewed periodically and evolved to ensure relevance and effectiveness. These currently include:

Risk Management Committee

The purpose and activities of this committee are explained further under Principle 4.

Ethics & Compliance Committee

This comprises of: CEO (chair), HR Director, CFO, General Counsel, UK&I Head of Internal Audit, Head Risk & Control, and Head of Supply Management. A segment CEO from a business segment is also included on a rotational basis annually. The Committee receives, logs, considers and manages concerns raised under the Code of Ethics, Anti Bribery Policy, Gifts & Hospitality Policy and Whistleblowing Policy, including any allegations of bribery and corruption. The Committee conducts investigations, takes appropriate action, monitors and reviews incidents, training, measures trends, and report appropriately to the Board. The Committee's minutes are submitted to each Board meeting for consideration by the Directors.

Quality, Safety, Health & Environment Committee

This committee is made up of representatives across the UK&I region including the health and safety director. The purpose of this committee is to provide strategic direction on QSHE matters, to monitor performance and effectiveness of the management systems, drive continual improvement, consider the social impact of our processes underpinned by quality and a commitment to reduce injury and harm to safety and health.

Other committees

The Company has various other forums, processes and controls to monitor and manage specific risk areas. These include:

- Business Continuity Committee – forum for all matters relating to incident management, crisis management, business continuity and disaster recovery. It ensures sites are using the Business Continuity Management system and it is aligned to ISO22301.
- Public Sector Board – the purpose of this Board is to enable the Company to facilitate greater collaboration and delivery of commitments with the UK Government.
- Cyber Security Committee – specific risk, mitigation and management planning for IT security risks
- Marketing and Service Operations Committee coordinates the development and marketing of the Company’s business services and offers in alignment with Sodexo Group.
- Social Impact Pathways – to support our business on bringing to life our purpose, establishing clear governance and assurance around our authentic approach to creating social value, and making an impact on society and our environment.

Integrity of Information

The Board receives reports on business and financial performance, key risks and opportunities, strategy, operational matters, market conditions, human resources, legal, compliance, and regulatory matters.

Financial information and statements are collated by the Company's centralised finance function from its various accounting systems, that facilitate and control the recording of all financial transactions and entries. Consistent accounting policies are applied that are aligned with IFRS (International Financial Reporting Standards) and with the Group Accounting Manual. The Company's finance function has the appropriate independence, expertise and qualifications to ensure the integrity of this information and is provided with the necessary training to keep up to date with regulatory changes. Financial information is externally audited by KPMG on a half year and full year basis. Financial controls, processes and records are reviewed by the Company's centralised internal audit function.

Other key information is prepared by the relevant business and internal functions.

Principle 4 - Opportunity and Risk

"The Board should promote the long-term sustainable success of the Company by identifying opportunities to create and preserve value and establish oversight for identification and mitigation of risks."

Opportunity

The Board and the RLC consider on an annual basis the Company's strategic plan, which includes a consideration of long term strategic opportunities (for example, the acquisition of strategic contracts and the development of new services). Short term opportunities to improve business performance and achieve operational efficiencies are also considered and actioned continuously by the RLC and Sodexo S.A., with clear delegations of authority for decision making and review at the Company's RLC and board meetings.

Risk

The Company ensures effective risk management through its Risk Management Committee. The Committee comprises: CEO, CFO (chair), General Counsel, HR Director, CEO Technology and Services, Director of Risk & Asset Management, Head of Risk & Control, Head of Internal Audit, and a CEO from a business segment on a rotational basis.

The Committee keeps under review the Company's overall risk assessment processes and the effectiveness of the Company's risk management systems, ensuring that sound, integrated risk management and internal control systems are maintained throughout the organisation. The Committee also sets the standard for ensuring the accurate and timely monitoring and mitigation of large risks.

The Committee tracks the significant financial, operational, reputational and legal risks, and effectiveness of mitigations using a market standard risk register and methodology (likelihood / impact and risk rating), supported by a software tool. The Committee meets at least quarterly and receives detailed input from risk committees at the segment or region team level which provide periodic assurance statements. The Committee produces a quarterly update which is submitted to each Board meeting for consideration by the Directors.

Internal Control

Key to Sodexo's risk management is the internal control system, which is based on the internal control reference framework recommended by the French securities regulator (Autorité des marchés financiers – AMF). The five components of the reference framework are the control environment (integrity, ethics, competencies, etc.), evaluation of risks (identification, analysis and management of risks), control activities (methods and procedures), information and communication (collection and sharing of information) and monitoring (follow up and eventual updating of processes).

The framework is embedded through risk champions across all teams, a range of committees and groups to address specific risk areas like health and safety, track risks and mitigations, actions to address risks that crystallise to issues, and process and controls which are tested routinely every year. In addition, the Group Internal Audit team review a discreet list of business areas every year, with actions and improvements thereon. The effectiveness of these are assessed at the risk management committee.

Principle 5 - Remuneration

“A Board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the Company.”

The Company's compensation policy is an essential lever for profitable growth. Through a balance between individual and collective recognition, long term and short term, it aims to strengthen our culture of performance.

The Company's performance based reward and recognition philosophy and policies will help build a performance culture by rewarding individual contributions to collective success. The reward philosophy is based on four pillars: competitive salary, variable and discretionary long term incentives for some roles, relevant locally and regionally maintained benefits.

Compensation Framework

All compensation and Reward decisions made within Sodexo UK&I should reinforce our commitment to these global key principles and must therefore rely on several compensation fundamentals:

- **Job Documentation & Evaluation:** Each job should be graded using the Group's Korn Ferry based methodology. Evaluations will be based on written job descriptions including the most recent possible information on the scope and structure of the job, validated by the appropriate dimension HR or Group Talent team member.
- **Salary Structures:** Each country should have a confirmed set of salary ranges by grade established collaboratively by Group Reward, Country HR, and Geographic Governance. These wage rates and salaries reflect market rates which are benchmarked against a number of industry external data. Rates are set in a way which allows Sodexo to attract and retain required talent.
- **Additional company benefits** can be offered to all or some roles, and are determined by local regulations and practises, and relevance to local employees.
- **Variable Pay Guidelines:** Some roles have short term performance incentives (annual incentive payments) and long-term incentives (performance shares) that have target minimum and maximum levels established for each grade by Group Reward. These are set as a percentage of base pay based on combined data analysis of market practice in hub locations.

Principle 6 - Stakeholder Relationships and Engagement

“Directors should foster effective stakeholder relationships aligned to the Company’s purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.”

As well as outlining how the Company has applied Principle 6 of the Wates Corporate Governance Principles, the Company describes in this section how the directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. In particular, the statement below outlines how the directors have acted in a way which is most likely to promote the success of the Company for the benefit of the members as a whole and in doing so having regard for stakeholders’ interests.

The Board and the RLC are responsible for fostering effective relationships with all its stakeholders, including its clients, employees, suppliers, the UK Government and the wider community. We consider the key stakeholders to be as follows:

Employees

The Board recognises that, as an integrated facilities management service provider, its employees are key to the Company’s strength and success. The Board and the RLC is committed to ensuring:

- Health & Safety
- Ongoing support to all employees
- High levels of employee engagement, wellbeing and communications
- A diverse and inclusive workforce and culture.

Health & Safety

The Company is committed to ensuring a safe and healthy working environment for all its employees, contractors and visitors. Through suitable and sufficient risk assessment and the creation of resulting safe systems of work, Sodexo provides employees with information, training and instructions to enable them to work safely and to protect the safety and health of those who may be affected by its activities. Compliance with legislative requirements underpins its purpose. The Company tests and challenges itself to continually improve and to engage with its people to ensure everyone has a voice and is properly informed.

The Company believes that health and safety is everyone’s responsibility and through strong leadership, supervision and holding each other to account, health and safety can become a way of life that adds value and drives improved performance. Management and monitoring of performance is achieved through robust reporting, strong audit and monitoring regimes.

Employee engagement

We strive to create an employee experience that enables our people to “belong, act and thrive” whilst working for Sodexo. We measure the effectiveness of our “belong, act, thrive” Employee Value Proposition (EVP) by conducting annual global employee engagement surveys* and ad hoc surveys to address specific areas of the organisation. The data are thematically and statistically analysed to distil an action plan to address feedback solicited through the survey. A communications strategy is then tuned to deepen employee engagement by focusing on informing, engaging and inspiring colleagues to create an effective and inclusive workplace.

Regular employee engagement surveys are conducted and results are carefully scrutinised by the RLC to identify and implement actions for improvement. The RLC monitors attrition rates, feedback from exit interviews, and absenteeism levels in an effort to identify emerging people risks, trends, and to ensure appropriate action is taken to address these. Emerging people risks and trends are highlighted to the Board together with proposed action plans.

Sodexo did not conduct a company-wide employee engagement survey in 2022 but did roll out an alternative product “Team Voice”, which allowed managers to survey employees and create action plans locally. Colleagues’ opinions are valuable to help guide strategy and business planning and we are planning a company-wide survey in April 2023.

The Company continues to provide ongoing support to all employees through:

- promoting ‘Speak Up’, which is a confidential route for staff to raise concerns
- offering a free helpline ‘Talk’ where staff and their families can seek expert advice on personal and mental wellbeing topics.
- offering a range of wellbeing products designed to provide employees with access to: a virtual 24/7 GP; free will writing services; daily wellbeing activities; fitness and nutrition consultation;
- providing employees with the ability to access discounts to multiple high street retailers, with over £4.5M of savings made by employees since launch.
- Providing all employees with access to life assurance

The Company is proud of all of its teams and their dedication and agility as our client and business needs continue to evolve.

Diversity, Equity & Inclusion (DE&I)

Inclusivity is a key commitment and proof point of our EVP to ensure colleagues ‘can bring their authentic selves to work’ so they feel a sense of belonging that allows them to act with purpose and thrive.

Our DE&I strategy focuses on five dimensions gender, race and ethnicity, disability, generations and gender identity and sexual orientation and gender identity. Each of these focus areas has an executive sponsor who is a member of the RLC. They play a key role at championing the agenda, driving progress and embedding accountability at a senior level.

Sodexo recognises the impact we have, and can have both within our organisation, and the communities that we work and live within.

Through our Social Impact People pathway we demonstrate enabling our employees, customers and community citizens to thrive. Examples of this are:

- our award winning apprenticeship pathway programme – with over 1,100 apprentices representing almost 4% of our employee headcount.
- our commitment to ending Modern Slavery as 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
- the aspirational targets we have for the representation of women and those from under represented ethnic groups in management and senior leadership positions, for example, we are; committed to closing the gender pay gap across our legal entities in the UK to 10% by 2025, and initiatives to support women in the community to drive societal change. Sodexo was one of the first hospitality organisations to publish our Ethnicity Pay Gap.
- In 2022, we achieved Silver in the Stonewall Workplace Equality Index, our first time entering this benchmark. We have also achieved Level 2, Star Employer, in the Investing in Ethnicity maturity matrix. We are also a signatory of the Wellbeing of Women Menopause workplace pledge and have committed to becoming a menopause and Endometriosis friendly employer.; we encourage employment of other disadvantaged groups including long term unemployed, prison leavers, and homeless, and enable all employees to take up to 3 days paid a year supporting the charities of their choice.

Clients

The Company operates a Client Lifecycle approach to monitor and manage all contracts.

Client retention is the essential first step in our Focus on Growth strategic agenda that helps create sustainable growth. This is underpinned by our “Clients for Life” programme. It is imperative that we continually seek to listen, understand and meet our client’s expectations throughout the client lifecycle to help ensure we never knowingly lose profitable business.

Members of the RLC and our operational senior leadership team meet with our key clients at regular intervals to discuss and collaboratively agree the key strategic priorities that both organisations will invest effort and resources in that drives continuous progression of both the strategic partnership and enhances service performance that impacts on our clients, employees and visitors.

Suppliers

The Company manages their end to end supply chain to meet legislative requirements, mitigate risks and satisfy customer demands for supply chain transparency. All suppliers of goods and services to Sodexo are prequalified to ensure they are capable and competent to deliver the goods or carry out the work they are being contracted to supply. Vendors are assessed against Sodexo’s Supplier Code of Conduct. The level of initial assessment and ongoing monitoring relates directly to the services/products provided or to be performed and the associated risk. Assessment of vendor suitability is carried out by professionals who are independent from the day to day operational management of the vendors they evaluate.

Food suppliers are further audited by Sodexo’s Health and Safety division, against our own Supplier Code of Practice. It is essential suppliers strive to meet these standards on a continuous basis as a condition of the supply agreement. Failure to meet the expected standard results in the immediate suspension of trade. If positive action is not taken to remedy the situation, the supplier will be removed from supply chain.

The Company promotes purchasing policies that increase the use of environmentally sound and ethically sourced products & partnering with a diverse supply chain, including small & medium enterprises and social enterprises. We encourage our suppliers to share our ethical principles and procurement commitments.

The Company is committed to ensuring that slavery and human trafficking is not taking place in any of its supply chains or any part of its business and has in place measures to manage this risk including risk based audit process.

Community

Sodexo’s approach to creating Social Value and measuring its impact within local communities forms an integral part of the Company’s regional strategy. The Company is undergoing a comprehensive programme to fully embed and coordinate its impact on local communities and the environment. This is led by our RLC.

Our focus is based around four social impact pathways:

- Our People – by enabling our employees, customers and community citizens to thrive
- Our Planet – by fostering a culture of environmental responsibility through protecting and enhancing our planet
- Our Places – by adopting a need led approach to creating equity for all across our communities
- Our Partners – by taking an inclusive approach to creating resilience and growth amongst our partner network

Each year we publish our progress against our social impact commitments. This can be found at Social Impact Pledge - <https://uk.sodexo.com/social-impact/people.html>

Sodexo have been actively tackling our climate impacts for over a decade following our partnership with the World Wildlife Fund (WWF) who have supported us in measuring and reducing our carbon footprint. We set a baseline in 2017 that covered not just our scope 1 and 2 direct operations, but all scope 3 categories across our value chain. In 2021, we exceeded the Sodexo Group science based target to reduce greenhouse gas (GHG) emissions by 34% by 2025 and set out a comprehensive regional roadmap and transition plan to reach net zero no later than 2045. In 2022, we became one of the first organisations globally to have both near and long term science based targets validated by the Science Based Targets initiative (SBTi), as we prioritise decarbonisation to reach net zero. Our near term target is to reduce scope 1, 2 and 3 GHG emissions by 55% by 2030 and we will reach net zero once we have achieved our long term target of reducing scope 1, 2 and 3 GHG emissions by 90% by 2045, with any remaining emission neutralised. We have seen our carbon footprint increase slightly as we returned to pre pandemic operational levels; we are recording a 36% reduction in scope 1, 2 and 3 GHG emissions across our UK onsite service operations. Scope 1 emissions relate to those emissions that we make directly, including the fuel we use in our vehicles and the heating of our offices. Scope 2 emissions refer to the indirect emissions from the generation of purchased electricity, such as powering our offices. Scope 3 refers to all other indirect emissions that occur in our value chain, including supply chain, business travel, employee commuting, and client site energy and waste.

Further information on our science-based targets, roadmap and transition plan can be found at: <https://uk.sodexo.com/netzero.html>

Sodexo is the founding partner of the Stop Hunger Foundation; an independent registered charity active in over 54 countries around the world and was created in 1996 by US Sodexo colleagues who witnessed children going to school hungry.

Stop Hunger relies on national, regional and local partnerships with registered charities and Community Interest Companies (CICs), as well as the unique ecosystem of Sodexo to tackle food insecurity and its root causes. Our key partners include Fareshare, Trussell Trust and SSAFA. We provide our partners with grant giving opportunities, hands on volunteering, expertise and knowledge sharing and fundraising events. In addition to alleviating hunger, the Foundation aims to support initiatives which go beyond food aid and also empower women effectively and sustainably to eliminate food insecurity in the communities we live, work and play.

In FY22, over £300,000 was raised supporting 13 charities in the UK and Ireland to help more than 1,140,000 beneficiaries exit food insecurity. Stop Hunger and Sodexo also partnered to support individuals affected by the war in Ukraine and fundraised more than £13,000 to support the World Food Programme (WFP) to access and redistribute food to those impacted. Our colleagues donated a total of 4,443 hours of their time, of which 800 hours focused on knowledge and expertise sharing.

All Sodexo employees are 'gifted' three paid days per annum to participate in volunteering and fundraising for causes close to their hearts. A team of charity champions are evident across our business, engaging, encouraging and enabling ways in which our workforce can give back to our communities.

Further information on the Company's work in this area, and the impact in local communities, is set out at <https://uk.stop-hunger.org/home>

Shareholder

The Board of the Company duly considers the views of its ultimate shareholder, Sodexo S.A., and the interests of the Group as a whole as part of any major decisions and transactions undertaken by the Company. The Chair, the Board and the RLC members provide the channel of communication between the Company and its shareholder.

Long-term decision making

The directors continue to review the Company's organisational structure, cost base, service offers, investments and other business plans to ensure all are optimal as our environment evolves.

Standards of business conduct

The Company's Code of Ethics applies to all Directors and employees of the Company, and it embodies the Group's commitment to maintaining the highest standards of ethical business conduct and integrity. This is underpinned through regular training and an embedded ethical culture. The Company has implemented a Whistleblower facility whereby staff can raise issues that could be misconduct. Regular mandatory training for staff on the principles of Responsible Business Conduct is in place and completion rates are monitored.

The Ethics & Compliance Committee receives, considers, and manages concerns raised under the Code of Ethics, Anti Bribery Policy, Gifts & Hospitality Policy and Whistleblower Policy (including any allegations of bribery and corruption), conducts investigations, takes appropriate action, monitors and reviews incidents and training, measures trends and reports appropriately to the Board. The Committee maintains an incident log.

Sodexo shares the same ethical principles as those set out in the Modern Slavery Act, 2015. We believe in the elimination of all forms of compulsory labour and work to ensure slavery and human trafficking do not take place within any part of our business supply chain.

Further details are set out in the Company's Modern Slavery Act Statement:

<https://uk.sodexo.com/files/live/sites/com-uk/files/Legal%20and%20Privacy/modern-slavery-report.pdf>

UK Government – stakeholder management

Sodexo is one of the government's strategic suppliers and manages its relationship with central Government via the Cabinet Office. This provides us with a central relationship to provide oversight on all public services that we provide and the ability to work in partnership to build mutually agreed objectives to meet the needs of government. We are appointed a Crown Representative to ensure that any business issues or initiatives are reviewed within the commercial function and act as an interface with departments.

Pension Trustee

The Trustees are responsible for managing the Sodexo Pension Fund ('the fund') which is a defined benefit or "DB" pension fund, in order to ensure that it is well governed and that all member benefits remain secure. While it is no longer open to accrual for new members, the fund still has a small number of active members and a significant number of deferred and pensioner members. Sodexo Ltd executives meet regularly with the Pension Trustees, discussing administration of the fund, governance, and both company and fund asset performance. The ongoing liabilities and assets of the fund are monitored closely and Sodexo Ltd makes payment to the fund based on agreed employee and employer contributions. The full actuarial valuation of the assets and liabilities of the fund takes place every 3 years, with the most recent as at April 2021 when consideration was given to the DB Funding Code of Practice contained within the Pension Schemes Act 2021. As a part of this, a one-off payment of £60m was made in January 2022 to materially reduce the funding deficit at that time, with fund liabilities now hedged to a high level through matching assets. Sodexo Ltd remains fully committed to the support of the Sodexo Pension Fund. The fund is also supported by a Sodexo S.A. guarantee of £40 million.

Closing

The Company is keen to demonstrate appropriate transparency in its work and strategy as an indication of the pride it holds in its people and the delivery of exceptional services. We believe transparency will further develop the trust that our colleagues, clients and communities have shown us during our corporate history.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

On 20 April 2023 Sodexo Limited acquired the entire share capital of Sabailon Holdco Limited for an initial consideration of £9,776,000. As a result of the acquisition, Sodexo Limited indirectly controls the entire share capital of Sports Travel and Hospitality Group Limited, Sports Travel and Hospitality Limited and Sports Travel and Hospitality New Zealand Limited at the date of approval of these financial statements.

Auditors

Pursuant to section 487(2) of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board and signed on its behalf by:

Jean Renton

Director
Sodexo UK & Ireland

Date: 24 May 2023

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It all starts with the everyday