



Guide to Fundamental Rights at Work

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Dear colleagues,

Since Sodexo's creation in 1966, men and women have been at the heart of our business model, and meeting their expectations is one of our priorities.

With the signature of the United Nations Global Compact in 2003, we formalized our commitments as a socially responsible company. We take every effort to strengthen awareness among our employees of our commitments in these areas.

In this regard, we developed the « **Sodexo Charter Concerning Fundamental Rights at Work** ». We also developed an auto-assessment questionnaire for country directors. Based on the responses to this questionnaire, action plans are being developed with Human Resources management in the countries where we operate, if deemed necessary.

The purpose of this Guide is to provide you with more detailed information on our commitments to each of the Fundamental Rights at Work. The ideas presented in this Guide are not 'one-size-fits-all' solutions because their application may vary according to national context. The Guide should serve as a point of departure for ensuring the respect of the principles of Fundamental Rights at Work.

I thank you for your participation in the implementation of our Charter Concerning Fundamental Rights at Work, and I hope that this Guide will provide you with concrete elements for its application.

Elisabeth Carpentier
Human Resources Director

Sodexo Charter Concerning Fundamental Rights at Work

Since its creation, Sodexo upholds its values, ethical principles and joint mission to improve the quality of daily life, and to contribute to the economic, social and environmental development of the communities, regions and countries where we operate.

In light of this Sodexo is a signatory to the United Nations Global Compact and as such recognizes, in respect of local laws and practices, the Fundamental Principles and Rights at Work of the International Labor Organization (ILO):

- Freedom of association and the effective recognition of the right to collective bargaining,
- Elimination of all forms of forced or compulsory labor,
- Effective abolition of child labor,
- Elimination of discrimination in respect of employment and occupation.

Through the present charter, Sodexo specifies the Group's commitments with respect to these principles as they apply to all collaborators, and contributes to the promotion of their application.

Freedom of association and effective recognition of the right to collective bargaining

Sodexo is committed to respecting the right of employees to join the trade union of their choice or not as they may so choose and to bargain collectively, free from any form of retaliation that might impair their ability to exercise their trade union rights defined in the International Labor Organization principles.

Elimination of all forms of forced or compulsory labor

Sodexo undertakes, in all countries where the Group operates, not to demand of an employee work or any other service under the threat of punishment, and to guarantee for all employees the freedom to stop their job at any moment, subject to legal or operational requirements.

Effective abolition of child labor

Sodexo undertakes, in all countries where the Group operates, to exclusively employ individuals at least 15 years of age, except in the case of apprenticeships or internships as part of a recognized professional training program. In countries where the legal minimum age is above 15 years of age, Sodexo will respect local laws.

Elimination of discrimination in respect of employment and occupation

Sodexo undertakes, in all countries where the Group operates, to hire employees based on the criteria of qualifications, competencies and professional experiences. These criteria also apply to compensation, working conditions, promotions, mobility and training. Sodexo undertakes to fight against discrimination of any kind with regard to employment and to promote diversity and inclusion and to support, where appropriate, corrective actions for historic inequalities, in compliance with local laws.

Mode of Application

Sodexo operates in full compliance with all applicable wages, working hours, overtime and benefits laws. Beyond this, Sodexo is determined to promote the respect of the fundamental principles and rights at work, not only for all employees, regardless of their status, but also for suppliers and contracted partners.

In the countries where the ILO conventions relative to the four principles* have been ratified and transposed into national law, Sodexo engages to guarantee their application through social policies which conform to local legislation.

In the countries where some or all of the ILO conventions relative to the four principles have not been ratified or transposed into national law, and/or are in contradiction with national law, Sodexo engages to respect applicable laws and to ensure:

- the respect and promotion of Group fundamental values: respect for people, their dignity and consideration,
- the establishment of policies and management tools adapted to local context which permit the promotion of the four principles.

In the case where these measures cannot be assured within certain activities of Sodexo, the Group will cease said activities.

Sodexo engages to develop action plans (including the distribution of the present charter, the establishment of grievance mechanisms, management tools, information, training, evaluation and monitoring) progressively in each country where the Group operates to ensure the effective implementation of these commitments.

* The ILO conventions relative to the four principles are conventions n°29, 87, 98, 100, 105, 111, 135, 138 and 182.

Freedom of association and effective recognition of the right to collective bargaining

Sodexo Commitment

Sodexo is committed to respecting the right of employees to join the trade union of their choice or not as they may so choose and to bargain collectively, free from any form of retaliation that might impair their ability to exercise their trade union rights, as these rights are defined in the International Labor Organization principles.

Key Principles

- > Allow employees to associate freely at the workplace in accordance with national law.
- > Bargain collectively in accordance with national law.
- > Forbid discrimination or adverse actions against employees in retaliation for exercising their rights related to freedom of association or for participating in union activities.

Good Management Practices

Freedom of association

- Allow recognized representatives of workers (where allowed by local law and consistent with the terms of any applicable collective bargaining agreement, any client-established parameters and the efficient operation of Sodexo's business) the means to operate their duties efficiently, including reasonable access to employees, relevant documentation, etc.

Collective Bargaining

- Engage employee representatives in collective bargaining and/or hold regular consultations with authorized workers' representatives concerning issues of working conditions, remuneration, dispute resolution, internal relations and other matters of mutual concern.
- Provide reasonable notice (as may be defined by applicable law or practice) of known or anticipated impending changes in operations that will affect employment at the company, such as mergers and layoffs.

Management and Communication

- Inform managers to interact with employee associations in accordance with national laws and Group engagements.
- Forbid client and employee contracts that require Sodexo to interfere with lawful union activity or to remove recognition from an existing, lawfully recognized union.
- Develop means to report breaches related to freedom of association and collective bargaining.
- Develop local risk assessment tools to identify where any undue impairment to freedom of association and collective bargaining are likely to occur.
- Inform suppliers through the Group Supplier Code of Conduct of Sodexo's commitment to freedom of association and collective bargaining.
- Improve systematic gathering of indicators (qualitative and/or quantitative) related to cooperation with unions.

Practical Illustrations

Example 1:

Sodexo is the first in its industry to sign a National Framework Agreement with three of the UK's leading trade unions.

The agreement defines the nature of the strategic relationship between Sodexo and the three unions, and identifies guiding principles for managers, union representatives and other employees regarding the expectations they may have of each other.

The National Framework Agreement is also a public declaration from each organization, outlining their commitment towards continued joint working and raising awareness of the genuine, effective and positive relationship between unionized staff and Sodexo.

Sodexo provides more than 43,000 jobs across 2,300 locations in the UK and respects its employees' right to unionise as they choose.

Example 2:

In order to ensure that site managers and worker representatives follow proper procedure and protocol concerning Right of Entry (access to site), Sodexo Australia created and distributed three easy-to-use tools.

These three documents explain the roles and responsibilities of both site managers and workers' representatives in ensuring that site visits are done in line with relevant laws, and with respect for all stakeholders including employees, unions, clients, customers and management.

The first document explains the Fair Work Act of 2009 which governs Right of Entry, including for what purposes workers representatives may visit sites and what steps a site manager must take to ensure that the visit is done in respect of relevant laws.

The second document is a checklist outlining the same procedure, and the third is a flowchart providing a visual representation of proper procedure.

Elimination of all forms of forced or compulsory labor

Sodexo Commitment

Sodexo undertakes, in all countries where the Group operates, not to demand of an employee work or any other service under the threat of punishment, and to guarantee for all employees the freedom to stop their job at any moment, subject to legal or operational requirements.

Key Principles

- > Ensure that work that is not done under the threat of penalty, referring to criminal sanctions, threats, violence, retention of identity documents, confinement, non-payment of wages or a loss of rights or privileges.
- > Ensure that work is voluntary, referring to workers' consent to enter into employment and to their freedom to leave the employment at any time, with reasonable notice in accordance with national law, collective agreements, or operational constraints.
- > Ensure that debt-induced forced labor is not practiced, referring to the taking of a loan or wage advance by a worker from an employer or labor recruiter, provided that the worker pledges his or her labor and sometimes that of family members in order to repay the loan.
- > Ensure that employees do not need to work overtime in order to earn minimum wage.

Good Management Practices

Terms of employment

- Develop a recruitment procedure to issue work contracts to be signed by employees (in countries where work contracts are required). The contract should make specific reference to general terms of employment, including: wages, working hours, overtime policy, leave policy, mobility policy, contract duration and contract termination commitment, and should be communicated in a language understood by employees. This principle should be applied to hiring agencies as appropriate.
- Allow candidates to have the means, prior to starting work, to understand their general terms of employment, including: wages, working hours, overtime policy, leave policy and mobility policy, communicated to them in a language they understand. This principle should be applied to hiring agencies as appropriate.
- Provide equipment and supplies deemed mandatory for health and safety (which should not be exclusively at the expense of employees).

Working hours

- Managers and employees should be informed of both national laws and company policies and procedures concerning overtime.

Remuneration

- Never withhold wages for work that has been completed, nor threaten to do so.
- Make sure that employees understand their remuneration (including all charges, calculations, etc.) If employees have questions, there should be a clear, well documented procedure for questions to be raised and for responses to be received. These questions and responses should be documented so that processes can be improved.

Disciplinary process

- Develop a clear disciplinary process that forbids violence, harassment or intimidation in any physical or emotional form, and communicate it in a language understood by employees.

Management and communication

- Develop a means for reporting breaches related to elimination of forced labor.
- Set up local risk assessment tools to identify where forced labor is likely to occur.
- Inform suppliers of Sodexo's commitment to eliminate forced labor through the Group Supplier Code of Conduct.
- Avoid requiring (either directly or through a hiring agency) any form of deposit, recruitment fee, or equipment advance from employees and keep original ID, passport or other travel documents belonging to employees. If retention of documents is deemed necessary, create and communicate a clear procedure for employees to recuperate documents upon their request.
- Where employment contracts are required, inform managers and employees of the Company's view of the use of short-term and part-time contracts (particularly the legal position). When possible, use long-term contracts instead of consecutive short-term contracts.

Practical Illustrations

Example 1:

Sodexo has developed an innovative technological solution for ensuring proper tracking and compensation of overtime hours in Latin America, which will cover nearly 23,000 employees.

Tracking and properly compensating overtime is not simply a legal obligation, but a key factor to operational efficiency and a major contributor towards building employee engagement.

Pilot projects have begun in Latin America to use biometric clocks to replace outdated manual methods of employee time management, and to ensure better transparency and traceability for hours worked.

Example 2:

Sodexo Cameroon issues regular payslips, despite the fact that country laws do not require doing so.

Each month, employees of Sodexo Cameroon receive a printed payslip with a full accounting of hours worked, charges and taxes and take-home pay. This document enables employees to verify that they are properly remunerated for any supplementary hours they may have worked, at the agreed-upon rate.

This practice goes beyond the legal requirements in Cameroon, and therefore assures Sodexo employees of proper and transparent accountability of their hours and salary.

Effective abolition of child labor

Sodexo Commitment

Sodexo undertakes, in all countries where the Group operates, to exclusively employ individuals at least 15 years of age, except in the case of apprenticeships or internships as part of a recognized professional training program. In countries where the legal minimum age is above 15 years of age, Sodexo will respect local laws.

Key Principles

- > Set clear age limits for work that can be mentally, physically, socially or morally dangerous and harmful to young workers.
- > Forbid any work that interferes with a young worker's schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work.

Good Management Practices

Proof of age

- Where deemed necessary, require ID documents from candidates under the age of 18 prior to being hired, with copies kept on file.

Rules about jobs

- Establish a list of hazardous work and ensure that such jobs are not carried out by individuals younger than 18 years of age.
- Forbid casual and occasional work by children or children of employees, except in the cases of organized apprenticeships or internships.
- For those young workers who also attend school, adapt their schedules in order to accommodate their education.
- Develop a clear policy on internships, apprenticeships, and other youth-employment programs, with specific limits on number of hours worked, duration of training period and the number of times the same worker can be classified as a trainee.

Management and Communication

- Develop a means for reporting breaches related to effective abolition of child labor.
- Set up local risk assessment tools to regularly identify where child labor is likely to occur.
- Inform suppliers of Sodexo's commitment regarding the effective abolition of child labor through the Group Supplier Code of Conduct.
- Inform managers about legal working age laws in their country, along with Group commitments in this regard.

Practical Illustrations

Example 1:

Sodexo Spain uses multiple channels and opportunities to clearly communicate the tasks that cannot be done by minors.

The Spanish government, in consultation with the relevant labor organizations, have developed a list of jobs prohibited for individuals under the age of 18 because they are deemed as being unhealthy, painful, harmful or dangerous both for their health and their professional and personal wellbeing.

Sodexo Spain goes to great lengths to assure that these rules are properly communicated throughout the organization. Site managers are reminded of these restrictions in their annual trainings, and are obligated to inform new hires of these rules prior to recruitment. In addition, District HR Managers are briefed on the jobs prohibited to minors during their annual trainings.

These rules are clearly posted in the public folder of the Sodexo Spain intranet, and therefore widely available and accessible. Through this type of regular and clear communication that Sodexo Spain can assure the safety of its employees under the age of 18.

Example 2:

Sodexo Gabon helps employees finance their children's education by offering interest-free loans.

Contributing to the effective abolition of child labor can go beyond the policies and practices that protect Sodexo staff. In Gabon, all workers who are responsible for the care of a child are eligible for student loans provided by Sodexo.

Each employee may receive 200,000 franc CFA (approximately \$400 US Dollars), which can be paid back through monthly payroll deductions over the course of four months. There is no interest charged on the money borrowed.

Such initiatives help Sodexo employees invest in their children's future, and make it easier to balance their professional and personal obligations.

Elimination of discrimination in respect of employment and occupation

Sodexo Commitment

Sodexo undertakes, in all countries where the Group operates, to hire employees based on the criteria of qualifications, competencies and professional experiences. These criteria also apply to compensation, working conditions, promotions, mobility and training.

Sodexo undertakes to fight against discrimination of any kind with regard to employment and to promote diversity and inclusion and to support, where appropriate, corrective actions for historic inequalities, in compliance with local laws.

Key Principles

> Make sure that employees experience the stages of the Sodexo Employee Value Proposition (Recruiting, Welcoming, Living, Growing, Rewarding) based on their abilities and respect for the values of the company.

Good Management Practices

Employment and occupation

→ For all stages of the Sodexo Employee Value Proposition, ensure that no distinction, exclusion or preference be made which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation.

Recruitment

- Recruiters or managers should avoid asking applicants questions regarding their marital status, intent to have children, or number of dependents.
- Participate in community development, where possible, through the recruitment of locals.
- Encourage employment and occupation regardless of age (with obvious consideration for child labor commitments).

Adaptation of work environment

→ Facilitate appropriate working conditions for employees with disabilities such as access, flexible working hours, or longer breaks.

Remuneration

→ Develop methods to ensure that remuneration is established without discrimination.

Management and Communication

- Develop a means to report breaches related to non-discrimination.
- Set up local risk assessment tools to regularly identify where discrimination is likely to occur.
- Inform suppliers of Sodexo's commitment to eliminate discrimination through the Group Supplier Code of Conduct.
- Provide hiring managers with a training regarding the company's non-discrimination policies.

Practical Illustrations

Example 1:

In France, Sodexo adopted a multi-stakeholder approach to ensure non-discrimination based on gender, and to build professional equality between men and women.

In 2007, Sodexo France signed an agreement with the trade unions representing Sodexo workers to ensure professional equality between men and women.

Executive and site-level surveys and interviews were conducted and the subsequent findings were shared with union representatives. Gender discrimination was not found to be an issue, yet Sodexo pledged to go beyond legal obligations to encourage women's professional development within the company.

In addition, joint committees were established to systematically review employee salaries to ensure that gaps based on gender do not exist.

Example 2:

Sodexo in the United States has defined a list of 'protected categories' of individuals to sensitize employees to differences and ensure that discrimination is not practiced.

Sodexo policy in the U.S. states, "The Company will provide equal employment opportunity without regard to race, color, religion, pregnancy, national origin, ancestry, citizenship, age, marital status, disability, veteran status, sexual orientation, gender, gender identity, genetic information, or any other basis protected by law."

This list goes beyond the federal requirements to include categories that are recognized in some, but not all states. As a leader in promoting diversity and inclusion, Sodexo has chosen to broaden the scope of protected individuals and send the message that diversity is welcome, not discriminated against.

Human Resources

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