

## **UK TAX STRATEGY**

Sodexo UK's tax strategy supports our commercial approach and is published in response to Finance Act 2016 Schedule 19 in relation to the year ended 31 August 2018. This statement communicates the management of taxes by all UK entities within the Sodexo Group. The UK tax strategy is reviewed annually and may be subject to subsequent amendments.

Sodexo is the worldwide leader in Quality of Life services. For over 50 years, we have developed unique expertise, backed by nearly 427,000 employees in 80 countries across the globe. In combining the diverse talents of our teams, Sodexo is the only company to integrate a complete offer of innovative services, based on over 100 professions. We develop, manage and deliver a unique array of On-site Services, Benefits and Rewards Services and Personal and Home Services for all our clients to improve the Quality of Life.

### **SODEXO GROUP TAX POLICY**

Sodexo has presence in many different countries and needs to have a common approach as to the way we handle tax issues.

The Group tax policy has been designed to meet this need and to ensure that we pay the appropriate tax in line with the conduct of our business in the various geographies in which Sodexo operates. Sodexo's core values guide how we do business, support economic growth and enhance social development for local communities.

Strict compliance with the law, international standards and our [Principles of Business Integrity](#) and [Code of Ethics](#) is a matter of deliberate policy for Sodexo.

Sodexo may decide to choose the most tax-efficient structure (with the use of tax incentives and/or exemptions intentionally offered by the tax laws) that delivers the overarching business goal, and that is always compliant with applicable tax laws. Whatever position it opts for must be solidly argued and substantiated in line with business rationale.

### **UK TAX STRATEGY**

The Group principles apply universally, in all jurisdictions including the UK.

### **TAX GOVERNANCE AND RISK MANAGEMENT**

The UK and ROI Head of tax is responsible for managing regional tax affairs pro-actively and in line with the Group tax policy, ensuring that our tax liabilities are anticipated and met, together with the expectations of our stakeholders. This is achieved through communicating the tax policy appropriately

throughout the group and applying thorough and up to date knowledge of tax legislation to the commercial activity of the business.

The UK and ROI Head of Tax reports to the Group Tax SVP and to the Region CFO. In addition, the Group Tax SVP regularly updates the Audit Committee and the Board of Directors on the Group tax policies and all significant tax matters, including UK.

Day-to-day tax compliance and risk management is overseen and delivered by the UK and ROI Head of Tax and their team of qualified and experienced in-house professionals. When there is a significant complexity in relation to a tax question, external professional tax advice may be sought, and the ultimate position is validated by the Group Tax SVP. Sodexo may also make use of reputable tax advisers when it does not have appropriate local resources.

Tax compliance control procedures are reviewed by the Tax department and are tested by internal controllers and internal auditors. All significant issues are reported to the Board of Directors.

## **ATTITUDE TOWARDS TAX PLANNING AND RISK LEVEL ACCEPTANCE**

We adopt a prudent tax risk approach and as such, Sodexo does not support and is not engaged in aggressive tax planning or artificial tax avoidance. We expect our partners to observe the same high standards of ethics.

Sodexo will always:

- Perform risk management assessments before adopting a tax position.
- Ensure that each entity must have a sound commercial, business or financial justification and must have the right level of substance;
- Frame transfer pricing policy for intra-Group exchanges of goods and services on an arm's length basis, to be applied consistently across the Group and adequately documented;
- Monitor tax compliance in jurisdictions where Sodexo operates.

## **RELATIONSHIP WITH HMRC**

Sodexo supports a cooperative relationship with HMRC, based on our core ethics of transparency, honesty, integrity, respect, fairness and in a spirit of mutual trust.

We provide HMRC with timely and comprehensive information on current, future and past tax risks identified as well as major developments in our activities. In return, we seek treatment that is open, impartial, proportionate, responsive and grounded in an understanding of our commercial environment.