

UK Tax Strategy

November 2023

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 2023. 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 global leader in services that improve Quality of Life, with a purpose to create a better everyday for everyone to build a better life for all. Sodexo serves 100 million consumers each day through its unique combination of On-site Services, Benefits & Rewards Services and Personal and Home Services for all our clients. For over 56 years, Sodexo has developed an integrated offer, backed by nearly 422,000 employees in 53 countries.

Sodexo's success and performance are founded on its independence, its sustainable business model and its ability to continuously develop and engage its employees throughout the world. Sodexo is included in the CAC Next 20, CAC 40 ESG, FTSE 4 Good and DJSI indices.

SODEXO GROUP TAX POLICY

The [Sodexo Group Tax Policy](#) is publicly available on its website, under the "Responsible Business Conduct & Ethics" category within our Policies and Positioning section.

The Group Tax Policy has been designed to achieve tax consistency worldwide and to ensure that appropriate taxes are paid in line with the local tax rules and the substance of our business in the various geographies in which we operate. Sodexo's core values guide how we do business, support economic growth and enhance social development for local communities.

All tax positions are based on reasonable interpretation of applicable laws and are fully aligned with the substance of the economic activity of our business locally, with all significant tax positions and matters regularly reported by the Group VP Tax to the Group Audit Committee which reports to the Board of Directors.

Sodexo also has the responsibility to be financially efficient to protect its competitiveness and deliver long-term shareholder value; therefore, it may decide to choose the most tax-efficient structure, sometimes with the use of tax incentives and/or exemptions legally offered by local tax systems, 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. The Group is committed to not use tax structures without commercial substance nor investing in tax structures located in so-called "tax havens" jurisdictions.

The Group engages in open and constructive relationships with tax authorities to seek appropriate solutions and limit unnecessary litigation. It seeks to anticipate the impact on its activities of main changes in taxation policies and provides constructive business input to policy makers through professional associations at domestic, European and OECD levels.

UK TAX STRATEGY

The Group Tax Policy applies universally, in all jurisdictions including the UK.

Tax governance and risk management

The UK & ROI Tax Director, reports to the Region CFO and Group VP Tax, and 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 region and applying thorough and up to date knowledge of tax legislation to the commercial activity of the business.

Tax affairs and risk management are managed on a daily basis by the UK & ROI tax team which are suitable qualified, experienced in-house tax professionals which undergoes regular training to deliver the regional tax compliance requirements, provide up to date technical advice and ensures appropriate tax treatment is adopted within the business. When there is significant complexity in relation to a tax matter or appropriate local resources are not available, external professional tax advice may be sought from reputable tax advisors, and the ultimate position is validated by the Group VP Tax.

Tax compliance control procedures are reviewed and frequently updated by the tax team and are tested by internal controllers and internal auditors on an annual basis to ensure they are applied consistently in the whole UK and ROI Region. All significant tax risks are maintained on the tax risk register, which is integrated in the region risk register, and regularly updated. Significant uncertain tax positions are reported on a regular basis to the Board of Directors and where relevant to the Group Audit Committee by the Group VP Tax.

Attitude towards tax planning and risk level acceptance

In-line with the Group tax policy, the UK and ROI have a low tolerance for tax risk and reject tax opportunities which are not in line with our Group Business Integrity Code of Conduct. 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 regional entity has a sound commercial, business or financial justification and has the sufficient level of substance;
- frame transfer pricing policy for intra-Group exchanges of goods and services on an arm's length basis, pricing in line with international standards (e.g. OECD Guidelines), this principle is applied consistently across the Group and adequately documented;
- monitor tax compliance in jurisdictions where Sodexo operates.

Relationship with HM Revenue & Customs

Sodexo seeks to build and sustain relationships with HMRC that are cooperative, constructive and based on our core ethics of transparency, honesty, integrity, respect, fairness and in a spirit of mutual trust.

Sodexo shares regular updates of the business with our Customer Compliance Manager (CCM) at HM Revenue and Customs and provide them with timely and comprehensive information on current, future, and past tax uncertainties identified. In return, we seek cooperation in tax matters that is open, impartial, proportionate, responsive and grounded in an understanding of our commercial environment.