

Sodexo-Alliance S.A.

"Sodexo's mission is to offer services that contribute to a more pleasant way of life for people of all ages, whenever and wherever they come together."

Overview

Sodexo is a food services and management services company who tout their 'services' to everyone from multinational business to National Health Service (NHS) trusts. You are most likely to have come across Sodexo in your school or university canteen, or else when you fancy a snack whilst visiting a museum, art gallery or hospital. However, behind the boiled vegetables and dinner ladies with hair nets, lurks an altogether more sinister multinational.

Campaigners are most likely to associate Sodexo with its ill-fated government contract to provide benefits to asylum seekers in the form of vouchers. This potentially big money spinner for Sodexo turned into a PR nightmare as the widest range of campaign groups imaginable persuaded the government to abandon the scheme. Unfortunately, Sodexo has not been put off the asylum business, as you will see below. Sodexo has also had its fingers burnt in the USA, where it ran 'correctional facilities' which were the target of a concerted and successful campus-wide campaign. Despite eventually withdrawing from the prison industry in the USA, profits speak louder than bad PR, and it is still heavily involved with the prison industry in the UK and Australia.

Sodexo's other controversial contracts include feeding the U.S. Military in their various endeavours in the Gulf and elsewhere, as well as assisting Royal Dutch Shell in exploiting oil on Sakhalin Island, in the Far East of Russia.

Sodexo has also been criticised not only for opposing organised labour, but for going one step further. In 1998, its handbook for managers on how to fight unions in the workplace was leaked to the International Hotel Employees and Restaurant Employees Union.

So war, prisons, anti-unionism and oil. All this and so much more.

Industry Areas:

FOOD AND MANAGEMENT SERVICES: supply of food and management services to companies, public agencies and institutions, hospitals, clinics, retirement homes and educational institutions. Management services include cleaning,

¹Sodexo's mission statement.

<http://www.sodexo.com/SodexoAnglais/connaissance/index.cfm?attributes.fuseaction=PHImain>

technical maintenance, security, grounds keeping, medical surveillance and leisure services, as well as the management of on-site clubs & retail outlets.

REMOTE SITE MANAGEMENT: provision of services worldwide to people working on-land and offshore on oil rigs, major construction projects, mining facilities and forestry operations.

SERVICE VOUCHERS AND CARDS: supply and processing of vouchers for food, petrol, gifts, work clothes, toys and childcare services.

LEISURE SERVICES: management of public restaurants, event catering, river cruises, sports facilities, spas, cultural institutions and convention centres.

In its 2001/2002 Annual Report, Sodexo illustrates the breakdown by industry in which it operates.²

Business & Industry 44%
Healthcare 18%
Education 24%
Seniors 6%
Remote Site Management 5%
Service Vouchers and Cards 2%
River & Harbour Cruises 1%
Prison services account for 1%

Market share/importance

Depending on who you listen to, Sodexo is either “the world’s largest food and management services company”,³ or the world's second-largest caterer after the UK-based food and management services group, The Compass Group.⁴ Sodexo is also, according to its website, the world's largest remote site management company. According to its annual report, Sodexo operates in 74 countries.

Sodexo's website boasts that “three out of every four FTSE 100 companies rely on us for cost-effective solutions to their employee or hospitality catering, or to deliver support services including cleaning, reception, switchboard and help desks, mailroom, reprographics and grounds maintenance.”⁵

²http://www.sodexoalliance.com/16sxoatny/pdf/RA_2002_us.pdf viewed 1/12/03

³ www.domain-b.com/management/quality/19990517sodexo.html viewed 07/10/03

⁴ www.bloomberg.com/apps/news?pid=10000101&sid=aOwETPbrkMv8&refer=japan report dated 09/07/03 viewed 16/07/03

⁵ www.sodexo.co.uk/aboutsodexo/index.asp viewed 07/10/03

Sodexo in the UK became the leading catering contractor for local authorities, health service trusts and government agencies in the UK when it acquired Gardner Merchant.⁶ It has benefited greatly and will continue to benefit from the privatisation of public services which is now widespread in the US as well as in the UK under the New Labour government. It is one of a very few companies well placed to run privatised prisons, as well as supply 'services' in hospitals, schools and other public institutions.

Sodexo in the UK and Ireland is the second largest single country contributor (14%) to the Sodexo Alliance group revenue after North America (49%).⁷ They are also the world's leading provider of river and harbour cruises.⁸

A note on the name, Sodexo

Sodexo is an acronym that comes from a French phrase, Societe d'Exploitation Hoteliere, which loosely translated means a company of service and hospitality.

History.⁹

Founded as a ship supply company in Marseilles in 1895, young Pierre Bellon shifted his family's company into food service in 1966, with a single corporate dining room. This was followed by a move into catering services for schools, hospitals and staff restaurants.

Bill Fishman, the co-founder of ARA Services, which later became Aramark Corporation (another key rival for Sodexo), coaxed Pierre Bellon to visit the US for a few weeks in 1970 as he hoped to buy the Frenchman's company. As a result of the visit, however, Bellon found that he liked the new line of business even more and went on to expand it.¹⁰

Sodexo began its international expansion with a contract for a Brussels hospital in 1971. In 1975, Sodexo broadened its activities to include remote-

⁶Sodexo's involvement in privatisation and PFI' GMB report by the Labour Research Department Jan 2002. <http://www.gmb.org.uk/docs/pdfs/SodexoPostVictoriaInfirmery.pdf>

⁷ <http://www.sodexo.com/SodexoAnglais/informer/index.cfm?attributes.fuseaction=infespmain> viewed 07/10/03

⁸<http://www.sodexo.com/SodexoAnglais/connaissance/index.cfm?attributes.fuseaction=CROmain> viewed 29/10/03

⁹ www.sodexo.com/SodexoAnglais/connaissance/index.cfm?attributes.fuseaction=CROmain viewed 07/10/03

¹⁰ 'Sausages to Sprinklers' Forbes Magazine www.forbes.com/global/2002/0527/024_2.html 5/27/02 viewed 29/10/03

site management for large onshore and offshore sites, first in Africa, then in the Middle East. In 1978, Sodexho entered the voucher business in Belgium and Germany. Vouchers are a system for employers to pay employees in lieu of a monetary payment. They include meal, childcare and gift vouchers.

The 1980's saw Sodexho expand further into the Americas and a public floatation in France. The early 1990's saw further expansion in Japan, Russia and Eastern Europe.

In 1994 Sodexho acquired an 8% stake in the Nashville-based **Corrections Corporation of America (CCA)**. The USA's first and largest provider of detention and corrections services to governmental agencies.¹¹ In 1995, Sodexho acquired the UK's biggest contract services group, **Gardner-Merchant Ltd.**, and Swedish contract management company **Partena**, and in 1996, they entered the world's largest service voucher market in Brazil, by acquiring **Cardapio**.

In 1997, the parent company changed its name to Sodexho Alliance S.A. In 1998, Sodexho Alliance combined its North American operation with Marriott Management Services to create **Sodexho Marriott Services (SMS)**. SMS was the spun off 'catering and facilities-management' wing of the management company Marriott International, Inc which was itself divided from the hotel-owning company, Host Marriott Corp., in 1993. Just to clarify: Sodexho does not own Marriott hotels.

At that time, Sodexho Alliance held an approximate 48% stake in SMS, most of the rest being held by the public on the stock exchange. In May 1999, Michel Landel from Sodexho Alliance was unanimously nominated chief executive of SMS and in 2001, Sodexho Alliance bought the remaining shares in SMS and renamed the business, **Sodexho, Inc.**

In 1999 Sodexho opened the “**Sodexho Research Institute on the Quality of Daily Life**”(See later).

In 2000, Sodexho Alliance and **Universal Services** merged to become the world's largest remote-site management company. In 2001, after a major US university campus campaign, Sodexho Alliance sold its 8% share of Correction Corporation of America. However, it has expanded its direct involvement in the industry by acquiring CCA's stocks in **U.K. Detention Services** and **Corrections Corporation of Australia**, now renamed **Australian Integrated Management Services (AIMS)**. Previously Sodexho and CCA had run these

¹¹www.correctionscorp.org viewed 29/10/03

companies in partnership.

In 2002, Sodexho Alliance was listed on the New York Stock Exchange.

Products/Projects

Sodexho has thousands of food and management services contracts worldwide from multiservice contracts with IBM in Peru, Chile, Venezuela and Colombia to contracts with the International Peace Maternity Hospital in Shanghai.¹²

In the UK, some examples of its products and projects include:

Sodexho Defence Services, based in Aldershot, from where Sodexho run around 60 projects for the military across the UK including at the Aldershot Garrison. Sodexho are also the lead contractor at the new Colchester Garrison private finance initiative (PFI). Other contracts including the Catterick Garrison, ARCC Germany, Falkland Islands, Dover/Shorncliffe MAC and RAF High Wycombe.¹³ See www.sodexhodefence.com for more information.

Catering services in the UK span from two **halls of residence** at the University of Huddersfield, to the 'Kitchen Mondiale' at University College, London. From 170 **private schools** to numerous **state schools**. For more information as well as lists of schools worldwide that are catered for by Sodexho, from Chile to China, as well as in the UK, see www.sodexhoeducation.com.¹⁴ Sodexho also serve meals to around 45,000 **patients** in the UK each day¹⁵ and run coffee shops in hospitals under the names "**Strollers**" and "**Just Trading**".

Sodexho provide **inhouse catering** at hotels, **commercial restaurants** and in **corporate canteens** such as Ford, British American Tobacco and Toyota. It also provides catering services at prestigious events including Royal Ascot, Henley Royal Regatta and the Stella Artois tennis tournament.¹⁶ Sodexho also provides 'cook-chilled' and **frozen meals** through its **Tillery Valley Foods** division¹⁷ and vending services.

Sodexho has provided **remote services to all the major oil, gas, construction and mining companies** including BP-Amoco, Halliburton and Rio Tinto. See

¹²http://www.sodexhoalliance.com/16sxoatny/pdf/RA_2002_us.pdf (viewed 1/12/03)

¹³<http://www.sodexho.co.uk/segments/defence.htm> viewed 10/11/03

¹⁴<http://www.sodexho.co.uk/segments/education.htm> viewed 10/11/03

¹⁵<http://www.sodexho.co.uk/segments/healthcare.htm> viewed 10/11/03

¹⁶Inside track Sodexho: A 60-second crib sheet on some of the country's largest employers of graduates' by Nick Pandya. The Guardian 11/10/2003

¹⁷see www.tvf-online.co.uk/enter.htm viewed 10/11/03

www.universalsodexho.com for a complete list of projects and clients.

Sodexho also own Parisien-style boats that do sightseeing tours on the Thames, as well as a restaurant boat, **Naticia**. See www.bateauxlondon.co.uk

Sodexho offer **conference and banqueting facilities** at numerous locations around Britain. From the Royal Agricultural Showgrounds at Stoneleigh (which is quite an indictment of the Royal Agricultural Showgrounds and their commitment to UK agriculture!), to The Tall Ship in Glasgow harbour and Mill Hill school. For a complete list see www.conference-online.co.uk.

Safeguard is a specialist division of Sodexho, that operates as an autonomous consultancy on health and safety issues both for Sodexho and external clients. More can be found on www.safeguard-online.co.uk

Facilities management span from the NHS, where Sodexho is one of the largest **laundry** providers - with a capacity to launder 364,000 items a week,¹⁸ to the Ford Motor company at 33 locations in the UK. See www.sodexhofm.com. This ranges from **grounds mantainance** through Sodexho Land Technology, where clients include the Royal Park at Kensington Gardens, Cheshire County Council, Birmingham International Airport and many private clients and Local Authorities¹⁹ to the '**Healthworks**' division which manages corporate gymnasiums for, amongst others, Shell UK, Clydesdale Bank, Land Rover, Glaxo Smithkline Pharmaceuticals and Norwich Union.²⁰

Sodexho's provision of **services to the UK Government** span from providing tea at the Scottish Parliament to winning government contracts under the Private Finance Initiative to **manage prisons and immigration detention centres**. This connection has its own little pop-up website with the slogan "Sodexho: a more human approach to corrections" when you load up www.sodexhoalliance.com. There is very little information on the main site, though. Some of these facilities are run outright by Sodexho and others it runs jointly with other companies. In the UK, Sodexho operates in the prison industry through its subsidiary, **UK Detention Services**.

Besides 'Strollers' bakery brand and 'Just Trading' food retailing units, other Sodexho brand names include '**Caffe Toscana**' kiosks and full coffeeshop units; '**Pasta Gusta**' pizzas and pasta sauces; '**Promise**' sandwiches, baguettes and wraps; '**Spitfires**' fast food breakfast solutions being developed for the

¹⁸ibid.

¹⁹<http://www.sodexho.co.uk/segments/landtech.htm> viewed 10/11/03

²⁰<http://www.sodexho.co.uk/segments/healthworks.htm> viewed 10/11/03

education sector and 'Donut warehouse'.²¹

Who, where, how much?

Sodexo Alliance Global Headquarters

Sodexo Alliance S.A.
3 Avenue Newton,
Saint Quentin En Yvelines,
78883,
France

Sodexo has 315,141 employees based on 24,700 sites in 74 countries worldwide.²² 20% of which are based in the UK.²³

Company value: On 14th November 2003, Sodexo announced its full year profit as 162 million Euros (\$191 million) This is 11.3% lower than it had been the previous year. Sodexo, who have issued a number of profit warnings over the last two years, put on a brave face as Morgan Stanley downgraded Sodexo shares from 'equal weight' to 'under weight' and Deutschebank withdrew the share from its main European list.²⁴

The company blamed the fall in the dollar for this loss, as over half its revenue comes from US operations, where it is also losing market share to The Compass Group.

Disappointment over the growth figures added to investor fears over a looming class action lawsuit filed in the US on behalf of 2,600 current and former employees of Sodexo alleging racial discrimination. See section on 'Discrimination' in 'Corporate Crimes' section.

Earlier in 2003, the company's share price came under pressure amid worries that diplomatic tensions over war in Iraq could damage its US operations, with particular concern over a record \$1bn contract with the US Marine Corps.²⁵

Sodexo is currently embroiled in a scandal that knocked 8% off its share value. On January 9th 2004, market analysts, Smith Barney, claimed Sodexo had revealed €82m (£57million) of previously undisclosed securitisation at its UK division in a 20-F filing to the Securities and Exchange Commission in the US in

²¹<http://www.sodexo.co.uk/segments/brands.htm> viewed 10/11/03

²² www.sodexo.com/SodexoAnglais/informer/index.cfm viewed 07/10/03

²³ www.sodexo.com/SodexoAnglais/site/LiensSite/Lien_Info_Chifcle.cfm (viewed 21/06/03)

²⁴"Sodexo share falls 1.97%" La Tribune 28/11/03 and "Sodexo drops on broker downgrade" AFX UK (Focus) 17/11/03 viewed 1/12/03

²⁵ "Sodexo blames weak dollar for sales drop" By Martin Arnold in Paris FT.com site 8/10/03

December. The accusation being that Sodexho had used this to artificially boost its working capital in financial results released in November. A few days later, Smith Barney retracted this accusation saying that the disputed securitisation had not been hidden by Sodexho. Smith Barney stressed, however, that it had not changed its 'sell' recommendation on Sodexho stock. Sodexho had asked the AMF, the French markets regulator, to investigate movements in its share price and has threatened to sue Smith Barney.²⁶

Auditors: KPMG²⁷

Major Shareholders²⁸

The Bellon Family, through the family holding company, Bellon S.A., own 38.69%

Unnamed French Institutions: 25.90%

Unnamed French Individuals: 8.90%

Non-French Shareholders 23.18%

Treasury Stock 1.70%

Employees 1.63%

Members of the Board of Directors²⁹

Sodexho is still very much a family business as is illustrated by the current Board of Directors.³⁰

Chairman Pierre Bellon (74 years old.)

Bellon is the founder of Sodexho as we know it today, and has, until this year, been very involved in the running of the business. In April 2003, he announced his intention to bow out of the group gradually. He would have retired earlier if Sodexho had not been beset with merger-acquisition problems over the past five years. Bellon handed operational control to the group's managing director, Albert George, in 2000.³¹

According to the 2001/2002 Annual report, Pierre Bellon is chairman of the Supervisory Board of Bellon SA., the family holding company that controls

²⁶Sodexho may sue over Smith Barney report by Heather Stewart. The Guardian Jan 14, 2004

²⁷Yahoo Biz Sodexho profile <http://uk.biz.yahoo.com/p/e/exho.pa.html>. viewed 10/11/03

²⁸http://www.sodexhoalliance.com/16sxoatny/pdf/RA_2002_us.pdf (2001/2 annual report). Viewed 07/10/03

²⁹http://www.sodexhoalliance.com/16sxoatny/pdf/RA_2002_us.pdf viewed 07/10/03

³⁰Pierre Bellon: Gargantua of the Canteens. Le Nouvel Observateur 7 November 2002 www.nouvelobs.com/articles/p1983/a28088.html viewed 7/10/03

³¹"Sodexho chief to step down" Les Echos 22/4/03 and "Sodexho Alliance Announces Appointment to Two Presidents and Chief Operating Officers" BusinessWire 12/6/03

Sodexo Alliance S.A.

He is also the director of a number of Sodexo subsidiaries such as Abbar & Zainy Sodexo Catering Company Ltd., Sodexo Inc., Sodexo Netherland, Sodexo Ltd.

He is on the supervisory board of Air Liquide S.A. Founded in 1902, Air Liquide is the world leader in industrial and medical gases and related services.

www.airliquide.com.

He is a member of the supervisory board of Pinault-Printemps-Redoute, a massive French multinational whose products span from department store retailing to electrical goods catalogues, building materials to financial services offering consumer credit. He is a director of the Association Nationale des Société par Actions (ANSA). He is vice-president of pro-privatisation French employer's organisation, Medef.

He and his family are worth around a billion dollars, making them, according to Forbes.com, the 427th richest people in the world, and in the top ten list of richest Frenchmen.³²

Remi Baudin - Vice Chairman. Remi co-founded Sodexo as we know it today, with Pierre in 1966.

Astrid Bellon - Member of the Executive Board, Bellon SA

Bernard Bellon - Chief Executive Officer, Finadvance S.A., this is a venture capital company.

Francois-Xavier Bellon - Member of the Executive Board of Bellon SA

Sophie Clamens - works for Bellon S.A. as a special projects advisor for Sodexo Alliance.

Patrice Douce - was the Group Chief Operating Officer for Sodexo from 1990 to 2001.

Paul Jeanbart - Co-founder, Partner and Chief Executive Officer, Rolaco Group. I am unclear whether this is the same company as Rolaco Trading and Contracting, a large diversified Saudi Arabian company, that amongst other divisions has a services, a purchasing services and hotel division. See www.rolaco.net.

He has many other directorships such as Oryx Finance Ltd, Hotel

³²http://www.forbes.com/static_html/bill/2003/rank.html

Intercontinentale, Geneve, Semiranis Hotel Co, Delta International Bank, XL Capital Ltd and Nasco Insurance Group. He is also on the advisory group of Club Mediteranee S.A.

Francois Perigot - a former Unilever executive and Chairman of UNICE, the European Employers and Industry Union, he is currently the chairman of Medef International, the Franco-Dutch chamber of commerce and the International Employer's Organisation.

He is on the board of directors of Astra Calve, Lever, CDC Participations and Sabate- Diosos.

Edouard de Royere - Honorary Chairman, L'Air Liquide.³³ Also on the Board of Directors of three other venerable French companies, Danone, Michelin and L'Oreal.

Nathalie Szabo - Member of the Executive Board, Bellon SA

Mark Tompkins - Unclear what his current job is, but sounds like he's a venture capitalist/ business consultant. He is on the board of directors of Bio Projects International Ltd. and Calcitech Ltd.

Senior Executives³⁴

In June 2003, Sodexho's Group Chief Operating Officer, **Albert George**, resigned after having suffered a stroke earlier in the year. He had been seen as a natural successor to Pierre Bellon, so his health problems and resignation have probably come as a blow to the company.

In response to the situation, **Jean -Michel Dhenain** and **Michel Landel**, who were previously Vice-Presidents of the Executive Committee, were appointed joint Presidents and Chief Operating Officers. Jean-Michel Dhenain will remain the CEO for Continental Europe, as well as taking responsibility for South America and Asia-Australia. Michel Landel will remain CEO of Sodexho Inc., as well as supervising the United Kingdom, Ireland and the remote site management activity.³⁵

Jean-Michel has been with the firm since 1971 and risen through the ranks. He is President of the Chamber Opera of France, based in Menton. He is also an

³³www.airliquide.com viewed 1/12/03

³⁴http://www.sodexhoalliance.com/16sxoatny/pdf/RA_2002_us.pdf viewed 07/10/03

³⁵"Sodexho Alliance announces the appointment of two Presidents and Chief Operating Officers" BusinessWire 12/6/03

accomplished oenologist (winemaker), a Chevalier in the Order des Coteaux de Champagne and a member of the Chevaliers du Tastevin.

Michel has been with the company since 1984 and was the CEO of Sodexo Inc. before this promotion.

Other members of the Executive Committee include:

Elisabeth Carpentier - Senior Vice President, Human Resources

Sian Herbert-Jones - Chief Financial Officer

Clodine Pincemin - Senior Vice President, Corporate Communications

Dick Macedonia, Chief Operating Officer of Sodexo in North America

Vincent Hillenmeyer, Senior Vice President, Strategic Planning.

Sodexo Alliance Senior management

Sodexo breaks its activities down by country/region and then by activity. Each country and each activity has its own Chief Operating Officer, or equivalent, who sit on Sodexo's operational leadership team.

Details can be found on each country's website, which can be reached by initially going to the main website (www.sodexo.com).

UK facts and figures³⁶

Turnover: £1,044,311,000

Employees: 54,322

Clients: 3,847

UK Auditors: Price Waterhouse Coopers³⁷

Senior UK & Ireland Management Team³⁸

Mark Shipman - Chief Executive, Food and Management Services. Shipman

³⁶<http://www.sodexo.co.uk/aboutsodexo/index.asp> viewed 10/11/03

³⁷"Sodexo hit by British shortfall" BBC online 20 September 2002
<http://news.bbc.co.uk/2/low/business/2270185.stm> viewed 10/11/03

³⁸ http://www.sodexoalliance.com/16sxoatny/pdf/RA_2002_us.pdf viewed 07/10/03

joined Sodexho in 2002 after the debacle with accounting irregularities. See Corporate Crimes section on 'Accounting Irregularities'. He previously headed up the Wood Company, a leading provider of contract food services, in the USA which was acquired by Sodexho in 2001.³⁹ Shipman sits on the British Hospitality Association Council.

Herb Nahapiet OBE- Chief Executive, UK Detention Services Ltd
Herb sits on the Institute of Physics, Built Environment and Transport panel. He also sits of the Government's LINKS/TCS panel, which is an advisory structure for industrial collaboration and technology transfer schemes. He is a visiting professor at the Bartlett, which is the faculty of the Built Environment at University College, London. He is also Sodexho's "Worldwide Market Champion for Correctional Services". See later section on 'Sodexho and Prisons'.

UK Locations

Head Office

Kenley House
Kenley Lane
Kenley, Surrey CR8 5ED
(44) 208 763 12 12
(44) 208 763 10 44

Chief Executive's Office PR and Press Office

The Merchant Centre
New Street Square,
London EC4A 3BF
(44) 207 815 06 10
(44) 20 7832 7832

Subsidiaries mentioned on the Sodexho website include:

Adicarte Technology in Milton Keynes
Universal Sodexho in Aberdeen
Sodexho Leisure Services in Alperton, Middlesex
Catamaran Cruises/Bateaux London on Charing Cross Pier in Central London.
Sodexho Defence Services in Aldershot

³⁹<http://www.sodexho.com/nonflash/SodexhoAnglais/informer/Communiqués1.cfm?cid=98>

Sodexo Land Technology.

There are dozens of other UK Sodexo offices. The best way to find them is either to go through www.sodexo.co.uk or www.yell.co.uk

Other UK Subsidiaries named in 2001/2002 Annual Report (100% ultimate ownership unless indicated).

Agecroft Prison Management (50%)
Sodexo Services Group Ltd.
HPC Limited (25%)
Sodexo International Holdings Ltd
Keyline Travel Management
Sodexo Limited
Sodexo Prestige Limited
Universal Sodexo Scotland
Harmondsworth Detention Services Ltd
United Kingdom Detention Services (UKDS)
Tillery Valley Foods Limited
Rugby Hospitality 2003 Ltd (55%)
Sodexo Holdings Ltd
Sodexo Education Services Ltd
Sodexo Management Services Ltd
Cadogan Caterers Ltd
Sodexo Services Ltd
Sodexo Support Service
Universal Sodexo Holding Ltd
Universal Services Europe Ltd
Primary Management Aldershot (60%)
Mercia Healthcare Holding Ltd (25%)
South Manchester Healthcare Ltd (25%)
Sodexo Pass Ltd

Influence & Lobbying Groups

Interestingly, Sodexo is not a member of any of the key European or US lobby groups, such as the European Roundtable of Industrialists, the European Services Forum or the US Coalition of Service Industries, all of which are pushing for a further liberalisation of services under the General Agreement on Trade in Services (GATS). Corporate Watch can see no reference to Sodexo having attended any of the major service industry conferences or congresses,

such as the 'World Services Congress' in 1999⁴⁰ or "Services 2000: A Business-Government Dialogue on US Trade Expansion Objectives" which focused on the service industry's priorities at the WTO negotiations.⁴¹

Campaign contributions in the USA

The Centre for Public Integrity lists Sodexo as having contributed £25,632 to the political campaigns between 1990 and the fiscal year ending 2002. Over that same period, the company won federal contracts worth \$23,456,000,⁴² including military contracts to cater for marines in Afghanistan and Iraq.

American Legislative Exchange Council (ALEC)

Whilst Sodexo was working in partnership with Corrections Corporation of America, it was a member of ALEC. ALEC is a Washington, D.C.-based public-policy organization that supports conservative legislators. Of the more than 6,000 state legislators in the United States, nearly 3,000 are members of ALEC, including scores who hold key leadership positions. Business foots much of ALEC's \$6-million operating budget and directly shapes its political agenda. Details of direct links between expansionist private prison policies and state legislators who belong to ALEC are detailed in Edwin Bender's article "Private Prisons, Politics & Profits".⁴³

Sodexo UK Ltd's accountancy firm **Price Waterhouse Coopers (PWC)**, is not only an accountancy firm but also a back door lobbyist for PPP/PFI schemes. Along with other accountancy firms, it has developed the "value for money" test used for such projects, and has also produced reports for the government on the benefits of PFI and PPPs. PWC is the biggest of the five key global accountancy firms, and stand to profit most from the privatisation of services. To date it has profited worldwide to the tune of £22 billion and in 2000 advised the UK government on 90 PFI projects worth £8.3 billion.⁴⁴

The New Local Government Network (NLGN)

The 'New Local Government Network', which calls itself a think-tank, campaigns for more private sector involvement in the public sector. On the board of the NLGN is Professor Paul Corrigan, who also works in the Department of Health as a special adviser to Alan Milburn. The organisation

⁴⁰<http://www.worldservicesforum.com>

⁴¹<http://www.uscsi.org/events/services2000conf.html> viewed 7/11/03

⁴²<http://www.publicintegrity.org/wow/resources.aspx?act=history> viewed 16/11/03

⁴³ www.followthemoney.org/press/ZZ/20000701.phtml#_ftn1

⁴⁴ 'A Web of Private Interests: How the five big Accountancy Firms Influence and profit from Privatisation Policy' no single author, a report commissioned by UNISON. www.unison.org.uk/acrobat/B362.pdf viewed 20/09/03

lobbies ministers on behalf of more than 40 corporate sponsors, who between them contribute up to £500,000 a year. Sodexho is one of the NLGN sponsors who has also gained lucrative NHS contracts. Professor Corrigan is also married to Hilary Armstrong, Labour's Chief Whip.⁴⁵

Herb Nahapiet, Executive Director of UK Detention Services, sits on various government quangos, as well as being a visiting professor at the Bartlett, the faculty of the Built Environment at University College, London. See section on UK senior executives.

Influencing research and education

Sodexho is heavily involved in feeding students from primary school to universities and higher education colleges. Under the PFI scheme, it looks likely that it will expand its role to include other services. For example, at the Rotherham PFI schools project, Sodexho will have a contract which will include "general management and help desk facilities, site management, janitorial, portering, security, building maintenance, grounds maintenance, asset maintenance".⁴⁶

Sodexho UK do some educational work around food including pupil committees and theme days in schools. In primary schools it operates 'Club Joules', which is a 'fun school food club'. See www.clubjoules.com. It thankfully has no other educational input into the school curriculum.

It gives university bursaries to students such as those in the faculty of arts at the Simon Fraser University in Vancouver, Canada and the Sodexho scholarship at the Memorial University of Newfoundland.⁴⁷ Sodexho also have a room named after them at King's College, London.⁴⁸

Sodexho Research Institute on the Quality of Daily Life

The Sodexho Institute is "a unique global tool for analysing the present and future needs and behaviour of consumers around the world...Through its partnership with international organizations, such as the UN, UNESCO, and the WHO, and a wide range of interviews with leading experts, the Institute collects and analyzes vast quantities of data to publish approximately two research papers a year on topics related to the quality of daily life. Research papers produced include "Gender Differences in Eating Patterns in Children"

⁴⁵Milburn aide lobbies for private NHS work by Chris Hastings and Rajeev Syal 18/11/03 The Telegraph

⁴⁶ www.sodexho.co.uk/segments/pfi_schemes.html viewed 30/09/03

⁴⁷ see, for instance www.sfu.ca/advancement/scholarships/donors/2003/S-Z.html or www.mun.ca/regoff/calendar/ScholarshipsEntranceStudentsMayQualify.htm viewed 06/10/03

⁴⁸ www.kcl.ac.uk/depsta/admsup/sdtu/timetable.html viewed 07/10/03

and "Workers value their Private Lives over their Jobs". Surprise surprise!⁴⁹

In addition, but complementary to the Sodexho Research Institute, Sodexho also undertakes research specific to the UK market. These include the biannual Sodexho School Meals Survey, published in September 2002, as well as ad hoc projects throughout the year.

So basically the Sodexho Research Institute is a forecasting and marketing tool.

Centre for Quality of Daily Life at Work

<http://www.qualityofdailylife.org/homepage.htm>

The Centre is a network of leading employers and employees who want to better understand the importance of quality of daily life - especially at work - so that organisational environments can be made a better place to work. Sodexho is the foundation sponsor of this project.

Public Relations and Corporate Social Responsibility

In the USA

"We strive to be the type of company that help to create the type of world we want for tomorrow. As a leading provider of outsourced food and facilities management services throughout North America, we're committed to continuing to lead our industry in helping to address the challenges that are impacting our communities." Sodexho Inc. website

Sodexho's corporate social responsibility work is mainly focused on charitable donations and supporting '**Habitat for Humanity International**', a 'not for profit' homebuilding organisation that gives grants for housing poor people.⁵⁰ Another major "campaign" is Sodexho's S.T.O.P Hunger campaign www.helpstophunger.org. This includes food donations; **Caring Cans**, where non-perishable surplus food can be donated at Sodexho locations; the **Servathon**, where every April, Sodexho employees join forces to donate food and serve meals in their local communities, and the work of **The Sodexho Foundation**.

The company is especially fond of talking about its adoption of the "[Global Sullivan Principles](#)", but Sodexho has yet to put those principles into action. See report on Not With Our Money for more information.⁵¹ For a more in depth critique of the 'Global Sullivan Principles' see www.labournet.net/world/0209/sodprofile.pdf

⁴⁹ www.sodexho.co.uk/media/research.htm viewed 07/10/03

⁵⁰ http://sodexhousa.com/corp_community.asp viewed 4/10/03

⁵¹ http://www.notwithourmoney.org/05_sodexho/social_so2.html

The Sodexho Foundation

The Sodexho Foundation was founded in 1999. The Mission of the Foundation is to be "*a driving and creative force that contributes to a hunger-free nation.*" Primary funding for the Foundation comes from Sodexho, with additional funding coming through employee payroll deductions and contributions. Additionally, Sodexho receives donations from its vendor partners. Projects include:

Feeding Our Future[®] which provides nutritious meals over the summer to kids that rely on state-funded meals during term-time; **The Campus Kitchens Projects**[™] which encourages university students and catering staff to distribute leftover food to various relief agencies in the community; **Community Kitchens**, organized by "America's Second Harvest", that trains unemployed people to re-prepare rescued surplus food into balanced meals that are, in turn, served to other people in need; and finally **Heroes of Everyday Life**[™] which makes awards to Sodexho employees who have invested their time, talent, and spirit in helping those who suffer from hunger in their communities.

Defending themselves against the accusation of being 'French'

"My colleagues and I abhor the idea of continuing to pour American dollars into a French-based firm when those dollars could be feeding our wartime economy."

Jack Kingston, a Georgia Republican

In April 2003, various Republican congressmen approached Donald Rumsfeld to call for a boycott of Sodexho, who were supplying US troops in the Gulf, on the basis that they were 'French', and the French government were opposed to the US military attack on Iraq. Sodexho had recently signed an eight-year contract with the Marine Corps, worth US\$881m.⁵²

In response, Sodexho has pushed the boat out to prove that its a patriotic citizen.

*"Sodexho and it's 110,000 US employees are strongly dedicated to our nation's values and traditions and fully support the men and women of our armed forces. We thank them and their families for the sacrifices they are making to serve and protect America."*⁵³

Sodexho give support to US military kids through the Armed Forces YMCA:

⁵²No French food' for US troops BBC online news.bbc.co.uk/2/hi/business/2894383.stm

⁵³www.sodexhousa.com/military.asp viewed 25/08/03

Project Hero (www.asymca.org/operation_hero.htm). They also support the 'Operation Dear Abby' website which allows supporters to 'send a special message to our men and women in the military defending American freedom worldwide' www.dearabby.com.

Sodexo point out that this is not the first time Sodexo has been called into action to support U.S. troops.

*'Since 1993, Sodexo has provided meals and logistical support to American soldiers, sailors, airmen and Marines serving their country at home and abroad. Sodexo was there during Desert Storm, Operation Restore Democracy in Haiti, and Operation Joint Endeavor in Bosnia/Croatia. In addition, Sodexo provides all food and lodging for all the residents at the U.S. Strategic Missile Testing Range at Kwajalein Atoll and at 98 defense facilities in Korea, serving 105,000 U.S. troops, civilians and military dependents.'*⁵⁴

Corporate Social Responsibility in the UK

In the U.K., Sodexo's 'corporate social responsibility' programme is less brash and more about the pressing issue of social degradation in our towns and cities complete with images of deserted graffiti-ed housing estates on their website. Sodexo has literally dozens of projects on the go from the Duke of Edinburgh award scheme, to Education Action Zones (EAZ) and 'youth rugby in the community' (Sodexo also sponsor the Army rugby team) to more blatantly self-interested projects such as supporting the Springboard UK *Futurechef* competition and mentoring emerging talent in schools and colleges. It also encourages its employees to volunteer on their various programmes which must save Sodexo some money on CSR too. See www.communityconcern.co.uk

Sodexo also sponsor the Police service through the 'National Police Community Trust', a charity which supports police/community projects throughout England, including a booklet aimed at 7-11 year olds called 'A Young Person's Guide to Drugs, Tobacco and Alcohol'.

Sodexo pledged to raise £250,000 during 2003 for the company's new registered charity KidsOut. KidsOut is a national charity established to help disadvantaged children who may have learning difficulties or physical disabilities, or who are seriously deprived. The charity provides holidays and days out, grant aid, respite care and a helpline service.⁵⁵ Sodexo UK as good as admit that being seen to be an 'ethical' company providing for the community is good for business, extensively quoting market research proving this link e.g.

⁵⁴<http://www.sodexhousa.com/military.asp>

⁵⁵<http://www.sodexo.co.uk/csr/charity.htm> viewed 16/10/03

'CSR has shifted decisively from 'nice to do' to 'need to do' - in 2000 32m UK consumers (67% of population) actively bought a product or service because it was linked to a cause.' 'Cause Related Marketing - Profitable Partnerships', BMRB International 2000

UK Public Relations

Sodexo's public relations has been handled by Landmark Corporate Communications as well as by Sodexo UK's own inhouse team based in London. See above.

Contacts: Clare Collins 020 7832 7833 or Leah Latimer 020 7832 7804 .

In 2000, UKDS paid £80,000 in fees to Nicholas Hopkins Associates (£77,000 in 1999) for public relations services. Mr Hopkins is a director of UKDS.⁵⁶ Richard Peters Associates has also done advertising for UKDS.⁵⁷

Corporate Crimes

Privatisation and Public Private 'Pay-offs'

"Sodexo is committed to the Private Finance Initiative (PFI) and in developing Public Private Partnerships (PPP), both as an FM (facilities management) services provider and as an equity investor." Sodexo UK website⁵⁸

Without British and American government policies over the last twenty years encouraging the privatisation of public services known as Public Private Partnerships, Sodexo would probably have stayed an inoffensive medium-sized catering company. 'Privatisation', and the lucrative contracts that go with it have turned Sodexo into a multinational giant.

Sodexo greatly benefited from the Conservative government policy for "Compulsory Competitive Tendering", under which a number of local government services, including school meals and cleaning services, had to be subjected to competition from the private sector. It was based on the idea that tendering council work in competition with the private sector would lead to better, more cost effective local services. Compulsory competitive tendering was a regulatory regime that extolled price over value, quantity over quality and generally disregarded health, well being and sustainable

⁵⁶<http://www.psir.org/justice/ppri44.asp#UNITED%20KINGDOM> viewed 19/12/03

⁵⁷<http://www.richardpeterspr.co.uk/index.html> viewed 16/11/03

⁵⁸<http://www.sodexo.co.uk/segments/pfi.htm> viewed 10/11/03

development. It was superseded in 2000, for local government, by the Best Value regime, which aims to overcome the more debilitating features of CCT, although still prioritising cost-cutting and league-tables.

The 'Private Finance Initiative' is another way in which Sodexo is making money out of the public sector. It is the main way of financing new public sector buildings. The private consortium behind the project is then contracted to run the building typically for 30 years paid for by the public purse. Introduced by the Tories in 1992, it has since been expanded by the Labour government, who claim that it is a way of completing new capital-intensive projects without increasing public spending. Its critics claim that it will end up costing the public more as the money flows into corporate pockets and quality of service provision drops.

From the outset of de-regulation and competitive tendering within the public sector it was clear that not all services delivered for decades to meet a basic need could be replaced for less money by a private contractor obliged to make a profit. Margins must, after all come from somewhere. As the unions have pointed out, 'efficiency savings' generally come through cutting staff wages and renegotiating contracts so that basic rights, such as sick and holiday pay, are excluded. Sodexo has found other ways of increasing efficiency and saving itself money, as illustrated throughout the 'Corporate Crimes' section.

Sodexo's attitude to privatisation ranges from being unduly modest (especially about its involvement in prisons) to evangelical about the wonders of Public/Private Partnerships.

Sodexo's website lists various projects that it involved with the UK such as:

- Hereford Hospital
- Wythenshawe Hospital
- King's Healthcare
- Fife Schools

It is also the preferred bidder in the following PFI projects:

- Havering NHS Trust
- Colchester Garrison
- Exeter Courts
- Conwy Schools
- Stoke Mandeville
- Queen Mary's Hospital, Roehampton
- Manchester Royal Infirmary⁵⁹

⁵⁹http://www.sodexo.co.uk/segments/pfi_schemes.htm

Under the various headings below, Corporate Watch highlight why Sodexo, and maybe private companies in general, are not the best companies to handle the management of crucial and sensitive public services. Sodexo's record on sanitation, food safety and labour relations as well as running prisons and asylum seeker centres for profit and serving a highly unethical client list are symptomatic of some of the worst aspects of capitalism.

For a detailed critique of 'public private partnerships' check out the Public Services International Research Unit (PSIRU) at www.psiru.org and "Captive State: The corporate Takeover of Britain" by George Monbiot (MacMillan 2000). There are also a series of case studies looking at PFI in the health and education sector in the UK published by the Joseph Rowntree Foundation called 'PFI vs. Democracy?'.⁶⁰

Sodexo's record on food safety and food quality

Sodexo is predominantly a food service provider feeding millions of people every day. It has a huge responsibility not only towards food safety, but also food quality and high nutritional levels. Sourcing such vast amounts of food, Sodexo also has a responsibility to its suppliers, and ultimately the impact it has on farming and the environment worldwide.

Sodexo and school meals

"Food-based school meal standards implemented since 2001 are failing to deliver adequate nutrition to our school children. Indeed, the evidence emerging shows that this policy needs to be replaced by quantified nutritional standards, tight menu guidance and adequate levels of free school meal subsidy. Nothing less will oblige caterers and schools to abandon a food and dining culture where in the name of 'giving children what they want' they spend the bare minimum on ingredients and shovel poor quality food on to children's plates".

"Food for Life". The Soil Association report (2003)

According to Unison, more than 20 companies have contracts to provide school meals to the 203 Local Education Authorities (LEAs) in England, Wales and Scotland, as well as to individual schools. The most prominent companies are: The Compass Group subsidiary, Scholarest, who are contracted by 37

⁶⁰Published in 2002 by the Menard Press. Edited by Professor Colin Leys

authorities; Initial Catering Services who are contracted by 17 authorities; and Sodexo, who are contracted to 13 authorities. LEAs that use Sodexo either as sole contractor or as one of several are Bristol City, Bromley, Cardiff, Coventry, Cumbria, Gloucestershire, Hounslow, West Sussex, Warrington, Swindon, Rotherham, Plymouth City, Oxfordshire (2 schools).⁶¹

Evidence is mounting that we bear the cost of 'Best Value' in school meals not only in our pockets, with the cost of the average primary school meal rising above the rate of inflation,⁶² but also in our food quality. Out of an average meal price of around £1.56, the amount spent on ingredients in school meals averages between 31p - 36p per child a meal.⁶³ These costs can be kept so low as school dinners are often "cheap ready prepared and heavily processed foods of poor nutritional quality (laced with additive and loaded with fat, sugar and salt) delivered for assembly or 'regeneration' from chilled, dried or frozen status by de-skilled kitchen staff paid minimum wages."⁶⁴ Some of the rest of the money will be spent on administration costs and paying managers to manage the contracts. Most major school meal caterers source their food from the same big wholesale firms such as Brake Brothers, Green Gourmet and Bernard Matthews.⁶⁵

Sodexo boasts on its website about the healthy fare it serves to students of all ages: "*Our reputation on serving good food...our nutrition and dietetics team play a fundamental role...*".⁶⁶ However, it is hard to see how it can possibly provide healthy nutritious food on such tight margins. Further, whilst Sodexo may well follow Government guidelines in offering a balanced diet, it still also offers unhealthy options. So whilst it does educational work with kids to encourage healthy eating, the kids can still ultimately choose to eat unhealthily.⁶⁷

The parents of a boy at St John's Primary School, Warminster, refused to let their son return to school due to disgust at the quantity and quality of packed lunches supplied by Sodexo. The mother stated that the lunches were "totally inadequate. My son only gets a finger roll, a 10-pence bag of crisps, biscuit and a drink. During his last seven days at school, he had grated cheese in his roll five times. It is not a balanced diet and I'm fed up with him coming home

⁶¹Unison - School Meals in the 21st Century. Unison Education Services, London 2002 viewed 20/1/04

⁶²ibid.

⁶³Kevin Morgan - School Meals - Healthy eating and sustainable food chains. Regeneration Institute Cardiff University. September 2003 viewed 20/1/04

⁶⁴Food for Life - The Soil Association (2003) See www.soilassociation.org for more info. viewed 20/1/04

⁶⁵"Food for Life" Report The Soil Association. 2003

⁶⁶www.sodexo.co.uk/segments/nutrition.htm viewed 30/09/03

⁶⁷Which! Magazine. School Meals. March 2003

hungry and in a bad mood.”⁶⁸

There are some good initiatives from The Soil Association and Cardiff University's Regeneration Institute to raise awareness about the generally poor quality of school meals in Britain today, and to encourage schools to opt out of 'corporate control' and source better quality fresh and organic produce locally. See 'Further Reading' section. On its website, Sodexho states that it is part of the Ethical Trading Initiative, an initiative that draws up voluntary codes of conduct for worker's rights in the Global South, that for its critics falls under the ineffectual 'corporate social responsibility' category.⁶⁹

In response to a query in the Gloucestershire Citizen, school meals operations director, Colin Garnham-Edge said that Sodexho was actively working to find new ways to increase the amount of locally-produced food on its menus. But he said local authorities would need to look at their price stipulations if they wanted more British food served. And he called for farmers to take a leaf out of their Continental cousins' book and look at forming co-operatives to aid the buying process.⁷⁰

Despite Sodexho trumpeting its pupil committees, it seems that some students in the UK have had a hard time trying to influence Sodexho's purchasing policy. The People & Planet group at Cotham School in Bristol hit upon a problem when they tried to start a Fairtrade Café. The school canteen is run by Sodexho. Under their current contract with the school, only Sodexho products can be sold on site, and Sodexho has told the school they cannot supply Fairtrade goods under this contract. The good news is the school's contract with Sodexho is due to be renegotiated (Summer 2003) and the group have asked to be part of the process. They will be asking the school to only renew the contract if Sodexho agrees to supply the schools with Fairtrade products.⁷¹

Sodexho and school meals in the USA

A quick look at the school and college catering in the US produces other examples of dodgy dishes. For example in Cape Cod, an automatic slicer that cut off part of a woman's thumb was not disassembled and cleaned before a cafeteria worker used it to cut vegetables for hundreds of Barnstable High School student lunches. A small piece of the employee's thumb was later found by a student in her sandwich.⁷² Another example was in Bethlehem,

⁶⁸ www.unison.org.uk/bargaining/doc_view.asp?did=649 viewed 20/09/03

⁶⁹ www.sodexho.co.uk/aboutsodexho/purchasing.htm

⁷⁰ <http://www.britishfoodfortnight.co.uk/News2.htm> viewed 25/1/04

⁷¹ <http://www.peopleandplanet.org/news/news.php?story=309>. viewed 25/1/04

⁷² “Slicer not cleaned after worker cut her thumb” Cape Cod Times, 02/03/01.

Pennsylvania where more than 500 parents and residents of the Nazareth Area School district signed a petition calling for an end of contract with Sodexo for managing its five school cafeterias. Complaints range from expired freshness dates on bread and milk to lack of consistent management.⁷³ In El Paso, Texas, a dietician who had stopped working for Sodexo five years previously claimed that Sodexo forged her signature to approve the nutritional quality of the menu.⁷⁴

Sodexo USA seems far ahead in providing better quality school and college meals. In 2002, parental pressure led to Sodexo carrying out a pilot scheme to provide an organic food option in all 12 elementary schools, in Palo Alto, California. The organic lunches, which include organic applesauce and organic milk or apple juice, however, are not cheap, costing \$4.50, almost twice as much as the other cafeteria meals.⁷⁵

In 2003, Sodexo set up Herb 'n Farm, a natural and organic food dining concept, with Wild Sage Foods, Inc, of California. "*Herb 'n Farm is a new fast casual organic dining concept...that combines fresh and natural foods prepared and presented in an urban setting, with eco-friendly flair.*" The first Herb 'n Farm restaurant, called the Wild Sage, opened in Colorado College, in Colorado Springs in February 2003, and the concept looks set to expand. (Interestingly, Colorado College is one of the main college campuses pushing for better worker's rights for Sodexo's janitorial and foodservice staff on campus.)⁷⁶ Sodexo are also sourcing products for all their canteens from United Natural Foods, Inc., an organic and natural food distributor.⁷⁷

In April 2003, Sodexo USA announced that it would feature foods from farms and ranches endorsed by Food Alliance, a leading certifier of environmentally friendly and socially responsible agricultural practices. Certified foods will feature on its menus at selected college and university campuses in the Pacific Northwest and Midwest regions.⁷⁸

It would not be impossible for Sodexo to serve better quality and even organic food in its public sector contracts in the UK as in 2001, Sodexo Prestige, which specialise in catering and corporate hospitality, teamed up with celebrity chef Steven Saunders ('The Green Gourmet') to launch a new

⁷³ The Morning Call, 2/23/00 "Petition asks ouster of food service agency"

⁷⁴ The Associated Press State and Local Wire, 8/19/01 Sodexo Marriott forges dietitian's signature

⁷⁵ "Organic food trial expands" by Nicole Wong. Mercury News.

15/8/02. www.mercurynews.com/mld/mercurynews/news/local/38683 viewed 25/1/04

⁷⁶ http://studentwebs.coloradocollege.edu/~g_piescoputn/fairlabor/content/sodexo.html viewed 25/1/04

⁷⁷ biz.yahoo.com/prnews/031016/dcth030_1.html viewed 24/1/04

⁷⁸ http://www.ipminstitute.org/Articles/TFA_Sodexo_article.htm viewed 24/1/04

catering venture called Organica,⁷⁹ which is listed in The Soil Association's annual review (2002) as one of their corporate donors.

Hospital Meals

"Extensive and robust research carried out over many years has identified that NHS patients made consistent comments on the standards of hospital food.

Patients said that menus were complicated and carried poor descriptions; there were also comments on the time that food was ordered and delivered; on the presentation and temperature of food; and on the size of portions. They also commented that help with feeding was sometimes necessary, and that the complaints procedure was onerous."⁸⁰

NHS "Better Hospital Food" website⁸¹

Sodexo Healthcare sources much of its cook/chilled and frozen foods for patients from another Sodexo subsidiary, Tillery Valley foods. Situated in Abertillery, Gwent, its purpose designed production facility has the capacity to produce in excess of 420,000 meals a week. Hospital food is, in effect, manufactured in these facilities and then transported to hospitals around the country where it is 'regenerated' on the ward.

Tillery Valley Foods say that they have developed their product and service to meet the expectation of the "Better Hospital Food programme" which arose as part of the NHS plan. See Tillery Valley Foods website www.tvf-online.co.uk

Various projects are underway to encourage local and organic food sourcing in hospitals. Organic South West, based in Callington, are working on a partnership project with Cornwall NHS. A full time worker at London Food Link is working to facilitate getting the same in four London hospitals including the Royal Brompton Hospital, St George's Hospital, Ealing General Hospital and the Lambeth Hospital.

Much catering in the public sector is for vulnerable groups who deserve the highest quality food. However, food may not be as fresh and nutritious as it could be, as length of time between farm and plate can be many days. The vitamin C content of fruits and vegetables, for example, starts to decline immediately after harvest. So improving the freshness of food supplied to hospital wards and canteens is likely to affect the nutritional health of

⁷⁹www.sodexo.co.uk/media/GetPDF.asp?ID=98 viewed 25/1/04

⁸⁰http://patientexperience.nhsestates.gov.uk/bhf/bhf_content/background/introduction.asp#consultation viewed 10/2/04

⁸¹www.betterhospitalfood.com viewed 10/2/04

*hospital staff as well as the people to whom they offer care.*⁸²

De-skilling in the catering sector

Catering could so easily hugely benefit the local economy, with small local businesses, employing and skilling local people, as well as sourcing locally-produced and/or organic food. This is why many people find the idea of a couple of multinationals providing standardised factory-prepared meals in schools, hospitals, prisons, army messes, cafes in public buildings and corporate canteens and food courts worldwide problematic. The whole notion of cooking as a creative and skilled profession, where food quality is something to be valued, not only for its taste, but also for its health giving properties, is bound to be lost.

It is not surprising that the UK does not have a strong food culture when a huge proportion of the population eat in corporate canteens, where portions are tightly controlled and served by 'food service operatives' who are poorly paid and who couldn't really give a damn. This has certainly become the case in schools, where children develop their food culture.

The canteen culture doesn't encourage skilled and highly motivated cooks. Where they do cook, ingredients are of poor quality and questionable or unknown provenance. Some do virtually no fresh food preparation, many do little more than reheat 'cook-chill' dishes, add water to sauce powders or cake mixes, reheat frozen vegetables, reconstitute dried potatoes and 'assemble' other ready prepared ingredients made days previously and which have travelled miles to get there.

If you are interested in these issues you may want to fill in Sustain's 'How Green and Healthy is Your Canteen?' survey. See www.sustainweb.org/chain_survey.asp

Anti-Unionism

The International Hotel Employees and Restaurant Employees International Union run a website dedicated to Sodexo's anti-union activities called EyeonSodexo www.eyeonSodexo.org. The website includes public information about Sodexo's food safety record, numerous examples of employment-related litigation and the company's controversial labour relations

⁸²"Local food supply means fresher food in London hospitals" Local Food Works press release 28/1/04 www.localfoodworks.org/web/sa/saweb.nsf/localfoodworks_news.htm

record.⁸³ More information can also be found on www.hereunion.org.

EyesonSodexo claim that only around 12% of Sodexo staff are unionised. The company claim that in fact, 13.75% of its eligible staff are unionised. 'Eligible' excludes managers.

In 1998, HERE obtained a copy of the 'union avoidance manual used by Sodexo managers called "Progressive approach to Labour : Union Avoidance".⁸⁴

The key argument used to persuade senior managers to favour non-unionised staff is self-interested and financial. The manual illustrates that the 'manager: worker' wage ratio is much wider when staff are not members of a union, and there is less regulation.

Current (less regulation) Weekly Earnings (Median)

- Union \$602
- Non-Union \$447

20 years ago (More Regulation) (Ratio CEO salary/Workers earnings)

- \$35 to \$1

1995 (Less Regulation) (Ratio CEO salary/Workers earnings)

- \$120 to \$1

The tactics suggested in the manual for union-busting are all legal. They are, however, not the tactics one would have ascribed to a company which boasts of award winning employer-employee relationships.⁸⁵ The manual advocates banning union activity from company premises, encourages managers to talk on a one-to-one basis to try and dissuade employees from joining a union and informing a potentially striking employee that he (sic) can be replaced if he does strike. They also encourage managers to "...give opinions on unions, and unions leaders...in derogatory terms"⁸⁶ and explain to employees that trade unions are linked to "...communism, racketeering and other undesirable elements..."⁸⁷

Sodexo used these measures to good effect in a dispute with hospital workers at the Glasgow Royal Infirmary in 2002. When early in 2002, UNISON helped exposed the unsanitary conditions there, the company responded with what

⁸³ The site was still "under construction" 4/12/03

⁸⁴ www.studentwebs.colaradocollege.edu (viewed 27/08/03) Originally posted on www.eyesodexo.org

⁸⁵ www.sodexhousa.com/press_about_awards.asp viewed 07/10/10

⁸⁶ www.studentwebs.colaradocollege.edu. Viewed 28/08/03

⁸⁷ www.studentwebs.colaradocollege.edu. Viewed 28/08/03

branch secretary, Carolyn Leckie called 'a climate of fear' against union members. In August 2002, hospital services workers went on strike over the low wages they were being paid £4.20 - £4.67 an hour. This is much less than other staff working directly for the Health Authority. Sodexho attempted to break the strike by flying in scab workers from up to 400 miles away, paying £42.50 a night for accommodation and £10 pounds an hour. Despite this, in August 2002, around 300 staff won an increased pay and conditions package including £5 an hour minimum wage and three months full sick-pay.⁸⁸

These concessions, however, did not come from the goodness of Sodexho's heart. As local UNISON branch secretary Caroline Leckie said, "the only reason we won was the strike - there was no way Sodexho would have conceded without that."⁸⁹

Following Glasgow's success, 900 Sodexho employees at the Liverpool Royal Hospitals went on strike in November 2002 in pursuit of a pay claim of £5 / hour. Porters, catering, and housekeepers, earning £4.15 an hour, were involved in the action. During the strike, a Sodexho manager on £70,000 / year came forward as a "volunteer", handing out tea to patients.

For more info on strike action taken against Sodexho in the UK, see www.labournet.net/default.asp#sodexho .

Students from universities and colleges across the USA have campaigned with Sodexho staff on campus to defend their right to unionise. Examples include a Plattsburg State university student campaign for union rights for Sodexho employees⁹⁰ and a ground-breaking Colorado college report on the treatment of Sodexho workers on campus.⁹¹

Sodexho's anti-union stance and involvement with private prisons have led Xavier University, DePaul University, and the State University of New York at Albany amongst others, to end their relationships with Sodexho. Wesleyan College and Harvard have required janitorial contractors to raise wages and benefits to reasonable standards.

Healthcare

Both the National Health Service (NHS) and private healthcare have provided Sodexho with numerous contracts. Healthcare worldwide provides Sodexho

⁸⁸www.labournet.net/ukunion/0208/sodexho3.htm viewed 10/12/03

⁸⁹<http://www.labournet.net/ukunion/0208/sodvic1.html> viewed 10/12/03

⁹⁰<http://www.unionvoice.org/campaign/sodexhocardcheck> viewed 5/12/03

⁹¹http://studentwebs.coloradocollege.edu/~g_piescoputn/fairlabor/content/index.html viewed 5/12/03

with 18% of its revenue.⁹²

In the UK, Sodexo operate at 130 hospital sites, with half of the contracts “multiple” - with Sodexo providing more than one service. Typically the services they provide include housekeeping, vending, portering, non-emergency patient transport, car parking, security and grounds maintenance, reception and switchboard.⁹³

In January 2002, Sodexo’s healthcare subsidiary in the U.K. gained notoriety in Scotland after a joint union-management inspection team found filthy conditions at the Glasgow Royal Infirmary. According to reports in the Glasgow Evening Times,⁹⁴ bloody surgical scrubs were found dumped in an elevator used to transport patient meals; piles of waste were stored in tunnels under the hospital making it a fire hazard; patients complained of dirty wards and staff members were reassigned directly from cleaning toilets to bringing patients meals. Hospital staff and their union, UNISON, attributed the problems to staff shortages brought about by the private contractor milking profits from an under-funded system. This accusation bought reprisals on the union, as noted by Carolyn Leckie in the section above.

In a Guardian newspaper report issued in April 2001, Sodexo was identified as the cleaning sub-contractor at Broadgreen University Hospital in Liverpool, cited as one of the ten filthiest hospitals in the National Health Service.⁹⁵ Incidentally, four out of the five ‘filthiest’ hospitals were ‘cleaned’ by private contractors.

In June 2002, South Manchester Community Health Council found stains and debris on the floor of an acute ward and stained toilet seats, dusty ventilation areas, debris under beds and open waste bins used to wedge open fire doors in a high observation ward just after it had been cleaned.⁹⁶

This is not just in the UK. Sodexo was reported by the nursing division of Stanford Hospital, California to be using linen contaminated with faecal smears, blood, hair, dirt and tape.⁹⁷

⁹² www.sodexo.com/SodexoAnglais/informer/index. Viewed 30/08/03

⁹³ www.sodexo.co.uk/segments/nhs.htm viewed 30/08/03

⁹⁴ By John McCann Glasgow Evening Times; Jan 25, 2002.

⁹⁵ “‘Filthiest’ NHS hospitals cleaned by private contractors“
The Guardian, Patrick Butler and David Batty, April 10, 2001.

⁹⁶ www.unison.org.uk/acrobat/B828.pdf viewed 30/08/03

⁹⁷ www.labournet.net/world/0209/sodprofile.pdf and www.sfweekly.com/issues/1999-09-08/bayview.html
viewed 30/08/03

In Hamilton, in the Canadian province of Ontario, Sodexho had a contract for all housekeeping at Chedoke hospital and 40 per cent of McMaster University Medical Centre. Mike Walters, a Union Rep., who represented hospital cleaners in Hamilton said "Sodexho doesn't do a good job of cleaning the areas they're supposed to. They prioritise what gets cleaned and what doesn't. In practice that means Sodexho cleaners are directed away from cleaning corridors, stairways and doctors offices, because they are not a priority. Sometimes public employees are called in to clean up areas the private contractor has left behind. They've found blood and urine left on the walls in areas that Sodexho was supposed to have cleaned."⁹⁸

In April 2003, UNISON reported that patients had launched a £1m legal action against Scottish hospital officials, alleging negligence for cutting back cleaning contracts and allowing bugs to flourish in dirty wards. The action is being led by Robert Cuthbert, who may lose his leg after contracting MRSA following major surgery at Glasgow's Victoria Infirmary. Commenting on the state of the hospital, where cleaning was carried out by Sodexho, he said: "The walls and floor were covered in a thick film of dirt and dust. If you rubbed the walls or floor with your finger, you literally lifted the filth and grime off, leaving a clean mark."⁹⁹

Racial discrimination

Other than their involvement in the inherently discriminatory asylum and prison industries, Sodexho regularly find themselves facing accusations of racial discrimination at employment tribunals. One high profile case, being brought in the US, is a billion dollar class-action racial discrimination lawsuit being filed by ten current and former Sodexho managers. The class action they seek would include all African Americans (around 2,600) who are or were salaried employees at any of Sodexho's various divisions and locations from March 9, 1998 to the present, and who have held or sought to obtain an upper-level managerial, supervisory, or professional position; or who have held a job that would lead to such a position. The allegations include that the company-wide promotion process is uncontrolled and entirely subjective, virtually guaranteeing racial bias. Also that promotion decisions are based on the decision makers' own personal preferences rather than validated selection criteria.

"Sodexho has known for years that its white managers discriminate against

⁹⁸ <http://www.labournet.net/world/0209/sodprofile.pdf> viewed 30/08/03

⁹⁹ http://www.unison.org.uk/bargaining/doc_view.asp?did=798 viewed 1/12/03

blacks in promotions but has chosen not to stop it."¹⁰⁰

Despite the fact that the US Supreme Court rejected Sodexho's request to have the case blocked, Sodexho commented in The Financial Times, that it "firmly denies the allegations and considers the case without merit".

Worries about the lawsuit's eventual cost coupled with disappointment over modest sales forecasts have, however, undoubtedly affected Sodexho's share price during the latter half of 2003.¹⁰¹

Whether as a response to the allegations in the lawsuit or otherwise, Sodexho USA does support an almost overwhelming amount of minority groups in the USA today, from the Black Culinary Alliance, Congressional Black Caucus Foundation, United Negro College Fund and other groups supporting single mothers, Asian Americans etc.¹⁰²

Asylum

Sodexho's main involvement with the asylum industry in the UK is through its subsidiary, UK Detention Services, which runs Harmondsworth Detention centre, near Heathrow Airport. Thankfully, the hugely controversial voucher scheme for asylum-seekers which was run by Sodexho during 2000-2001, was abandoned after huge public pressure.

Harmondsworth Detention Centre.

Sodexho has an eight year £180 million contract from the British Government to build and run Harmondsworth.¹⁰³

Harmondsworth Detention centre, which opened in October 2001, holds 550 people including children as young as 4 years old. There are several independent reports which attest to the psychological damage that can occur to children in incarceration.¹⁰⁴

In one of the most shocking potential corporate abuses of power Corporate Watch has heard of, it was alleged at the time of its opening that Sodexho planned for asylum-seekers at Harmondsworth to become virtually 'slave labour' so that the company could cut its operating costs.

¹⁰⁰ e-mail containing details of action from HERE union employee. Dated 14/01/02

¹⁰¹ Sodexho plays down threat of \$1bn lawsuit By Martin Arnold in Paris. Financial Times; 9/10/03

¹⁰² http://www.sodexhousa.com/press_fact.asp

¹⁰³ www.labournet.net/world/0209/sodprofile.pdf viewed 18/12/03

¹⁰⁴ www.labournet.net/antiracism/0208/ahmadi1.html viewed 25/08/03

A Home Office document obtained by the National Coalition of Anti-Deportation Campaigns, showed that the Government intended to suspend the minimum wage at Harmondsworth so that Sodexho could pay asylum seekers £12 a week, which works out at 34p an hour (92% below the minimum wage) to do the work of painters, cleaners and caterers. If they refused work but complied with an 'agreed activity programme', they would be paid £6. If they refused to cooperate at all, they would be given £4 for cleaning their rooms.¹⁰⁵

Thankfully this scheme did not happen and Sodexho, although highlighting that the terms of its contract meant that asylum seekers could be offered jobs at the facility under terms to be defined by the UK immigration services, denied that that it ever actually happened. It never, however, denied that it might have been planning such a scheme.¹⁰⁶

The latest inspection of Harmondsworth made by the Chief Inspector of Prisons in September 2003 said that:

*“There were increasing levels of disorder, damage and escape attempts, with an average of seven assaults a week. In spite of an average of one self-harm incident a week, suicide, self-harm and anti-bullying procedures were not effectively managed. Nor was there sufficient mental health support for detainees held in the in-patient ward.”*¹⁰⁷

In conclusion, the report stated: “Harmondsworth, when we inspected it, did not meet three of our four tests for a healthy custodial environment.”¹⁰⁸

In a report that came out in March 2003, the prison inspectors expressed “deep concern”¹⁰⁹ about detainees with mental health problems being held at Harmondsworth. Other problems highlighted include the lack of uptake of education and the fact that there is no fresh air in the building.¹¹⁰

¹⁰⁵‘Asylum industry’ cashes in on vouchers and dispersals’ Martin Bright & Conal Walsh, 2/9/01. The Observer viewed 25/08/03

¹⁰⁶Sodexho: denial of Observer Allegations 3/9/01

http://studentwebs.coloradocollege.edu/~g_piescoputn/fairlabor/content/documents/sodexho_9-3-01.html

¹⁰⁷“Harmondsworth – Unsafe Environment despite good work by staff”. Press Release by HM Inspectorate of Prisons. 29/09/03 Viewed at www.homeoffice.gov.uk/docs2/harmondsworthirc030929.html 30/09/03

¹⁰⁸“Harmondsworth – Unsafe Environment despite good work by staff”. HM Inspectorate of Prisons. Viewed at www.homeoffice.gov.uk/docs2/harmondsworthirc030929.html 30/09/03

¹⁰⁹ page 12, Annual Inspectors Report, March 2003.

www.homeoffice.gov.uk/docs2/imbharmondsworthb2002.pdf viewed 25/08/03

¹¹⁰ page 12, Annual Inspectors Report, March 2003.

www.homeoffice.gov.uk/docs2/imbharmondsworthb2002.pdf viewed 25/08/03

On February 22, 2002, The London Times reported that nine detainees escaped from Harmondsworth, breaking a window, scaling a 15' fence and using towels to get over the razor wire surrounding the facility. It seems that they did not feel Sodexho was improving their quality of life, as the company has claimed in the past.¹¹¹

The Voucher Scheme

"The whole voucher system is demeaning and discriminatory and will have an extremely damaging impact on survivors of torture and persecution who seek protection in the UK.

Asylum seekers are already being forced to live at a level of support below the rest of the population. We are appalled that they will face impoverishment through not being able to receive their change when they spend the vouchers."

Zoe Harper of the charity Asylum Aid

The 'Sodexho-Pass' voucher scheme has provided Sodexho with its most unwelcome publicity yet in the UK. This scheme, which began in April 2000, saw the already extremely low state benefits provision for asylum-seekers (equal to 70% of income support rates) paid to them in the form of vouchers, rather than cash. The idea behind the vouchers was to deter asylum seekers from thinking that the UK system for claiming asylum is a 'soft touch'. In practice, this led to asylum seekers becoming further impoverished and stigmatized.

'Impoverished' because when the vouchers were presented at participating supermarkets, asylum-seekers could not receive change, so they either got less than the face value of the vouchers, or were encouraged by supermarket staff to make any up shortfall in often useless goods. In their attempts to attract shops to join up to the scheme, Sodexho even encouraged the stores to keep the change and to see it as a 'revenue-making opportunity'.¹¹²

When asylum-seekers were 'dispersed' out of inner city areas, they often had to travel to get to a participating supermarket, which meant that the token amount of benefit they received in cash soon would disappear. Asylum-seekers were further 'stigmatised' as voucher users were often made to stand in a separate queue from the rest of the customers. For more details see 'Token

¹¹¹<http://www.timesonline.co.uk/article/0,,2-215410,00.html> viewed 18/12/03

¹¹² 'Keep the change, refugee voucher stores told. Alan Travis. The Guardian. 10/3/03 www.guardian.co.uk/Archive/Article/0,4273,3972320,00.html viewed 16/12/03

Gestures', a report by OXFAM, The Refugee Council and the Transport and General Worker's Union, which illustrated the damage the scheme was causing.¹¹³

Sodexo was paid around £3.1 million by the UK government for running the scheme and company accounts reveal that it earned £1.1m in its first year of operation.¹¹⁴

Unsurprisingly, the voucher scheme created a massive ground swell of opposition. An alliance of anti-racist and anti-deportation groups, churches, trade unions and NGO's eventually put enough pressure on the government so that in October 2001, David Blunkett announced that the scheme would be scrapped by April 2002.¹¹⁵ Although at the same time, the Government announced that it was expanding its plans to build detention centres.¹¹⁶

The campaign also included direct action against Sodexo including the occupation of a Marriott Hotel in Bristol (Marriott Hotels is not actually part of Sodexo Inc., or Sodexo Marriott Services, as it was previously known), and an action at Sodexo's European Management Centre in Croydon, London. See Schnews editions 299 and 334 for more info.

Prisons

The prison industry accounts for 1% of Sodexo's total revenue. In addition to providing ancillary services (food, grounds keeping, etc.) to a number of prisons throughout continental Europe, Sodexo Alliance owns for-profit private prison companies in the U.K. and Australia. Sodexo's subsidiaries—Australian Integrated Management Systems and United Kingdom Detention Services—not only privately operate prisons and refugee detention centers, but also work with governments to design, build and finance new prisons.¹¹⁷

Overall, Sodexo have some involvement with ninety-one prison facilities in the UK, Australia, France, Spain, Italy, Portugal and the Netherlands. Sodexo is also part of a consortium which, in 2002, won two contracts to operate five prison facilities in Chile.¹¹⁸ See www.sodexo.com/dcs/en/p_1.htm for more information from Sodexo on their approach to the prison industry.

¹¹³http://www.oxfam.org.uk/what_we_do/issues/conflict_disasters/asylum_vouchers.htm viewed 16/12/03

¹¹⁴"Fury at slave labour asylum centre" by Martin Bright The Guardian 2/9/01 viewed 18/12/03

¹¹⁵<http://www.asylumsupport.info/news/refugeecouncil/discriminatorysystem.htm> viewed 18/12/03

¹¹⁶Blunkett to scrap refugee vouchers' Kamal Ahmed & Martin Bright The Observer 28/10/01 viewed 18/12/03

¹¹⁷http://www.notwithourmoney.org/05_sodexo/prison_op.html viewed 18/12/03

¹¹⁸http://www.sodexoalliance.com/16sxoatny/pdf/RA_2002_us.pdf (viewed 1/12/03)

In an extraordinary statement in May 2001, Pierre Bellon stated that Sodexo were pulling out of Corrections Corporation of America. *‘In June 1994, we acquired an 8% stake in CCA... we have now determined that our CCA investment is no longer in line with our strategic objectives and is in conflict with our policy.’*¹¹⁹

However, this did not end Sodexo's involvement with the prison industry. *‘Sodexo will provide services to prisons only in those countries, which are, established democracies, where death penalty is illegal and which do have rehabilitative policies for inmates’.*¹²⁰ They did however, concede that they would only be providing services at prisons, and not owning them. *‘Sodexo will not own any prison or jail facility.’*¹²¹

Sodexo's statement and the sale of its stake in CCA was a response to widespread criticism and an extensive campus-based campaign in the USA with support worldwide which were aimed at ending Sodexo's relationship with the private prison industry.

This was a huge victory for campaigners. In a campaign launched in April 2000, the Prison Moratorium Group (www.nomoreprisons.org) and student and community activist group, Not With Our Money (www.notwithourmoney.org), were (and are still) key in helping to co-ordinate students in around 60 campuses across the US to organise boycotts, persuade colleges to sever contracts, write letters and take direct action against Sodexo. Around six contracts were not renewed on the basis of Sodexo's prison industry involvement (See also section on 'Anti-Unionism'). There are numerous US student campaign websites targetting Sodexo for its involvement in the prison industry. Solidarity actions happened in France where the French Union, the CNT, targetted Bateaux Parisiens, another company owned by Sodexo.¹²²

However, some sneaky deals were going on behind closed doors between CCA and Sodexo over the UK prison company, UK Detention Services. CCA held a 50% stake in UK Detention Services, which it sold in November 2000 to none other than...Sodexo, who already owned the other 50% of the company, leaving them the sole owner.

UKDS was formed in 1987 by a consortium of two construction companies,

¹¹⁹ www.sodexo.com/sodexoAnglais/informer/display/dcs/13.htm (viewed 14/07/03)

¹²⁰ www.sodexo.com/sodexoAnglais/informer/display/dcs/13.htm (viewed 14/07/03)

¹²¹ www.sodexo.com/sodexoAnglais/informer/display/dcs/13.htm (viewed 14/07/03)

¹²² www.cnt-f.org/prison/Tract/tractbateaux.html viewed 18/12/03

McAlpine and Mowlem, together with CCA. Mowlem sold its share to CCA and in 1997, McAlpine sold its 50% share to Sodexho.

In effect, through this acquisition and the acquisition of Corrections Corporations of Australia (now renamed Australian Integrated Management Services) also from CCA, Sodexho has expanded its direct involvement in the industry.

Despite Bellon's statement that Sodexho would not own prisons, a statement from Herb Dehapiet, the head of UKDS, who is also known as 'Sodexho's Worldwide Correctional Services Champion' proves that he has other ideas about how the prison service should be run and what Sodexho's role could be in the future,

*"PFI (Private Finance Initiative) in prisons has proven that it works better when the whole service is given over to the private sector, with none of the usual boundaries between the public and private sectors. I'll oppose any plans by the government to move just towards service management contracts."*¹²³

For more information on Sodexho's continued involvement in the prison industry see "Locking Up Profits: A report on Sodexho Alliance and the Private Prison Industry".

http://www.notwithourmoney.org/05_sodexho/prison_op.html

Prisons run by UKDS

HMP and YOI (Young Offender Institution) Forest Bank

HM Forest Bank, located in Salford, England, opened in January of 2000 as a privately financed/privately operated prison. Sodexho has been directly involved in the design, construction, management and financing of the facility since 1998, when UKDS signed a contract to develop the prison.

According to data from the 2000-2001 Annual Report of HM Prison Service,¹²⁴ Forest Bank is amongst the worst prisons in England in terms of such measures as violence and drug use. Out of the forty male local prisons (MLPs) in the UK, Forest Bank had the highest number and rate of assaults, with around 123 assaults that year. The rate of assaults, 17.7%, is more than twice the MLP average, which is 8.4%, and well above the target of 9% set by the Prison Service. Forest Bank also had the 6th highest rate (22.7%) of positive drug tests. That rate is 50% higher than the MLP median (15.25%) and well above the

¹²³ www.psir.org/justice/PPRI54.1.htm#UNITED%20KINGDOM viewed 15/07/03

¹²⁴ <http://www.hmprisonservice.gov.uk/corporate/dynpage.asp?Page=516>. viewed 18/12/03

target of 16% set by the Prison Service. *Note: Sodexo representatives have recently asserted that the high number of assaults and Positive Drug Tests at Forest Bank is due to the age of the prisoners housed in the facility.*¹²⁵

The report on a full announced inspection of HMP Forest Bank, by HM Chief Inspector of Prisons, released in December 2002 highlights some serious failings. The report states that “...a major weakness was that there was insufficient purposeful activity, with fewer than half the prisoners engaged in meaningful work or education...The Inspectorate was also concerned that the general atmosphere of respect did not extend to the visits room, where prisoners and their visitors were separated by dividers and there was excessive use of closed visits”.¹²⁶ Further detailed criticisms included lack of decent education facilities and low staff-prisoner ratios.

HMP Blakenhurst

HM Blakenhurst, located near Redditch, England, opened in May of 1993 as a publicly owned/privately operated prison. The facility was managed by United Kingdom Detention Services from May 1993 until 2001, when the facility was turned over to the public sector

During this period it has to be said that the Prison Inspectors reports were sometimes positive, however HM Prison Inspectors Report (2001) stated “...of more immediate concern is the clear evidence that treatment of and conditions for prisoners at Blakenhurst had, at best, stood still since our previous inspection and in some respects have become worse. It was disappointing to find so many recommendations still not actioned, and so many promising innovations stalled until it had become clear whether the contract was won or lost.”¹²⁷ Ramsbotham goes on to describe serious problems with health care, race relations, overcrowding, and limited educational programs.

The Death of Alton Manning

In 1995, Alton Manning, an inmate at HMP Blakenhurst, died after being restrained by a UKDS prison officer. According to evidence given at the coroners' inquest,

“Mr Manning was brought down on to the floor and held prone, face down, with officers putting his arms in locks and restraining his head and legs. Prison

¹²⁵http://www.notwithourmoney.org/05_sodexo/prison_op.html viewed 18/12/03

¹²⁶ www.homeoffice.gov.uk/docs/forestbank_ann.pdf viewed 18/08/03

¹²⁷ www.homeoffice.gov.uk/docs/blakenhurst01.pdf viewed 18/08/03

*Officer Reynolds testified that he put a knee at the base of the spine on the right hand side for 2 to 3 seconds. This was in direct contravention to Home Office directives on Control and Restraint. Home Office, 3 August 1992: Paragraph 4. 'At no time after an inmate has been taken to the floor should any body-weight be applied to an inmate's head, neck, chest or abdomen.' Reynolds, unlike other more junior officers, claimed he did not know of this Home Office guidance and could not remember "whether he had been trained on it".*¹²⁸

'Inquest', who campaign against deaths in custody and for changes in the Coroner's court system (www.inquest.gn.apc.org), conclude that:

"The evidence and information available to the jury has called into question the following:

- The honesty and integrity of the individual officers and their accountability to the rule of law;*
- The management at Blakenhurst and the relationship between the private company running the prison for profit on the one hand and the Home Office, Parliament and the public in general on the other;*
- The evidence which emerged at the inquest established that Alton Manning died a brutal, inhuman & violent death as a direct result of a neckhold unlawfully applied by a senior prison officer at HMP Blakenhurst. Alton Manning's death revealed an alarming failure at both individual and management level within HMP Blakenhurst, and within the Prison Service as a whole, in respect of lesson that ought to have learnt from previous violent deaths in prison. The inquest exposed a catalogue of lies and evasions by officers and management at Blakenhurst, and by lawyers acting for UKDS, in an attempt to cover up their responsibility for this death."*¹²⁹

Although Sodexo had no direct management role in HMP Blakenhurst at the time, as it was managed by a UKDS which was owned by CCA, Mowlem and McAlpine, it was still happy to acquire a stake in CCA and UKDS.

New Contracts

UKDS, in a consortium with Interserve plc (formerly Tilbury Douglas), Royal Bank Project Investments Ltd and the Royal Bank of Scotland, have won PFI contracts to build two new prisons.

HMP Shortwood, which is in Ashford in Middlesex is a 450 capacity women's

¹²⁸ www.inquest.gn.apc.org/briefings/manning.html viewed 08/10/03

¹²⁹ www.inquest.gn.apc.org/briefings/manning.html viewed 08/10/03

prison due to open in early 2005. This is the first new women's prison to be built in the UK since Holloway in 1971. Interserve Project Services will design and build the prison, which has a capital value of £47m. UKDS will then provide operational management over a period of 25 years. Interserve Investments plc is taking an equity stake in the project with other consortium members Sodexo Alliance SA (UKDS's parent company) and Royal Bank Project Investments Ltd. The senior funding package of £60m was arranged and underwritten by the Royal Bank of Scotland.¹³⁰

The site where HMP Shortwood is being built was the subject of a protest in March 2003 as part of an International Women's Day solidarity action with women prisoners.¹³¹

The second contract is to build and run an 840 capacity Category B prison, for both men and women in **Peterborough**, Cambridgeshire.

This will be the first purpose-built prison in England and Wales to accommodate both men and women, and in the press release from HM prisons, UKDS are praised on their attention to gender issues. The **prison** is due to take its first prisoners in April 2004.

The value of the contract is worth approximately £60 million in capital and £265 million in total. It will be located on the old Baker Perkins site in **Peterborough**.¹³²

In February 2003, the Government announced that under a new pilot scheme, Prospects, short term prisoners could be moved to temporary premises designed to help them stay off drugs. UKDS won two contracts to run such premises in the Bristol area.¹³³

Prisons run by Australian Integrated Management Services (AIMS)¹³⁴

In 2001, Sodexo-Alliance acquired CCA's share in Corrections Corporation of Australia, renaming it Australian Integrated Management Services (AIMS).

Acacia Prison, Western Australia

The 750-bed Acacia men's prison in Western Australia was opened in May 2001.

¹³⁰<http://www.interserveplc.co.uk/plc/news/ashford+prison+contract.htm> viewed 19/12/03

¹³¹www.indymedia.org.uk/en/2003/03/56376.html+%22UK+detention+services%22&hl=en&start=40&ie=UTF-8 viewed 19/12/03

¹³²<http://www.hmprisonservice.gov.uk/news/newstext.asp?241> viewed 19/12/03

¹³³<http://www.drugs.gov.uk/News/PressReleases/1045828934>

¹³⁴www.aimscorp.com.au viewed 14/07/03

AIMS has a 20 year contract.

Leaked confidential briefing notes from Western Australia's inspector general of custodial services, make some serious allegations about AIMS running of Acacia Prison.¹³⁵ According to documents seen by the *West Australian*, the prisons' inspector general, Professor Harding, states:

*"A recurrent message from prison staff working in the blocks was that they were too thin on the ground to feel safe at all times. The whole management system, from top to bottom, is under tremendous stress. Staff felt under so much stress that they went on strike during March, not for pay, but for 30 extra staff."*¹³⁶

The report questioned whether the prison could cope with a major incident or, less dramatically, whether it would quietly collapse as morale eroded. There was no doubt that a tangible amount of violence was either going unreported or unsanctioned. Prisoner safety at Acacia was also a concern. Many long term prisoners told the inspectors that quantities of food seemed to have diminished as the population increased, as if the same sized cake were being divided more times.¹³⁷

The inspector general also noted that there was a high level of grievances amongst prisoners and evidence that some had been locked in their cells and electricity cut off as a form of punishment. The prison's cultural area was not used by Aboriginal prisoners as they felt it was irrelevant and inappropriate. Acacia is now on the inspector general's alert list of prisons at real risk of significant failure. In his briefing notes, Professor Harding wrote that,

*"we will be keeping it [Acacia] under close review during the next six months to a year - a period which could be crucial to its future."*¹³⁸

A decision is likely to be made on the report's official publication in September 2003.¹³⁹

Prison Services run by the AIMS Corporation

The safety, care and well-being of prisoners must always constitute the

¹³⁵ www.psir.org/justice/ppriarchive/ppri55.asp viewed 15/07/03

¹³⁶ Tuesday 18 March 2003 'Acacia Prison staff strike for 48 hours' www.cpsua.asn.au/mediareleases/2003mr6%20acacia.doc. Viewed 16/07/03

¹³⁷ www.psir.org/justice/ppriarchive/ppri55.asp viewed 15/07/03

¹³⁸ www.psir.org/justice/ppriarchive/ppri55.asp viewed 15/07/03

¹³⁹ Still not available 07/10/03.

primary consideration. The Inspection has given rise to questions as to whether this has always been the case...The reality of transportation for prisoners is that they are often dehumanised and subjected to sub-standard conditions...In summary, the serious issues raised in this Report regarding the performance of the Contract cast doubt on the claim that the objectives of the out-sourcing of prisoner transport services has been achieved."¹⁴⁰

Report of an Announced Inspection of Adult Prisoner Services. Professor Richard Harding, Inspector General of prisons, Western Australia. November 2001

AIMS provides custodial transportation for Western Australia's prison service. This includes: police lock-up to prison; prison to prison by way of transfer or for inter-prison visits; prison to court and vice-versa; prison to hospital or to some other medical centre and vice versa; prison to mental hospital and back etc. In Western Australia, the distances can be enormous - for example, from Kununurra to Broome, which is over 1,000 km by road - and the locations sometimes inaccessible by standard road transport.

The inspector general, Richard Harding, described his first encounter with the AIMS Corporation's transportation system thus:

*"...a Mazda van was about to be loaded with prisoners for medical escorts. The locked compartment contained two inward-facing metal benches with no restraints or grab handles to prevent passengers from sliding around as the vehicle braked. There was no natural airflow and very little natural light, for the back window was very closely grilled. The compartment was claustrophobic and cramped. An elderly Aboriginal prisoner ... told me that he had been ill on his last journey because of the shaking and discomfort of the van and, more particularly, because he had no sense of where he was or what land he was passing through ... it was evident from such a brief encounter that safety, comfort and duty of care issues were taking second place to security - an impression that was fortified when it emerged that even minimum security prisoners were handcuffed at all times when not in the vehicle."*¹⁴¹

Further points made by the Inspector's report included:

Of the eight complaints received by the Ombudsman's office over an eight month period, five have been upheld and the results of the other three are [then] still pending;

¹⁴⁰<http://www.custodialinspector.wa.gov.au/pdfs/transRep3.pdf> Viewed 19/12/03

¹⁴¹<http://www.custodialinspector.wa.gov.au/pdfs/transRep3.pdf> Viewed 19/12/03

Evidence gathered from prisoners and prison managers is that many prisoners are fearful of travelling in the vehicles. Some even decline other necessary services - for example, medical escorts - rather than be transported in these vehicles;

Not even the basic toilet facilities are provided for prisoners being transported in the metropolitan area;

Evidence has been gathered that prisoners sometimes have very restricted access to water;

Staff were asked: if they would stop if a prisoner were seen to self-harm. They responded that they would not do so;

Transportation of those in custody is inconsistent in quality and, at its worst, unacceptable.¹⁴²

An earlier report by the consultants, KPMG, found that there were significant failures to adhere to the contract by AIMS, including an increase in costs and fraudulent reporting of hours worked.¹⁴³ For its part, AIMS challenges the accuracy of many of the KMPG findings.

Professor Harding cast doubt on whether AIMS Corporation should have been awarded the contract in the first place,

*"Nevertheless, in retrospect, some suspicion arises that the successful bidder - AIMS Corporation - may either have been "low-balling" to obtain the contract or had simply under-estimated the scope of the contracted tasks...Whether due to low-balling or genuine under-estimate or a composite of these factors, a contract that does not carry within it a viable commercial margin will be under stress from the outset, with consequential impact upon services."*¹⁴⁴

Low-balling is a recognised phenomenon in dealings between the public and the private sector. There are well-documented cases of a contractor putting in a low bid and 'negotiating' a hefty price hike once the public sector enterprise has become dependent on it for the continuation of an essential service.¹⁴⁵

¹⁴²<http://www.custodialinspector.wa.gov.au/pdfs/transRep3.pdf> Viewed 19/12/03

¹⁴³ KPMG, Department of Justice, Internal Audit Branch, July 2001.

www.psiro.org/justice/ppriarchive/ppri42.asp viewed 16/07/03

¹⁴⁴<http://www.custodialinspector.wa.gov.au/pdfs/transRep3.pdf> Viewed 19/12/03

¹⁴⁵ibid.

Metropolitan Women's Correctional Centre at Deer Park, Victoria

The Metropolitan Women's Correctional Centre was a privately owned/privately operated women's prison that was commissioned in 1996 and developed by Corrections Corporation of America. Deer Park became operational in 1997 under the management of Corrections Corporation of Australia.

Metropolitan Women's Correctional Centre was so badly run by the then Corrections Corporation of Australia, that the Government of Victoria, after issuing three Default Notices without seeing any progress, took over control of the prison and arranged to purchase the facility from CCAus for A\$20.2 million.

For more information on the Metropolitan Women's Correctional Centre, Borallon Correctional Centre (CCAus1990 - 2000), see the fantastic 'Not with our money' report entitled, 'Locking Up Profits: A Report on Sodexho Alliance and the Private Prison Industry' (2002) at http://www.notwithourmoney.org/05_sodexho/prison_op.html

On 10th June 2003, AIMS Corporation won its latest contract to provide security services for the next three years at both the Magistrates and Children's Courts in Melbourne.¹⁴⁶

Military

Apart from helping Multinationals exploit natural resources, Sodexho's 'Remote Site Management' also help pave the way for the military. In this area, the U.S. Military are their biggest customer. The Center for Public Integrity reveals that Sodexho won a \$324,000 contract to provide food and equipment in Afghanistan during 2002.¹⁴⁷

In 2001, the US Marine Corps also awarded Sodexho Inc. an \$850 million contract to serve meals at 55 Marine Corps mess halls. After an investigation, however, the General Accounting Office (GAO) questioned how Sodexho's proposed price for the contract would cover its cost while still maintaining quality food and service levels. The GAO told the Marines to reopen discussions for the contract. The GAO investigation caused Sodexho's share price to drop 3 percent. Despite the setback, the Marine Corps eventually approved the contract with Sodexho.¹⁴⁸

¹⁴⁶<http://www.aimscorp.com.au/> viewed 14/1/04

¹⁴⁷<http://www.publicintegrity.org/wow/bio.aspx?act=pro> viewed 12/1/04

¹⁴⁸<http://www.publicintegrity.org/wow/bio.aspx?act=pro&ddlC=55> 12/1/04

Sodexo also 60 contracts with the UK military.¹⁴⁹ See Products/Projects section.

Accounting Irregularities

In the wake of the collapse of Enron and World Com., 'creative' accounting seems to be widespread amongst Multinationals.

*"We have found serious errors of management as well as accounting anomalies".*¹⁵⁰

Sodexo's UK and Ireland division encountered problems during 2002, when evidence surfaced of accounting irregularities in its Land Technology division. Sodexo's chief financial officer Sian Herbert Jones told the BBC that the shortfall related to unpaid bills from clients, money which the company had already accounted for but never received. Ms Herbert Jones said this had been found through an internal audit, and would cost the group 22m euros (£13.9m). A profit warning was issued which immediately wiped 30% off the value of its shares.¹⁵¹

Perhaps fittingly, Sodexo ran the Deli Market Emporium, a "1,000 square-foot money maker" at Enron's HQ in Houston. UN Energy giant, Enron collapsed in a sea of "accounting anomalies" at the end of 2001.¹⁵²

Meanwhile in France in June 2001, the French Competition Council fined Sodexo Cheques, the French subsidiary of Sodexo Alliance, for forming an anti-competitive alliance with two other companies, Accor and Cheque Dejeuner. Together the three companies control 94% of the food services market in France. The Competition Council ruled that the three companies attempted to maintain their respective market shares by "*responding to calls for tenders in an irregular or incomplete fashion.*"¹⁵³

Facilitating Environmental Destruction

Sodexo's Environment Policy:

¹⁴⁹ www.sodexo.co.uk/segments/defence.htm viewed 26/08/02

¹⁵⁰ Sodexo press release 19/9/02

www.sodexo.com/nonflash/SodexoAnglais/informer/Communique1.cfm?cid=107

¹⁵¹ *ibid.*

¹⁵² <http://www.labournet.net/world/0209/sodprofile.pdf>

¹⁵³ Restaurants found guilty of anti-competitive practices. La Tribune. Jul 18, 2001

*“Sodexo recognises its responsibility to respect the environment and will strive to achieve environmental best practice throughout its business activity. We believe that everyone has a duty of care for the environment and to seek ways to conserve natural resources. We are conscious of environmental issues and we believe that the pursuit of economic growth can be linked to ecological protection.”*¹⁵⁴

Sodexo has contracts with numerous natural resource exploiting companies such as BP Amoco, Chevron, ExxonMobil, Occidental Petroleum, Shell, Texaco, Bechtel, Daewoo, Hyundai, Caspian Drilling, Rio Tinto and Halliburton. For a full list of Sodexo Universal's clients see www.universalsodexo.com/ .

One of Sodexo Universal's notably un-environmental projects includes collaborating with the destruction of mangrove swamps on Bonny Kingdom, at the southern edge of Rivers State in the Niger Delta of Nigeria. The Federal Government of Nigeria, with its international partners, has cleared thirty five hectares of virgin mangrove forest putting the indigenous Ijaw community under severe threat.¹⁵⁵

Another Sodexo Universal supported project is the exploitation of oil and gas reserves on Sakhalin Island, Russia.¹⁵⁶ Located in Russia's Far East, it is seen by regional politicians as the ticket to economic prosperity for the area because of huge deposits of oil and natural gas off the northern coast.

Since President Vladimir Putin abolished the State Committee on Ecology and Forest Service, environmental protection regulations governing oil and timber exploitation have not been enforced, according to Sakhalin Environment Watch. Furthermore, little attention has been paid to increasing the island's capacity to prevent and respond to oil spills that could threaten productive fisheries in the Okhotsk Sea. In September 1999, the residents of the island learned that oil had spilled from the Vityaz Marine Terminal, part of the Sakhalin II project, a joint oil-drilling venture of Sakhalin Energy Investment Company and Royal Dutch Shell.

Conclusion

Sodexo are a very wily company, ready to expand into any business they can see as potentially profitable. This 'farsightedness', especially when it comes to contracts with the public sector, has made them into the multimillion pound

¹⁵⁴ www.sodexo.co.uk/csr/environment.html viewed 27/08/03

¹⁵⁵ www.earthisland.org/map/ltfm_112.htm#africa viewed 08/07/03. Also see www.corporatewatch.org.uk/news/female_protest_nigeria.htm

¹⁵⁶ www.forests.org/archive/europe/enblsaka.htm viewed 07/10/03

company they are today. They are totally integral to the government's 'privatisation of public services' drive, happily taking on unpopular sectors with gusto. After all, these contracts provide rich pickings.

Whilst it may seem that Sodexho operate in many disparate sectors, its success relies on:

- a) Effectively managing a large and unskilled workforce;
- b) Keeping the costs of its raw materials down through economies of scale;
- c) Managing very large contracts, or at least gaining the confidence of multinational companies, the military and governments around the world it they can 'come up with the goods', as well as convincing them that it is actually far less effort to put the contracts into Sodexho's capable hands than to do it 'in-house'.

Sustained campaigning in the US has won some concessions on labour rights, food quality and food sourcing. The campus organising to kick Sodexho out of privatised prisons in the States has certainly been inspirational. However, Sodexho has not budged so easily in the UK where its prison and detention centre investment is much bigger. There may well be potential for similar campaigning here with students targetting schools and university catering over prison investment, food quality/food sourcing and labour rights.

In recent years, Sodexho-Alliance has been rocked by scandals, been downgraded by analysts, and it about to see its founder and inspiration, Pierre Bellon, standing down. It remains to be seen how it will weather these storms.

Further resources

US campaign groups

The Prison Moratorium Project is a " *strong grassroots organization of youth and college students dedicated to educating our peers about prison issues and engaging marginalized voices in the criminal justice debate*". See www.nomoreprisons.org.

The Prison Moratorium Project runs "Not With Our Money", a network of student and community activists working to end the use of prisons for profit. *Our mission is to provide the training, tools and informational resources communities need to hold prison profiteers (particularly corporations that finance the private prison industry) accountable for their actions.*

For their excellent work on Sodexho see:
www.notwithourmoney.org/05_sodexho/sodexho.html

There are numerous US college websites with information about Sodexho and their anti-unionist stance and involvement with the private prison industry. Notable is Colorado College and their CC Fair Labor website, which charts their campaign for decent wages and working conditions for Sodexho on campus. http://studentwebs.coloradocollege.edu/~g_piescoputn/fairlabor/content/

EyeonSodexho is website run by Hotel Employees and Restaurant Employees International Union. www.eyeonSodexho.org. It is currently under construction (28/1/04) but there is some information on their website <http://www.hereunion.org/>

The Canadian Union of Public Employees have also been active on Sodexho. 'Who is Sodexho?' by Tom Walker, Privateer Watch for the Hospital Employee's Union, The B.C. Health Services Division of the Canadian Union of Public Employees (CUPE) May 1, 2002. This can be downloaded from the LabourNet website. <http://www.labournet.net/world/0209/sodintro1.html>

In the UK

Labournet is an extremely useful resource in tracking Sodexho's labour disputes in the UK. LabourNet promotes computer communications as a medium for strengthening and building organised labour. <http://www.labournet.net>

On radically rethinking public sector catering in the UK, two excellent reports and action packs are available:

"Good Food on the Public Plate" published by Sustain and East Anglia Food Links. 2003

Using local food in our school, hospital and prison canteens would boost local economies by at least £5 billion and create many local jobs. See [Stuwww.sustainweb.org](http://www.sustainweb.org) for more details.

Food for Life: Do our children need healthy food? published by The Soil Association and Organix. To download the report see

<http://www.foodforlifeuk.org/> or

<http://www.soilassociation.org/web/sa/saweb.nsf/GetInvolved/ffl.html>

For further information on Hospital Food, contact Fiona Cairncross, Hospital Food Project Co-ordinator at London Food Link. c/o Sustain: the alliance for better food and farming

94 White Lion Street

London, N1 9PF

Tel: 020 7837 1228

Fax: 020 7837 1141

Email: fiona@sustainweb.org

Web: www.londonfoodlink.org