

# Subway® Statement on Modern Slavery & Human Trafficking

This statement addresses the Modern Slavery Act of the United Kingdom ("UK MSA") and the California Transparency in Supply Chains Act ("CA TISCA"). It outlines our approach for the 2020 fiscal year to preventing modern slavery as defined in the UK MSA and human trafficking as defined in the CA TISCA throughout our organization and supply chain.

At Subway®, we recognize that the prevention and eradication of modern slavery and human trafficking is a global challenge. Integrity in our operations, products, and supply chain is of the utmost importance.

## Our Business

Founded in 1965, the Subway® franchise system is a global quick service restaurant chain, serving guests made-to-order sandwiches and salads with locations operated by independent franchise owners in over 100 countries worldwide. There are over 40,000 Subway® restaurants globally, with over 2,000 locations in the United Kingdom and Ireland within the scope of the UK MSA and over 2,000 in the state of California, within the CA TISCA.

In the United States, the Subway® franchise system is licensed by Doctor's Associates, LLC ("DAL") and in the United Kingdom and Ireland, it is licensed by Subway International B.V. ("SIBV"). The global head office is located in Milford, Connecticut, USA.



**Over 40,000  
restaurants in more  
than 100 countries**

## Our Supply Chain

Subway® is a global brand with a matrixed and diverse supply chain. Subway® franchise owners purchase product from thousands of suppliers located all around the world. We work with organizations known as Independent Purchasing Cooperatives/ Companies (collectively, the "IPCs") in major regions around the world, including the United States ("NAIPC"), Europe ("IPCE"), Latin America and the Caribbean ("LACIPC"), Asia Pacific ("IPCA"), and the Middle East and Africa ("IPCMESA"). The IPCs are franchisee-owned and operated organizations whose mission is to identify product and supply chain partners for the Subway® franchise system. While the IPCs operate independently of DAL and SIBV and therefore take their own measures to ensure compliance with all applicable laws, we work closely with them to ensure suppliers and products meet our high standards for quality and safety and are ethically sourced.

## Relevant Policies

We utilize a robust supplier approval process in which all approved suppliers must agree to comply with our Supplier Code of Conduct and Supply Chain Employment Practices Policy or must otherwise agree that their own practices and policies meet or exceed our own. The Supplier Code of Conduct (the "Code") requires all vendors to comply with laws relating to modern slavery and human trafficking in the countries where they operate and strictly prohibits all forms of modern slavery and human trafficking. The Code also contains sections on both anti-bribery and anti-corruption, as well as a reporting process for any suspected violation of the Code.

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The Supply Chain Employment Practices Policy (the "Policy") prohibits suppliers from using forced labor and also requires suppliers to comply with our workplace expectations found within the Code, including but not limited to:

- Freedom of Association and collective bargaining
- Child labor
- Forced labor and abuse of labor
- Workplace discrimination
- Work hours and wages
- Safe and healthy workplaces

## Supply Chain Verification, Certification, and Audits

We are committed to preventing modern slavery and human trafficking in our business and any part of our supply chain. Where possible, we look to build long-term relationships with suppliers which allow us to make our expectations clear, thereby ensuring that our suppliers are aligned with our commitment to the prevention of modern slavery and human trafficking as defined by the UK MSA and CA TISCA, respectively.

Suppliers certify compliance with our Code and Policy by contractually agreeing to do so in our Vendor Agreement, which all suppliers providing product to the Subway® franchise system must sign. Their agreement to comply with our Code and Policy certifies their agreement to the prohibition of modern slavery and human trafficking in their business practices. Supplier's agreement to comply with the Policy also requires their certification that their own suppliers and subcontracts will abide by the terms of the Policy. We may remove any supplier from our system, terminating our contractual relationship with them and notifying franchise owners, IPCs, and distribution centers that they may no longer purchase product from that supplier in the instance that a supplier behaves in an unlawful manner or engages in business practices inconsistent with the Code and Policy.

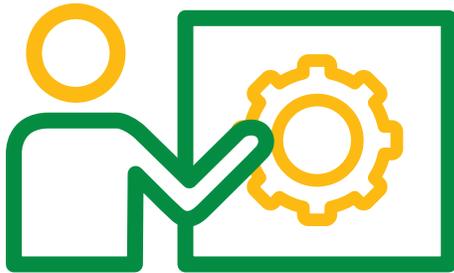
We do not currently conduct audits to evaluate compliance with prohibitions against modern slavery and human trafficking found in our Code and Policy, but we encourage suppliers to participate in trade membership organizations, including but not limited to Sedex, a leading ethical trade organization which works to improve labor conditions in global supply chains.

## Accountability

We expect all employees, franchise owners, and suppliers, regardless of cultural, social, and economic context, to respect human rights and treat all people with dignity and respect.

As outlined in the Code and Policy, we have developed a process for any third party to file a complaint regarding modern slavery and human trafficking violations, or any other Code or Policy violations, to our Enterprise Risk Management team at Subway® Headquarters. We take every measure possible to ensure the confidentiality of any reports made and do not tolerate any retribution or retaliation taken against any individual who has, in good faith, reported questionable behavior or a violation of the Code or Policy. Details about how to report potential violations can be found on our website at: <https://www.subway.com/en-US/AboutUs/SocialResponsibility/OurPlan>

We are continually working to improve the avenues by which complaints about possible violations of the Code or Policy can be made.



## Training

We are committed to raising awareness about modern slavery, human trafficking, and other corporate social responsibility issues in our supply chain. We continue to work to improve awareness and training in these areas and to coordinate with the IPC organization to implement training within procurement programs.

At this time, we do not provide training to internal teams regarding modern slavery and human trafficking.

## In Summary

While the UK MSA and CA TISCA are regionally specific, this statement demonstrates our global ambition to be an active and productive member of our business community, seeking to better understand, prevent, identify and address modern slavery and human trafficking. We understand that the issues surrounding modern slavery and human trafficking are ever-changing, and accordingly, our efforts to improve will continue to adjust and evolve to meet the demands of our complex supply chain. We commit to improving our documentation in this area and to working with other industry leaders and collaborative groups to better understand risk management and support implementation of practices to mitigate the risk of human trafficking and modern slavery in our supply chain.

Signed:

A handwritten signature in black ink, appearing to read 'T Haynes'.

**Trevor Haynes**

Subway® Regional President of North America

A handwritten signature in black ink, appearing to read 'M Kehoe'.

**Mike Kehoe**

Subway® Regional President of Europe and the Middle East

