



## **SYKES 2017 MODERN SLAVERY STATEMENT**

### **Introduction**

We make this statement in accordance with Section 54 of the United Kingdom (UK) Modern Slavery Act 2015 (“the Act”) to set out the actions that Sykes Enterprises, Incorporated, on behalf of itself and its subsidiaries including but not limited to Sykes Global Services Limited (collectively referred to hereafter as “SYKES”), has taken to prevent modern slavery and human trafficking in our business and supply chains during the fiscal year ended December 31, 2017.

Slavery occurs where a person holds another person in slavery or servitude or forces that person to perform forced or compulsory labor. Human trafficking occurs where a person arranges or facilitates the travel of another person with a view to that other person being exploited.

To combat these risks, and to fulfill our local responsibility under the UK Modern Slavery Act 2015, we will produce a statement at the end of each financial year setting out the steps we have taken to ensure that slavery and human trafficking are not part of the way we do business ourselves or with others.

We are also committed to fair employment practices to ensure that workers are not exploited, that they are safe and that relevant employment standards (including pay and working time) and health and safety laws are adhered to. We also support the global commitment to eliminating forced or compulsory labor and to effectively abolishing child labor.

### **Our Business and Supply Chains**

SYKES is a global leader in providing customer contact management solutions and services in the business process outsourcing (BPO) arena. SYKES provides an array of sophisticated customer contact management solutions to Fortune 1000 companies around the world, primarily in the communications, financial services, healthcare, technology and transportation and leisure industries. SYKES specializes in providing flexible, high quality customer support outsourcing solutions with an emphasis on inbound technical support and customer service.

Headquartered in Tampa, Florida, with customer contact management centers throughout the world, SYKES provides its services through multiple communication channels encompassing phone, e-mail, web and chat. Utilizing its integrated onshore/offshore global delivery model, SYKES serves its clients through two geographic operating segments: the Americas (United States, Canada, Latin America and Asia Pacific) and EMEA (Europe, Middle East and Africa). SYKES also provides various enterprise support services in the Americas and fulfillment services in EMEA, which include multi-lingual sales order processing, payment processing, inventory control, product delivery and product returns handling.

### **Our Proactive Actions**

According to the Act, the requirement to publish a slavery and human trafficking statement applies to all commercial organizations supplying goods or services, in any sector, with a total turnover exceeding £36 million, conducting business anywhere in the UK. For our fiscal years ending 2016 and 2017, we did not reach the £36 million financial threshold which requires compliance with the Act.



We have, however, for each fiscal year ending 2016 and 2017, proactively submitted a Modern Slavery Statement. We do anticipate crossing the £36 million financial threshold in the near future and are proactively taking steps in our company and across our supply chain to ensure that no slavery or trafficking is taking place. We believe that this is the right thing to do.

### **Our Supply Chain**

Our supply chain supports our operational requirements. Our business is labor-intensive and therefore wages, employee benefits and employment taxes constitute the largest component of our operating expenses. In addition to capital expenditures for facility expansion and upgrades and maintenance and system infrastructure, other major purchasing includes facilities operations, hardware, data management and warehousing, telephone and data services, software maintenance, consulting, travel, and merger and integration expenses.

SYKES is committed to working closely with our suppliers to ensure that slavery and human trafficking risks are identified and managed proactively.

### **Overall Responsibility**

The Board of Directors of SYKES will have overall responsibility for formulating our slavery and human trafficking compliance strategy, for ensuring that strategy is complied with, and for preparing an annual statement. The Directors will:

- assess the risk of slavery and human trafficking to SYKES;
- answer questions about SYKES' approach to slavery and human trafficking;
- review our supplier due diligence procedures to support compliance;
- facilitate appropriate corrective action when slavery and human trafficking issues are identified; and
- monitor the effectiveness of our approach.

All levels of management within SYKES are responsible for ensuring that those who report to them understand and comply with our anti-slavery policy and our zero-tolerance approach to slavery and human trafficking. The responsibility extends to ensuring that steps are taken to report any slavery and human trafficking issues which are identified.

Everyone to whom this policy applies (including, for the avoidance of doubt, our suppliers) is responsible for preventing, detecting and reporting instances of slavery and human trafficking in any part of our business or in our supply chains.

### **Our Human Rights Commitments**

Operating within clear guidelines for ethical and respectful conduct is important to SYKES, our clients and our employees. As a people-intensive business, SYKES' employees are held to the highest standards of ethical behavior and integrity, with an expectation that they will comply with the company's Standards of Business Conduct. Depending on their position in the company, 2-4 times each year employees receive Standards of Conduct awareness communications and certification. These communications will incorporate specific language relative to the identification and prevention of slavery and human



trafficking. To help employees navigate through everyday business situations, managers encourage employees to have conversations about the Standards.

Internally, if any SYKES employee identifies any issues of concern, he or she must notify their regional human resources representative or our reporting hotline immediately. This extends to any suspicion any employee may have that slavery or human trafficking exists in any part of our business or supply chains. We will support anyone who raises genuine concerns in good faith under the anti-slavery policy, even in circumstances where it transpires that those concerns are mistaken. We will take steps to ensure that those who report such concerns do not suffer adverse treatment. Adverse treatment includes, bullying, harassment, threats, disciplinary action or dismissal connected with raising a genuine concern in good faith. If an employee who believes that he or she has suffered any adverse treatment after raising such a concern, the employee should raise the matter formally under our grievance procedures.

### **Our Due Diligence and Risk Mitigation**

To mitigate the risk of human trafficking and modern slavery, SYKES has both internal, employee-focused human resources policies, as well as external, supplier-focused statements and a code of conduct.

- SYKES has a number of human resource and supply chain policies in place. We confirm the identities of all employees and ensure that we do not employ minors, and we conduct the appropriate background investigations to include due diligence in our supply chain. As an organization with operations in multiple countries worldwide, we organizationally stand behind the prevention of modern day slavery and human trafficking across our global operations. While our due diligence and risk mitigation is applied globally, specific to the Act, our initial approach will focus on our UK operations.
- We expect our suppliers, both domestic and foreign, to abide by our Supplier Code of Conduct, which encompasses good corporate citizenship. In the Supplier Code of Conduct, we outline our expectations for suppliers' ethics and standards of conduct, business integrity, human rights, and labor practices.

Our statement for the "Prevention of Involuntary Labor and Human Trafficking" prohibits our suppliers and their affiliates, subsidiaries, subcontractors and third-party labor providers or recruiters from using labor below minimum legal employment age, or trafficking persons or using any form of slave, forced, bonded, indentured, or prison labor. Suppliers shall not withhold workers' original government-issued identification and travel documents. We define "involuntary labor" to include the transportation, harboring, recruitment, transfer, receipt, or employment of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation.

### **Risks in our Business and Supply Chain**

We monitor risks in our business and believe that we have a reasonable level of awareness of human rights and ethical principles in our company-provided facilities. However, we have a percentage of employees who are home-based. While the company has protocols in place to approve employees' home-based employments, we do not have visibility into the human-trafficking-related situations in their home environment. We operate in 20 different countries and as a result of such disperse operations, we will need to determine an approach to evaluate the potential risks in our operations.

## **Employee Awareness and Training**

SYKES employees are required to annually review and participate in a number of ethics and awareness communications and training programs. While none of these programs currently specifically address human trafficking, we are researching an appropriate training and/or awareness platform to educate employees about human trafficking and how to respond.

## **Further Steps in our Commitment to Prevent Modern Slavery and Human Trafficking**

It is clear that company management holds high expectations of both employees and our suppliers. Going forward, we will actively consider opportunities to further extend our due diligence and auditing processes to prevent modern day slavery and human trafficking in our supply chains and across our business.

In particular, we will:

- undertake a risk assessment to identify areas of our business which are most vulnerable to slavery or human trafficking;
- draft and implement a policy on slavery and human trafficking and incorporate this into our Standards of Conduct and staff training; and
- take any other steps appropriate that are identified in our risk assessment.

## **Progress Made in 2017**

SYKES' annual commitment to the Act includes provisions to annually publish the company's advancement of the steps we have taken during the financial year to ensure that slavery and human trafficking are not taking place in any of our supply chains or any part of the business.

- As outlined above in "Our Due Diligence and Risk Mitigation, in 2017, SYKES' employees were held to the highest standards of ethical behavior and integrity, with an ongoing expectation that they will comply with the company's Standards of Business Conduct.
- In addition, in 2017 we continued to expect our suppliers, both domestic and foreign, to abide by our Supplier Code of Conduct, which outlines our expectations for suppliers' ethics and standards of conduct, business integrity, human rights, and labor practices.
- As we advanced for our pilot supply chain evaluation and employee training program in the UK, we consulted with and obtained input from the Polaris Project (Polaris), because they are a leader in the global fight to eradicate modern slavery. Polaris researched and provided suggestions for qualified UK-based training organizations to educate SYKES' UK-based executives and procurement team. With Polaris, we also discussed possible 2018 strategic alliance arrangements to advance their mission.
- SYKES also evaluated our internal policies to ensure continued and timely compliance to prevent slavery and human trafficking.



As we have outlined in this statement, SYKES will continue to advance our efforts to prevent slavery and human trafficking in our supply chains.

This statement was approved by the Nominating and Governance Committee of the Board of Directors and the full Board of Directors of SYKES Enterprises, and signed by Charles E. Sykes, Director.

Signed,

A handwritten signature in black ink, appearing to read "Charles E. Sykes".

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Charles E. Sykes  
Director, President and CEO