

RELEASE

INFORMATION ON THE COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

Issy les Moulineaux, November 27, 2020

On November 25, 2020, based on the recommendation of the Compensation Committee, Sodexo's Board of Directors made the following decisions related to the long-term compensation of its Chief Executive Officer, Denis Machuel.

These compensation elements are fully in line with the compensation policy which will be submitted to shareholders for approval at the Annual Shareholder's Meeting on January 12, 2021 (described in pages 256 et seq. of the Fiscal 2020 Universal Registration Document).

Grant of performance shares to the Chief Executive Officer

In the 18th resolution, the Annual Shareholders' Meeting held on January 22, 2019 authorized the Board of Directors to make restricted grants of existing or newly issued shares, during a period of 38 months, pursuant to article L. 225-197-1 *et seq.* of the French Commercial Code.

As in previous years, the value of the performance shares that may be granted annually to the Chief Executive Officer has been capped at 150% of his total annual compensation (including fixed and annual variable compensation at target). In addition, the performance shares granted to him may not represent more than 5% of the total number of restricted shares granted by the Board of Directors in any given fiscal year.

The Board of Directors decided to grant 28,000 performance shares to Denis Machuel, which are subject to a vesting period of 38 months, through January 25, 2024. This grant, for which the IFRS fair value is 1,681,288 euros, is less than the target grant value envisioned by the compensation policy in order to take into consideration the recent decline in Sodexo's share price.

The proportion of the performance shares that will vest depends on the achievement of both internal and external performance conditions. The achievement rates will be disclosed once the Board of Directors has assessed whether the performance targets have been reached after the end of the three years.

The criteria are intended to measure the Group's overall performance and are directly related to the Group's main strategic goals, as follows:

- financial performance: 50%;
- stock market performance: 30%;
- Corporate responsibility performance: 20%.

During the presentation of its Fiscal 2020 results, and later during the Investor day on November 2, 2020, the Group provided guidance for the first half of Fiscal 2021. Longer term, assuming that the pandemic will be under control by the end of calendar year 2021, the Group aims to return to sustained growth in the medium term and to rapidly increase the underlying operating margin compared to its pre-Covid level. For the 2020 performance share plan, the Board of Directors decided:

- to modify the composition of the peer panel used to measure the performance of Sodexo's Total Shareholder Return (TSR); and,
- to modify the Corporate responsibility criteria to include both a diversity and a sustainability target.

For this grant of performance shares, the following performance conditions will apply:

- 20% of the performance shares are subject to the achievement of a revenue objective for Fiscal 2023;
- 30% of the performance shares are subject to the achievement of an underlying operating profit margin objective for Fiscal 2021, 2022 and 2023;
- 30% of the performance shares are subject to a TSR objective. Sodexo's TSR will be calculated over three years and compared to the TSR of a peer panel of eight companies (Aramark, Compass, Edenred, Elixior, G4S, ISS, Rentokil and Securitas), under the same conditions as those applicable to prior plans;
- 10% of the performance shares are subject to a diversity objective seeking to encourage the promotion of women at the highest level of the hierarchy;
- 10% of the performance shares are subject to the achievement by August 31, 2023, of an internal sustainability objective intended to increase the use of small suppliers and renewable energies in Sodexo's buildings and to reduce food waste and the proportion of animal products.

In accordance with article L. 225-197-1 of the French Commercial Code and in line with prior plans, the Board of Directors also decided that the Chief Executive Officer must hold as registered shares (for as long as he holds this position) a number of shares vested under this grant for which the value is equivalent to 30% of his fixed salary at the vesting date.

Furthermore, in accordance with article 25.3.3 of AFEP-MEDEF Corporate Governance Code of January 2020, Denis Machuel has formally committed not to engage in any hedging transactions related to these performance shares.

About Sodexo

Founded in Marseille in 1966 by Pierre Bellon, Sodexo is the global leader in services that improve Quality of Life, an essential factor in individual and organizational performance. Operating in 64 countries, Sodexo serves 100 million consumers each day through its unique combination of On-site Services, Benefits and Rewards Services and Personal and Home Services. Sodexo provides clients an integrated offering developed over more than 50 years of experience: from foodservices, reception, maintenance and cleaning, to facilities and equipment management; from services and programs fostering employees' engagement to solutions that simplify and optimize their mobility and expenses management, to in-home assistance, child care centers and concierge services. Sodexo's success and performance are founded on its independence, its sustainable business model and its ability to continuously develop and engage its 420,000 employees throughout the world.

Sodexo is included in the CAC Next 20, ESG 80, FTSE 4 Good and DJSI indices.

Key figures

19.3 billion euro in Fiscal 2020 consolidated revenues

420,000 employees as at August 31, 2020

N°1 France-based private employer worldwide

64 countries

100 million consumers served daily

10.7 billion euro in market capitalization (as at November 26, 2020)

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