

Communication

Information on Fiscal 2021 variable compensation of Denis Machuel, Chief Executive Officer

Issy-les-Moulineaux, October 27, 2021

In accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code (“AFEP-MEDEF Code”), Sodexo is providing the following information on the compensation of its executive officers as determined by the Board of Directors on October 26, 2021, pursuant to the Compensation Committee’s proposal.

On October 26, 2021, the Board of Directors reviewed the achievement of the financial criteria for the second half and the non-financial criteria for Fiscal 2021.

Exceptionally and given the unprecedented sanitary crisis caused by the Covid-19 pandemic, for Fiscal 2021, the Board of Directors decided to establish the budget for each of the first and second halves of the year. Thus, financial performance targets were set in October 2020 for the first half and in March 2021 for the second half.

The possibility of an outperformance stretch payment was also exceptionally precluded for this year.

The achievement rate for the financial criteria of the Chief Executive Officer’s variable compensation was measured at two points in time: following approval by the Board of each of the first and second half Fiscal 2021 results.

The achievement rates are as follows:

| | | WEIGHTING OF TARGETS | MAXIMUM IN % OF TARGET | ACHIEVEMENT RATE 1 ST HALF | ACHIEVEMENT RATE 2 ND HALF | CORRESPONDING AMOUNT (IN EUROS) |
|---|---|-------------------------|------------------------------|--|--|---------------------------------------|
| 70% based on financial criteria, with semestrial targets | Organic growth | 20% | 100% | 100% | 100% | 180,000 |
| | Underlying operating profit margin (excluding exchange rate impacts) | 20% | 100% | 100% | 100% | 180,000 |
| | Growth in Group net income | 10% | 100% | 100% | 100% | 90,000 |
| | Free cash flow | 20% | 100% | 100% | 100% | 180,000 |
| | Total financial targets | 70% | 100% | 100% | 100% | 630,000 |
| 30% based on non-financial criteria, with annual targets | Health and safety | 10% | 100% | N/A | 0% | - |
| | Talent management | 10% | 100% | N/A | 100% | 90,000 |
| | Dow Jones Sustainability Index, in the top three for the industry | 10% | 100% | N/A | 100% | 90,000 |
| | Total non-financial targets | 30% | 100% | N/A | 66.6% | 180,000 |
| TOTAL VARIABLE COMPENSATION FOR FY 2021 | | 100% | 100% | | 90% | 810,000 |
| VARIABLE COMPENSATION AWARDED FOR FY 2021 | | | | | | 810,000 |

Only the Health & Safety criteria was not met despite strong performance this year showing an improvement of the LTIR (Lost Time Incident Rate) from 0.77 to 0.71 over the year. The level achieved was just slightly below the challenging target set for the Group.

In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, the payment of his variable Compensation will be submitted to the vote of the General Meeting of December 14, 2021 called to approve the financial statements for the year ended August 31, 2021.

This variable compensation will be the reference for the calculation of the non-compete agreement indemnity.

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 56 countries, Sodexo serves 100 million consumers each day through its unique combination of On-site Services, Benefits & Rewards Services and Personal & 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, childcare 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 412,000 employees throughout the world.

Sodexo is included in the CAC Next 20, CAC 40 ESG, FTSE 4 Good and DJSI indices.

Key figures

- 17,4 billion** euro in Fiscal 2021 consolidated revenues
- 412,000** employees as at August 31, 2021
- #1** France-based private employer worldwide
- 56** countries
- 100 million** consumers served daily
- 11.5 billion** euro in market capitalization (as of October 26, 2021)

Contact

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