

Information on the compensation elements of Sophie Bellon, Chairwoman and Chief Executive Officer of Sodexo

Issy-les-Moulineaux, October 25, 2022

In accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code, Sodexo is providing hereafter the compensation elements paid or awarded during Fiscal 2022 to Sophie Bellon, Chairwoman of the Board of Directors and then Chairwoman and Chief Executive Officer, as well as the compensation policy of the Chairwoman and Chief Executive Officer for Fiscal 2023.

The information was determined by the Board of Directors on October 25, 2022 pursuant to the Compensation Committee's proposal and will be submitted for approval to the Shareholders' Meeting on December 19, 2022.

Compensation elements paid or awarded during Fiscal 2022 to Sophie Bellon, Chairwoman of the Board of Directors and then Chairwoman and Chief Executive Officer

- **Fixed compensation**

The compensation policy of the Chairwoman of the Board of Directors for Fiscal 2022 included a fixed compensation of €675,000. Sophie Bellon was thus paid a *prorata temporis* amount of €56,250 in respect of her position as Chairwoman of the Board of Directors exercised in September 2021.

Following the termination of Denis Machuel's duties as Chief Executive Officer on September 30, 2021, the Chairwoman of the Board of Directors also became interim Chief Executive Officer and was paid an additional fixed compensation in the amount of €18,750 per month, raising her overall theoretical fixed annual compensation to €900,000 (equivalent to the annual fixed compensation of Denis Machuel). She was thus paid a *prorata temporis* amount of €375,000 for the period from October 1, 2021 to February 28, 2022.

Following her appointment as Chief Executive Officer from March 1, 2022, the Board of Directors meeting of February 28, 2022 decided to confirm the amount of Sophie Bellon's annual fixed compensation at €900,000 for her duties as Chairwoman and Chief Executive Officer. This compensation was paid *prorata temporis* for remaining part of Fiscal 2022, i.e. an amount of €450,000 for the period from March 1, 2022 to August 31, 2022.

Thus, the annual fixed compensation of Sophie Bellon paid for Fiscal 2022 amounted to €881,250.

- Annual variable compensation

The annual variable compensation provided for in the compensation policy for Fiscal 2022 was equal, if objectives were achieved, to 100% of the fixed compensation and could go up to 150% if these objectives were exceeded. The variable compensation would be calculated *prorata temporis* from March 1, 2022.

Thus, the Board of Directors of October 25, 2022 noted the achievement of the objectives related to variable compensation as follows:

		Weighting of targets	Maximum in % of target	Achieved in % of target	Corresponding amount (in euros)
70 % based on financial criteria	Organic growth	20%	175%	168%	150,750
	Underlying operating profit margin (excluding exchange rate impacts)	20%	175%	123%	110,250
	Growth in Group net income	10%	175%	175%	78,750
	Free cash flow	20%	175%	175%	157,500
	Total financial targets	70%	175%	110.5%	497,250
30 % based on non-financial criteria	Health and safety	10%	100%	0%	0
	Talent management	10%	100%	100%	45,000
	<i>Dow Jones Sustainability Index</i> , in the top three for the industry	10%	100%	100%	45,000
	Total non-financial targets	30%	100%	20%	90,000
Total variable compensation for Fiscal 2022		100%	150%	130.5%	587,250

The Health and Safety criterion was not met despite the continuous improvement of the LTIR (Lost Time Incident Rate) which ended the year at 0.65, better by 8.5% compared to the rate of 0.71 in the previous year, but still below the ambitious target set for the Group.

Thus, the annual variable compensation of the Chairwoman and Chief Executive Officer awarded for Fiscal 2022 amounts to €587,250.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of this variable compensation will be submitted to the vote of the Shareholders' meeting of December 19, 2022 called to approve the financial statements for the year ended August 31, 2022.

- Long-term compensation

Given the appointment of Sophie Bellon as Chairwoman and Chief Executive Officer from March 1, 2022, the Board of Directors, on the recommendation of the Compensation Committee, decided not to award performance shares to her for Fiscal 2022, the grants having taken place on February 1, 2022.

Thus, the Chairwoman and Chief Executive Officer has not benefited from any allocation of performance shares for Fiscal 2022.

- Supplemental pension plan

The Chairwoman and Chief Executive Officer benefits from a defined benefit pension plan governed by Article L. 137-11-2 of the French Social Security Code.

This plan, set up in 2021, is also open to the main senior executives holding an employment contract with a French Group subsidiary. The acquisition of annual rights is subject to an achievement rate of at least 80% of her annual variable compensation targets.

On this basis applied *prorata temporis* and taking into account the achievement of the performance condition, the amount of the annuity amounts to €3,343 for Fiscal 2022.

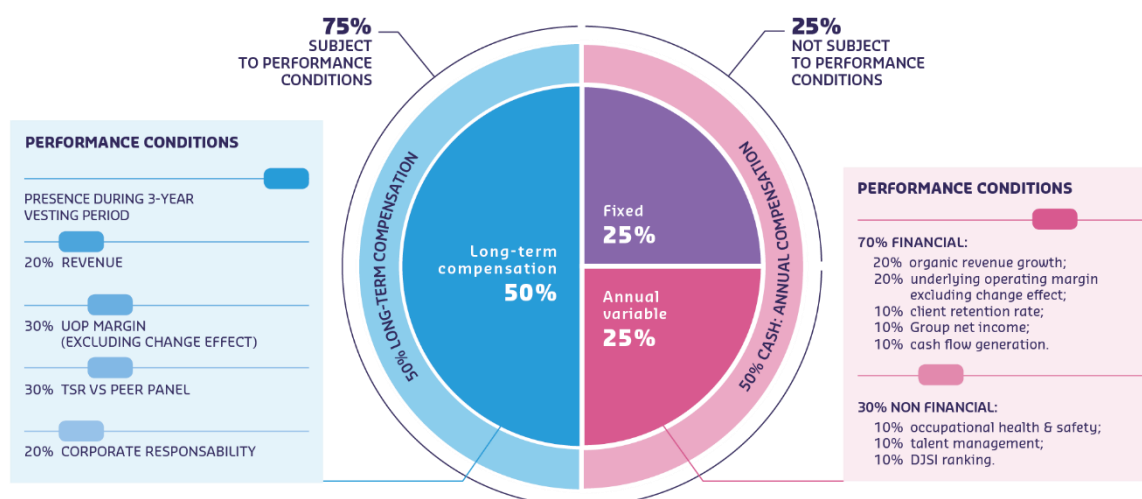
- Other

During Fiscal 2022, the Chairwoman and Chief Executive Officer benefited from collective health and benefits plans, as well as a company car.

Furthermore, it is specified that Sophie Bellon does not benefit from any multi-year compensation, exceptional compensation, non-compete indemnity and termination indemnity.

Compensation policy of the Chairwoman and Chief Executive Officer for Fiscal 2023

Target structure of the compensation:



- Fixed compensation

For Fiscal 2023, the annual fixed compensation of the Chairwoman and Chief Executive Officer will amount to €900,000, unchanged from the previous fiscal year.

- Annual variable compensation

The variable compensation is equal, on achievement of targets, to 100% of the fixed compensation, and can be stretched up to 150% if targets are exceeded.

As shown in the chart above, the targets, which are mainly based on financial criteria, are set precisely at the beginning of the fiscal year and are fixed as follows:

- 70% is contingent upon targets based on the Group's financial performance for the fiscal year, including organic Revenue growth, Underlying operating profit margin, Group Net income and Free cash flow. From Fiscal 2023 onwards, the client retention rate has also been added, as the Board of Directors believes this is a key lever in the model for sustainable and profitable growth.
- 30% is contingent upon non-financial and quantitative targets (including occupational health and safety, talent management and Sodexo's ranking in the Dow Jones Sustainability Index of environmental, social and governance performance).

The financial performance targets have been defined on the basis of the budget previously approved by the Board of Directors. Their level of achievement, criterion by criterion, will be communicated once the performance assessment has been established by the Board of Directors at the end of Fiscal 2023.

- Long-term compensation

The long-term compensation granted to the Chairwoman and Chief Executive Officer would be capped by the Board of Directors at 150% of the total annual compensation (comprising fixed compensation and annual variable compensation, assuming targets achieved). In addition, it may not represent more than 5% of the value of the total restricted and performance shares granted annually by the Board of Directors.

The vesting period would be three years, in line with the period over which performance conditions are measured and in line with market practices.

The vesting of the long-term remuneration would be subject to a three-year presence condition and to performance conditions. The criteria are intended to measure overall performance and reflect the Group's aim to generate sustainable, profitable growth in the respect of all its stakeholders, and are as follows:

- up to 50% on financial performance;
- up to 30% on stock market performance;
- up to 20% on corporate responsibility performance, including diversity and sustainability targets.

- Supplemental pension plan

The Chairwoman and Chief Executive Officer will benefit from the same defined benefit pension plan governed by article L.137-11-2 of the French Social Security Code as in Fiscal 2022.

- Other

The Chairwoman and Chief Executive Officer will continue to benefit, as part of the compensation policy for Fiscal 2023, from collective health and benefits plans and a company car. In addition, the Chairwoman and Chief Executive Officer is subject to a non-competition obligation.

About Sodexo

Founded in Marseille in 1966 by Pierre Bellon, Sodexo is the global leader in Quality of Life Services, an essential factor in individual and organizational performance. Operating in 53 countries, our 422,000 employees serve 100 million consumers each day. Sodexo Group stands out for its independence and its founding family shareholding, its sustainable business model and its portfolio of activities including Food Services, Facilities Management Services and Employee Benefit Solutions. We provide quality, multichannel and flexible food experiences, but also design attractive and inclusive workplaces and shared spaces, manage and maintain winfrastructure in a safe and environmentally friendly way, offer personalized support for patients or students, or even create programs fostering employee engagement. From Day 1, Sodexo has been focusing on tangible everyday gestures and actions through its services in order to have a positive economic, social and environmental impact over time. For us, growth and social commitment go hand in hand. Creating a better everyday for everyone to build a better life for all is our purpose.

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

Key Figures

- 21.1 billion euros in Fiscal 2022 consolidated revenues
- 422,000 employees as at August 31, 2022
- #2 France-based private employer worldwide
- 53 countries
- 100 million consumers served daily
- 12.8 billion euro in market capitalization (as at October 25, 2022)

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