

Release

Information on the compensation of the Chief Executive Officer

Issy-les-Moulineaux, April 2, 2021

In accordance with the recommendations of the AFEP-MEDEF corporate governance code, Sodexo is publishing the compensation components related to its Chief Executive Officer as approved by the Board of Directors at its meeting of March 31, 2021 upon recommendation of the Compensation Committee.

Annual variable compensation for First half Fiscal 2021

At its meeting held on October 28, 2020, the Board of Directors, upon the recommendation of the Compensation Committee, set the compensation policy for the Chief Executive Officer for Fiscal 2021. This policy was approved at the January 12, 2021 Annual Shareholders Meeting.

The variable compensation is based on target amounts representing 100% of his fixed compensation at target and potentially up to 150% if the targets are exceeded.

The variable compensation is based mainly on financial criteria, 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 generation;
- 30% is contingent upon non-financial, primarily quantitative, targets (including occupational health and safety, talent management and Sodexo's ranking in the Dow Jones Sustainability Index).

Exceptionally, and given the unprecedented sanitary crisis caused by the Covid-19 pandemic, the Board of Directors decided to establish the budget for Fiscal 2021 for each of the first and second halves of the year in the same manner as the financial objectives communicated to the market.

Thus, it was decided that the financial performance targets should also be established for each of the first and second halves of the year in line with the budget and financial objectives communicated to the market. Given the exceptional business circumstances, the Board of Directors decided to cap the bonus at the target level.

Accordingly, the achievement rate for the Chief Executive Officer's variable compensation would be measured at two points in time: following publication of the half-year interim results for Fiscal 2021 and following publication of the annual results for Fiscal 2021.

At its meeting held on March 31, 2021, approving the half-year financial statements, the Board of Directors determined the level of achievement of the financial criteria for the first half of the year upon the recommendation of the Compensation Committee as follows:

Criterion	Weighting of targets for the first half	Achievement rate for the first half
Organic growth	20%	100%
Underlying operating profit margin (excluding exchange rate impacts)	20%	100%
Growth in Group net income	10%	100%
Free cash flow	20%	100%
Total financial targets for the first half	70%	100%

Pursuant to the compensation policy, the variable compensation earned under these targets is therefore considered as achieved.

The remaining 30% is contingent upon non-financial targets which will be assessed on a full year basis.

The payment remains subject to shareholder approval at the Annual Shareholders Meeting held to approve the Fiscal 2021 financial statements.

Vesting of shares under the 2017 restricted share plan

On April 20, 2017, the Board of Directors, under its 2017 restricted share plan implemented pursuant to the authorization granted by the Annual Shareholders Meeting of January 26, 2016 in its 14th resolution, decided to grant restricted shares to Denis Machuel, member of the Executive Committee of Sodexo at the time.

The vesting of these restricted shares was notably subject to a four-year vesting period expiring on April 20, 2021 and to the following vesting conditions:

- 40% of the total number of shares granted were subject to a continued presence condition;
- 60% of the total number of shares (hereinafter referred to as “**performance shares**”) granted were subject to a continued presence condition and a performance condition.

The performance condition was defined as follows:

- (i) The vesting of 50% of the performance shares was subject to the average growth in operating profit, before exceptional items and excluding currency impacts, in line with the external objectives of Sodexo, of between +8% to +10% per year for Fiscal 2017, Fiscal 2018, Fiscal 2019 and Fiscal 2020 as follows:

Growth in operating profit <i>(average growth per year for Fiscal 2017, Fiscal 2018, Fiscal 2019 and Fiscal 2020)</i>	Number* of shares acquired <i>(% of the initial number of shares subject to the condition of growth in operating profit)</i>
less than 8% per year	0%
between 8% and 9% per year	30% - 60%
between 9% and 10% per year	60% - 100%
equal to or greater than 10% per year	100%

**Rounded down to the closest whole number*

Given that the average annual growth in operating profit (before exceptional items and excluding currency impacts) was - 10.95%, the operating profit performance condition was not achieved.

- (ii) The vesting of 50% of the performance shares was subject to the performance of Sodexo's TSR (Total Shareholder Return) compared to the CAC40 GR Index (dividends reinvested) as follows:

TSR <i>(between January 25, 2017 and the date of the Annual Shareholders' Meeting called to approve the Fiscal 2020 financial statements)</i>	Number* of Shares acquired <i>(% of the initial number of shares subject to the condition of performance of Sodexo's TSR compared to the CAC40 GR Index)</i>
negative and/or underperformance with respect to the CAC40 GR Index	0%
outperformance with respect to the CAC40 GR Index of between 0% and +8%	10% - 50%
outperformance with respect to the CAC40 GR Index of between + 8% and +12%	50% -100%
outperformance with respect to the CAC40 GR Index of more than + 12%	100%

**Rounded down to the closest whole number*

Sodexo's TSR for the period was 17.7%, compared to 29.6% for the CAC40 GR Index. As a result of this underperformance, the TSR performance condition was not achieved.

Consequently, based on the recommendation of the Compensation Committee, the Board of Directors, at its meeting of March 31, 2021, recognized that:

- 60% of the performance shares granted by the Board of Directors on April 20, 2017 and representing 8,400 performance shares are cancelled as the performance conditions were not achieved;
- 40% of the remaining shares granted by the Board of Directors on April 20, 2017 and representing 5,600 restricted shares, will vest and be delivered on April 20, 2021 subject to continued presence until that date.

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 & 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, 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, CAC 40 ESG, 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
#1 France-based private employer worldwide
64 countries
100 million consumers served daily
12.1 billion euro in market capitalization (as at April 1, 2021)

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