# Fiscal 2021 Universal Registration Document

sodexo

# Contents



Sodexo is committed to the practice of Integrated reporting, based on the recommendations of the International Integrated Reporting Council (IIRC) and the Group's roadmap for corporate responsibility Better Tomorrow 2025.

Managers from various departments within the Group took part in a series of workshops to co-create the report, ensuring there is a common perspective on Sodexo's overall economic, social and environmental performance.

This Fiscal 2021 Integrated Report draws on information from the Universal Registration Document in which it is published.




This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer.

This Universal Registration Document was filed on November 10, 2021 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to article 9 of said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

**This Universal Registration Document is available on Sodexo's website, www.sodexo.com and on the website of the AMF, www.amf-france.org**

As the global leader in Quality of Life services, Sodexo is the daily partner of over 100 million consumers in 56 countries. Since 1966, each day our teams strive to satisfy our customers and consumers, and to create value for all of our stakeholders.

These unprecedented times, in which we have all rallied together to beat the Covid-19 pandemic, have highlighted the value of our essential jobs. With a solid business model and the total dedication of its teams, Sodexo has shown great resilience in this unprecedented and especially challenging context.

By closely observing new consumer behaviors and trends, and to serve the needs and desires of each individual, Sodexo is accelerating its transformation and strengthening its competitiveness to rapidly adapt to the expectations of its clients and consumers and return to solid, profitable, and responsible growth over the long term.

Each of our actions is guided by our mission and values, and our awareness of our impact and responsibilities, which inspire us at every moment to give the best of ourselves to make every day a better day.

# Reconnecting with others

After months of lockdown and in some cases isolation, Sodexo helps create the conditions that restore confidence in a safe return to social bonding. At work, at school and at university, it's often during a coffee break, lunch or in sharing the same workspace that people can meet, get to know one another and have discussions, whether formal or informal. The conviviality and pleasure of living together play a major role in individuals' personal development, and boost their capacity to innovate, as well as the performance and efficiency of organisations. For Sodexo, it also means taking care of others during important moments of life, for example in the hospital or at school, with humanity and *savoir-faire*.


# Caring for our teams so they can care for others

As a business of people taking care of other people, Sodexo is fully committed to ensuring the well-being and safety of its teams. It's by taking care of our own – striving to offer safe, diverse and inclusive work environments and promoting listening, training and professional development – that each of us can be fulfilled and contribute to improving Quality of Life for all. Driver of the Group's development, in the past and in the future, our staff's dedication relies on common values that are shared at all levels and on a strong culture of responsible growth and performance.


# Offering new eating experiences

With increasingly varied options and countless innovations, Sodexo offers its clients and consumers safe and personalized ways to get a meal, anytime and anywhere. The strength of the Sodexo model is based on the flexibility and complementarity of its services, serving consumers every day in their professional and personal lives. With its integrated offering – on-site food services, online ordering, click & collect, meal delivery at work or at home, Meal Pass and more – Sodexo's solutions are adapted to the new expectations of its clients and consumers.

# Combining taste, quality and the pleasure of eating well to live better

Sodexo's teams know that eating well contributes to the well-being, health and individuals' fulfilment. Consumers are paying more attention than ever to what they eat. They can count on Sodexo for balanced, varied and delicious food that is both a source of pleasure and respectful of individuals and the environment. Demonstrating their talent in all locations, chefs and their teams develop varied recipes suited to the ages, needs and expectations of the consumers they serve, whether client employees, schoolchildren or patients, while helping to increase awareness of nutrition and the environment.

# Taking sustainable action for a positive impact on the environment

Faced with the major challenge of climate change, Sodexo started out on the journey as early as 2009 by defining its environmental responsibility roadmap and by becoming in 2017 the first Foodservices company to reduce its carbon footprint throughout its entire value chain. Today, its corporate responsibility ambition extends to its entire ecosystem representing an undeniable advantage for its clients and suppliers, in helping them to achieve their own sustainability goals.


# Acting every day for the development of all

Since Sodexo's founding, the economic, social and environmental development of the communities, regions and countries in which it operates has been central to its mission and inseparable from the performance requirements it sets itself. Each and every day, the teams strive to provide sustainable and responsible value to all stakeholders by contributing to client performance and societal progress, being attentive to supply chains, supporting consumer purchasing power and partner operations and demonstrating solidarity and commitment that closely match needs.


# Interview with **Sophie Bellon,** Chairwoman of the Board of Directors and Interim Chief Executive Officer

**You have announced very solid annual results. Has Sodexo emerged from the Covid-19 crisis?**

"Solid" is the right word – we have been resilient, as activity has picked up. We exceeded our revenue and profitability targets for Fiscal 2021, with a progressive recovery quarter on quarter. We have also continued to progress towards our non-financial goals, such as gender equality – today, 43% of Group senior executives are women – and reducing food waste, which was nearly halved at the close to 900 sites where we have rolled out our WasteWatch program. And I would like to take this opportunity to recognize the outstanding work of our teams last year, in a context that remained very challenging.

As a result of the renegotiation of many contracts, strict cost control and the contribution from our GET efficiency program, and despite lower revenues again in Fiscal 2021, our Underlying operating margin came to 3.3% for the year, compared to 2.9% in the previous year. Our financial situation is solid, with a robust balance sheet and very strong cash flow. And we propose to resume our dividend policy this year.

Some of our operations were naturally hit harder than others by the health crisis: for instance, people are returning to offices and convention centers only gradually, while in the Healthcare, Seniors, Schools and Benefits & Rewards Services, by the fourth quarter of Fiscal 2021, activity was back up to the levels in Fiscal 2019. We are on track to regain our pre-pandemic performance and then, over the medium term, exceed it. Today, our teams are focused more than ever on our fundamentals: client retention, growth opportunities, operational excellence, employee engagement and, above all, consumer satisfaction.

On this last point, consumer power has developed even more during the pandemic, and the expectations of our clients and end-users of our services have evolved. And now even more than before the crisis, companies are perceived as legitimate, and even indispensable, players when it comes to social impact and social and environmental responsibility.

Clearly, the pandemic has amplified structural trends on our activities and professions.



**What are Sodexo's main challenges now?**

Our top challenge is to resolutely pivot toward a B2B4C model. To this end, we have been taking stakes in or acquiring firms such as *Nourish* in the U.S., *Meican* in China, *FoodChéri* in France, *Fooditude* in the UK, as well as entering global partnerships with major delivery players. By developing our value proposition *Vital Spaces*, designed to help our clients rethink the conditions and ways of working of their employees at a time when hybrid work models are becoming the norm, we are positioning ourselves as a key player in the work-space environment.

The pandemic has impacted our consumption habits. Supporting the users of our services every day involves getting to know them better and interacting more and more directly with them. Continuing to implement our digital transformation throughout our entire value chain is therefore another major goal for Sodexo. It is a prerequisite if we are to keep being innovative. It is what our clients expect, and it is essential for increasing the perceived value of our services.

Ensuring that the allocation of our resources is systematically oriented to the most promising markets, in line with our strategic choices, is another priority for Sodexo. Being selective is what will allow us to continue our development and grow profitably over time. This, in turn, is essential to being a fully responsible company, which has been a key part of our mission since the very beginning. It will also help us accelerate the implementation of our CSR roadmap, Better Tomorrow 2025.

But of course, our teams are the first of our priorities. The pandemic has only confirmed my belief that it is above all in the field, in contact with our clients and the 100 million individuals that we touch every day, where we reveal the true value of our services. Excellence in the management of our human resources is an essential condition for our success.

**In July, you announced you were launching a search for a new Chief Executive Officer. What are your priorities for this transition period?**

Of course, identifying the future CEO of Sodexo is one of the top priorities for our Board of Directors. But in no way is "transition" synonymous with "inertia". We are beginning a new stage of Sodexo's development. We are taking action straight away to increase our competitiveness and accelerate our transformation to secure solid, profitable and responsible growth over the long term.

Some of the countries where we operate offer major growth potential for Sodexo. In particular, we want to boost our growth in the United States, which represents 39% of our revenues and is our leading market.

We are also accelerating the transformation of our food models. There is growing demand for organic, local and plant-based options. Production methods are changing too: we have several projects underway in areas as fundamental as responsible purchasing, centralized production and logistics optimization. And we want to offer our guests an increasingly fluid and convenient experience in terms of ordering, payment and delivery.

We are determined to manage our portfolio of services and activities more actively. Our partnership with the French company Grandir, in which we agreed, this year, to combine our global childcare activities with the expertise of a recognized sector leader, is one example of this approach. We also want to give our Benefits & Rewards Services the means to achieve full potential.

Finally, we are committed to maintaining the agility and pragmatic approach that we harnessed throughout the pandemic. Achieving the right balance between global and local levels requires any company to make ongoing adjustments, and this is especially true for a company with activities and markets as diverse as ours. We need to give our teams in the field greater freedom of action. It is a must if we are to improve our organization's effectiveness.

**You have mentioned acceleration and transformation. Will Sodexo's values and mission remain relevant?**

Sodexo is controlled by a family shareholding. This is a strength as it guarantees the Group's independence and stability over the long term. It enables us to perpetuate our founding mission, amazingly forward-looking when it was created back in 1966 and still completely relevant today, to improve the quality of life of our employees and those we serve, and contribute to the economic, social and environmental development of the communities, regions and countries in which we operate.

Our family ensures the continuity of this mission and the founding values of service spirit, team spirit and spirit of progress. These are the strong fundamentals upon which we have built the success of Sodexo. They are embodied by our teams who, each and every day, are the face of Sodexo for our clients and for the users of our services. This is because we are first and foremost a company of women and men, at the service of other women and men.

This mission and these values expressed by all of our teams are the solid foundation that we draw support from as we work to accelerate our transformation. They allow us to look to the future with confidence and determination.

# PROFILE

# The global leader in Quality of Life services

## Solid fundamentals

Operating in 56 countries, with notably recognized leadership in developing economies, Sodexo adapts its integrated offering to local needs while providing consistent, high-quality service around the world.
Its services create value for clients and improve the daily lives of consumers while meeting its economic, social and environmental commitments.

Sodexo's success and performance is made possible by its independence, its sustainable and responsible business model and its ability to ensure the professional development and commitment of its 412,000 employees around the world.

## A unique service portfolio

Founded in 1966 by Pierre Bellon, Sodexo is the only company in the world with a unique client offering of **On-site Services, Benefits & Rewards Services** and **Personal & Home Services**, the result of over 50 years of experience and an essential factor in the performance of individuals and organizations.

## An unchanged mission

From the very start, our mission has been to improve the quality of life of our employees and those we serve, and contribute to the economic, social and environmental development of the communities, regions and countries in which we operate.

### KEY FIGURES

As of August 31, 2021

**412,000**
EMPLOYEES IN 56 COUNTRIES

**€17.4 billion**
IN CONSOLIDATED REVENUES

**100**
MILLION CONSUMERS SERVED DAILY

**€10.3 billion**
IN MARKET CAPITALIZATION

**#1**
FRANCE-BASED PRIVATE EMPLOYER WORLDWIDE(1)

**78.3%**
EMPLOYEE ENGAGEMENT RATE(2)

**1.3**
MILLION AFFILIATED MERCHANTS

LISTED ON THE **CAC NEXT 20, CAC 40 ESG, FTSE4GOOD** AND **DJSI INDEXES**

Source: Sodexo

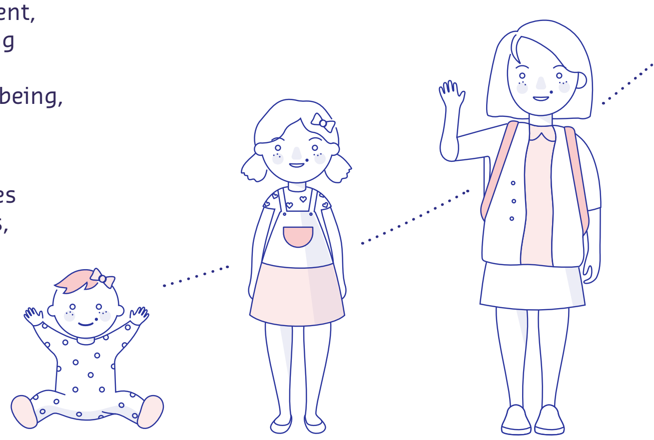
1 2021 Forbes Global 2000 ranking.
2 2021 employee engagement survey sent to 336,183 Group employees, of whom 63% responded.

# A unique range of services

**With its three business activities, Sodexo offers a wide range of services meeting the needs of its clients, assisting consumers at every stage in their life.**

Whether eating a healthy lunch at work, in a restaurant or at home, working efficiently and safely in a well-designed space, organizing daily life for a better work-life balance, or enjoying a unique experience at a cultural or sporting event, Sodexo has been helping to improve these moments of daily life. From childhood to professional life to retirement, Sodexo is focused on delivering a positive impact not only on individual health and well-being, but also on ecosystems, cities and the planet.

Sodexo leverages the synergies that exist among its activities, in particular in business development and global brand awareness, and offers diverse opportunities to its employees.



**ON-SITE SERVICES**

Increasing efficiency and well-being at the workplace, caring for patients at hospitals, fostering an optimal learning environment at schools, providing safety and comfort on a remote site: our Foodservices, whether on site or in a specific environment, and our Facilities Management services improve quality of life for millions of consumers and enable clients to improve their performance.

**EDUCATION** (Schools/Universities)

Sodexo helps learning institutions foster a fulfilling educational environment in schools and on campuses while enabling universities to boost their attractiveness. Offering educational solutions and tools, the Group also supports clients in their infrastructure design and renovation projects.

**BENEFITS & REWARDS SERVICES**

With its range of nearly 250 products and services, Sodexo brings personalized employee experiences to life, which improve the quality of life at work and beyond, and contribute to business performance. Clients can count on innovative solutions, such as multi-advantage card solutions, to attract, retain, engage, and support work-life balance or also improve the health and well-being of their teams.

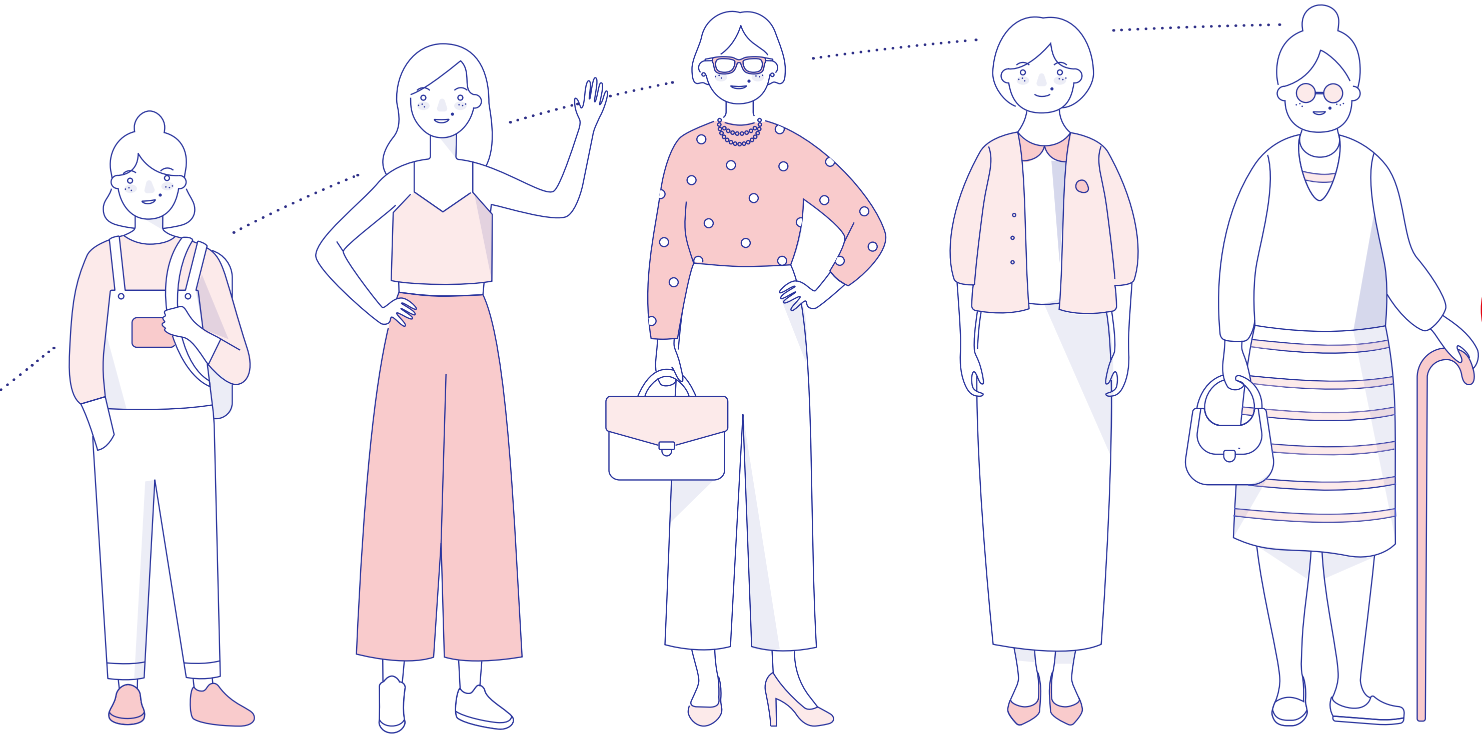
**PERSONAL & HOME SERVICES**

The Group operates in three areas: Childcare services, designed to take care of the youngest children while making life easier for parents; Concierge services, to enhance the development and well-being of clients' employees; and Homecare services, to make life easier for seniors and adults who want to maintain their independence while enjoying the comfort of their home.

**CHILDCARE***

Sodexo is able to offer children a variety of activities that reveal and stimulate their potential while providing parents with the conditions for a fulfilling parenthood ideally balanced between personal and professional life.

* On July 27, 2021, Sodexo announced it had entered into exclusive negotiations to combine its Childcare activities with those of the Grandir Group, a move aimed at creating a global early education leader in which Sodexo will maintain a minority stake.





HEALTHCARE & SENIORS

Alongside healthcare professionals and throughout the entire care experience, Sodexo offers equipment engineering, clinical infrastructure solutions and a range of value-added integrated services designed to improve the quality of life of patients and seniors in residences or healthcare facilities.

**BUSINESS & ADMINISTRATIONS** (Corporate Services, Energy & Resources, Government & Agencies, Sports & Leisure, Others)

Sodexo promotes quality of life at work through customized solutions that help businesses, public institutions, managers of prestigious venues and organizers of major events to create welcoming, creative, effective and innovative solutions, for all audiences, employees or visitors, even under challenging conditions.

EMPLOYEE BENEFITS

From Meal Pass to Gift Pass, Sodexo offers its clients innovative and personalized solutions to improve the quality of life of their employees, as well as services aimed at recognizing their efforts: incentive and recognition programs, professional development tools, etc.

SERVICES DIVERSIFICATION

Sodexo offers simple and easy-to-access solutions designed to meet various mobility, health and wellness challenges, such as fuel cards and Mobility Passes.

HOMECARE

Sodexo offers care and customized support services along the entire continuum of care, whether for an aging senior, a patient requiring skilled hospital care or a person with a disability or chronic illness.

CONCIERGE SERVICES

With its Circles physical and digital concierge services, Sodexo makes life easier for consumers while improving client organizations' productivity, performance and attractiveness.

# Mission & values

## Our mission

Improve the quality of life of our employees and those we serve, and contribute to the economic, social and environmental development of the communities, regions and countries in which we operate.

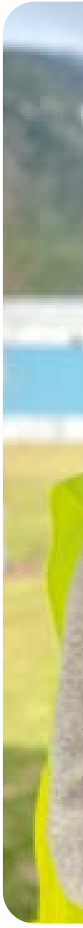
## Our values

SERVICE SPIRIT

TEAM SPIRIT

SPIRIT OF PROGRESS

This mission and these values are embodied daily through the commitment of our 412,000 employees, operating in our 3 business activities in 56 countries.




"Most patients come to hospitals feeling nervous or worried. It's our duty to make their stay as comfortable and pleasant as possible. They can count on us for creating tasty and nutritious meals and being by their side as they heal."

**David Moorhouse**
Head Chef Healthcare
Nuffield Health Hospital,
Sodexo UK & Ireland,
On-site Services

— At Nuffield Health Hospital in Leeds, David Moorhouse leads a team of 20 employees that make it their purpose to ensure the comfort and well-being of the scores of patients they serve every day. Each and every meal is made fresh and in-house, and the menu changes regularly to feature seasonal and regional specialities. David takes inspiration from different UK regions and abroad to elaborate the perfect meal. Using his 25 years of experience, he brings flavors and ingredients that delight patients and provide comfort during their stay. He is also proud of the daily commitment and focus of his team, being the first UK site to implement WasteWatch to limit food waste in the kitchen, reduced by 27% in just 10 months.

— David knows that communication and teamwork are key to achieving success and ensuring safety. To deliver exceptional service, David and his team have regular visits with patients and work closely with the Nuffield Health team and doctors to truly improve the patient journey through the culinary experience. To encourage vocations and the sharing of expertise, the team welcomes young apprentices to come and explore a culinary career, providing a pathway and real-world experience for the next generation of chefs.

"We devote a lot of time and energy to finding appropriate solutions and cultivating close relationships. Our clients know they can entrust us with their day-to-day tasks, and more, so they can focus their energy on their assignments, without unnecessary stress."

**Jennifer Tsé**
District Manager
Cedar Valley Lodge,
Energy & Resources,
Sodexo Canada,
On-site Services

— Cedar Valley Lodge, a world-class liquefied natural gas project center is a nearly 1.2 million square foot facility that accommodates up to 4,500 workers. This best in class accommodation is located at the heart of LNG Canada in Kitimat (British Columbia). Jennifer and her team of more than 30 managers and 200 employees strive to improve the daily lives of users, most of whom are far from the comfort of their homes, by offering multiple services essential to the proper management of such a project and to the quality of life of everyone: from catering services to accommodation, to the facilities maintenance and management of social areas such as a theatre, a gymnasium and an entertainment center. Every day, her team pays attention to each and every detail, whether it be in taking care of the environment, consumers, or collaborating with the Indigenous communities with which the project has been developed.

— Despite the impressive size of the site, the Sodexo team deploys its talents to deliver personalized experiences, and it's this great attention to detail that makes all the difference in this extraordinary environment. To further improve the on-site experience and easily meet the needs of everyone, Sodexo has deployed *MyWay*, a unique, multifunctional app that allows users to view events, activities, daily menus, reserve spaces, etc. Faced with the Covid-19 pandemic, this solution has been a great help in allowing users to feel safe and supported, and provide a sense of normality in everyday life.

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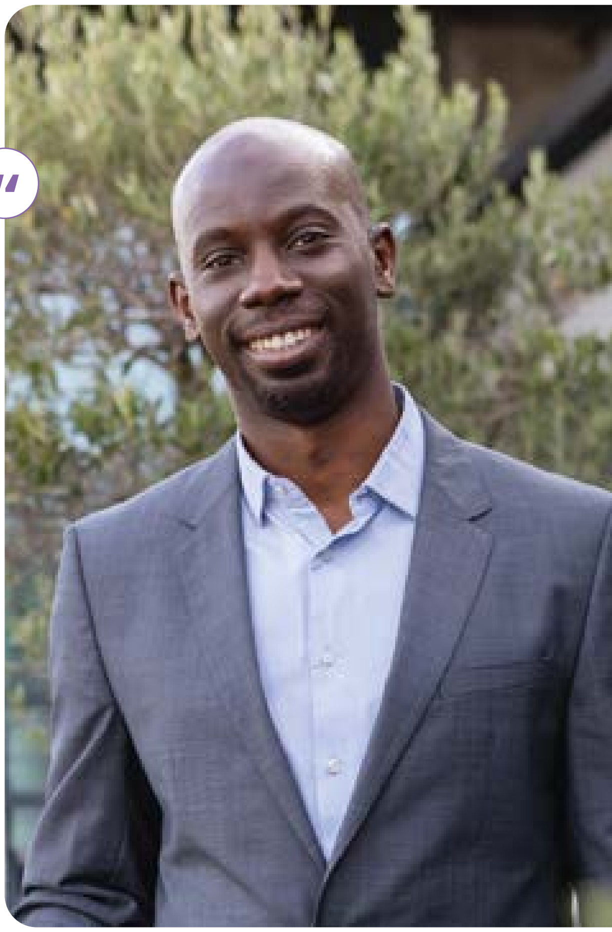
— In daily contact with business leaders faced with changes in how people work together, Oumar knows what assisting a client involves. His main task is to help businesses introduce comprehensive solutions that improve quality of life for their employees, whether they're working at the office or from home.

— For this accomplished athlete, working in a group that cultivates a culture of teamwork and innovation is of utmost importance. The most satisfying thing is the quality and relevance of the business offering, made possible by Sodexo's many types of expertise and the fact that it's the only player in its market to have an integrated offering comprising Foodservices, delivery and restaurant voucher solutions. This 360° collaboration within the Group, accelerated by the pandemic, offers each client a different custom-designed solution in line with employee expectations and the corporate culture. With his wide-ranging responsibilities, which go from rolling out solutions for staff and employee representative committees to monitoring action plans designed on the basis of data analysis, it is with great pride and unwavering enthusiasm for the next challenges that Oumar makes a daily contribution to the employer brand as well as the well-being and performance of their staff.

"At a time when traditional ways of working together are having to be reinvented, we're more dedicated than ever to supporting our clients. With Sodexo's unique model, we're able to provide them, and consumers, with solutions tailored to these new uses."

**Oumar Sow**
Strategic Accounts
Manager in Île-de-France,
Sodexo Pass France,
Benefits & Rewards
Services



# Long-term vision ensured through founding family shareholding

**Sodexo's independence is ensured through the shareholding of Mr. and Mrs. Pierre Bellon and their children, who control 72.6% of the family holding company, Bellon SA. This family-held control guarantees a long-term vision and is key to Sodexo's success. As of August 31, 2021, Bellon SA held 42.8% of Sodexo's capital and 57.2% of the exercisable voting rights.**

**PIERRE BELLON**

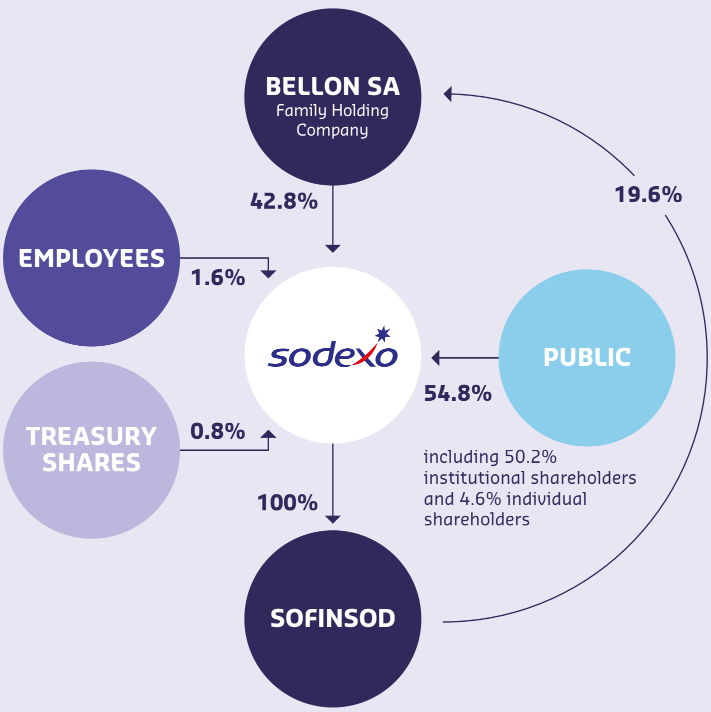
Chairman Emeritus
Founder of Sodexo
and Chairman
of the Supervisory
Board of Bellon SA

In June 2015, Mr. and Mrs. Pierre Bellon and their children entered into a 50-year agreement, which prevents the direct descendants of Sodexo's founder from freely disposing of their shares in Bellon SA.
The sole asset of Bellon SA is its holding in Sodexo shares and Bellon SA does not intend to sell this shareholding to third parties.
This independence enables the Company to sustain its values, focus on a long-term strategy and ensure long-term sustainability.
Since the creation of Bellon SA, the sustained commitment to building a truly international organization, nurturing lasting client relationships and developing a successful integrated offering has reflected this vision.

To ensure this independence, a service agreement was concluded in 1991 between Sodexo and Bellon SA, to consolidate the position of Bellon SA as the Group's managing holding company. Under the terms of this agreement, which will be submitted for renewal at the upcoming Shareholders Meeting, Bellon SA put at Sodexo's disposal, without any additional cost, three of its managers holding the positions of Chief Financial Officer, Chief People Officer and Chief Growth Officer. This enables Sodexo to benefit from the strong expertise of these managers, who ensure the dissemination within the Group of the long-term responsible vision and values defined by Pierre Bellon at the creation of the Group. Providing Sodexo with a truly strategic advantage, this agreement guarantees the family business model, creating sustainable value for all stakeholders.

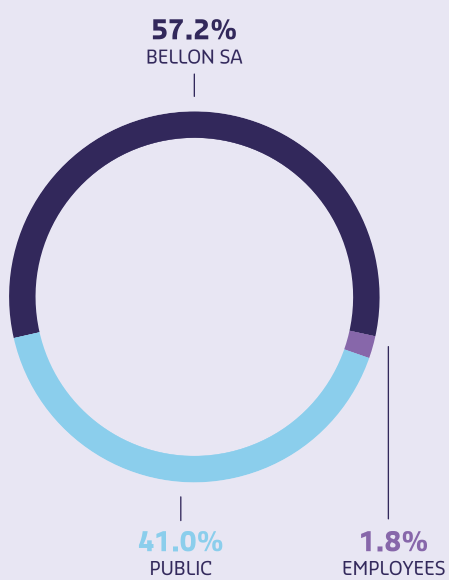
**CAPITAL STRUCTURE**

As of August 31, 2021




**DISTRIBUTION OF EXERCISABLE VOTING RIGHTS**

As of August 31, 2021




For more information, see Chapter 6 of the Universal Registration Document.

# An independent Board of Directors

**Under the leadership of Chairwoman Sophie Bellon, the Board of Directors determines the strategic orientation of the Company.**

The Board pays special attention to the selection of its members. In addition to their ability to represent the interests of all shareholders, Board members must also have the necessary skills, experience and mastery of strategic issues faced by the markets in which the Group operates. The Board strives to have as much diversity as possible among its members and to reflect the various geographic regions in which the Group is present. It also ensures that a range of technical skills are represented and that its members include individuals who know the Group's operations well.



## BOARD OF DIRECTORS

As of August 31, 2021

FAMILY DIRECTORS

**Sophie Bellon**
Chairwoman of the Board

**François-Xavier Bellon**
Chairman of the Management Board of Bellon SA

**Nathalie Bellon-Szabo**
Chief Executive Officer, Sodexo Sports & Leisure, On-site Services

INDEPENDENT DIRECTORS

**Emmanuel Babeau**
Chief Financial Officer, Philip Morris International

**Françoise Brougher**
Independent Director

**Federico J. González Tejera**
Chief Executive Officer, Radisson Hotel Group

**Véronique Laury**
Independent Director

**Luc Messier**
President of Reus Technologies LLC

**Sophie Stabile**
Chief Financial Officer, Lagardère; Chairwoman of the Audit Committee

**Cécile Tandeau De Marsac**
Chairwoman of the Compensation and Nominating Committees

EMPLOYEE REPRESENTATIVES

**Philippe Besson**
Head of Projects and Sponsorship, Sodexo France

**Cathy Martin**
Regional Manager, Sodexo Canada

Audit Committee member

Compensation Committee member

Nominating Committee member

During the Fiscal 2021 Shareholders Meeting of December 14, 2021, the renewal of François-Xavier Bellon is proposed to the shareholders vote, as well as the appointment of Jean-Baptiste Chasseloup de Chatillon as independent director. Emmanuel Babeau has decided not to seek reelection.

**Jean-Baptiste Chasseloup de Chatillon**
Executive Vice President, Chief Financial Officer, Sanofi

**Key figures as of August 31, 2021**

| | | | |
|---|---|---|---|
| **12** members | **2** directors representing employees | **4 years** on average in office for independent directors | **60%** women* |
| **70%** independent directors* | **4** nationalities | **95%** average attendance | **57** average age |

* Excluding directors representing employees.

For more information on the governance and the activities of the Board and its Committees, see Chapter 6 of the Universal Registration Document.

# Ethics at the heart of the Group's governance and commitments

**Ethics are essential to Sodexo's success and a fundamental pillar of its commitments to responsible business conduct. Sodexo's management has zero tolerance for abusive practices, such as corruption or human rights violations. Sodexo is, and will continue to be, a company that employees, clients, consumers, partners and other stakeholders can trust.**

## TO MAINTAIN THIS TRUST, SODEXO'S EMPLOYEES AND PARTNERS AGREE TO COMPLY WITH THE ETHICAL PRINCIPLES THAT GUIDE ITS ACTIVITIES:

### LOYALTY

Working to improve quality of life means making trust central to our relationships. Sodexo is built on a solid foundation of loyalty to its clients, employees and shareholders, and on honest and open relationships with them. Loyalty is one of the cornerstones of how our business operates.

### RESPECT FOR PEOPLE

Humanity is central to our business. Sodexo is committed to acting in favor of equal opportunity, regardless of ethnicity, age, gender, beliefs, religion or sexual orientation. Improving quality of life means treating each individual with respect, dignity and consideration.

### TRANSPARENCY

This is a key principle for Sodexo that applies consistently with all stakeholders: clients, consumers, employees, shareholders and the general public. We ensure that all are informed in a clear and precise manner about our products, services, commitments and performance.

### INTEGRITY

We condemn and refuse to tolerate any practices that are not based on honesty, integrity and fairness, regardless of where our business operates in the world. We make our position clear to our clients, suppliers and employees, and expect them to reject corrupt and unfair practices.

## CENTRAL TO ITS VALUES AND ETHICAL PRINCIPLES, RESPECT FOR HUMAN RIGHTS IS A PILLAR OF SODEXO'S COMMITMENT TO BUSINESS INTEGRITY AND ESSENTIAL TO ITS MISSION.

Sodexo conducts its business in a manner that does not infringe upon the human rights of others and works to identify, prevent and mitigate any adverse impacts that may result from its business activities. All employees and partners are expected to observe this commitment, which is based on the international human rights principles set forth in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and on the United Nation's Guiding Principles on Business and Human Rights. No one can truly be exemplary unless they are exemplary in their own organization. This is why Sodexo guarantees all its employees common working standards as outlined in its Fundamental Human Rights at Work charter.

### SODEXO SPEAK UP ETHICS LINE

Since it is our duty to always be attentive and improve the way we uphold our principles, Sodexo provides its employees and partners with a confidential system, available 24/7, that they can use to alert us to any activities or behavior that goes against our Code of conduct: **speakup.sodexo.com**

# A management team mobilized to face post-Covid issues

The Executive Committee implements the strategic orientations established by the Board of Directors and oversees Sodexo's operations worldwide. This diverse team combines cross-functional expertise and skills representative of all the Group's activities, segments and geographic regions. During the transition period until the arrival of a new CEO, a Transition Committee with a team composed of 12 people and chaired by Sophie Bellon has been put in place. Its objective is to accelerate the return to profitable growth, in particular by steering the implementation of the Group's short-term priorities and the performance of the Company.



**Sophie Bellon**
Interim Chief Executive Officer

## THE EXECUTIVE COMMITTEE

As of November 1, 2021

TRANSITION COMMITTEE

**Anne Bardot**
Group Chief Communications and Public Affairs Officer

**Nathalie Bellon-Szabo**
Chief Executive Officer, Sports & Leisure, On-site Services

**Johnpaul Dimech**
Chief Executive Officer Geographic Regions, Region Chair, Asia Pacific, On-site Services

**Sean Haley**
Region Chair UK & Ireland, On-site Services ; Group Chief Executive Officer of Service Operations

**Sylvia Metayer**
Group Chief Growth Officer

**Sarosh Mistry**
Region Chair, North America, On-site Services

**Sunil Nayak**
Chief Executive Officer, Corporate Services, On-site Services

**Anna Notarianni**
Region Chair, France, On-site Services

**Marc Plumart**
Chief Executive Officer, Healthcare & Seniors, On-site Services

**Marc Rolland**
Group Chief Financial Officer

**Aurélien Sonet**
Chief Executive Officer, Benefits & Rewards Services

**Annick de Vanssay**
Group Chief People Officer*

**Tony Leech**
Chief Executive Officer, Government & Agencies, On-site Services

**Belen Moscoso Del Prado**
Group Chief Digital & Innovation Officer

**Didier Sandoz**
Chief Executive Officer, Corporate Responsibility and Personal & Home Services

**Simon Seaton**
Chief Executive Officer, Energy & Resources, On-site Services

**Bruno Vanhaelst**
Group Chief Sales and Marketing Officer

Key figures as of October 1, 2021

| 39% | 44% | 8 | 3 years | 54 |
|---|---|---|---|---|
| WOMEN | NON-FRENCH | NATIONALITIES | AVERAGE SENIORITY IN THE EXECUTIVE COMMITTEE | AVERAGE AGE |

* During the transition period.

For more information on Sodexo's governance, see Chapter 6 of the Universal Registration Document.

# Milestones in the Group's growth

**Since 1966, Sodexo has been dedicated to the goal of improving quality of life, convinced of its contribution to both higher organizational performance and societal progress. This consistent focus is the bedrock for sustainable and profitable growth which provides continuous development opportunities to its employees.**

**1966**
Sodexo founded by Pierre Bellon

**1967**
First multi-service contract for the management of CNES (French Space Agency) in Guyana

**35 countries**
Development in Belgium, Italy, Spain, Africa and the Middle East

**1975**
Opening of foodservices in schools and hospitals

**1976**
1st meal voucher

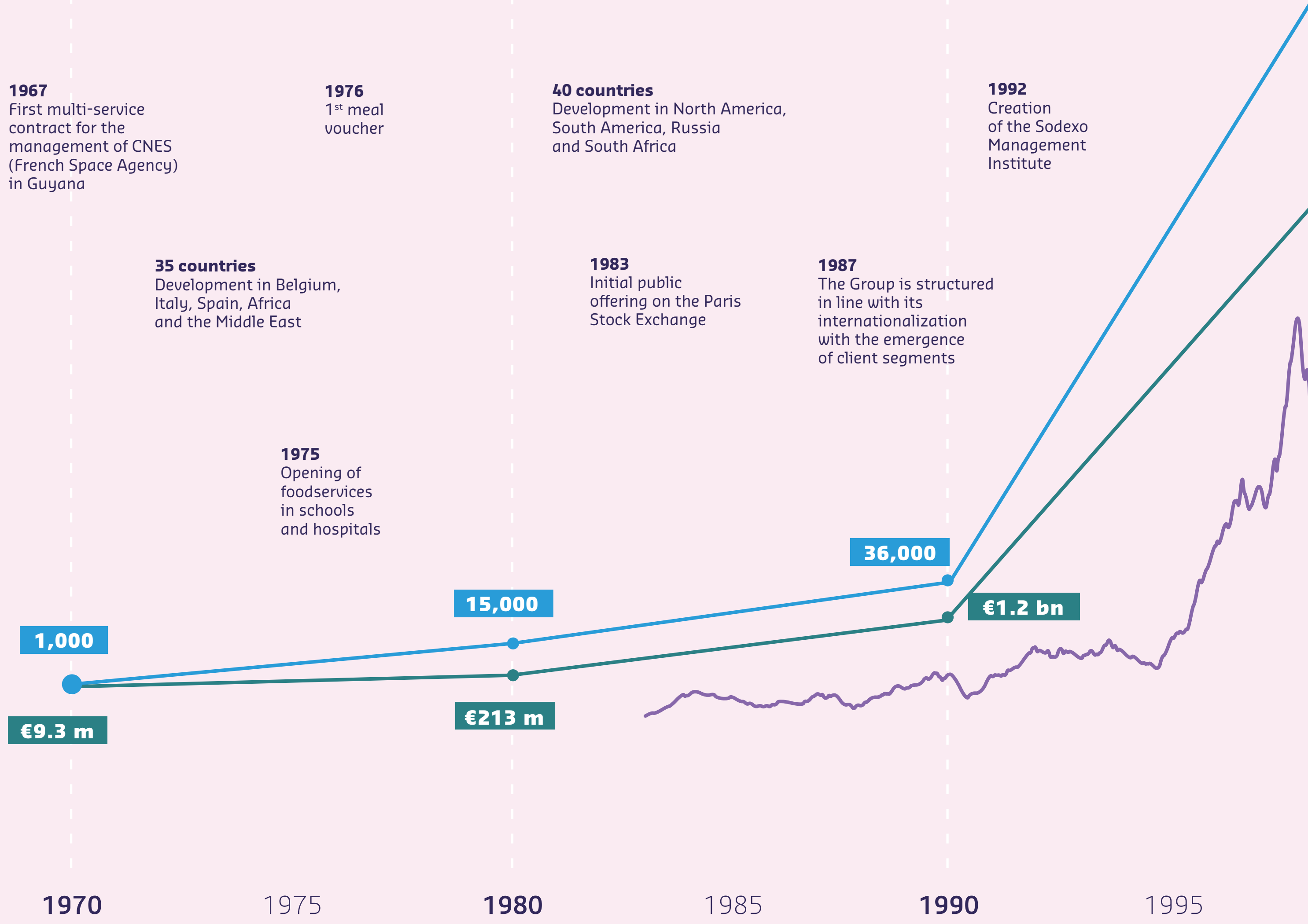
**40 countries**
Development in North America, South America, Russia and South Africa

**1983**
Initial public offering on the Paris Stock Exchange

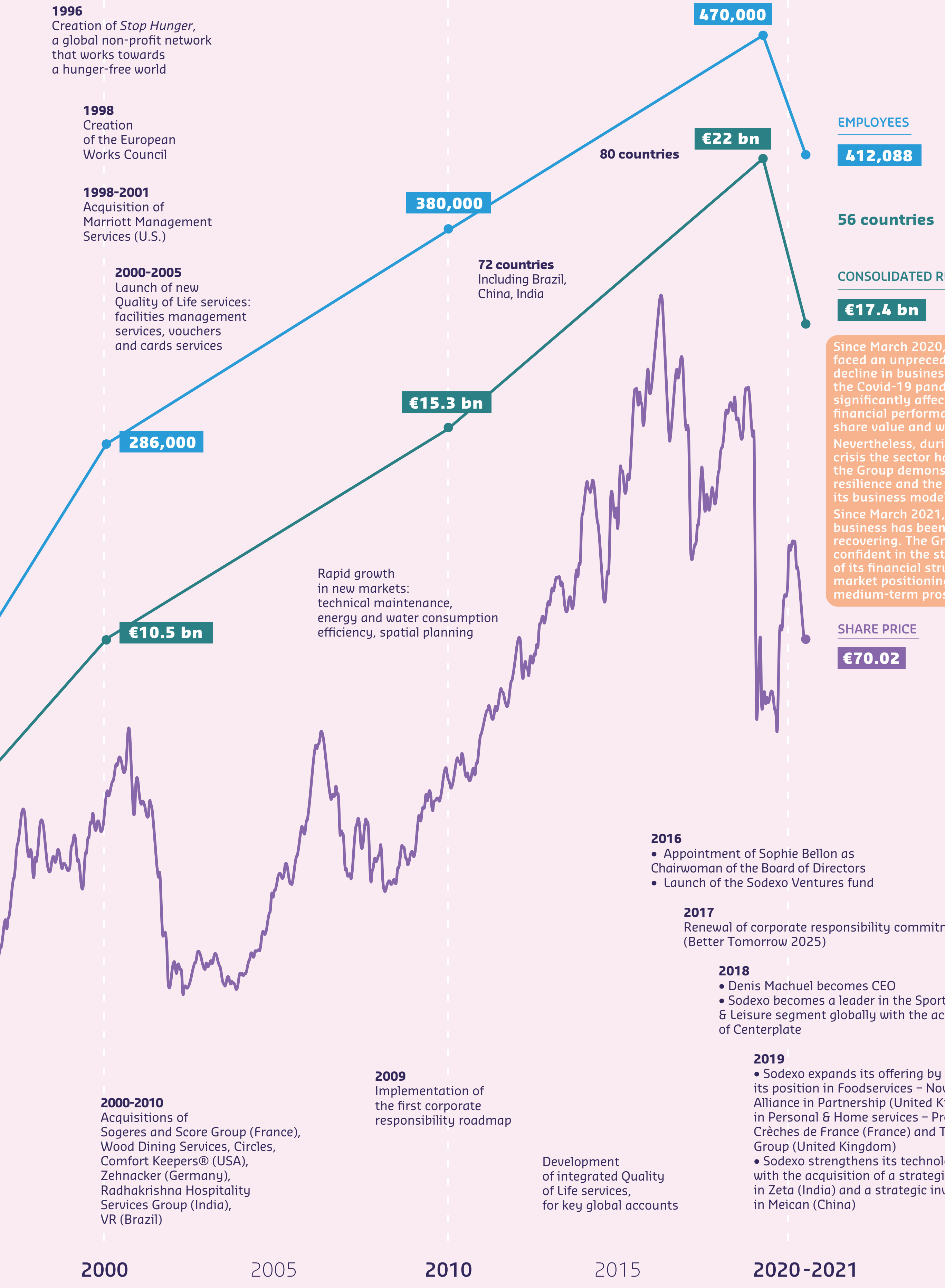
**1987**
The Group is structured in line with its internationalization with the emergence of client segments

**1992**
Creation of the Sodexo Management Institute

**1995**
Acquisitions of Gardner Merchant (UK) and Partena (Sweden)



As of August 31, 2021




**1996**
Creation of *Stop Hunger*, a global non-profit network that works towards a hunger-free world

**1998**
Creation of the European Works Council

**1998-2001**
Acquisition of Marriott Management Services (U.S.)

**2000-2005**
Launch of new Quality of Life services: facilities management services, vouchers and cards services

Rapid growth in new markets: technical maintenance, energy and water consumption efficiency, spatial planning

Since March 2020, Sodexo faced an unprecedented decline in business due to the Covid-19 pandemic, significantly affecting its financial performance, share value and workforce.

Nevertheless, during the worst crisis the sector has ever seen, the Group demonstrated its resilience and the relevance of its business model.

Since March 2021, Sodexo's business has been gradually recovering. The Group remains confident in the strength of its financial structure, market positioning and medium-term prospects.

**2016**
- Appointment of Sophie Bellon as Chairwoman of the Board of Directors
- Launch of the Sodexo Ventures fund

**2017**
Renewal of corporate responsibility commitments (Better Tomorrow 2025)

**2018**
- Denis Machuel becomes CEO
- Sodexo becomes a leader in the Sports & Leisure segment globally with the acquisition of Centerplate

**2019**
- Sodexo expands its offering by strengthening its position in Foodservices – Novae (Switzerland), Alliance in Partnership (United Kingdom) – and in Personal & Home services – Pronep (Brazil), Crèches de France (France) and The Good Care Group (United Kingdom)
- Sodexo strengthens its technological capabilities with the acquisition of a strategic minority stake in Zeta (India) and a strategic investment in Meican (China)

**2000-2010**
Acquisitions of Sogeres and Score Group (France), Wood Dining Services, Circles, Comfort Keepers® (USA), Zehnacker (Germany), Radhakrishna Hospitality Services Group (India), VR (Brazil)

**2009**
Implementation of the first corporate responsibility roadmap

Development of integrated Quality of Life services, for key global accounts

# STRATEGY

# Essential services for the short- and long-term

**Beyond the current crisis, preparing for the long-term future means integrating the world's great transformations. Sodexo constantly fine-tunes its strategy by defining and analyzing major megatrends with demographic, social, environmental, economic and technological implications.**



THE MAJOR CHANGES IN OUR MARKETS ARE AS FOLLOWS:

### DEMOGRAPHIC CHANGES

Developed countries are faced with rapidly aging populations due in part to slow population growth and an increase in life expectancy. Meanwhile, developing countries are expected to achieve 18.5% average population growth between 2015 and 2030[(1)].

### URBANIZATION

Rapid urbanization is contributing to the increase in GDP per capita, but the emergence of mega-cities (>10 million inhabitants) is creating enormous economic and social challenges. Urbanization projects are expected to be impacted in the short term but will continue to expand in the long term.

### EMERGING MIDDLE CLASSES

Education and technology are transforming consumer modes and habits. The middle classes, whose purchasing power is on the rise and which will represent most consumers by 2022, are dedicating an increasing share of their budget to health and wellness, leisure and culture.

### GLOBALIZED ECONOMY

Capital, information and talent are now interconnected, providing companies with new sources of growth. However consumers are also increasingly favoring local products and convenience services.

### DEVELOPING ECONOMIES

Developing markets are creating wealth for millions of people. Their weight in the world economy is increasing due to rapid population growth – seven times faster than that of developed countries – and the rise of the middle class.

### PUBLIC DEFICITS

Between now and 2030, heavy Covid-related public deficits will continue to strongly impact public policies and taxation. The weight of public debt should lead governments to consider more efficient ways to provide public services and to outsource certain services.

### ENVIRONMENTAL ISSUES AND RESOURCE SCARCITY

8.6 billion inhabitants by 2030: the demographic boom is putting pressure on natural resources, heightening global warming and disrupting traditional consumer models. The Covid-19 pandemic has raised awareness of this issue.

### EMPOWERED CONSUMERS

Consumers and clients now have unlimited access to information and expect personalized services and experiences. The current crisis has definitely accelerated this trend, empowering consumer communities.

### DIGITAL TRANSFORMATION

The development of technology is disrupting the relationship between companies and users and generating new expectations. As the value of data grows, offering new insights and usages, companies are able to increasingly personalize their offering.

### OWNERHIP VS. USE

Why buy if you can subscribe or rent? Collaborative platforms are revolutionizing business models and buying behaviors. The lower capital intensity of these business models can accelerate growth.

### THE FUTURE OF WORK

Disruptive technologies such as artificial intelligence, robotics and the Internet of Things are all profoundly transforming the working world. To succeed, businesses must support employability and attract talent.

1 Roland Berger Trend Compendium, UN DESA.

# Competitiveness and transformation for profitable and responsible growth over the long term

**In a context marked by the unprecedented Covid-19 crisis and customers' and consumers' changing expectations, Sodexo is strengthening its competitiveness and accelerating its transformation to return to solid, profitable and responsible growth over the long term.**

**Sodexo's strategy incorporates some external factors: major long-term global trends such as aging populations, increasing urbanization, the development of the middle classes or even trends more specific to its sector of activity, such as the increasing outsourcing of services, new patterns of consumption, and the rise of hybrid working habits. It also relies on the analysis of the dynamics in place in its competitive environment.**

The strategic exercise that integrates these various elements allows Sodexo to optimize its value proposition and the positioning of each of its activities in their market as well as its value chain. It also helps align the allocation of resources and required skills with strategic priorities. Thus, three main axes have been defined.

## STREAMLINING THE ORGANIZATION AND THE SERVICE PORTFOLIO TO INCREASE EFFICIENCY

To strengthen its competitiveness and increase its agility, Sodexo is continuing and accelerating the momentum started in 2018. The Group, which has already reduced its international presence from 80 countries in 2018 to 56 countries at the end of Fiscal 2021, is continuing to optimize its geographical locations by focusing on regions for which the growth potential is the greatest. Because they represent essential drivers of innovation for the future, the Group intends to strengthen its efforts in the United States to gain leading, sustainable and profitable market shares.

Sodexo is also embarking on a program to optimize and simplify its central structures, including transitioning from 12 to 7 regions and pooling support functions. Coming out of the crisis linked to the Covid-19 pandemic, in its portfolio review the Group takes care to ensure that each of its activities benefits from an optimal positioning in its market. Thus, in July 2021, Sodexo announced that it had entered into exclusive negotiations to combine its childcare activities, including *Liveli* in France, with those of the Grandir group, to become a global early education leader with broad geographic coverage. The Group also ceded control of *Rydoo*, its mobility and professional expense management solution, to an international investment company to enable the development of its business model.

The GET efficiency program, announced in November 2020, aims to enable Sodexo to be more agile and efficient, closer to the needs of the field. Designed to protect the gross margin by adapting the on-site cost structure to new post-pandemic activity volumes, at the same time this program also aims to structurally reduce SG&A over the long term by simplifying the Group's structures to free up capacity for investment in growth and to improve margins. At the end of Fiscal 2021, the exceptional costs of this program amount to 312 million euro with a cumulative target of 330 million euro for Fiscal 2022. The savings totaled 218 million euro and should reach 394 million euro cumulatively by the end of Fiscal 2022, beyond the initial target of 350 million euro.

| (in million €) | Initial target | FY20 | FY21 | FY22 (estimated) |
|---|---|---|---|---|
| | | | Cumulated | |
| **TOTAL EXCEPTIONAL COSTS** | **€350m** | **158** | **312** | **330** |
| Cash impact | 90% | -75 | -217 | -310 |
| SG&A savings | €175m | - | 91 | 166 |
| GP cost avoidance | €175m | - | 127 | 228 |
| **TOTAL SAVINGS** | **€350m** | | **218** | **394** |

**Fiscal 2021 key figures**

CONSOLIDATED REVENUES
**€17,428m**
(-5.6% organic growth)

ON-SITE SERVICES REVENUES
**€16,687m**
(87% of Fiscal 2019 revenues at constant rate by the fourth quarter)

Client retention rate
**93.1%**

New sales development
**6%**

Same site sales
**-6.3%**

BENEFITS & REWARDS SERVICES REVENUES
**€745m**
(97% of Fiscal 2019 revenues at constant rate by the fourth quarter)

UNDERLYING OPERATING PROFIT
**€578m**

UNDERLYING OPERATING MARGIN
**3.3%**

## Investments aimed at re-energizing growth

Building on the initial gains in operational efficiency and commercial relevance, the Group is continuing its efforts to anticipate and respond ever better to the needs of its customers and to strengthen their loyalty, around a unique portfolio of services.

The Group’s approach is to place the consumer at the heart of its model and to respond to the diversity of needs with relevant services. To do this, the Group is continuing its targeted investments around catalysts such as the deployment of a global customer relationship management tool for On-Site Services and a new Regional Marketing & Sales Distribution Center in Europe.

Sodexo is also changing its operating model by developing new off-site production sites and strengthening the digitization of its services. Building on its investments, Sodexo is strengthening its go-to-market strategies and building unique relationships with its clients.

A real strategic asset for Sodexo, its purchasing and supply management is also undergoing a transformation with three major objectives: improving the cost structure, increasing efficiency and contributing to improving the Group's competitiveness; ensuring safety and quality to mitigate risk; and focusing on new consumer expectations to drive revenue growth. Since 2018, the Group has invested 40 million euro to carry out this transformation with the goal of positioning the purchasing function as an essential business partner in the service of the Company's growth, driven in particular by investment in talents, consolidation of the approach for responsible sourcing and the digitization of systems and processes as well as data collection and analysis.

## Accelerating the Group's transformation

During Fiscal 2021, the Group continued to develop new food models with the acquisition of *Fooditude* in the United Kingdom and of *Nourish Inc.* and *Foodee* in North America, a region where the Group also has developed *The Good Eating Company* to complete its service offering.

With approximately 1 billion digital transactions per year, the transformation of Benefits & Rewards Services continues in all geographical areas to deliver a personalized and simplified employee experience in a hybrid work environment. The deployment of the platform implemented in partnership with *Zeta* in India for a new consumer-centric approach and innovative digital payment technology continues in other countries, including Brazil, to offer a unique and holistic multi-benefit experience.

The Group has also entered into global partnerships with several main delivery platforms - Deliveroo, UberEats, Just Eat, etc. - thus enabling consumers to benefit from an extensive network of merchant partners.

In order to strengthen its position in the Employee Benefits market and pursue its digital transformation, Sodexo has also acquired a majority stake in Wedoogift, a native digital player, and thus become the leader in gift vouchers in France, with the most extensive and innovative line on the market for nearly 50,000 clients and 5 million employees.

In view of the acceleration of new consumer behaviors and disruptions, particularly digital ones, Sodexo is entering a new period of its development. This new stage in the history of the Group marked by the acceleration of its transformation must particularly be embodied in new leadership. The Board of Directors thus ended the mandate of Denis Machuel on September 30, 2021 and announced the search for a new Chief Executive Officer.

During this transition period, Sophie Bellon, Chairwoman of the Board of Directors, is acting as Interim Chief Executive Officer. Organizational changes were also announced, such as the local management of the Schools and Government Services segments and the creation of a Transition Committee at Group level whose main strategic priorities are as follows:

- boost US growth;
- accelerate the food model transformation;
- manage more actively the portfolio;
- enhance the effectiveness of the organization.

As part of the Group’s portfolio management program, the Board of Directors has confirmed that it is necessary to accelerate the growth and diversification plans of Benefits & Rewards Services and has therefore decided to explore a number of strategic options to enhance support, focus and resources of Benefits & Rewards Services, while retaining control.

With market potential valued at 900 billion euro[1] and backed by a solid financial situation, family shareholding which is a guarantee of stability and long-term vision, and committed teams, Sodexo is entering this new phase with confidence.

1 On-site Services market potential, including Personal & Home Services. Sodexo estimate (market estimates are likely to evolve over time, given the growing reliability of information sources in various countries).

# Acting responsibly on a daily basis

**Anchored in the Group's DNA since its creation in 1966, corporate responsibility is a cornerstone of Sodexo's mission and operations. Particularly innovative at the time, this vision and the associated commitments progressed as the Company developed and the issues and collective challenges grew.**

## Challenges and impacts

**Today, more than ever, our responsibility is to act in close collaboration with all of our stakeholders – clients, employees, suppliers, consumers and shareholders – for a global positive impact.**

During Fiscal 2021, in collaboration with EY, a third materiality assessment identified and prioritized key corporate responsibility issues and their impacts.

Consultations and analyses with numerous internal and external stakeholders[1], integrating the impact of major ongoing developments - social, societal and environmental - as well as the evolution of market expectations, resulted in the quantitative and qualitative assessment of 28 challenges, defined and classified according to their importance. Identifying the most relevant issues helps Sodexo to manage its risks and seize the associated opportunities.

IMPORTANCE FOR SODEXO

| STAKEHOLDER EXPECTATIONS | HIGH | VERY HIGH | CRITICAL |
|---|---|---|---|
| CRITICAL | | Environmental impacts of purchases<br>Carbon emissions<br>Employee social dialogue | Safety and quality of food and FM services<br>Occupational health & safety<br>Food waste<br>Business integrity<br>Respect of human and workers' rights in the supply chain |
| VERY HIGH | Animal welfare | Access to affordable and healthy food<br>Sustainable offerings<br>Fair relationship with suppliers and subcontractors<br>Employee training and development<br>ESG Governance<br>Business adaptation and resilience to climate change<br>Choice of clients and suppliers aligned with Company values | Diversity, equity and inclusion<br>Data privacy and protection<br>Employee well-being<br>Packaging and plastics |
| HIGH | Water consumption and quality | Under-represented communities empowerment and inclusion<br>Local socio-economic impacts<br>Transparent communication and information on products<br>Waste management (non-organic) | Talent attraction<br>Consumer experience and outcomes<br>Stakeholder engagement |

- Governance
- Employees
- Consumers
- Communities
- Environment

Source: EY june 2021.

1 Employees, managers, suppliers, clients, consumers, partner NGOs, investors and ratings agencies.

For more information on the materiality study, see Chapter 2 of the Universal Registration Document.

# Our Corporate Responsibility roadmap

**The key issues identified in the materiality assessment confirm the consistency with Sodexo's commitments as an employer, service provider and responsible company.**

The Better Tomorrow 2025 corporate responsibility roadmap, which formalizes these commitments and their objectives, was also developed in accordance with the United Nations Sustainable Development Goals (SDGs).

Sodexo evaluates its progress using relevant, tangible and measurable objectives that the Group identifies in a transparent way, in accordance with the principles that form the basis of its governance.



## BETTER TOMORROW 2025
## Our 9 commitments and objectives for 2025

| | OUR IMPACT ON INDIVIDUALS | OUR IMPACT ON COMMUNITIES | OUR IMPACT ON THE ENVIRONMENT |
|---|---|---|---|
| OUR ROLE AS AN EMPLOYER | **Commitment: Improve the quality of life of our employees, safely**<br>Objective: 80% employee engagement rate | **Commitment: Ensure a diverse workforce and inclusive culture that reflects and enriches the communities we serve**<br>Objective: 100% of our employees work in countries that have gender balance in their management populations | **Commitment: Foster a culture of environmental responsibility within our workforce and workspaces**<br>Objective: 100% of our employees are trained on sustainable practices |
| OUR ROLE AS A SERVICE PROVIDER | **Commitment: Provide and encourage our consumers to access healthy lifestyle choices**<br>Objective: 100% of our consumers are offered healthy lifestyle options every day | **Commitment: Promote local development and fair, inclusive and sustainable business practices**<br>Objective: 10 billion euro of our business value will benefit SMEs[1] | **Commitment: Source responsibly and provide management services that reduce carbon emissions**<br>Objective: 34% reduction of carbon emissions[2] |
| OUR ROLE AS A CORPORATE CITIZEN | **Commitment: Act sustainably for a hunger-free world**<br>Objective: 100 million *Stop Hunger* beneficiaries[3] | **Commitment: Drive diversity and inclusion as a catalyst for societal change**<br>Objective: 500,000 empowered women in communities[3] | **Commitment: Champion sustainable resource usage**<br>Objective: 50% reduction in our food waste |

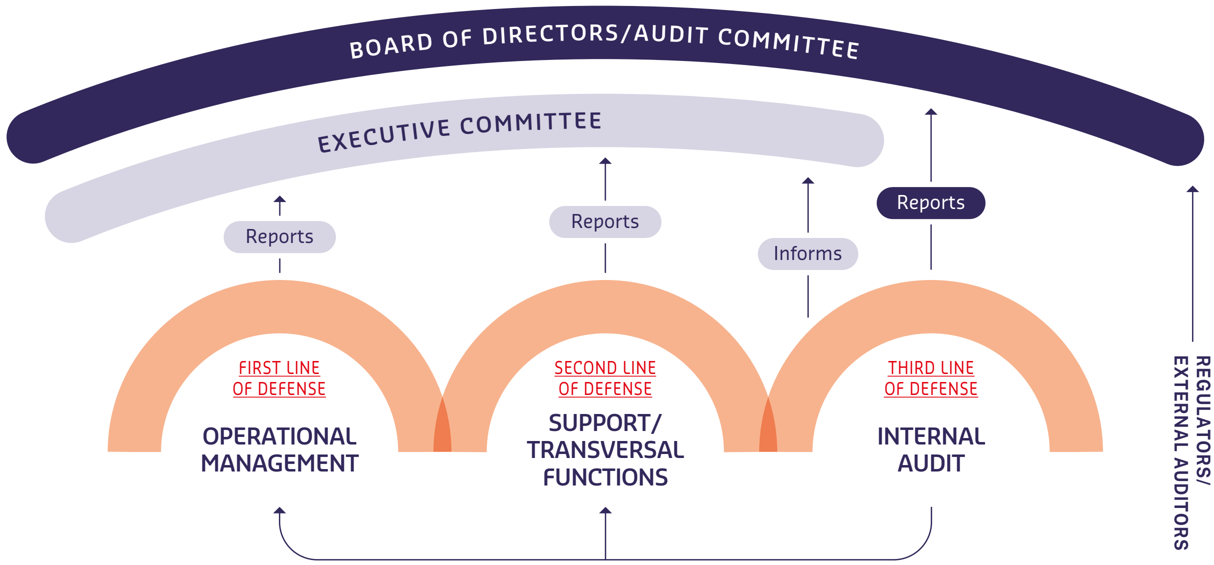
1 Small and Medium Enterprises.
2 Absolute reduction in Scope 1, Scope 2 and Scope 3 carbon emissions, compared to a 2017 baseline.
3 Cumulated data since 2015.

For more information on the Fiscal 2021 non-financial indicators, see pages 46-47 and Chapter 2 of the Universal Registration Document.

# Identifying and managing risks

**In its operations and while implementing its strategy, Sodexo faces a certain number of internal and external risks and uncertainties. To address them and safeguard its values, the Group has created an organization and policies aimed at identifying, evaluating, preventing and managing these risks to limit their negative impact.**

Operational managers are the first line of defense in identifying and managing risks in their area of activity. Support and transversal functions define the procedures and standards and provide tools and processes for operational staff to manage these risks. Internal audit carries out an independent assessment of risk management and makes recommendations for improvements.




## Main risks

Each year, a risk profile is established based on the risk assessments senior management performs with regard to the main entities and also in interviews with senior executives. The risks considered to be the most significant for Sodexo as of August 31, 2021 are presented in the table below. The risk profile has changed this year, the risk associated with talent management and development being identified as "high" and the pandemic risk established as "medium".

| | | MEDIUM | HIGH |
|---|---|---|---|
| CLIENTS/ CONSUMERS | Client retention | ■ | ■ |
| | Consumer expectations | ■ | |
| | Bidding risks | ■ | |
| | Competition | ■ | |
| OPERATIONAL EFFICIENCY | Client contract execution | ■ | ■ |
| | Technology and information security | ■ | |
| TALENT | Talent management and development | ■ | ■ |
| | Resource planning | ■ | |
| CORPORATE RESPONSIBILITY | Food, services and workplace safety | ■ | |
| | Environmental impact | ■ | |
| EXTERNAL ENVIRONMENT | Pandemic risks | ■ | |
| | Compliance with laws and regulations | ■ | |

For more information, see section 6.4.3 of the Universal Registration Document.

# Highlights of the year

**During Fiscal 2021, Sodexo continued to follow its roadmap to achieve sustainable and responsible growth.**

## HERE IS A SELECTION OF HIGHLIGHTS:

1

### GROWTH-ORIENTED INVESTMENTS

**Developing new solutions in Food-services** in North America, with the launch of *Good Eating Company* as well as the acquisition of *Nourish Inc.* and *Foodee*, a leader in corporate meal-planning services.

**Creation of the gift card leader in France** with the acquisition of a majority stake in *Wedoogift*.

**Increased digitization** and acceptance of Benefits & Rewards Services, in particular with global partnership agreements with Uber Eats and Just Eat Takeaway.com to allow holders of the Sodexo Meal Pass to easily pay for their orders and have them delivered.

**Expansion of services** designed for students at U.S. universities by forming partnerships for the delivery of Hello Fresh boxed ingredients, robot deliveries of meals on campuses and the development of plant-based burgers with SavorEat.

### CORPORATE RESPONSIBILITY

**Commitment with the IUF**[1] on health and safety priorities.

**Membership in the RE100 initiative** and commitment to using 100% renewable electricity in its operations.

**Progress in the fight against single-use plastic** with the replacement of five items[2] in Europe with new, more sustainable options.

**Commitment to the European Code of conduct** for responsible business and marketing practices.

### GOVERNANCE

**Changes in Group governance** with the announcement by the Board of Directors of the launch of a search for a new Chief Executive Officer to lead the Group to strengthen its competitiveness and accelerate its transformation. Denis Machuel's mandate as CEO ended on September 30, 2021.

### INDICES/ RECOGNITION

**Continued efforts on corporate responsibility** issues with Sodexo's inclusion in the new ESG index of Euronext CAC 40 ESG.

**Recognition of sector leadership in terms of corporate responsibility** by the Dow Jones Sustainability World Index (DJSI).

**Significant progress in the area of carbon strategy** and fighting climate change joining A list from the CDP (formerly Carbon Disclosure Project).

**An active, widely recognized diversity strategy** with inclusion in the Bloomberg 2021 gender-equality index.

**Recognition of leadership in inclusivity for LGBTI individuals** according to the 2020 Workplace Pride Global Benchmark.

### BUSINESS SUCCESS

**Increased development, retention and extension of client contracts, including:**

- in France: APHP (Healthcare), Oddo BHF (integrated contract) and the Jules Carteret campus (Corporate);
- in the United Kingdom & Ireland: Solent University, Oundle School and Eton End (Education);
- in APAC: Pfizer (Corporate), Shanghai Public Health Clinical Center (Healthcare), Dulwich College International (Education), Amazon (Benefits & Rewards);
- in Continental Europe: Sanofi (Corporate), Siemens (Benefits & Rewards);
- in Latin America and Brazil: Kimberly Clark (Corporate), Mina Escondida and Collahuasi Mine (Energy & Resources);
- in North America: PennState Health System and Methodist Hospital (Healthcare), Miami Jewish Health (Seniors), George Mason University and Guam Department of Education (Education), BNP Paribas (Corporate), U.S. Army Medical Command (Government & Agencies), Ole Miss Athletics (Sports & Leisure).

1 International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tourism, Tobacco and Allied Workers' Associations.
2 Plastic take-out bags, straws, plates, cutlery and coffee stirrers.

Get the latest news of the Group on **www.sodexo.com**

# IMPACT

# Caring about quality of life for all

**Sodexo develops and maintains strong relationships with its clients, consumers, employees, shareholders and local communities in the countries where the Group operates benefitting its entire ecosystem.**

### EMPLOYEES

Sodexo offers a wide range of job opportunities in the communities in which the Group operates. The Group works to safeguard the health and safety of its teams and supports them every day, in particular *via* training programs that promote career development and internal promotions.

### SUPPLIERS/ AFFILIATED MERCHANTS

Sodexo strives to build relationships with its merchant partners that are beneficial to all and encourages them to adhere to its demanding standards in terms of quality, working conditions, business integrity and environmental protection.

### INSTITUTIONS/NGOs

Sodexo continues to expand its ecosystem to meet global challenges such as respect for human rights, working conditions, diversity, equity and inclusion, carbon emission reduction, nutrition, food waste and efforts to end hunger.


### GOVERNMENTS/ REGULATORS

Sodexo's operations are governed by a large number of regulations in terms of food safety, workplace health and safety, public procurement, payment services and other topics. Public or governmental bodies represent a significant share of Group revenues.

### INVESTORS

The presence of the Bellon family is a guarantee of financial independence and stability for Sodexo. All shareholders provide the support necessary for the Group's growth.

### CONSUMERS/ COMMUNITIES

Sodexo improves the quality of life of millions of people by making their daily lives easier and helping them adopt a healthier and more sustainable lifestyle.

### CLIENTS

Sodexo offers its clients a wide range of services with a positive direct impact on the performance of their operations, the motivation of their staff and the competitiveness and attractiveness of their organizations.

For more information, see Chapter 2.1.3 of the Universal Registration Document.

# A sustainable and shared value-creation model

## OUR MISSION

Improve the quality of life of our employees and those we serve, and contribute to the economic, social and environmental development of the communities, regions and countries in which we operate.

## OUR AMBITION

Improve the quality of life of a billion individuals around the world.

## RESOURCES

**412,088**
ENGAGED EMPLOYEES

**HUMAN**

**€17.4**
BILLION IN CONSOLIDATED REVENUES

**ECONOMIC**

INNOVATION INSIGHT GAINED FROM
**100 M**
CONSUMERS

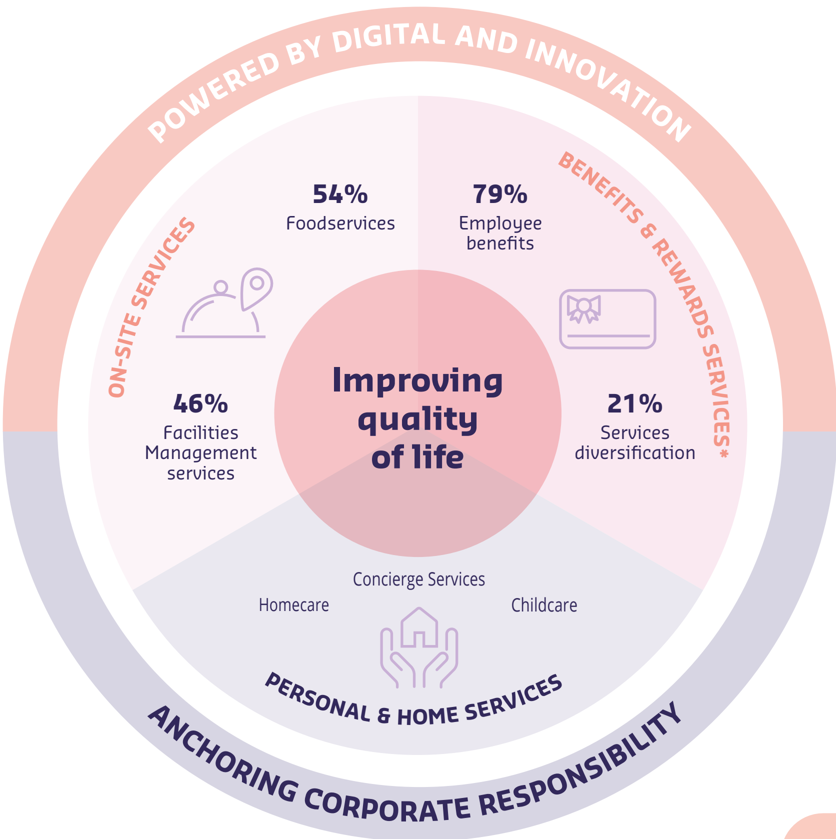
**RELATIONSHIPS**

**SUSTAINABLE PROCESSES**
RESPONSIBLY-SOURCED RAW MATERIALS

**NATURAL RESOURCES**

## OPERATIONS

**Megatrends**
see page 23




* Excluding Rydoo revenues.

**Sodexo's success as a service provider, employer and corporate citizen depends on its ability to build enduring relationships with all of its stakeholders.**

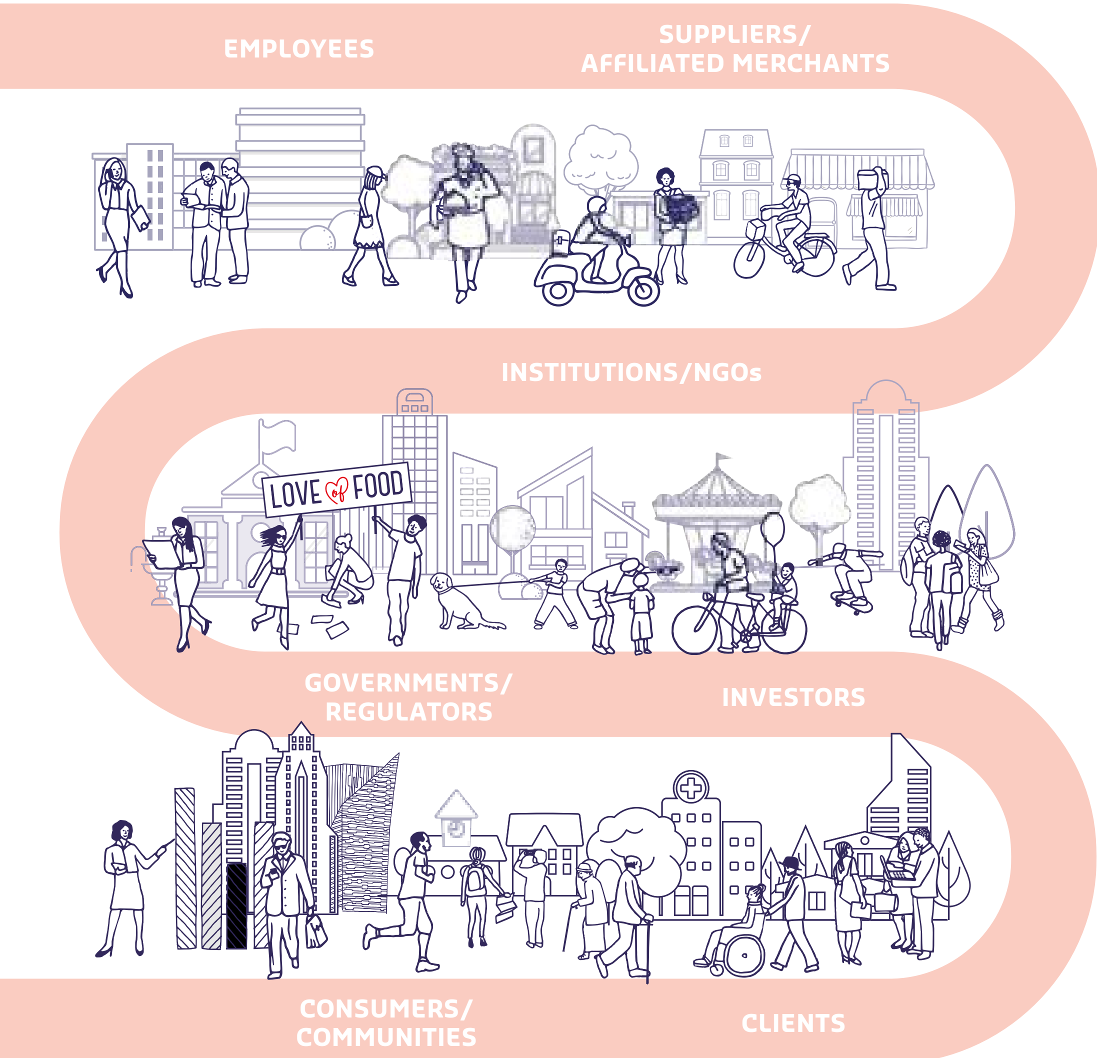
## OUR VALUES

- Service spirit
- Team spirit
- Spirit of progress

## OUR ETHICAL PRINCIPLES

- Loyalty
- Respect for people
- Transparency
- Integrity

**STAKEHOLDERS** → **IMPACTS**




**82%**
**RETENTION RATE**
OF TOTAL WORKFORCE

**HUMAN**

**2€**
**DIVIDEND PER SHARE**
PROPOSAL FOR THE FISCAL YEAR[1]

**ECONOMIC**

**€6.9bn**
SPENT WITH SMEs[2]

**RELATIONSHIPS**

**23.2%**
OF SCOPE 3 $CO_2$ EMISSIONS REDUCTION[3]

**NATURAL RESOURCES**

1 Submitted for approval at the Shareholders Meeting of December 14, 2021.
2 Small and Medium Enterprises.
3 Scope 3 (supply chain) compared to the 2017 base-line.

For more information, see Chapter 2 of the Universal Registration Document and **www.sodexo.com**

# #LOVE OF FOOD

**Listening to consumers to best meet their changing expectations, Sodexo continues to transform its food offering. In keeping with its historical approach focused on quality, nutrition and health, Sodexo strengthens the use of local, seasonal, healthy and sustainable food to make every meal a tasty experience that also supports consumer health and well-being, wherever they are and whatever their environment and habits.**

Convinced that quality of life requires a varied and balanced diet, Sodexo's teams offer every day a wide range of products and recipes specifically designed for consumer needs to ensure that its meals are tasty, enjoyable and healthy.

### Quality, health and nutrition at the heart of Sodexo's offering

As a quality label illustrating the approach, the *Mindful* program is now available at over 2,500 sites in 13 countries to guide consumers' daily meal choices with the support of dietitians and nutritionists. Thanks to its expertise in clinical nutrition, Sodexo has for example been selected by the Penn State Health hospital complex in Pennsylvania to provide a varied, nutritional and healthy food offering to be implemented in conjunction with an innovative technology for ordering meals and monitoring the diet of each patient as well as *Experiencia*, its exclusive real-time data-analysis platform. In Madrid, the *Awaken the Senses* program, which focuses on sensory stimulation for seniors needing long-term care at the *Los Robles* retirement home, has helped reduce malnutrition risks by 70%[1].

All around the world, Sodexo's food offerings are designed to satisfy consumer needs and preferences. *FoodiE Café*, a new culinary experience designed around enjoyment, engagement and exploration, offers a wide range of sustainable and healthful alternatives at North American middle schools. *The Circuit*, an offering for U.S. university campuses, supports the physical and mental performances of student athletes and their supporters.

Since information and education are essential, Sodexo is rolling out more and more initiatives aimed at encouraging consumers to follow 10 golden rules for better nutrition, health and well-being at its restaurants and on its apps and websites.

### The passion and culinary expertise of Sodexo's teams

Whether they've graduated from culinary school, trained in-house, at the new *Lenôtre* Culinary Arts School or come from prestigious kitchens, recognised as *Meilleur Ouvrier de France* or by Michelin stars, Sodexo's chefs all have one thing in common: they put their talent and passion for food at the service of consumers to ensure a tasty and enjoyable food experience. At companies for example, the contemporary and varied cuisine of the *Modern Recipe* offering, rolled out in 9 countries and associated with new space layouts, offers a variety of food options throughout the day, facilitating contacts and collaboration while boosting employee well-being and performance.

To cultivate their creativity and encourage the sharing of culinary cultures, Sodexo offers dedicated training programs such as the *Chef Academy* and international exchange programs like *Global Chef*. The spirit of sharing is also central to the online cooking classes given by Sodexo chefs during and after the Covid-19 pandemic to help consumers during these unprecedented times.

Sodexo teams also draw inspiration from discussions with suppliers, researchers, food experts and partners to invent the food of tomorrow with consideration for issues including sustainable supply. Sodexo demonstrates it again with the *Future Food Collective* initiative and the Group's membership in the European Code of conduct on responsible business practices and marketing aimed at obtaining a collective commitment to transitioning to a sustainable food system.

### Innovation on the menu

Culinary expertise and commitment to initiatives such as "Future 50 Foods" ensure that Sodexo is part of the necessary food transition. As a change-maker and in accordance with its ambitious goals, especially in terms of fighting climate change and promoting animal welfare[2], Sodexo strives to ensure that its meals offer both quality and enjoyment. With its ability to support changes in the food choice behaviors of millions of people, Sodexo encourages the consumption of varied, healthful and responsible foods in all its activities. Businesses, schools and healthcare facilities are enjoying more and more local, organic and seasonal offerings as well as options for special diets. Sports fans and visitors to convention centers can now find new plant-based options, such as the *Impossible™ Burger*, prepared with care by the *Sodexo Live!* teams in the U.S.

To better satisfy consumers and improve its practices, Sodexo is introducing new sustainable supply solutions, such as its partnership with Vertical Harvest in the state of Maine, an urban hydroponic farm and the first vertical greenhouse in the United States, which will supply 80% of the lettuce needed at Sodexo's university campuses and partner sites.

This strong commitment to responsible culinary innovation can also be found in the new delivery offerings, such as *FoodChéri* in France, whose nutritionally balanced dishes are made from mainly organic and local ingredients, *The Good Eating Company*, a flexible model for local meal preparation and delivery, and *Nourish Inc.*, which offers seasonal, organic and GMO-free plant-forward dishes in 25 different culinary styles to ensure optimal consumer satisfaction.

1 A study conducted by Sodexo and the University of Ottawa's LIFE Research Institute.

2 Sodexo is a founding member of the Global Coalition for Animal Welfare (GCAW).

## Culinary innovation serving the most vulnerable

In France, with the launch of *Mixons moins, mangez mieux* (Mixing less and eating better), Sodexo is offering a comprehensive approach to improving the meal experience for people with disabilities. Developed together with a committee of paramedical experts, this innovative initiative is designed for live-in medical facilities and specialized care homes. With a new food texture suited to their particular motor skills and sensory capacities, residents fully enjoy their meals, rediscover certain flavors and develop autonomy safely. This comprehensive approach includes a training and monitoring program for teams of cooks and assistants as well as the on-site organization of a multi-disciplinary monitoring committee.

## Hyperlocal production for the benefit of all


To support the transformation of the global food system, hyperlocal production – in other words producing food right where it will be consumed – has been developed as one sustainable solution. In Finland, the teams of the Sodexo restaurant on the Keilalahti campus in Espoo have designed an on-site production space which reinvents the supply of vegetables for the preparation of a high-quality offering of vegetarian and vegan dishes. Similar initiatives are being rolled out by other Sodexo chefs around the world, like at the Blue Bear Farm in Denver, created by *Sodexo Live!* and its local partners to serve visitors to the Colorado Convention Center.

GOAL

**33%**

OF PLANT-BASED DISHES IN MENUS BY 2025

**5,402**

DIETITIANS EMPLOYED BY SODEXO WORLDWIDE

## Promoting changes in eating habits

To support its commitment to propose 33% plant-based dishes in our menus by 2025, Sodexo has launched the *Future Food Collective*; a collaborative research initiative bringing its chefs together with industry experts and key suppliers to reshape consumption habits. By partnering with NGOs such as the Food for Climate League, the *Future Food Collective* is gathering insights to develop new plant-based innovative solutions that encourage consumers to prefer healthy, sustainable foods that are more respectful of the environment.

SODEXO FUTURE FOOD COLLECTIVE

*"Health and well-being are priorities that have been gaining popularity for consumers. At Sodexo, those subjects have always been top of mind, particularly with our 5,400+ dietitians worldwide who work to create a healthy and meaningful offer to suit a range of consumer profiles. The newly launched Better Choices campaign provides meals that are scientifically researched and evidence-based; they're created to support consumers achieve a healthy lifestyle and combat rising global obesity. We've conducted numerous studies and worked closely with several medical professionals to deliver what the consumer wants and what their health demands in a clear and informative way. We want to help facilitate their healthy lifestyle journey and that starts with the right nutrition and education."*

**Wan Mak,** *Head of Nutrition and Dietetics, Sodexo UK & Ireland*

# #NEW FOOD EXPERIENCES

**At a time marked by changing behaviors and expectations related to food services and dining habits, some of which have been influenced by the increase in remote work and meal delivery during the pandemic, Sodexo accelerates its transformation to offer multimodal and multichannel meal experiences and make life easier for everyone.**

During Fiscal 2021, Sodexo's teams continued mobilizing to meet their clients' pandemic-time business continuity needs, adapting service offerings to reinforce the necessary focus on safety and hygiene and creating the conditions needed for recovery. This unprecedented period gave rise to new, temporary or permanent, solutions and services centered around the needs of organizations and individuals.

### A unique multi-channel meal offering

Knowing that in certain markets, there has been a need for change in the way consumers access Foodservice offerings, Sodexo accelerates its transformation to prepare and deliver quality meals to consumers, on site or remotely, and provide them with flexible solutions that match their expectations. Its unique Meal offering is based on complementarity with its On-site Services, delivery offerings and Benefits & Rewards Services. It is now especially relevant for clients who are looking for solutions to accommodate staff working under more hybrid conditions. This 360º offering is now being implemented by over 30 corporate contracts in France, including Oddo, Novartis and Microsoft, which have been able to count on the adaptability and modularity of Sodexo's service offerings.

### Reinventing on-site Foodservices

The Group's ability to provide innovative on-site Foodservices tailored to consumer and client needs continues to expand beyond the traditional offering. Depending on the needs of each organization, Sodexo is able to expand its customizable solutions in terms of retail sales, vending machines as well as welcoming coffee break areas. For SMEs or in establishments without on-site production capabilities, Sodexo is developing specific offerings such as *Brio!* in Italy, with lunches freshly prepared in Sodexo's cloud kitchens and delivered to client sites. Sodexo is also forming innovative partnerships with suppliers and startups. In the United States, for example, the Group has developed an unprecedented collaboration with *HelloFresh*, a global leader in boxed meals, for over 300 universities *via* its app *BiteU*.

The development of high-performance technology platforms also allows the Group to continually offer contactless solutions and other practical services. In the United Kingdom, the app *Twelve* offers automatic check-out functions to make it easier for people to place orders from their workplace. In the Netherlands, the ordering, payment and delivery platform *Your Order* opens up access to meal options at any time of the day. And with data analysis and artificial intelligence, Sodexo is fine-tuning its offering while increasing operational efficiency, for example using delivery robots on U.S. campuses, developing smart vending machines and *Scan & Go* options for self-checkout with a smartphone.

### Introducing complementary delivery offerings

The Group is also continuing its targeted investments to develop localized offerings, in particular in foodtech startup, capitalizing on their agility and differentiating positionings. In France, Sodexo is already reaching consumers in their homes and offices with *FoodChéri*, which is now also available in Belgium, and with the *Seazon* home-delivery offering. In the United Kingdom, the Group acquired *Fooditude* for deliveries of a premium food offering to London businesses. *The Good Eating Company* has also launched a new workplace food-delivery solution for urban markets, an offering that Sodexo is now exporting to North America. In the United States, Sodexo has also acquired *Nourish Inc.*, which distributes on-site and delivers fresh, plant-based meals, and *Foodee*, aggregators of over 800 local restaurants in 14 cities of the United States and Canada.

### A wide range of Foodservice options thanks to Meal Pass

With its robust business model and the development of its Benefits & Rewards Services, Sodexo is able to improve the employee experience and adapt it to changing needs and new consumer trends. Over 370 partnerships have been signed around the world with restaurants and online grocery stores as well as meal delivery platforms such as *JustEat Takeaway.com* and *UberEats*. These partnerships allow consumers, whether working on site or at home, to enjoy a diverse and flexible meal experience with easy, fast and secure payment solutions. For partner merchants and restaurants, they're also a major business opportunity. In addition to having access to a very wide range of meal choices, French and Belgian holders of the Sodexo Pass can also support small businesses and fight food waste by purchasing surplus food at lower prices *via* the app of our partner *Phenix*.

## A quality offering even without a kitchen on site

Thanks to its off-site kitchen model, *Nourish Inc.*, acquired by Sodexo in early 2021, brings American consumers access to nearly 25 different styles of balanced menus on a large scale. Every day, whether a business has a kitchen on site or not, *Nourish Inc.* delivers its staff high quality, healthful food made with a large share of organic and GMO-free ingredients.

Nourish Inc.
food at work


## New offerings from food tech

The very first ultra-fresh meal delivery subscription service adapted to new hybrid work modes, *Seazon* delivers tasty meals in line with consumers' nutritional needs, tastes and food preferences to individuals working at offices, from home or at other sites in France and Belgium. *FoodChéri* is also reinventing the on-site Foodservice experience by designing digital corporate cafeterias with Corner, a customized click & collect solution coordinated by a *FoodChéri* Corner Manager, and Shop, an on-site or click & collect gourmet meal experience available any time of day.

## Smart technologies for better service

Whether for innovations in meal preparation or delivery, Sodexo is continuing its investments and forming new partnerships to offer consumers greater flexibility and more options. In the United States, *Sally* the robot prepares salads, on an on-demand basis, from a choice of over 22 fresh ingredients, and the *SavorEat* robots use 3D printing to make plant-based burgers for U.S. universities. At campuses, thanks to the development of artificial intelligence and sensor technology, students can also take advantage of contactless and carbon-neutral robot delivery services *via* the Sodexo *Bite+* app with the new partnership with *Kiwibot*.

## Expanding delivery offerings in the United Kingdom

By acquiring a controlling stake in *Fooditude*, a supplier of premium Foodservices in London, Sodexo further increases the diversity of its offering in the United Kingdom while benefitting from a high-performance central production unit for a faster roll-out of delivery solutions such as *Good Eating Company Delivered*, launched in the summer of 2020.

fooditude
FEED YOURSELF HAPPY

## Rethinking the employee meal experience

In January 2021, Amazon's Indian subsidiary entrusted Sodexo's Benefits & Rewards Services team with the task of making 100% digital Sodexo Passes available to its 100,000 employees. Every employee can now enjoy a flexible experience at the nearest restaurant or shop, as well as at the company restaurant and *via* the main delivery platforms, and pay right in the Sodexo-Zeta app.

## Adapting the service offering to serve in the long-term

Everywhere that Sodexo operates, its teams innovate by offering tailor-made solutions for every situation, to feed, serve and care for staff while boosting its business dynamics. Because of its size and strict safety protocols, workers at the Phillips 66 refinery in Ponca City (Oklahoma) were not easily able to access the on-site food options Sodexo offered. The solution provided by the team was to bring a comprehensive, high-quality food offering directly to the worksite with the *Sodexo Grill Foodtruck*, allowing each employee to get a meal without unnecessary hassle.

# #WORKPLACE TRANSFORMATION

**Accelerating change in all business sectors, the pandemic has significantly impacted the ways of working of millions of people. With this new reality, business and government leaders have been faced with new challenges and must search for effective and efficient solutions. A new "collaborative pact" combining well-being at work and performance now seems necessary to attract employees in search of flexibility and hybrid collaborative working modes, secure their loyalty and increase their engagement.**

As a world leader in Quality of Life services, Sodexo is the expert its clients trust to redesign their work spaces to make them flexible, dynamic and modular, and to reinvent employee experience to enhance their well-being and boost performance and innovation.

### Establishing trust and confidence for a safe return to the workplace

Regardless of their environment, for example at a corporate site or a hospital, clients and consumers feel safe counting on Sodexo's expertise in terms of risk evaluation and protection of staff and premises, ensured by a wide range of services ranging from disinfection to contactless services. To bring them the guarantees they need for a confident return to the workplace, Sodexo has set up a *Medical Advisory Council* tasked with offering a technical orientation and validating health and safety protocols for its services, and calls upon the expertise of *Bureau Veritas* to certify the quality level of its procedures and services.

### Reinventing the consumer experience at a time when habits are changing

Listening to the communities it serves, Sodexo is constantly adapting its offering and processes to propose solutions and services adapted to their needs. For example, it is helping U.S. campuses redefine their spaces and optimize their attractiveness, such as at Binghamton University in Vestal, New York, where Sodexo's range of expertise has improved the environment and student engagement while generating substantial savings.

In Energy & Resources, buoyed by the development of innovative technology, Sodexo has put all its expertise to adapt to extreme working conditions and improve the daily life of residents at remote sites. For example, smart glasses now make remote maintenance possible, while the *MyWay* app, used from mining sites in Australia to offshore platforms in the North Sea, is devoted entirely to users' daily needs. At hospitals, Sodexo is also adapting its service offering to stay in closer step with changes in working modes, for example using artificial intelligence in its predictive analysis program *Experiencia* to assist care teams with time and stress management.

For Business & Administrations clients, Sodexo is developing *Vital Spaces*, a unique approach to optimizing experiences and designing hybrid and flexible workplaces. To meet the specific needs of each organization, this approach includes strategy consulting, workplace design, technical facility management and services for employees as well as digital solutions and data analysis. Sodexo thus implements a full range of services to meet the challenges of this transformation, with multimodal, on-site or remote Foodservices (see previous page), Facilities Management services, digital Concierge services and Homecare services.

### Optimizing workplaces for enhanced efficiency and employee well-being

According to the 2021 Microsoft Work Trend Index, 66% of company CEOs plan to change the layout of their workplaces and improve their employee experience. With its global experience, a large network of partners and a unique understanding of the needs and expectations of organizations, Sodexo helps them build relevant strategies with its comprehensive offerings combining the Group's know-how and technological innovations. Sodexo's corp-up, *Wx.Company*, is helping organizations adapt their work experience using ethnography, the IoT and data analysis. It offers consulting services – *Wx.Studio* – and digital solutions developed by *Wx.Solutions*. In providing services to an international audit firm for example, *Wx.Solutions* has made it possible to optimize the use of spaces and to accommodate 500 additional employees in its existing offices by introducing 3,000 sensors. Sodexo and *Wx* have also developed a SaaS platform, designed to help decision-makers understand the real use of spaces and make it easier for them to adjust their work environment to the usages and strategy of the client. These technological solutions offer clients the advantage of optimized and personalized management by Sodexo and complement the existing offerings – reception, safety, technical maintenance, waste management and concierge services – to create a continuum of high added-value services for organizations. By ensuring flexible use centered around humans in work environments to stimulate collective performance, integrating remote work practices, which are now part of the culture of each organization, and bringing staff continuous advantages, whether they're on site or working remotely, Sodexo helps its clients improve collaboration, productivity and well-being of their employees.

## Personalized and holistic services with *Vital Spaces*

By supporting organizations in their implementation of global solutions to serve the performance and quality of life of employees, Sodexo is affirming its leadership in the management of workspaces. With the objective of improving the post-Covid experience of employees, Sodexo has been awarded the extension of a major contract by a leading pharmaceutical group for the management of sites in seven countries. With *Vital Spaces* and the expertise of *Wx*, Sodexo is working with the client to design and offer a holistic hospitality solution, based on the analysis of the customer journey. The Group is offering a wide range of services adapted to each site, including catering, *Circles* digital concierge services, as well as cleaning services, energy management, etc. To support the client's operational efficiency, Sodexo will also provide a full suite of business intelligence and reporting technologies, and the *Twelve* application will allow certain sites to further enhance the employee experience.

## Strengthening digital service offerings

*Circles*, Sodexo's concierge services, has strengthened its digital offerings designed to support employee engagement wherever they are, their quality of life, team cohesion and social ties. *Circles* offers a wide range of well-being services, remote and on site, a real personal assistant with a positive impact for all the needs of daily life, both professional and personal. *Circles* promotes professional exchanges and times of sharing and conviviality between employees and thus contributes to the performance of organizations.

## Sodexo recognized for its Facility Management expertise

On December 11, 2020, Sodexo was awarded the 2020 Innovation Prize by the International Facility Management Association (IFMA) for its exceptional contribution to facility management business lines and its development of the digital app "Covid-19 Business Management & Operations". This decision-making and real-time management tool was developed in January 2020 by the Corporate Services segment with the goal of ensuring the operational continuity and safety of working environments at several thousand client sites around the world.

**78%**

OF ALL ORGANIZATIONS EXPECT THEIR WORKPLACE TO BE ADAPTED SO IT CAN PERFORM ADDITIONAL LABOR-RELATED FUNCTIONS.

*Source: Fit for Future: The impact of Covid-19 on workplace and portfolio strategies – Avison Young UK, HLM Architects and real estate works.*

*"While traditional Facilities Management and workplace Foodservices have always been a key part of our operations, Vital Spaces takes us even further. We are able to support our clients with a 360º people-focused approach to improve their employees' day-to-day experience and by redesigning their work spaces."*

**Julie Ennis,** CEO Corporate Services, Sodexo UK & Ireland

## A redesigned head office in Canada

In a context marked by new hybrid working methods, and with the expertise of *Circles* and *Wx*, the head office of Sodexo Canada in Montreal, was transformed in September 2020. It was designed according to employee expectations gathered during the project design phase and organized around seven essential factors: air, water, movement, light, sound, ambiance and food. Flexible, inclusive and inspiring, this environment designed for optimal energy efficiency and sustainability was created to stimulate engagement and teamwork, both on and off site, under strict conditions in terms of health and safety and talent recruitment, while keeping property costs down.

# #SOCIAL IMPACT

**The Group's economic development is inseparable from its positive social impact. With solid footing in each of its regions, Sodexo simultaneously plays a role in social integration, in particular by hiring individuals who may have experienced difficulties to find employment, in social cohesion, due to the human dimension of its business, and in social mobility and community development.**

Since Sodexo's performance is first and foremost the result of the daily investment of its teams, the Group strives to offer its staff safe, motivating and open work environments, in which differences and team spirit drive innovation and growth. An absolute priority in the context of the pandemic, measures to safeguard employee health, safety and well-being are anchored in their day-to-day experiences and, despite particularly challenging conditions, the frequency of lost time injury declined over the course of the year. In a process focused on continuous improvement, the Group further increased its commitments in March 2021 by signing an unprecedented declaration of intent with the IUF[1] on promoting employee rights to a safe and healthy working environment.

Everywhere, Sodexo applies a responsible approach to ensure compliance with the United Nations' guiding principles and the International Labor Organization's Fundamental Rights at Work. The Group's strong commitments to integrity, job creation and entry into the job market are essential to the economic growth and social development of local communities. In France, 25% of its teams come from priority neighborhoods and the first apprentices to enroll in the first multi-company culinary training center *CFA des Chefs* were hired by Sodexo upon graduation.

Sodexo also assists its teams by providing ongoing training and filling positions *via* internal promotion. In the United Kingdom, for example, with nearly 20% of the engineering staff (electricians, plumbers and so on) reaching retirement age by 2026, Sodexo has taken steps to fill the upcoming position vacancies by launching a technical apprenticeship academy. In the United States, Sodexo has created a 10 million dollar scholarship program, that will be available to more than 85,000 on-site employees and their families to access the funding they need to get a college degree.

### Diversity, equity and inclusion: performance drivers

Respect for and acceptance of all differences and efforts to fight all forms of discrimination – culture, ethnicity, age, sexual orientation and identity, etc. – are central to the Group's commitments. This culture of diversity, equity and inclusion is not only a moral imperative but also an essential condition for innovation and performance. The Group adheres to the UN's principles on the empowerment of women, which aim to increase their power at the workplace and in their communities, and making progress year after year to achieve its ambitious goals. More and more initiatives have been launched around the world to benefit women, for example increasing their presence in technological careers and operational management positions, as can be seen in the partnership with the Brazilian Institute of Engineering that aims to encourage such vocations. Recognized for this commitment, Sodexo has joined the Gender and Diversity Alliance initiative and has been included for the fourth year running in the Bloomberg Gender-Equality Index.

Day in and day out, Sodexo's teams take action to ensure a more open, fair and inclusive society, rallying around causes devoted to eliminating all forms of racism (Black Lives Matter, Stop Asian Hate, etc.). Sodexo is also proud to have reached a new milestone in the area of inclusivity for people with disabilities by obtaining a score of 100% in the U.S. Disability Equality Index and is also recognized as one of the world's best organizations in terms of inclusivity for LGBTQ+ individuals (Workplace Pride Advocate).

### An essential role in the development of communities

Sodexo is a key player in improving the communities in which the Group operates. Whether by supporting purchasing power or optimal balance in people's lives or by helping grow the revenues of affiliate merchants, Sodexo's teams make individual and group needs the central focus of their daily commitment. With this same awareness of its responsibilities and social impact, Sodexo is having positive influence on the local economies *via* a responsible procurement policy that is more fair, inclusive and sustainable. The Supply Chain Inclusion Program launched in North America in 2001, which is now operational in most of our regions, aims to promote the development of SMEs and other businesses that actively promote diversity and inclusion.

Sodexo's social impact can also be measured in terms of the support that its services and initiatives provide to populations in need. In Panama, Sodexo participated in the *Panama Solidario* program set up by the government and was able to support 275,000 families facing poverty or that are vulnerable to the effects of the pandemic by distributing vouchers that can be used to buy food, healthcare and hygiene products. Many solidarity initiatives are also underway, such as *Stop Hunger*, which works ceaselessly to fight food insecurity, and the involvement of 24 Sodexo kitchens in France in partnership with *Phenix* and *Too Good To Go* in helping students who are experiencing poverty.

1 IUF: International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations.

OBJECTIVE OF

**10**

BILLION EURO OF OUR BUSINESS VALUE BENEFITTING SMEs BY 2025

**8.5**

MILLION MEALS DISTRIBUTED BY *STOP HUNGER* DURING THE COVID-19 CRISIS

## Driving social innovation

In France, Sodexo is spearheading a new business model that aims to make a positive social impact in priority neighborhoods. One of its projects, La Passerelle, won the *Quartiers Fertiles* call for projects launched by the *Agence Nationale pour la Rénovation Urbaine* (French national agency for urban renewal). This building slated to open in Clichy-sous-Bois in early 2022 is designed to increase employability for local residents, improve health, forge closer social cohesion and connections and make the community more attractive. The activities at this center – vegetable processing plant, daycare facility, training room and community space – designed with and for local residents, should create around 20 direct jobs and benefit more than 500 families.

## Collective mobilization to face the pandemic

With teams on the front-line since the start of the pandemic, Sodexo demonstrates its expertise and agility in making optimal use of its resources in support of the public interest and to serve populations. In the United Kingdom, thanks to the Department of Health and Social Care's renewed trust, Sodexo is one of the main operators of Covid-19 testing centers in the country. In France, the *SoVacc* solution, designed to support the introduction and complete management of vaccination centers, was selected by Resah[1] and is being rolled out gradually to assist with the vaccination campaign. To support its employees, Sodexo has implemented a number of measures for facing the consequences of the pandemic: redeployment of teams, remote medical consultations, improvement of healthcare and contingency coverage, psychological support with the *Sodexo Supports Me* counseling system, remote training, financial aid, global support system of 30 million euros, vaccination facilitation measures, etc.

## Acting to promote supplier inclusion in France

Launched in France in March 2021, the Impact+ program, which aims to accelerate the expansion of virtuous ecosystems addressing the labor-related, societal and environmental issues that matter to Sodexo, is planning to support suppliers that are involved in an inclusive approach: businesses that promote entry into the workforce, the protected/adapted work sector, firms active in the social and socially responsible economy or located in a priority neighborhood or a rural revitalization zone.

IMPACT +

Le programme Achats Inclusifs de Sodexo

## Supporting social programs

For the second year in a row, Sodexo Benefits & Rewards Services has signed an agreement with the municipality of *Cuauthémoc*, one of the 16 districts of Mexico City, to facilitate the implementation of their social programs. Thanks to the *Tienda Pass* card, 5,200 beneficiaries and their families in extreme poverty can access essential food products. In addition, Sodexo's teams are continuing to work closely with the municipal government to remediate the effects of the pandemic and improve residents' quality of life.

1 *Réseau des Acheteurs Hospitaliers* (hospital purchasers' network): a public interest group whose mission is to support the pooling and professionalization of purchasing in the healthcare sector, both public and non-profit private.

# #ACT FOR CLIMATE

**Protecting natural resources is a major priority and challenge for all organizations. Since 2010, Sodexo has been working with its clients, suppliers and partners as well as the World Wildlife Fund (WWF) to measure and reduce its carbon emissions, both direct and indirect, throughout its value chain.**

With the goal of reducing its carbon emissions by 34% by 2025 (compared to 2017), which was approved by the Science-Based Target initiative (SBTi) in 2019, Sodexo has become the first company in the Foodservices sector to have a carbon target in line with the Paris Agreement objective of limiting climate warming to 1.5°C. Tangible progress having been made in terms of direct emissions (Scopes 1 and 2), Sodexo is now focusing its efforts on reducing indirect emissions (Scope 3). The Group's progress is a significant advantage for its clients and partners, who rely on its experience to achieve their own sustainability goals.

### Preventing and reducing food waste

To reduce carbon emissions, fighting against food waste is a priority for Sodexo, the first Foodservices firm to have linked part of its financing to this goal. An active member of the UN's Champions 12.3 initiative, the Group is launching initiatives associated with its global program *WasteWatch*, which is designed to cut its food waste in half by 2025 (*vs.* 2019 level). To this end, the Group is training its chefs, site managers, kitchen staff and other employees to constantly strive to reduce food waste.

### Promoting sustainable food choices

In addition to the health benefits for consumers, a varied, sustainable and plant-forward diet is also a way to significantly reduce carbon emissions. Sodexo is helping raise its consumers' awareness of the environmental impact of their food choices, and encouraging them to eat differently by offering sustainable dishes and tasty plant-based offerings. For instance, an Ecoscore rating is now provided with each dish prepared by *FoodChéri*, the first player in Foodservices in France to make such a commitment in response to environmental issues.

### Increasing local and responsible procurement

Because almost half of its carbon emissions are linked to its supply chain, Sodexo is committed to promoting sustainable and local agriculture, co-developing products and services based on circular economy principles and improving the efficiency of its resources. Convinced that only a joint strategy implemented together with all the players in the sector can guarantee effectiveness protection of the natural ecosystem, Sodexo is developing a global sustainable approach based on cooperation with its clients, suppliers, public authorities and partner or competitor businesses. Together with nine other world leaders in the food industry, the Group has founded the 10x20x30 initiative, in which partners and their 20 priority suppliers commit to introducing common processes for measuring waste throughout the value chain.

### Promoting innovative energy solutions

Sodexo has committed to ensuring that by 2025, 100% of the electricity it uses at its self-operated sites will be renewable, and aims to encourage its clients to also adopt this goal by using its complete energy management services (see following page). These services, which, by definition, include an energy strategy, upgrading for compliance, and the supply, monitoring and implementation of technologies designed to improve energy efficiency, have already allowed client companies to achieve annual savings and obtain significant returns on their investments.

The results of this active strategy in terms of climate impact are very clear. Since 2017, Sodexo has already reduced its Scope 1 and Scope 2 carbon emissions by 37.2% and those of its Scope 3 supply chain by 23.2% (in absolute terms). The Group is also known for its initiatives at a global level. In December 2020, Sodexo became the first (and only) Foodservice and Facility Management sector firm to join the "A list" of leaders in the fight against climate change of the CDP (formerly Carbon Disclosure Project), a standard-setter in corporate environmental transparency. Sodexo is also proud to have been ranked for the 16th year in a row among the leading firms in the Dow Jones Sustainability Index (DJSI) and to obtain the highest scores in the environmental and social categories. These recognitions from institutions and indices devoted to corporate responsibility reflect the importance Sodexo places on this issue as well as the progress the Group has made.

*"By engaging the Group in 2019 to align its climate ambition with the 1.5°C target of the Paris Agreement, Sodexo has shown leadership at the global level as one of the first companies to propose such a level of mitigation. This commitment by one of the biggest catering, hospitality and food retail services groups demonstrates its sense of responsibility to tackle its carbon footprint. Sodexo must keep engaging all teams on the implementation of this target, through a robust carbon reduction plan, as well as adapted decisions and means."*

**Arnaud Gauffier,** Conservation Director, WWF France

## Fighting deforestation

Since it is the major cause of climate change and biodiversity loss, Sodexo has committed to eliminating deforestation from its supply chain by 2030.In partnership with the WWF, the Group is improving its procurement by increasing the percentage of products certified deforestation-free and focusing its efforts on those with the greatest impact, namely beef, soy, palm oil and paper. Sodexo has signed the WWF's public statement to the European Commission for "new regulations on all raw materials" aimed at halting deforestation and supporting transparency throughout all supply chains. The statement's signatories also recommend changes to the existing regulations, which should also cover products that present a risk of converting and damaging natural ecosystems.

## Sodexo leads change for better efficiency from resources

Sodexo has set strict rules in terms of monitoring the origin of each product it uses and continually evaluating the commitment of its suppliers. To reach its goals, the Group is focusing on local supply chains, promoting plant-based foods, fighting food waste and ensuring that products, especially paper, are recycled. Going beyond the European legislation on single-use plastic, Sodexo has opted to eliminate plastic take-out bags, straws, plates, cutlery and coffee stirrers, replacing them with new and more sustainable versions made of paper, cardboard, wood or fiber, and is studying sustainable alternatives to other plastic items used at its Foodservice sites in Europe.

1

CARBON EMISSION REDUCTION COMPARED TO 2017 LEVELS

**37.2%**

SCOPE 1 AND 2

**23.2%**

SCOPE 3 – SUPPLY CHAIN

## Climate strategy and energy solutions

By committing to using 100% renewable electricity in its operations at its self-operated sites by 2025, Sodexo joins RE100, a global initiative bringing together some of the world's most influential businesses that have committed to leading the transition to 100% renewable electricity. This move is part of the Group's climate strategy aimed at reducing its carbon emissions by 34% by 2025.

## Working together to fight food waste

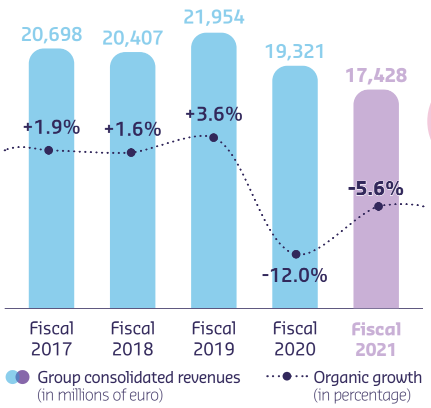
To effectively fight food waste and have a decisively positive impact, a concerted effort is needed from all players in the food chain. Sodexo is proud to combine its strengths and expertise with those of other member companies of the International Food Waste Coalition (IFWC) as part of a collaborative "from field to fork" approach aimed at fighting food waste. Sodexo is also continuing the roll-out of its *WasteWatch* program. As of August 31, 2021, nearly 900 of its sites were involved, reducing food waste by an average of 45.8%. The Group is launching more and more initiatives, both international, such as *WasteLESS Week*, and local, like *Wasteful to Tasteful* at 200 sites in the United Kingdom.

# Financial indicators

**MARC ROLLAND**
Group Chief
Financial Officer

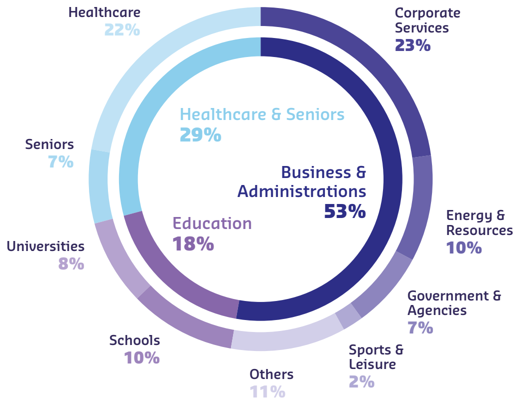
*"After a year significantly impacted by the pandemic during which Sodexo demonstrated its resilience and the relevance of its business model, our Fiscal 2021 results show a solid pick-up in activity and better than expected performance. Our actions to renegotiate our client contracts, strictly control costs and implement the GET efficiency program are clearly visible in our better-than-expected Underlying operating profit margin. At 483 million euro for the year, our free cash flow has been very positive. Our net debt ratio improved to 1.7, and liquidity is stronger than ever at 6.4 billion euro. We are also actively managing our portfolio of services and activities to enhance the Group's performance. The recovery is continuing into Fiscal 2022, with ongoing growth and margin improvement."*

## EVOLUTION OF CONSOLIDATED REVENUES AND ORGANIC GROWTH



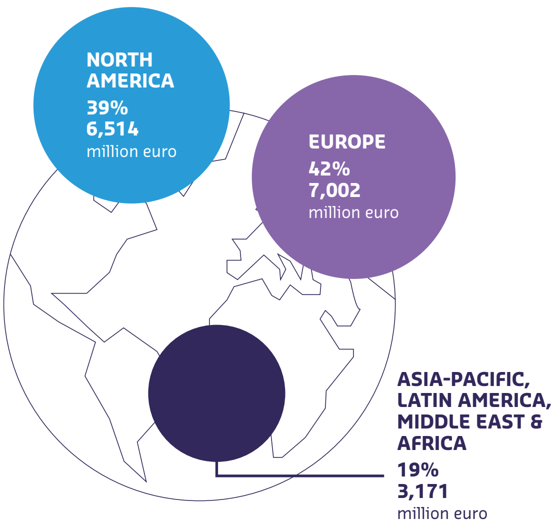

* Including Personal & Home Services.

## ON-SITE SERVICES REVENUES BY ACTIVITY AND CLIENT SEGMENT

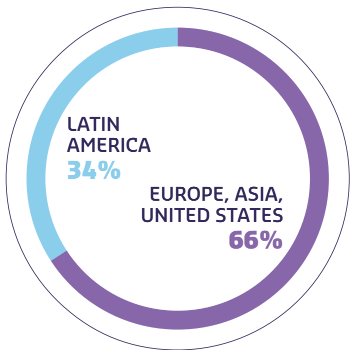



Foodservices **54%** **46%** Facilities Management services

## ON-SITE SERVICES REVENUES BY REGION




## BENEFITS & REWARDS SERVICES REVENUES BY REGION*



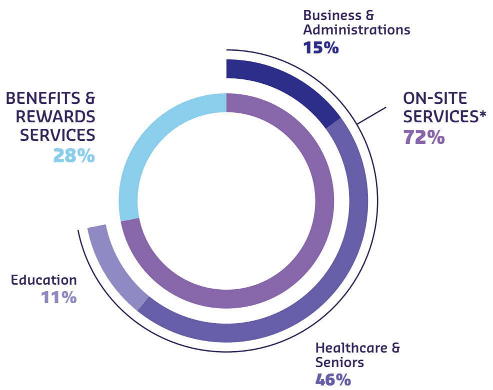

**440,000** clients

**36 million** beneficiaries and consumers

**1.3 million** affiliated merchants

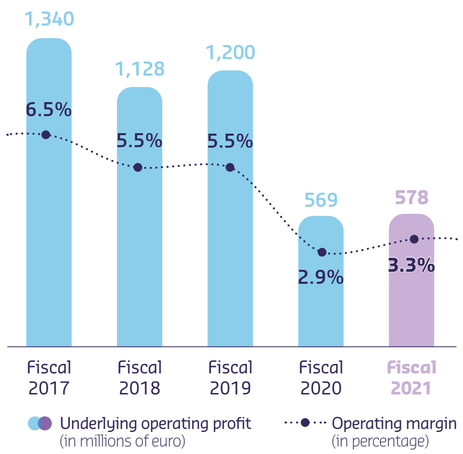
* Excluding Rydoo revenues.

## UNDERLYING OPERATING PROFIT BEFORE CORPORATE EXPENSES & INTRAGROUP ELIMINATION BY ACTIVITY AND CLIENT SEGMENT

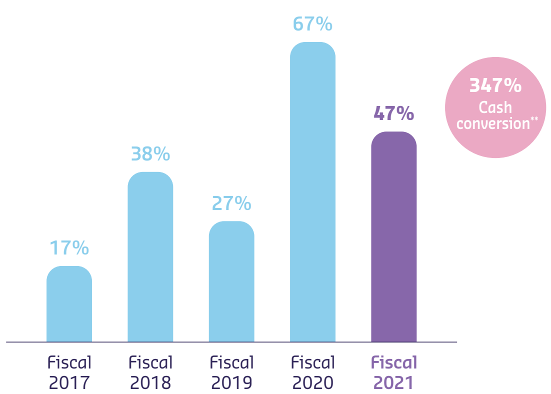



* Including Personal & Home Services.

## UNDERLYING OPERATING PROFIT AND OPERATING MARGIN

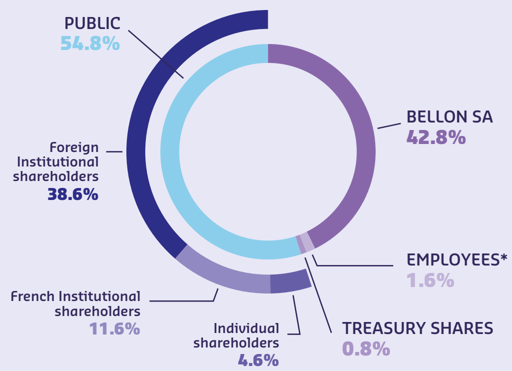



## NET DEBT AS A PERCENTAGE OF SHAREHOLDERS' EQUITY*




* Debt net of cash and cash equivalents, restricted cash and financial assets related to Benefits & Rewards Services activity, less bank overdrafts.
** Free cashflow/Net profit.

## SHAREHOLDERS AS OF AUGUST 31, 2021




Source: Nasdaq

* Including shares resulting from restricted share plans held in registered form by employees and still subject to a lock-up period

## SODEXO SHARE DATA SHEET

- Main listing place: Euronext Paris - A Compartment
- ISIN code: FR0000121220
- Mnemonic cod: SW
- Main index: CAC Next 20, SBF 120, CAC 40 ESG, Euronext 100, CAC All Share, FTSE4GOOD
- Euronext listing date: March 2, 1983

## KEY INDICATORS OF FISCAL 2021

as of August 31, 2021

- Total number of shares: 147,454,887 shares
- Closing price: 70.02 euro
- Market capitalization: 10.3 billion euro
- Sodexo share price trend during Fiscal 2021: +16.8%
- CAC 40 trend during Fiscal 2021: +35.0%
- Underlying earnings per share: 2.37 euro
- Dividend per share: 2 euro*, which includes a recurring 1.20 euro
- Number of interactions/shareholders meetings: 247 meetings, 314 companies, 544 contacts.

* Submitted for approval at the Shareholders Meeting of December 14, 2021.

For more information, see chapter 3 of the Universal Registration Document.

# Non-financial indicators

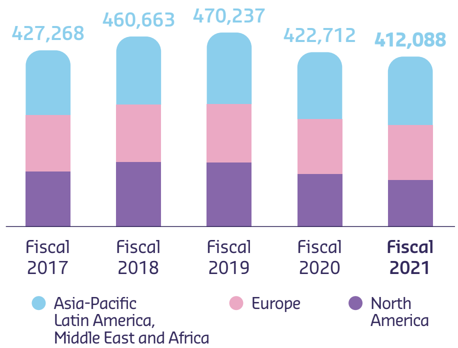
**Everywhere, Sodexo teams are fully mobilized to ensure the health and safety of all and pursue the Better Tomorrow 2025 corporate responsibility roadmap to contribute to a better future. Due to the Covid-19 pandemic, Sodexo faced an unprecedented decline in business, significantly impacting its non-financial performance and the Company's workforce. The Group has nevertheless continued its efforts, particularly in terms of food waste, employee training and inclusive and sustainable practices.**

**Disclosure and transparency**

Sodexo is convinced that clear, comparable and accessible information on its financial and non-financial performance, enables all of its stakeholders to make informed decisions. Since Sodexo's creation, its financial, social and environmental performance has been publicly disclosed in the Universal Registration Document. To ensure transparency, the information and indicators have been audited by an independent third party for each of the past ten years.

## 01 IMPROVE THE QUALITY OF LIFE OF OUR EMPLOYEES, SAFELY

### EVOLUTION OF WORKFORCE BY GEOGRAPHIC AREA




### EMPLOYEE ENGAGEMENT RATE

| Fiscal 2020 | Fiscal 2021 | 2025 OBJECTIVE |
|---|---|---|
| 80.1% | 78.3%[1] | 80% |

**82%** employee retention rate

**8%** internal promotion rate for On-site managers

**0.71** lost time injury rate (-0.06 pt yoy)

**10H** of training on average provided annually per employee (+1h yoy)

## 02 ENSURE A DIVERSE WORKFORCE AND INCLUSIVE CULTURE THAT REFLECTS AND ENRICHES THE COMMUNITIES WE SERVE

### PERCENTAGE OF OUR EMPLOYEES WHO WORK IN COUNTRIES WHICH HAVE GENDER BALANCE IN THEIR MANAGEMENT

| Fiscal 2020 | Fiscal 2021 | 2025 OBJECTIVE |
|---|---|---|
| 46.0% | 46.7% | 100% |

**83.7%** of the workforce work in countries with a non-discrimination policy that includes sexual orientation and gender identity

### WORKFORCE BY GENDER AND BY CATEGORY

(as of August 2021)


1 2021 employee engagement survey sent to 336,183 Sodexo employees of whom 63% responded (vs 59% the previous year).

03

## FOSTER A CULTURE OF ENVIRONMENTAL RESPONSIBILITY WITHIN OUR WORKFORCE AND WORKSPACES

NUMBER OF OUR EMPLOYEES TRAINED ON SUSTAINABLE PRACTICES SINCE 2015

| 57,279 | 74,203 | 100% |
|---|---|---|
| 2015-2020 | 2015-2021 | 2025 OBJECTIVE |

04

## PROVIDE AND ENCOURAGE OUR CONSUMERS TO ACCESS HEALTHY LIFESTYLE CHOICES

PERCENTAGE OF CONSUMERS WHO ARE OFFERED HEALTHY LIFESTYLE OPTIONS EVERY DAY

| 73.8% | 100% |
|---|---|
| Fiscal 2021 | 2025 OBJECTIVE |

05

## PROMOTE LOCAL DEVELOPMENT AND FAIR, INCLUSIVE AND SUSTAINABLE BUSINESS PRACTICES

BUSINESS VALUE BENEFITTING SMEs(1)
in billion euro

| 4.4 | 6.9 | 10 |
|---|---|---|
| Fiscal 2020 | Fiscal 2021 | 2025 OBJECTIVE |

06

## SOURCE RESPONSIBLY AND PROVIDE MANAGEMENT SERVICES THAT REDUCE CARBON EMISSIONS

REDUCTION IN SCOPE 3 SUPPLY CHAIN CARBON EMISSIONS VS 2017

| -10.5% | -23.2% | -34% |
|---|---|---|
| 2017-2020 | 2017-2021 | 2025 OBJECTIVE |

07

## ACT SUSTAINABLY FOR A HUNGER-FREE WORLD

STOP HUNGER BENEFICIARIES SINCE 2015
in million of beneficiaries

| 44 | 51.9 | 100 |
|---|---|---|
| 2015-2020 | 2015-2021 | 2025 OBJECTIVE |

08

## DRIVE DIVERSITY AND INCLUSION AS A CATALYST FOR SOCIETAL CHANGE

EMPOWERED WOMEN IN COMMUNITIES SINCE 2015

| 45,495 | 54,768 | 500,000 |
|---|---|---|
| Fiscal 2020 | Fiscal 2021 | 2025 OBJECTIVE |

09

## CHAMPION SUSTAINABLE RESOURCE USAGE

REDUCTION IN OUR FOOD WASTE ON THE SITES HAVING DEPLOYED THE WASTEWATCH PROGRAM

| -45.3% | -45.8% | -50% |
|---|---|---|
| Fiscal 2020 (291 sites) | Fiscal 2021 (878 sites) | 2025 OBJECTIVE |

Acting responsibly is at the heart of our mission and everything we do on a daily basis. Sodexo is recognized for these commitments and encourages its teams to make progress to reduce our impact on ecosystems.

Sodexo is a member of the ESG 80, FTSE4Good, Euronext CAC 40 ESG and Dow Jones Sustainability Index and ranks amongst leaders in its sector for the 16th consecutive year. The Group is also ranked among the top companies in its sector in the SAM Sustainability Yearbook and, for the 14th consecutive year, among the best companies in the DiversityInc ranking for LGBTQ+ employees, recruitment of women of color and executive women leaders. Sodexo also holds Ecovadis Platinium certification. In November 2020, Sodexo joined CDP's list of world leaders in climate change with an A rating for progressing on its carbon strategy.

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

1 Small and Medium Enterprises.

For more information, see chapter 2 of the Universal Registration Document

# A responsible compensation policy

**In the interest of Sodexo and its stakeholders, and in accordance with our values, the Board of Directors ensures that the Company offers a responsible compensation policy to deliver performance and achieve Sodexo's long-term strategy.**

CÉCILE TANDEAU DE MARSAC,
Chairwoman of the Compensation Committee

*"Our compensation policy, balancing individual and collective recognition and long- and short-term priorities, seeks to strengthen our culture of performance. In a context of rebound in activity, our objective is to attract, motivate, retain and engage Sodexo's talents and strenghten our culture of performance."*

## PRINCIPLES FOR COMPENSATION

- COMPLIANCE
- COMPETITIVENESS
- COMPLETENESS
- BALANCE
- PERFORMANCE
- TRANSPARENCY
- ALIGNMENT OF INTEREST

## HIGHLIGHTS OF FISCAL 2021

**Annual variable compensation adapted to the exceptional situation**

- Financial performance objectives were assessed every six months. The possibility of compensation for exceptional performance was excluded for this fiscal year. The return to an annual performance assessment cycle is expected for Fiscal 2022.
- For the Chief Executive Officer, non-financial performance objectives assessed over the full fiscal year, to ensure an annual perspective.

**November 2020 performance shares grant**

- For the first time, a performance condition designed to measure Sodexo's progress in reducing the carbon impact applies to all Group share plan beneficiaries. In line with past years, the plan also includes a performance condition set to encourage the promotion of women to the highest levels of the Group's management.
- The vesting period for performance shares has been reduced from 48 to 38 months. In order to maintain the annual rhythm of shares delivery, and an equal cost to the Company, no performance shares were granted in Fiscal 2020.
- The next performance shares award is scheduled for early 2022, with a vesting period of 36 months. The carbon impact performance condition will also apply.

**Announcement of a transition governance**

- Denis Machuel's term of office as Chief Executive Officer was terminated on September 30, 2021. Pursuant to the remuneration policy, the Board of Directors decided to enforce the non-compete covenant with enhanced provisions, in order to protect Sodexo's interests.
- Transition governance was announced, with the appointment of Sophie Bellon, Chairwoman of the Board of Directors, as interim CEO of the Group. Supplementary compensation has been proposed for this transition period.

Note: The executive supplementary pension plan approved by the shareholders at the Fiscal 2019 Annual Shareholders Meeting will be implemented during Fiscal 2022, the regulatory conditions having been detailed at the end of 2020.

## COMPENSATION OF THE EXECUTIVE CORPORATE OFFICERS

### Compensation of the Chairwoman of the Board of Directors

The compensation structure applicable to the Chairwoman of the Board of Directors comprises a fixed compensation payment and collective health and benefit plans. As the Chairwoman is a non-executive director, in line with market practices in France, she does not receive any variable compensation, either annual or multi-year. She does not benefit from a long-term incentive plan. For Fiscal 2021, the compensation paid to Sophie Bellon, Chairwoman of the Board of Directors, was 675,000 euro, equivalent to her theoretical annual fixed compensation.

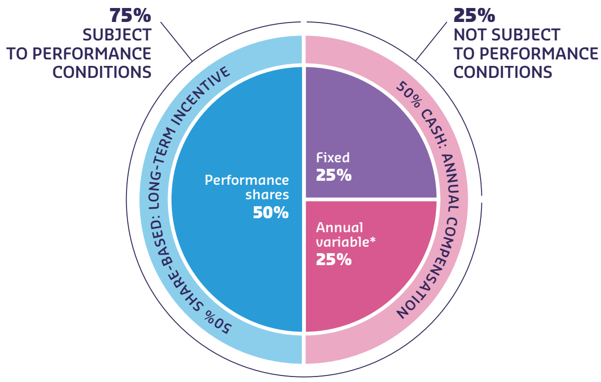
As of October 1, 2021, the Chairwoman also acts as interim Chief Executive Officer. As such, Sophie Bellon will receive additional fixed compensation for the duration of the interim period, bringing her theoretical total annual fixed compensation to 900,000 euro. The structure of the Chairwoman's compensation will remain unchanged during the interim period, with no variable remuneration or performance share award.

### Compensation of Chief Executive Officer

The Chief Executive Officer's compensation policy is structured to achieve a balance between long- and short-term performance in order to promote the Group's development for the benefit of all of its stakeholders.

It aims at strengthening the executive officer's motivation and retention, while aligning his interests with those of the shareholders and the social interest of the Company.

It consists of fixed compensation, remunerating the responsibilities attached to such mandate, annual variable compensation, designed to encourage the Chief Executive Officer to achieve the annual performance objectives set by the Board of Directors, and long-term compensation, granted in performance shares.






### Details of compensation

#### For Fiscal 2021

- The fixed compensation actually paid amounts to 900,000 euro.
- The performance for Fiscal 2021 was assessed in two stages due to the exceptional health situation. Taking into account the achievement rate, the variable compensation for the year is 810,000 euro, submitted for approval at the Shareholders Meeting of December 14, 2021.
- On November 25, 2020, the Board of Directors decided to grant performance shares to the Chief Executive Officer as part of his long-term incentive policy. He thus was awarded 28,000 shares subject to performance conditions, with an IFRS value of 1,681,288.

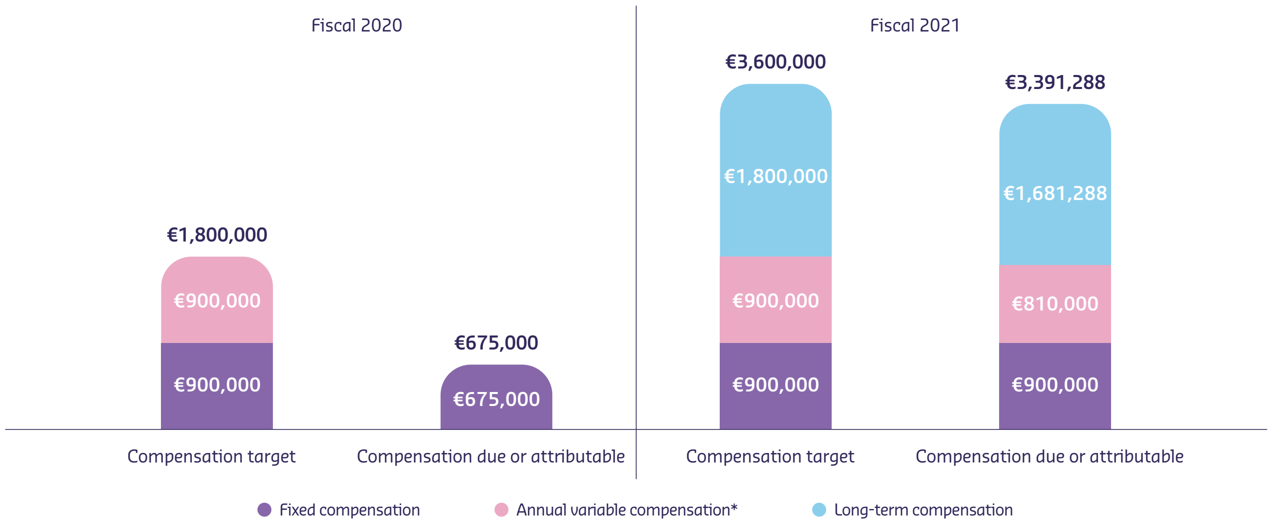
#### For Fiscal 2022

- The amount of fixed compensation remains unchanged for Fiscal 2022. It will be paid on a *pro rata* basis from September 1 to 30, 2021, date of the end of his term of office as Chief Executive Officer.
- The Board of Directors has decided to set the amount of his variable compensation for Fiscal 2022 at his target level, *i.e.* 100% of his fixed compensation, *pro rata temporis*, from September 1 to 30, 2021.
- No performance shares will be awarded to Denis Machuel for Fiscal 2022.

### Pursuant to the compensation policy, the proposed financial terms of the departure of Denis Machuel include the following elements

- A reinforced non-compete agreement in order to protect the Group: new competitors have been added, in particular digital players, the duration has been extended from 2 to 3 years, and more restrictive non-solicitation conditions of the Group's employees and clients have been imposed. In return, the amount of the non-compete indemnity was revised upwards to two years of fixed and variable compensation due for Fiscal 2021.
- In recognition of his contribution to the development of the Group, which he joined in 2007 and of which he was the Chief Executive Officer since January 2018, and of his action during the Covid-19 crisis, the Board of Directors has decided to waive the presence condition applicable to his unvested share plans and to maintain the performance shares *pro rata* to Denis Machuel's actual presence within the Group.
- Denis Machuel will benefit from health insurance and life insurance for twelve months from the end of his mandate.

### Summary of the compensation of the Chief Executive Officer




* If all of the applicable targets are achieved, the annual variable compensation amounts to 100% of the annual fixed compensation and may reach up to 150% if the targets are exceeded.

For more information, see Chapter 6 on Compensation.

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2

# CORPORATE RESPONSIBILITY AT SODEXO

# 2.1 Corporate Responsibility at Sodexo

**Since the founding of Sodexo in 1966, corporate responsibility has been at the heart of everything we do and has been part of our mission ever since. We have worked on our corporate responsibility roadmap and developed as our Company has grown. We are convinced that our employees, consumers, clients, suppliers, and shareholders expect our growth to have a positive global impact.**

Today, choosing responsible growth means pursuing and continuing to make the best possible choices, and focusing on health, safety and respect for the environment. It means improving the way we take care of our employees, the quality of the meals we serve and the services we provide as well as our actions as a corporate citizen.

Better Tomorrow 2025 guides our actions and directs our progress on our most important social and environmental issues.

## BETTER TOMORROW 2025
## Our 9 commitments and objectives for 2025

| | OUR IMPACT ON INDIVIDUALS | OUR IMPACT ON COMMUNITIES | OUR IMPACT ON THE ENVIRONMENT |
|---|---|---|---|
| OUR ROLE AS AN **EMPLOYER** | **Improve the quality of life of our employees, safely**<br>80% employee engagement rate | **Ensure a diverse workforce and inclusive culture that reflects and enriches the communities we serve**<br>100% of our employees work in countries that have gender balance in their management populations | **Foster a culture of environmental responsibility within our workforce and workspaces**<br>100% of our employees are trained on sustainable practices workspaces |
| OUR ROLE AS **A SERVICE PROVIDER** | **Provide and encourage our consumers to access healthy lifestyle choices**<br>100% of our consumers are offered healthy lifestyle options every day | **Promote local development and fair, inclusive and sustainable business practices**<br>10 billion euro of our business value will benefit SMEs[1] | **Source responsibly and provide management services that reduce carbon emissions**<br>34% reduction of carbon emissions[2] |
| OUR ROLE AS **A CORPORATE CITIZEN** | **Act sustainably for a hunger-free world**<br>100 million Stop Hunger beneficiaries | **Drive diversity and inclusion as a catalyst for societal change**<br>500,000 women in communities empowered[3] | **Champion sustainable resource usage**<br>50% reduction in our food waste |

1 Small and Medium Enterprises.
2 Absolute reduction in Scope 1, Scope 2 and Scope 3 carbon emissions, compared to a 2017 baseline.
3 Cumulative number since 2015.

## 2.1.1 Our contribution to the United Nations Sustainable Development Goals

All of our Better Tomorrow 2025 commitments are aligned with the recommendations from the United Nations Sustainable Development Goals (SDGs). The SDGs were launched in 2015. They set worldwide goals in 17 key areas that governments, corporations and society must take into account in order to make the world a more equitable, fair and sustainable place by 2030.

### OUR MAIN CORPORATE RESPONSIBILITY AWARDS AND RECOGNITIONS

Member of Dow Jones Sustainability Indices
Powered by the S&P Global CSA

DiversityInc 2021 TOP 50 Companies for Diversity Hall of Fame

Sustainability Award
Silver Class 2021
S&P Global

The Global Compact

FTSE4Good

CDP A List 2020 Climate

Gender Equality & Diversity for European & International Standard



## 2.1.2 CSR Governance

### Financial independence ensured through founding family shareholding

Sodexo's independence allows us to maintain a long-term vision and strategy and to guarantee the Company's sustainability. The consistency of our commitment to build an international organization with strong management, to maintain sustainable relationships with all our stakeholders and to develop an integrated quality offering is a reflection of this vision.

### CSR at the heart of our Company's mission

Under the leadership of Chairwoman Sophie Bellon, the Board of Directors, composed of 7 women and 5 men, determines the Company's strategic direction in keeping with the long-term vision that characterizes our governance. Among the 12 members of the Board of Directors, 6 have experiences in sustainable development, social commitment and human resources. Corporate Social Responsibility is a frequent topic of discussion.

During Fiscal 2021, progress and areas of development in corporate responsibility were presented to the Board of Directors twice as separate topics and incorporated into all of the strategy presentations and the training session held in June for the Board members.

Additionally, the Compensation Committee has reviewed the executive incentive plan in order to add a criterion on the achievement of the carbon footprint targets.

### Supported by the Transition Committee and the Executive Committee

Sophie Bellon, Chairwoman of the Board and Interim Chief Executive Officer, has always been committed to issues related to corporate responsibility. She is a member of the Champions 12.3 coalition, dedicated to achieving the food waste reduction goals set by the United Nations.

Corporate responsibility issues are regularly discussed by the Executive Committee in order to define future guidelines and make progress on various related matters. Sophie Bellon represents Corporate Responsibility on the Transition Committee and brings her experience and her convictions to accelerate the return to both profitable and responsible growth. Several members of the Group's Executive Committee are responsible for driving continuous improvement in terms of corporate responsibility:

- **Didier Sandoz**, as CEO Corporate Responsibility, leads the development and deployment of the Better Tomorrow 2025 roadmap;
- **Johnpaul Dimech**, as CEO Geographic Regions, is responsible for promoting actions to reduce food waste, including the deployment of the WasteWatch program;
- **Sean Haley**, in his role as CEO Service Operations Worldwide, along with responsibility for supply management and Entegra, oversees topics related to responsible sourcing and sustainable eating, as well as issues related to Health and Safety;
- the Diversity, Equity and Inclusion Department reports directly to the CEO in order to ensure the Company's progress on these important issues;
- the Group's Ethics and Compliance Department, which is responsible for ethical principles and responsible business conduct, also reports directly to the CEO.

### Corporate Responsibility Steering Committee

This Committee, led by Didier Sandoz, is composed of 9 members from various continents, professions and Departments. The Committee drives our global corporate responsibility roadmap and tracks the progress made. They meet every 3 months to monitor the progress of our corporate responsibility roadmap and to decide on priorities for the upcoming months. This year, the Committee has supervised the creation of the new materiality matrix to ensure that corporate responsibility is anchored in the regions and segments' strategic plans.

### Diversity, Equity and Inclusion Steering Committee

This Committee delivers the global vision and sets targets for progress. In pairs, the Executive Committee members sponsor each of the five areas of focus (Gender, Culture and Origin, People with Disabilities, Sexual Orientation and Generations) and move them forward, supported by global, regional and local Diversity, Equity and Inclusion working groups that are close to our operations and adapted locally to each community.

### Group Ethics and Compliance Committee

Integrity in terms of business conduct is essential to Sodexo's success and constitutes a fundamental pillar of its commitment to responsible business conduct. This Committee is co-chaired by the Group General Counsel and the Group Chief Ethics Officer, reports regularly to the Group Executive Committee and comprises representatives from the Group's various support functions: Ethics, Legal, Internal Control, Internal Audit, Human Resources, Supply Management, Corporate Responsibility, and Communications. The independent Ethics and Compliance Committee ensures that the Human Rights and Business Integrity Charter is applied across all Company activities and with all its stakeholders. During Fiscal 2021, the Committee met on seven occasions.

### The Better Tomorrow community (in charge of corporate responsibility)

A corporate responsibility leader is appointed in each segment and/or country to drive the deployment and progress of the Better Tomorrow 2025. They are the main point of contact for any questions regarding the program and its initiatives. This community composed of more than 80 persons meets regularly to exchange best practices, information and progress on the matter.

## 2.1.3 Stakeholder Relationships

### Employee development

Sodexo is committed to being an employer of choice and to share the Group's values with its employees (Service Spirit, Team Spirit and Spirit of Progress). We offer employment opportunities in the communities in which we operate, along with training that promotes professional development and internal advancement.

**78.3%** **of our employees are engaged**

### Developing long-term customer relationships

Sodexo has the capability of providing a wide range of services for a single client at all its sites around the world. Our services have a direct impact on the strategic elements of our clients' business, such as employee engagement, competitiveness and the attractiveness of the Company.

**100** **million** consumers per day

### Improving consumers' quality of life

Sodexo serves daily meals to millions of people and, as such, can greatly influence them to adopt a more balanced and sustainable diet by sharing educational information that's accurate and accessible. This awareness is essential for improving the quality of life of its customers.

**73.8%** **of our consumers** are offered healthy lifestyle options

### Partnerships with our suppliers and merchants

Our suppliers and merchants are an essential element in our value chain. They are valuable business partners with whom the Company seeks to build mutually beneficial relationships. They must meet strict standards of quality, working conditions, business integrity and environmental friendliness.

**95.6%** **of spend** with contracted suppliers having signed the Sodexo Supplier Code

### Collaboration with institutions and NGOs

Sodexo continues to enlarge its ecosystem of non-government organizations and commitments to its different stakeholders. It's a necessary approach for meeting global challenges such as respecting human rights, continuously improving working conditions, diversity, equity and inclusion, reducing carbon emissions and food waste, improving nutrition and fighting hunger.

Sodexo is collaborating with recognized expert international organizations. We have long-standing and successful relationships with the Organization for Economic Cooperation and Development (OECD), the World Wildlife Fund (WWF), the International Labor Organization (ILO), the United Nations, the Global Sustainable Seafood Initiative (GSSI), the Seafood Task Force and academic institutions. Our Company is also connected, through an international agreement, with the International Union of Food Workers (IUF). Sodexo is a founding member of the International Food Waste Coalition (IFWC) and the Global Coalition for Animal Welfare (GCAW).

### Investor confidence

While the Bellon family's stake in the Company is a guarantee of Sodexo's financial independence and stability, the confidence of institutional and individual shareholders provides the stock market support needed to increase its value.

This confidence is reflected in Sodexo's inclusion in the newly created Euronext CAC 40 ESG index, which includes 40 companies in the CAC Large 60 index with the best environmental, social and governance (ESG) practices.

Sodexo is also included in Dow Jones Sustainability, Vigeo Eiris and FTSE4Good indices.

### Dialogue with governments and regulators

Sodexo's business activities are regulated by numerous rules and regulations pertaining to food safety, workplace health and safety, procurement contracts, payment services, etc. Many of our activities are contracted with public or governmental organizations.

Registered in the Transparency Register of the European Commission and the European Parliament, Sodexo participates in governmental consultations and practices an ethical lobbying policy with political and economic decision makers.

In July 2021, Sodexo committed to the new European Code of conduct for responsible business and marketing practices. This Code reinforces Sodexo's Corporate Responsibility commitments and our ambition to develop responsible agriculture based on the preservation of natural resources and respect for biodiversity, social justice and economic viability.

## 2.1.4 Materiality Matrix

Sodexo's wide range of activities and services enables us to develop strong relationships with multiple stakeholders. In 2021, we conducted our third materiality assessment to confirm the validity of our corporate responsibility roadmap. We renewed the process of identification and ranking of key issues and impacts in consultation with internal and external stakeholders and the support of an external partner EY.

We recognize that our activities — and the way we carry them out — have impacts that reach well beyond our financial performance. In order to remain successful in the long term, we need to continue engaging our stakeholders and society at large.

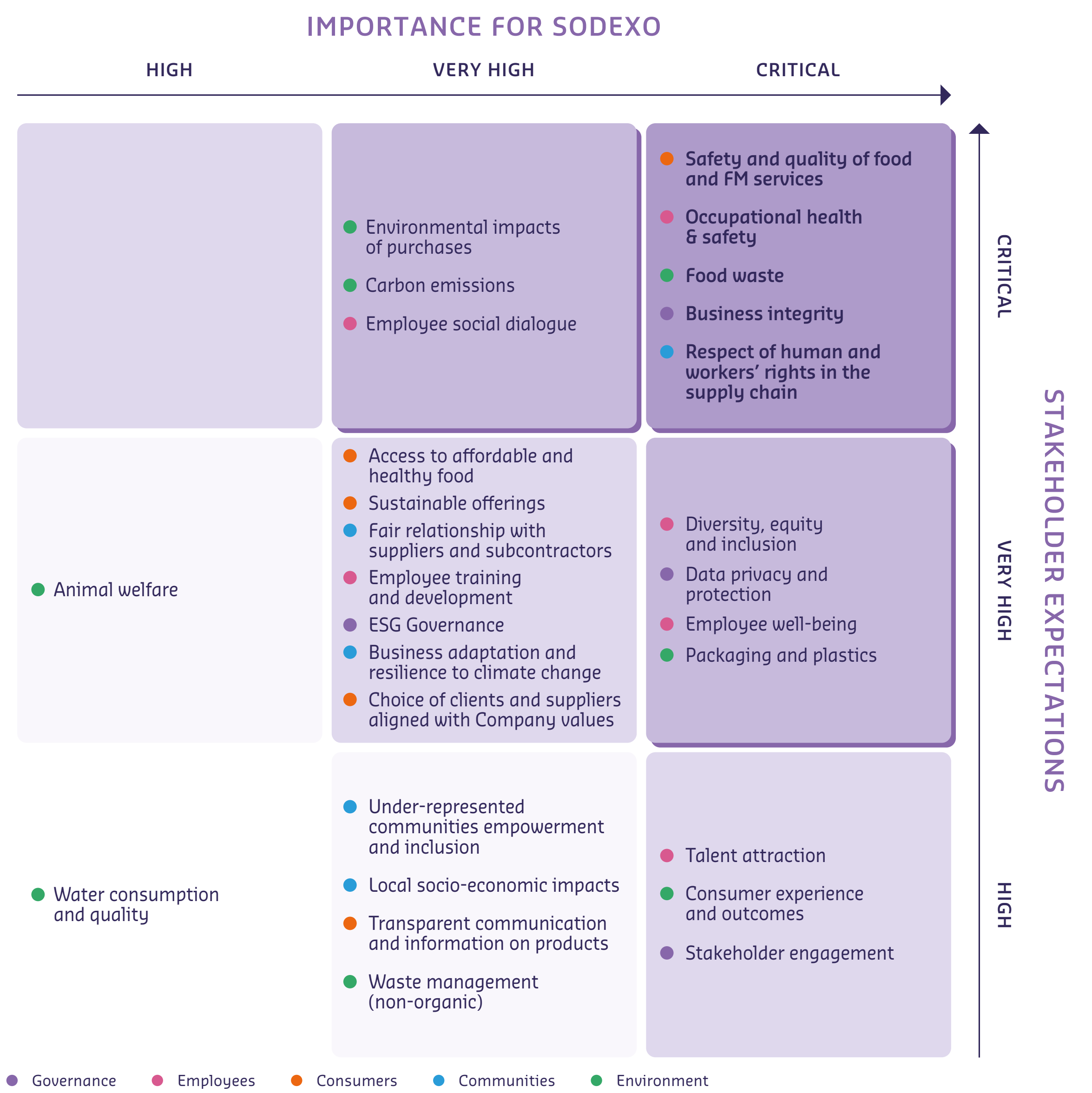
Understanding their views on the economic, social, environmental and governance topics affecting Sodexo enables us to better address their concerns, exchange constructively on different focus areas and, in the end, better manage our business.

This requires that we also understand the correlations between different topics and define scenarios for which we want Sodexo to be prepared.

The materiality assessment enhances the dialogue with key stakeholders and helps to systematically identify and drive understanding on corporate responsibility topics that affect Sodexo and our stakeholders today and in the future.

During Fiscal 2021, we reviewed our materiality assessment to also consider the impact of major ongoing developments (most notably the Covid-19 pandemic) on our sustainability priorities.

Our materiality assessment is conducted in accordance with the Global Reporting Initiative's (GRI) Sustainability Reporting Standards.




Source: EY-June 2021

## We have developed the materiality matrix following a 3-step process:

1

### UPDATE AND IDENTIFICATION OF THE ISSUES

In 2020, the context shifted significantly with greater awareness globally on climate change, biodiversity, social justice, sustainable finance and of course the unprecedented conditions and challenges linked to the pandemic. Therefore, the list of challenges assessed for the previous materiality, performed in 2019, was updated to include emerging topics. We collaborated with EY to undertake this review, which included a desk-based assessment of recent publications, reports, and statements from a mix of external stakeholders, such as investors, analysts, civil society organizations, governments, trade associations, and peers.

2

### PRIORITIZATION OF ISSUES

The prioritization of the issues and their impacts have been established in consultation with internal and external stakeholders. Challenges were presented for quantitative assessment through surveys and interviews. Over 150 internal and external stakeholders representing the various partners, activities and regions in which Sodexo operates were consulted in June 2021.

The workshops and interviews conducted by EY brought together representatives from the Strategy, Communication, Risk Management, Corporate Responsibility, Marketing, Digital and Innovation, Human Resources, Purchasing and Investor Relations teams. Company employees have also provided feedback through surveys.

Interviews were also conducted with suppliers, investors, clients and NGO partners.

Lastly, the analysis of external data from investors, consumer research, rating agencies and competitors greatly contributed to the assessment of the importance of the new issues;

3

### LEVERAGING THE MATERIALITY ASSESSMENT OUTCOMES

All of the consultations contributed to the quantitative and qualitative assessment of the issues, identified by the Sodexo teams upstream. Twenty-eight issues have been clearly defined and prioritized according to the Sodexo impacts identified in the Corporate Responsibility Roadmap: Better Tomorrow 2025.

The outcomes of the 2021 Stakeholder consultation reinforced Sodexo's commitment to continue the deployment of its Corporate Responsibility roadmap: Better Tomorrow 2025.

# Focus on top 5 critical issues

| DEFINITION | WHY IS IT A CHALLENGE FOR SODEXO? | HOW DID WE ADDRESS THE MATTER IN FISCAL 2021? |
|---|---|---|
| **SAFETY & QUALITY OF FOOD & FM SERVICES** | | |
| Food hygiene and quality means sufficient access to safe and nutritious food that is properly washed, stored, cooked and preserved.<br>Quality and safety of Facility Management services include the selection of cleaning and amenities that are not harmful to people. | Access to sufficient amounts of safe and nutritious food is key to promoting good health. Unsafe food containing harmful bacteria, viruses, parasites or chemical substances can cause more than 200 different diseases.<br>Sodexo serves 100 million consumers each day and has committed to offers 100% of consumers with healthy lifestyle options every day. | 96.5% of On-site Services revenues of countries had a system to ensure that employees with food service responsibilities are trained in compliance with local laws and regulations and Global Food Safety and Hygiene Policy (p. 71). |
| **OCCUPATIONAL HEALTH & SAFETY** | | |
| Providing a safe working environment ensuring the health and safety of workers through adequate protection is among companies' duties to their employees, in particular in physical activities such as catering and facility management. Health & safety policies include the identification of risks through *ad hoc* analysis as well as monitoring and analysis of working accident and medical records and the definition of corrective measures. | Sodexo employs around 412,000 people worldwide and also uses subcontractors. Its employees work in a wide variety of environments and are therefore exposed to a wide variety of health and safety risks. | Sodexo's employees were absent for an average of 11.5 days, due to occupational accidents or sickness and/or personal accidents or sickness (p. 70). |
| **FOOD WASTE** | | |
| Food waste may occur at any stage of the food supply chain – production, transportation, processing, retail and consumption and is a major part of the impact of agriculture on climate change and other environmental issues.<br>Prevention and reduction of food waste through programs, initiatives, innovative systems & technologies, awareness & behavior measures, etc. and applying principles of circular economy is now more important than ever. | Commercial and collective catering is a major source of food waste. Food waste has been identified as a major area of action for Sodexo. Food waste prevention and reduction can also have a great environmental and financial impact. | We are the first global food services company to connect our financing to action to prevent food waste.<br>45.8% of food waste reduction on 878 sites having already deployed WasteWatch program. |
| **BUSINESS INTEGRITY** | | |
| Key stakeholders (investors, regulators, customers, partners, etc.) expect companies to adopt transparent and responsible business practices including in their supply chain, that comply with all applicable laws and regulations and respect ethical principles. This issue covers several main topics: corruption, fair and open competition, ethical decision-making, the use and protection of Sodexo's assets and tax evasion. | The Group works with suppliers located in countries at risk in terms of ethical breaches, mainly corruption. Sodexo is also involved in sectors where competition is high which increases the risk of ethical transgressions. | 95.1% of workforce worked in countries having the Sodexo Statement of Business Integrity available in at least one official language (p. 59). |
| **RESPECT OF HUMAN AND WORKERS' RIGHTS IN THE SUPPLY CHAIN** | | |
| Human rights and fundamental freedoms are stated by the Universal Declaration of Human Rights. Building responsible traceable supply chains enables protection and promotion of human rights and fundamental freedoms, including, but not limited to: eradication of forced labor, child labor, discrimination, non-respect of freedom of association and collective bargaining. | Sodexo works with suppliers located on every continent around the world, while the Purchasing Department has employees based across the Group's different geographies. Some of these countries where Sodexo operates and purchases have potential high human rights risks. | 95.6% of spend came from contracted suppliers having signed the Sodexo Supplier Code of conduct (p. 79). |

## 2.1.5 Running business with integrity and respect for human rights wherever Sodexo operates

Loyalty, respect for people, transparency and integrity: Sodexo's core values must be known and understood by all employees, who are expected to act in accordance with them. At the center of our ethical principles is our commitment to business integrity. To ensure integrity in all business dealings, Sodexo has adopted strict principles, which are formulated in its Statement of Business Integrity and accompanied by a guide for employees on how to put them into practice. Sodexo's commitments to Human Rights and Fundamental Rights at Work are laid out in the Human Rights Policy and the Fundamental Rights at Work charter. The Group's Human Rights policy is based on the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Our occupational Health and Safety policy is captured in the Group Health and Safety Policy and Environmental Policy is covered by the Better Tomorrow 2025 roadmap.

The Sodexo Supplier Code of conduct sets forth the rules to which suppliers and sub-contractors are required to commit as a condition of doing business with Sodexo. This Supplier Code of conduct is supported by a Guide to help our suppliers to understand and act on their obligations.

In June 2017, Sodexo and the International Union of Food Workers (IUF) signed an agreement to prevent and combat sexual harassment in the workplace. Sodexo and the IUF want to ensure that all employees are aware of what constitutes sexual harassment, that they fully understand what is expected of them and that they are able to report any concern or suspected abuse confidentially. As a result of this agreement, training of all employees in this policy and their responsibilities became mandatory.

| | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| % of workforce working in countries having the Sodexo Statement of Business Integrity available in at least one official language* | 95.1% | 95.2% |
| % of workforce working in countries having the Group Human Rights policy available in at least one official language* | 94.2% | 93.8% |
| % of employees working in countries with a non-discrimination policy that includes sexual orientation and gender identity (on-site activity only) | 83.7% | 93.5% |

* Fiscal 2020 figures were restated following a detailed data analysis.

# 2.2 Improving everyone's quality of life in a sustainable way

**Sodexo employees are helping to improve the daily lives of millions of consumers around the world by making a sustainable difference in the quality of life for all.**

As a responsible employer, Sodexo is committed to the well-being, health and safety of its employees. Training, support and development are essential to the commitment and recognition of its employees. Sodexo ensures that all employees have all the skills and tools necessary for advancing within the Group.

As a service provider, Sodexo offers personalized menus based on the specific needs of its customers, such as seniors or patients in hospitals. Sodexo is also committed to offering all its customers a variety of foods from responsible sources.

As a corporate citizen, Sodexo reaffirms its engagement and determination to act against hunger, through Stop Hunger, its main philanthropic cause. Sodexo's global reach allows it to have a tremendous power of positive influence to drive progress in key areas such as food distribution or women empowerment as levers to fight against hunger.

| | OUR IMPACT ON INDIVIDUALS | WHERE DO WE STAND? (OBJECTIVES BY 2025) | OUR IMPACT ON COMMUNITIES | OUR IMPACT ON THE ENVIRONMENT |
|---|---|---|---|---|
| OUR ROLE AS AN EMPLOYER | Improve the quality of life of our employees, safely | 78.3% employee engagement rate (80%) | Ensure a diverse workforce and inclusive culture that reflects and enriches the communities we serve | Foster a culture of environmental responsibility within our workforce and workspaces |
| OUR ROLE AS A SERVICE PROVIDER | Provide and encourage our consumers to access healthy lifestyle choices | 73.8% of consumers are offered healthy lifestyle options (100%) | Promote local development and fair, inclusive and sustainable business practices | Source responsibly and provide management services that reduce carbon emissions |
| OUR ROLE AS A CORPORATE CITIZEN | Act sustainably for a hunger-free world | 51.9 million(1) Stop Hunger beneficiaries (100 million) | Drive diversity and inclusion as a catalyst for societal change | Champion sustainable resource usage |

1 Cumulated number for the 2015-2021 period.

Our impact on individuals

## 2.2.1

# PEOPLE-CENTRICITY HAS BEEN CORE IN A CHALLENGING YEAR

While the situation has been very difficult, Sodexo has been wholly committed to supporting its employees around the world and doing everything possible to minimize the impact of the pandemic. In many countries, Sodexo provided counselling and emotional support, practical advice, guidance, training and financial support to employees.

Nevertheless, like many global companies, Sodexo has been impacted by the Covid-19 and the business had to react quickly to ensure operations were right-sized to meet the changing needs of clients. Inevitably, this had an impact on employees.

For those impacted, Sodexo put in place its Employee Relief Program, a fund of 30 million euro to help mitigate the impact of the pandemic on employees. The Employee Relief Program was enabled by a contribution from the Company and by a reduction to the compensation of Group Senior Executives.

Meanwhile, Sodexo continued to focus on motivating and supporting employees who will be critical to the organization's continued success.

Sodexo has taken a people-centric approach to the impact on health. Efforts have focused on adapting working practices and training to support the safe delivery of service on client sites as they re-open. Sodexo has ensured teams have been suitably equipped with personal protective equipment and informed on the topic of vaccines.

Sodexo took the position of endorsing vaccination programs as the way out of the crisis. Again, it adopted a people-centric approach providing employees with information to enable them to make informed decisions about their own personal health. Some Sodexo clients chose to mandate vaccinations and, in those situations, Sodexo worked with clients and employees to maintain the health and safety of all stakeholders and ensuring freedom of choice.

Throughout the pandemic, Sodexo has made it a duty to record cases of employees testing positive for Covid-19. As of August 31, there have been 31,000 Covid-19 cases reported by Sodexo employees, which reflects a substantially lower rate of infection than in the general population and demonstrates the impact of Sodexo's protocols, focus on training and access to personal protective equipment.

**Sodexo is confident that its commitment to caring for employees, protecting their health and safety, safeguarding their wellbeing, treating them with respect, making them feel included and valued, will help to both retain talents and attract new talents as the business prepares to recover from the crisis.**



## Position on vaccines

Vaccination programs were met with huge media coverage and led to debate around effectiveness, safety and human rights. Sodexo took a stance to educate its employees to enable them to make informed decisions based on facts.

A global campaign, featuring videos, posters and Q&A was launched to provide employees with fact-based information on vaccines. In the United States, Sodexo employed celebrity figures to endorse its *Get the Facts* campaign, which encouraged employees to make an informed choice about getting vaccinated.

## Caring for healthcare teams

While many client sites are now returning to normal after long periods of closure or reduced operation, our healthcare clients and our teams working at those sites have been at the sharp end of the pandemic, exposed to stress, anxiety and heightened demand.

To support teams working in these environments, for example, Sodexo in the United Kingdom & Ireland established a counselling service, providing emotional and psychological support and helping them to recognize and address mental health issues within the team. The impact of this initiative has been critical for many employees and their families, as well as being recognized by our clients.

## Support of our Senior Leaders

In the context of restructuring programs and changes to site operations, Sodexo recognized the importance of equipping managers with the skills to demonstrate inclusive leadership to ensure the business remained true to its values and showcased genuine care for people.

Our Learning and Development team designed training programs and packaged them into the Recharge Hub, which gave managers guidance to support their team in this context. The recharge hub is an online digital toolkit that aims at supporting our senior leaders in the change management.

## Digitalizing personal development

In the context of the pandemic, face-to-face training has been a challenge and, therefore, there has been a shift to a more digitalized approach to learning and development.

This has allowed Sodexo to continue investing in its people, drive performance through commercial capabilities and anchor a sense of belonging, while staying true to its commitments around supporting the career growth of its employees. It has also enabled the Group to equip its teams with the skills and expertise to support clients as they adjust to different challenges in this new normal.

In support of our culture and the engagement of our employees Sodexo has continued deployment of the virtual induction program for all new employees, Sodexo DNA, as well as launching a new virtual *Sodexo World* induction program for new senior leaders.

Our impact on individuals

## 2.2.2

# ACT FOR A HUNGER-FREE WORLD

Acting locally and sustainably for a hunger-free world means working for a better quality of life. This is the mission of Stop Hunger, a global non-profit network created 25 years ago by Sodexo employees in the United States. To sustainably eradicate hunger in the communities most in need, Stop Hunger's activities go beyond food assistance with one priority: women empowerment.

Those who suffer from hunger are most inclined to be affected by conflict and climate change. Since 2020, the global health crisis and its social and economic repercussions have worsened food insecurity, and no country is spared. Because of the pandemic, hunger is on the rise again. Today, up to 800 million people around the world suffer from hunger, which is 161 million more than last year, and 41 million people are threatened by famine.

Hunger is increasing, even though our planet is capable of feeding 12 billion people.

### Responding to this food emergency affecting the most vulnerable, regardless of country

Since the start of the global health crisis, Stop Hunger has distributed 8.5 million meals through the support of Sodexo and its ecosystem. 41,000 volunteers have got involved locally across 54 countries. An exceptional donation of over 4 million U.S. dollars was mobilized to provide immediate and meaningful support to 200 food banks, NGOs and charities in the most affected countries.

Food aid remains vital in addressing hunger immediately and on daily basis to save lives. However, Stop Hunger continues to act, enabling those most in need to escape hunger sustainably.

We must act to avoid present and future crises and build greater resilience. The solution is to transform existing food systems and develop food self-sufficiency, education, cooperation and to empowerment women.

### THE EMPOWERMENT OF WOMEN IS AN EFFECTIVE WAY TO ELIMINATE HUNGER

Stop Hunger's priority is women empowerment. According to various studies, women are key to fighting hunger effectively. Through Stop Hunger experience in supporting women most in need, we know and can measure the positive impact they are having in their homes and communities.

Stop Hunger has invested 6.5 million U.S. dollars over the past five years in 54 programs in 31 countries to provide women with access to training and employment. Among these programs, 29 outstanding women have received the "Women Stop Hunger Awards", benefiting from financially assistance and support for their actions. These awards were launched in 2017 with support from the Sodexo's Diversity, Equity and Inclusion team and its SoTogether gender networks. Overall, at least 30,000 women benefit from the women empowerment programs Stop Hunger supports.

## Sodexo is a proud supporter of Stop Hunger

### 25 YEARS

Stop Hunger is part of Sodexo's DNA. It was our teams in the United States that first committed to the cause by creating Stop Hunger in 1996. Strongly tied to Sodexo's mission, Stop Hunger is the Group's unique philanthropic cause supported today by over 40,000 volunteers in 54 countries.

### 100%

1 euro given = 1 euro invested against hunger. 100% of donations go to actions on the ground. Stop Hunger's operating costs are covered by Sodexo.



### Skills-based Volunteering

Technical expertise and private sector skills are critical for partners of Stop Hunger. Through YEAH missions (Your Engagement Against Hunger), 71 Sodexo experts have completed 490 days of solidarity missions throughout the world. The missions are organized to support the World Food Programme, the world's largest humanitarian organization focused on hunger and food security, recipient of the 2020 Nobel Peace Prize, as well as CARE Haiti and the GoodPlanet Foundation in Ladakh, in North of India.

### Hands-On volunteering

Each year, the Stop Hunger Servathon mobilizes local volunteers to help the most in need through food drives and fundraising, including virtual collections. Despite the constraints of the health crisis, 249,000 U.S. dollars was raised in 2021 across 32 countries, an increase of 21% against 2019. Throughout the world, the Servathon has allowed us to support more than 218,000 people locally. To facilitate volunteering by connecting volunteers and NGO partners with just one click, Stop Hunger has deployed an online solution, the Stop Hunger Goodness Platform. Our employees can quickly find volunteer assignments close to home and make use of their annual volunteering day offered by Sodexo.

### Fundraising

Stop Hunger's fundraising dinners, such as in the United States, Canada, France, United Kingdom or Spain, appeal to the generosity of Sodexo's local ecosystem and raise 30% of the organization's funds. The Stop Hunger Food Pass card in Brazil and the *Chèques du Cœur* in France also spark donations. In 2021, thanks to the generosity of meal voucher users, Stop Hunger collected 430,000 U.S. dollars for the benefit of our partner *Les Restos du Cœur*, a major French Charity.

## 2.2.3 Impact on individuals – key performance indicators

### Workforce by segment and activity

| | NUMBER OF PEOPLE | | | BREAKDOWN | |
|---|---|---|---|---|---|
| | FISCAL 2021 | CHANGE | CHANGE % | FISCAL 2021 | FISCAL 2020 |
| Business & Administrations ☑ | 237,417 | -9,368 | -3.8% | 57.6% | 58.4% |
| Healthcare & Seniors ☑ | 90,102 | +8,733 | +10.7% | 21.9% | 19.2% |
| Education ☑ | 71,182 | -9,190 | -11.4% | 17.3% | 19.0% |
| **TOTAL ON-SITE SERVICES ☑** | **398,701** | **-9,825** | **-2.4%** | **96.8%** | **96.6%** |
| **BENEFITS & REWARDS SERVICES ☑** | **4,381** | **-327** | **-6.9%** | **2.2%** | **1.1%** |
| **GROUP HEADQUARTERS AND SHARED STRUCTURES ☑** | **9,006** | **-472** | **-5.0%** | **1.1%** | **2.2%** |
| **TOTAL ☑** | **412,088** | **-10,624** | **-2.5%** | **100%** | **100%** |

In Fiscal 2021, the total number of employees has fell by -2.5% between the beginning and the end of the year. This compares to an organic revenue decline of -5.6%, but which was down -21.7% in the first half and up 18.1% in the second half. The Group Effectiveness and Transformation (GET)[1] plan had a significant effect on the number of employees.

Variances in the workforce by segment are as follows:

- Business & Administrations: The workforce is down by -3.8%, primarily due to:
  - the resizing of on-site teams to prepare for increased and long-term reliance on work from home in Business Services,
  - new waves of the pandemic, mainly in North America and India, which have severely disrupted operations,
  - the disposal of some services and some countries.

  The decrease in employees has been kept to a minimum in relation to the -9.7% decrease in revenue this fiscal year. This is explained to some extent by the partial recovery of our Sports and Leisure activity in North America in the final quarter of the fiscal year, resulting in the hiring of 2,900 employees and the strong performance in the Energy and Resources segment;
- Healthcare & Seniors: The workforce increased by +10.7% due to a gradual recovery of business activity, with revenue increasing by +3.1% in Fiscal 2021. The United Kingdom Covid-19 rapid testing center contract alone represented nearly two thirds of this increase;
- Education: The number of employees declined by -11.4% and reflecting the worldwide revenue decrease of -7.6% in this segment, primarily due to the closure of schools and campuses throughout most of the year in the United States. In the last quarter, there was an increase of about 3,000 employees in preparation of the reopening of schools and colleges in North America for the new academic year. This was offset by the exit of our education operations in Germany, representing nearly 1,000 employees;
- Benefits & Rewards Services: The number of employees decreased by -6.9% due to the transfer of Rydoo at the end of the year and workforce reductions in Turkey and France, while the workforce in Brazil continues to grow;
- lastly, the workforce at Group Headquarters declined by -5%, in line with the implementation of the GET[1] plan and control of structural costs.

1 The "GET" plan, implemented in the second semester of Fiscal 2020 aims at adapting the SG&A costs to the consequences of the sanitary crisis on the business. Most of its implementation took place in Fiscal 2021.

☑: Indicators verified to the level of "reasonable" assurance by KPMG.

## Workforce by region

| | NUMBER OF PEOPLE | | | BREAKDOWN | |
|---|---|---|---|---|---|
| | FISCAL 2021 | CHANGE | CHANGE % | FISCAL 2021 | FISCAL 2020 |
| North America | 113,345 | -14,798 | -11.5% | 27.5% | 30.3% |
| Europe | 132,375 | +374 | +0.3% | 32.1% | 31.2% |
| Asia-Pacific, Latin America, Middle East and Africa | 166,368 | +3,800 | +2.3% | 40.4% | 38.5% |
| **TOTAL** | **412,088** | **-10,624** | **-2.5%** | **100.0%** | **100.0%** |

The percentage of our workforce in North America declined due to our Education and Sports and Leisure activities, as well as the lack of furlough schemes. In this region, the overall workforce declined by -11.5%, in line with an internal decrease in revenue of -13.3% for the fiscal year.

In Europe, the workforce growth spurred by the United Kingdom's Covid-19 testing centers was entirely neutralized by slight decreases in Germany, Spain and the Netherlands, since the pandemic led these countries to implement social programs. Social programs were launched in partnership with local employee representatives. In France, the workforce remains stable thanks to the growth of our Personal & Home Services operations, which offsets the drop in On-site Services. The employment protection plan, started in France in Fiscal 2021, will only start to have a significant impact starting in September 2022.

Lastly, the workforce is increasing in the Asia-Pacific region and Latin America thanks to sustained growth in Brazil, China, and Energy and Resources segment generally.

2

## Workforce by age and average seniority

| | FISCAL 2021 | | FISCAL 2020 | |
|---|---|---|---|---|
| | EMPLOYEES | MANAGERS | EMPLOYEES | MANAGERS |
| Under 30 years | 24.4% | 9.3% | 24.6% | 10.1% |
| 30-40 years | 23.6% | 29.9% | 24.0% | 30.0% |
| 40-50 years | 22.8% | 30.6% | 22.8% | 29.9% |
| 50-60 years | 20.5% | 22.9% | 20.3% | 22.8% |
| Over 60 years | 8.6% | 7.3% | 8.3% | 7.2% |
| **TOTAL** | **100.0%** | **100.0%** | **100.0%** | 100.0% |

| (in number of years) | FY 2021 | FY 2020 |
|---|---|---|
| Managers | 9.0 | 9.2 |
| Employees | 5.0 | 5.1 |
| **AVERAGE SENIORITY** | **5.5** | **5.6** |

### New hires excluding acquired companies and contract transfers

| | FISCAL 2021 | FISCAL 2020 | CHANGE |
|---|---|---|---|
| Employees | 129,631 | 126,904 | +2,727 |
| Managers | 7,420 | 7,020 | +400 |
| **TOTAL** | **137,051** | **133,924** | **+3,127** |

Hiring is up this fiscal year due to Personal & Home Services operations, which account for most of the increase in Fiscal 2021, and On-site Services in regions with high demand for them like Brazil, China, Peru and Australia.

Elsewhere, hiring remains affected by the weakness of the recovery from the pandemic, particularly in North America, France and India.

### Departures by reason on continuous contracts (excluding site losses)

| | FISCAL 2021 | FISCAL 2020 | CHANGE |
|---|---|---|---|
| Resignations (less than 3 months) | 25,125 | 26,347 | -1,222 |
| Resignations (after 3 months) ☑ | 74,149 | 76,712 | -2,563 |
| **TOTAL RESIGNATIONS** | **99,274** | **103,059** | **-3,785** |
| Dismissals or redundancy | 41,232 | 48,673 | -7,441 |
| Retirement and other reasons | 7,949 | 5,870 | +2,079 |
| **TOTAL NUMBER OF DEPARTURES** | **148,455** | **157,602** | **-9,147** |

The number of departures is down compared to the previous fiscal year due to a decline in:

- resignations, down -4% due to the effects of the pandemic in the most heavily affected regions, such as North America and India;
- layoffs were down -15% compared to the high level in the previous year as the Covid-19 crisis started mainly in North America and Brazil. However, higher numbers were registered in the United Kingdom, Belgium, the Netherlands and Spain, countries that implemented the GET efficiency plan during the year.

The higher level of departure for retirement was principally due to an early retirement program in North America.

### Talent retention

| | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| Retention rate for total workforce ☑ | 81.9% | 83.1% |
| Retention rate for site managers ☑ | 87.9% | 89.2% |

The retention rate is based on the number of employees who remain with the Company for at least three months.

We note a slight decrease in the retention rate compared to the previous fiscal year, due to a tight labor market:

- in Australia, the unemployment rate is back to pre-Covid levels, strongly impacting employee retention in remote sites;
- in Brazil and the United States, attracting and retaining talent has become a major challenge in an environment of increased competition in our sectors.

Inversely, the retention rate has improved in France, the United Kingdom and the rest of Europe, due to the adoption of more targeted recruitment strategies and the announcement of social programs, which has reduced voluntary employee departures.

## Engaged employees

| | SEPTEMBER 2021 | JUNE 2019 | CHANGE |
|---|---|---|---|
| Number of respondents | 211,484 | 193,704 | +9.2% |
| Response rate[(1)] | 62.9% | 59.0% | +3.9 pts |
| Employee engagement rate ☑ | 78.3% | 80.1% | -1.8 pt |
| Employee Net Promoter Score[(2)] | 30.9 | 39.3 | -8.40 |
| % of employees believing that Sodexo values diversity, such as age, gender, culture and origin, religion, sexual orientation and providing opportunities for individuals with disabilities, in the workplace[(3)] | 83.4% | 82.4% | +1.0 pt |
| % of employees considering Sodexo to be a socially and environmentally responsible company[(3)] | 80.2% | 80.3% | -0.1 pt |

(1) Adjusted from employees not present due to furlough.
(2) Employee Net Promoter Score measures whether employees would recommend Sodexo as a place to work. Calculated by subtracting the share of Detractors from share of Promoters. Results go from -100 to 100.
(3) Result adjusted in September 2020 in order to respect the same calculation methodology between both surveys.

2

In May and August 2021, Sodexo conducted its ninth global engagement survey for all employees. The number of employees participating in the survey is 211,484 employees in 58 countries. The survey, conducted online, attracted a high participation rate of 63% (*versus* 59% in 2020).

Engagement rate is a key performance indicator for Sodexo, which seeks to become one of the most admired companies by its employees in the world. Engagement rate has decreased by -1.8 points *vs.* prior year's survey. It is in decline in the regions where social plans have been announced, such as France where the engagement rate decreased by -4 points since prior year's survey.

## Employee development

| | FISCAL 2021 | FISCAL 2020 | CHANGE |
|---|---|---|---|
| Total number of training hours* | 4,085,047 | 4,073,760 | +0.3% |
| Average number of hours of training per employee | 10.0 | 9.0 | +1.0 |

* The number of training hours excludes Germany due to constraints imposed by trade unions.

The number of training hours has increased this fiscal year thanks to the creation of many new digital new training modules, which has allowed us to reach more employees, at more sites.

## Internal promotion at the heart of Sodexo's model

| | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| % of **off-site managers promoted internally** | 6.3% | 5.8% |
| % of **on-site managers promoted internally** | 7.5% | 7.3% |
| % of employees promoted internally | 2.1% | 2.9% |

Despite the current situation, our on-site and off-site employees have continued to benefit from internal promotions.

The decline in our internal promotion rate for employees this fiscal year can be explained by a particularly significant wave of promotions in Fiscal 2020 for nearly 3,300 employees. In regions such as Brazil, China, Chile and Australia, where activities are growing, promotions have continued to increase for on-site employees.

### Flexible organization, respectful of employees, offering good working conditions

| | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| % Workforce working part-time | 26.9% | 27.0% |

In addition to offering flexible work conditions, Sodexo guarantees a regular and timely payment of wages to all of its employees around the world.

### Ensuring employee safety

| | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| % of Group revenues of countries having one or more OHSAS 18001 or ISO 4500 ☑ | 87.0% | 86.6% |
| Number of work related accidents requiring leave ☑ | 2,393 | 2,502 |
| Average number of work day absences per employee due to work-related accident or illness and non-work-related accident or illness | 11.5 | 11.0 |
| LTIR | 0.71 | 0.77 |
| Best performance: LTIR for the Energy & Resources segment | 0.07 | 0.16 |
| % LTIR reduction | 7.8% | 11.1% |
| % of Group revenues of countries employing environmental experts | 98.5% | 98.3% |

In Fiscal 2020, this figure included only On-site Services work related accidents.

Sodexo's lost time incident rate (LTIR) corresponds to the number of accidents per 200,000 hours worked. 200,000 hours worked is equal to 100 full-time employees working for one full year.

The LTIR includes safety incidents (injuries) and work-related health issues (illnesses) that lead to an employee being unable to work.

The LTIR has been adjusted to exclude all paid hours for furlough connected to Covid-19.

For Fiscal 2021, the LTIR was down -7.8% despite including for the first time all Personal & Home Services and Benefits & Rewards Services activities. On a comparable basis, the LTIR would have decreased by -16.9% compared to last year.

### Collective agreement for health and safety

| | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| % of workforce covered by collective agreements | 42.8% | 43.0% |
| % of workforce working in countries that have collective agreements and are covered by those agreements | 87.3% | 88.2% |

In 2021, Sodexo and the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tourism, Tobacco and Allied Workers' Associations (IUF), the global trade union federation for workers throughout the food chain, have signed a declaration of intent on health and safety, reinforcing their commitments and priorities to promote the rights of employees to a safe and healthy working environment.

Sodexo and the IUF have long been committed to health and safety, and the context of the Covid-19 pandemic had provided the catalyst to formalize that commitment.

This is the first declaration of intent on health and safety in the industry and builds further on the relationship between Sodexo and the IUF, which includes the 2011 international framework agreement on fundamental rights for human beings and the 2017 joint commitment to preventing sexual harassment.

## Provide and encourage our consumers to access healthy lifestyle choices

| | FISCAL 2021 | FISCAL 2020 | CHANGE |
|---|---|---|---|
| % of On-site Services revenues of countries having a system to ensure that employees with food service responsibilities are trained in compliance with local laws and regulations and Global Food Safety and Hygiene Policy | 96.5% | 96.0% | +0.5 pt |
| % of our consumers offered healthy lifestyle choices | 73.8% | | |
| % of Group revenues of countries having one or more ISO 9001 certification | 94.9% | 94.5% | +0.4 pt |
| % of On-site Services revenues of countries providing Health and Wellness Services including physical wellness services | 84.0% | 87.7% | -3.7 pts |
| Number of registered dietitians employed by Sodexo | 5,402 | 5,787 | -6.7% |

The number of dietitians employed by Sodexo decreased by -6.7% during Fiscal 2021 but remained higher than in Fiscal 2019. The most significant reduction were in Brazil and the United States, which are the Group's two largest employers of dieticians.

For the first time this year, we are publishing the percentage of our consumers with access to healthy lifestyle options. This indicator was collected at clients' sites level through SEA (Site Engagement Assessment). SEA is an innovative on-site environmental and societal performance management tool, developed by Sodexo.

During Fiscal 2021, 2,235 sites participated in SEA which will continue to be rolled out to cover all relevant sites by 2025.

The indicators related to food safety remain stable at high levels. The pandemic has confirmed that health and safety remains one of the priority topics for clients and consumers. At Sodexo, we are convinced that food safety is everyone's duty, which is why, through our Food Safety and Hygiene policy, we have defined fundamentals that we apply throughout our value chain (supplier evaluations, certifications of our sites, training of our teams, etc.).

## Act sustainably for a hunger-free world

| | 2015-2021 PERIOD |
|---|---|
| Number of Stop Hunger beneficiaries (in millions) | 51.9 |
| Funds invested in programs to empower women working to end hunger in their communities (in thousands of euro) | 5,866 |

As part of the Better Tomorrow 2025 roadmap, Sodexo has set itself the ambitious objective of reaching 100 million Stop Hunger beneficiaries, through its various initiatives, over the period 2015-2025. At the end of the Fiscal 2021, the cumulative result represents 51.9 million beneficiaries, which puts the Group on track to achieve the objective.

For more information, see the Stop Hunger Activity Report: https://stop-hunger-2021-activity-report.com/

# 2.3 Promoting the inclusive development of communities

**Sodexo is committed to supporting and promoting diversity, equal opportunity and developing an inclusive workplace culture in every country where we operate. Our teams serve communities worldwide. Our employees must be as diverse and inclusive as the world itself since we are ultimately an integral part of the communities we serve.**

As a responsible employer, Sodexo is working to strengthen its culture of inclusion by looking for new ways to promote diversity and improve working conditions for our employees. Sodexo is convinced that gender equality in the teams benefits all of our stakeholders.

As a service provider, the products and services we purchase have a strong impact on our communities. That's why we are committed to prioritizing purchases from small- and medium-sized businesses in order to inject business value back into the communities where we operate.

As a corporate citizen, Sodexo focuses on working with partners who encourage diversity, equity, and inclusion. We partner with local organizations and advocacy groups, and our charitable initiatives focus on empowering minority populations.

| | OUR IMPACT ON INDIVIDUALS | OUR IMPACT ON COMMUNITIES | WHERE DO WE STAND? (OBJECTIVES BY 2025) | OUR IMPACT ON THE ENVIRONMENT |
|---|---|---|---|---|
| OUR ROLE AS AN EMPLOYER | Improve the quality of life of our employees, safely | Ensure a diverse workforce and inclusive culture that reflects and enriches the communities we serve | 46.7% of our employees work in countries that have gender balance in their management populations (100%) | Foster a culture of environmental responsibility within our workforce and workspaces |
| OUR ROLE AS A SERVICE PROVIDER | Provide and encourage our consumers to access healthy lifestyle choices | Promote local development and fair, inclusive and sustainable business practices | 6.9 billion euro of our business value benefitting SMEs[1] (10 billion euro) | Source responsibly and provide management services that reduce carbon emissions |
| OUR ROLE AS A CORPORATE CITIZEN | Act sustainably for a hunger-free world | Drive diversity and inclusion as a catalyst for societal change | 54,768 empowered women in communities (500,000 women) | Champion sustainable resource usage |

1 Small and Medium size Entreprises.

## 2.3.1 DIVERSITY, EQUITY AND INCLUSION: A CATALYST FOR SOCIETAL CHANGE

**Sodexo has historically emphasized diversity, equity and inclusion as key point of differentiation, performance and innovation. This commitment is grounded in its corporate responsibility roadmap, contributing to societal and economic development by enriching lives in the communities where it operates.**

Over the years, Sodexo has established strong foundations, which instill pride in its employees and make it a reference point in the market.

According to Sodexo's 2021 annual employee engagement survey, 83.4% of Sodexo employees said they feel Sodexo values diversity and inclusion. While it was the highest scoring question of the survey, Sodexo continues to strive for improvements.

In today's context, the authenticity of an organization's approach to diversity, equity and inclusion is becoming an increasingly important measure for employees, consumers, clients, suppliers and investors. Equally, it is becoming a critical lever in attracting and retaining talent, and, therefore, Sodexo is deepening its commitments around driving an inclusive culture and integrating diversity, equity and inclusion into its broader approach to corporate responsibility.

Sodexo's diversity, equity and inclusion strategy is focused around five dimensions: gender, cultures and origins, disabilities, sexual orientation and generations. While the Company has some ambitious targets to achieve in each of these dimensions, Sodexo's commitments as part of Better Tomorrow 2025 focus primarily on gender.

More specifically, by 2025, Sodexo aims to have empowered 500,000 women in local communities in which it operates, and to have 100% of its employees working in countries that have gender balance in their management populations.

Gender balance is a strategic imperative at Sodexo, which is why it established SoTogether, a global Advisory Board focused on improving gender equality. SoTogether includes 40 members (women and men), representing every part of our business, 20 nationalities and 72% from operational roles. The Advisory Board provides guidance and strategic direction to support the progress and actions of 24 local gender networks, focused on ensuring that both women and men – within its business and in the communities in which it operates – have equal access to growth and opportunities, and that Sodexo continues to promote initiatives to accelerate the advancement of women and other under-represented groups globally.

Through the leadership of SoTogether, Sodexo is adapting business and people processes – such as recruitment, development and employee retention – to drive gender balance in its talent pipeline; encouraging gender networks to take action to improve gender balance locally; empowering women in local communities by collaborating with strategic partners; and striving for thought leadership by communicating its commitments, actions and impact.

Sodexo has an objective to achieve 40% women representation in its senior leadership community by 2025, but ultimately, it is focused on driving gender balance and equity across all aspects of its business – including its broader employee base, supply chain and local communities – and therefore advancing an inclusive environment in which everyone can thrive and enjoy fair treatment and access to opportunities.

## Creating opportunities for vulnerable women

To empower women in local communities and address the issue of unemployment, Sodexo has invested in a job shadowing program called SheWorks. The program was launched in 2019, focused on helping marginalized women or those living in low-income neighborhoods to gain work experience.

In 2021, SheWorks was deployed by Sodexo in 15 countries. In Colombia, for example, the program offered women a 9-month training program, as well as a 6-month internship, earning the GEEIS-SDG trophy from Arborus.

## Inspiring the female leaders of tomorrow

One of the challenges Sodexo faces is gender balance in operational leadership, Facilities Management, IT, digital and data roles. Recognizing the gender gap begins in education, Sodexo supports Inspiring Girls, an international organization focused on raising aspirations of young girls by connecting them with female role models.

Sodexo also partners with industry bodies promoting gender diversity in Facilities Management, with the objective of enriching a healthy pipeline of gender-balanced future employees.

## Invest in the digital inclusion of women

Sodexo Ventures has invested into isahit to support the digital inclusion of women communities (1,200 women so far), mainly in emerging countries (38 countries) through digital work and training. Sodexo Ventures will continue to develop this partnership to impact tens of thousands of people around the world.

## Stop gender-based violence

Gender-based violence has increased during the pandemic. In response, Sodexo launched a campaign across 30 countries called "Time to Act". It focused on raising awareness of gender-based violence and providing guidance for teams to engage with local stakeholders.

In Peru, Sodexo is a founding member of a think tank, comprised of corporate CEOs, focused on actions against gender-based violence. In Brazil, Sodexo has partnered with City Hall of Sao Paulo for the last 3 years, recruiting and training more than 60 victims of gender-based violence.

## Driving racial equity

Alongside gender balance, there has been increasing focus on driving racial equity at Sodexo, and this was further enhanced in light of the Black Lives Matter movement. Earlier in the year, Sodexo conducted listening sessions with employees from different ethnic backgrounds to better understand their workplace experience. As a result, it developed racial sensitivity training and guidance for managers to support conversations about race with their teams.

In support of communities in the United States, Sodexo has pledged 10 million U.S. dollars to Historically Black Colleges & Universities (HBCU). Through its SodexoMAGIC partnership with Magic Johnson Enterprises, Sodexo has increased the number of supplier from under-represented groups to 50% of the Supply Chain.

2

Our impact on communities

2.3.2

# AN INCLUSIVE AND SUPPORTIVE SUPPLY CHAIN

**Today, Sodexo is a major client with more than 150,000 vendors worldwide. This is why, supply is an essential component of the Group's strategy. Recognizing the importance of an inclusive value chain, both as a business advantage and as an opportunity to reaffirm our role in the development of local communities and the promotion of diversity, the Group continues to promote its inclusion program among Sodexo partners.**

This program is designed to increase the representation of SMEs, prioritizing those owned and/or managed by women, minorities, or indigenous people and vendors who are actively committed to diversity, equity, and inclusion in its ecosystem of vendors and affiliates.

To facilitate their integration into Sodexo's value chain and help them improve their quality standards and competitiveness in line with Sodexo's requirements, these companies are supported by well-qualified local teams who are excited to work with them.

This program has lots of benefits. Sodexo is strengthening its ability to deliver services to its customers through local businesses and to meet requests from governments and local authorities. These services, which are often more flexible and innovative, while also being more affordable due to the lack of intermediaries, offer a better distribution of risks among more parties, promising a real commercial advantage. Finally, their client base expands through the stimulation of growth and the creation of jobs in local communities served by Sodexo.

## Innovative ideas to support local communities

Sodexo Benefits & Rewards Services is committed to supporting its merchant partners, local businesses and people in precarious situations, who have been hardly hit by the Covid-19 crisis.

In Belgium, with the *(Dé)pensez local* program, Sodexo encourages users of Sodexo Meal Vouchers to spend money in restaurants and local shops, while offering them the opportunity to donate 2 euro cents to a local food bank for each transaction made.

In Colombia, the #ApoyoLocal communication campaign has helped highlight our merchants and support their reopening. Not only did they gain visibility among consumers, but they also increased traffic in their establishments.

In India, in a context where 50% of SMEs have difficulties in obtaining bank loans, a sponsorship program has been set up with our merchant partners to facilitate their access to loans.

## Personalized support for local players in the inclusive economy

In march 2020, Sodexo has launched Impact+ in France, its innovative program for vendors in the inclusive economy. This program is strengthening its responsible procurement policy and increasing its prioritization of inclusive purchases. The Impact+ program is open to social integration organizations, cooperatives, ESAT (employment assistance services), Social and Fair Trade companies, and SMEs in all business sectors, accelerating targeted growth through a variety of management matters. For this first round, Impact+ is bringing together 14 companies committed to the inclusive economy.

The Group has many long-standing partnerships, including a 17-year partnership with *Pain et Partage*, a network of fair trade bakeries in Marseille, and a 7-year partnership with the ESAT *La Ferme de Béthanie*.

*"The Impact+ Program is a great development opportunity for Les Alchimistes. This is a considerable lever for bringing together more and more citizens around the themes of composting and soil quality! As a player in the Social and Solidarity Economy established in 8 French regions, we are happy to be supported by Sodexo in promoting the values of inclusion, diversity and local anchoring which are dear to us."*

***Alexandre Guilluy,***
*President and Cofounder of Alchimistes*

*Les Alchimistes is a Solidarity Company of Social Utility (ESUS) whose activity consists in the local collection and composting of urban biowaste.*

## Supporting and developing our vendors and affiliates

Sodexo is committed to supporting and developing fair business practices around the world. Sodexo is a responsible buyer and partner, fully committed to working with its ecosystem of vendors. For six years, for example, the Group supported the development of Australian Indigenous Coffee (AIC), a family-owned business that has become the leading supplier of indigenous coffee in Western Australia. Sodexo has also supported the economy of Northeastern Thailand by purchasing rice directly from local rice growers at the fair price of 23 Bahts per kg, instead of the usual 5-10 Bahts.

## *La Passerelle* (The Bridge), a new inclusive and social business model for cities

In line with its role as a local player and its commitment to regional development, Sodexo is using its knowledge of local and inclusive procurement, and its consumer understanding to help create a new business model that is both supportive and inclusive. *La Passerelle*, which groups activities around a vegetables processing plant and team-building, is designed to strengthen employability and health through nutrition and social cohesion in priority neighborhoods. Winner of the *Quartiers Fertiles* call for proposals led by the French National Urban Renovation Program (ANRU), the first location will open in Clichy-sous-Bois in early 2022, followed by a dozen more locations planned to open by 2025.

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## 2.3.3 Impact on communities – key performance indicators

### Workforce by category

| | FISCAL 2021 | | FISCAL 2020 | |
|---|---|---|---|---|
| | TOTAL | % FEMALE | TOTAL | % FEMALE |
| Board of Directors ☑ (1) | 10 | 60% | 10 | 60% |
| Executive Committee ☑ | 17 | 29% | 20 | 30% |
| Group Senior Executives ☑ (2) | 185 | 43% | 204 | 40% |
| Managers ☑ | 47,473 | 44% | 49,296 | 44% |
| Employees ☑ | 364,615 | 57% | 373,416 | 56% |
| **Total Worforce ☑** | **412,088** | **55%** | **422,712** | **55%** |

(1) Excluding the 2 members of the Board who are employee representatives.
(2) Group Senior Executives include the key functions reporting directly to Group Executive Committee members, higher-level sales and operations and high potentials.

On August 31, 2021, the Executive Committee was composed of 5 women and 12 men. As of October 1, 2021, following Sophie Bellon's nomination as Interim Chief Executive Officer, and Annick de Vanssay's nomination as Chief People Officer during the transition period, the Executive Committee is composed of 7 women and 11 men, making it 39% female.

The percentage of women in senior management positions has also increased this fiscal year, creating a talent pool of potential future Executive Committee members.

### Diversity and inclusion as a catalyst for societal change

| | FISCAL 2021 | FISCAL 2020 | CHANGE |
|---|---|---|---|
| Empowered women in communities | 54,768 | 45,495 | +16.9% |
| % of Group revenues of countries with initiatives to improve the quality of life of women | 95.4% | 94.8% | +0.6 pt |

| | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| % of employees working in countries that respect gender balance in their management | 46.7% | 46.0% |

Lastly, the percentage of employees working in countries that respect gender balance in their management has increased in Fiscal 2021, in line with the Better Tomorrow 2025 objective.

### Gender Professional and Pay Gap

Sodexo is committed to decreasing the gender pay gap across our United Kingdom and Ireland entities to 10% by 2025. Since 2016, Sodexo United Kingdom and Ireland publishes the difference between gross hourly earnings for all men in an organization *versus* gross hourly earnings for all women. The latest report published in 2020 revealed a mean 14.4% overall gender pay gap.

In France, the Women-Men Professional Equality Index ranks companies' progress on closing the gender professional gap based on criteria including promotions, pay increases, maternity leave and the top ten salaries for women. In 2020, Sodexo obtained a score of 99 out of 100 across its 11 French entities.

### Paying special attention to our disabled employees

| | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| Number of disabled employees* | 7,739 | 7,456 |

* These figures are not exhaustive, and do not include countries in which this information cannot be collected.

Sodexo is a member of The Valuable 500, and in December 2020 celebrated the United Nations' International Day of Persons with Disabilities. Numerous initiatives to support the recruitment and employment of disabled people have been implemented throughout the world. In Brazil for example, Sodexo provides sign language training for its managers to make onboarding easier for deaf and hard of hearing employees.

### Promote local development, fair, inclusive and sustainable business practices

| | FISCAL 2021 | FISCAL 2020 | CHANGE |
|---|---|---|---|
| % of Group revenues of countries having specific initiatives to integrate SMEs (Small and Medium Enterprises) into Sodexo's Value Chain | 89.5% | 92.9% | -3.4 pts |
| Our business value benefiting SMEs (in billions of euro) | 6.9 | 4.4 | +56.8% |
| % in kg of certified sustainable coffee | 57.4% | 57.6% | -0.2 pt |
| % of spend with contracted suppliers having signed the Sodexo Supplier Code of conduct | 95.6% | 95.7% | -0.1 pt |

Our business value benefiting SMEs increased significantly in Fiscal 2021. This is mainly due to the implementation of specific monitoring of merchants and affiliates for the Benefits & Rewards Services activity. Thus, 21 new entities have started to monitor this indicator concerning merchants. This increase is also explained by a sharp increase in the Benefits & Rewards Services activity with SMEs in Brazil, representing more than 40% of the value of the indicator.

# 2.4 Significantly reducing our environmental footprint

**Sodexo works closely with all of its stakeholders to create, improve and deliver services that have a low environmental impact.**

As a responsible employer, Sodexo provides its employees with training to help reduce the environmental impact of its business activities, and simple, everyday tips for protecting the environment at home. The size of our Company means that small steps taken by our employees can add up to make a big difference.

As a service provider, Sodexo designs and offers energy management services that use renewable energy whenever possible, resulting in significant savings and return on investment for our clients. Sodexo also ensures responsible sourcing by encouraging sustainable agriculture, co-developing products and services, following the principles of a circular economy and improving resource efficiency management.

As a corporate citizen, Sodexo's services can act as a catalyst for progress on important issues. For years now, Sodexo has focused on the fight against food waste as one of the most vital means of averting the worst impact of climate change.

2

| | OUR IMPACT ON INDIVIDUALS | OUR IMPACT ON COMMUNITIES | OUR IMPACT ON THE ENVIRONMENT | WHERE DO WE STAND? (OBJECTIVES BY 2025) |
|---|---|---|---|---|
| OUR ROLE AS AN EMPLOYER | Improve the quality of life of our employees, safely | Ensure a diverse workforce and inclusive culture that reflects and enriches the communities we serve | Foster a culture of environmental responsibility within our workforce and workspaces | 74,203 of our employees are trained on sustainable practices[1] (100%) |
| OUR ROLE AS A SERVICE PROVIDER | Provide and encourage our consumers to access healthy lifestyle choices | Promote local development and fair, inclusive and sustainable business practices | Source responsibly and provide management services that reduce carbon emissions | 23.2% reduction of supply chain carbon emissions[2] (34%) |
| OUR ROLE AS A CORPORATE CITIZEN | Act sustainably for a hunger-free world | Drive diversity and inclusion as a catalyst for societal change | Champion sustainable resource usage | 45.8% reduction in our food waste (50%) |

1 Cumulated number for the 2015-2021 period.
2 Absolute reduction compared to a 2017 baseline.

Our impact on the environment

## 2.4.1

# AN AMBITIOUS, GLOBAL PROJECT TO FIGHT CLIMATE CHANGE

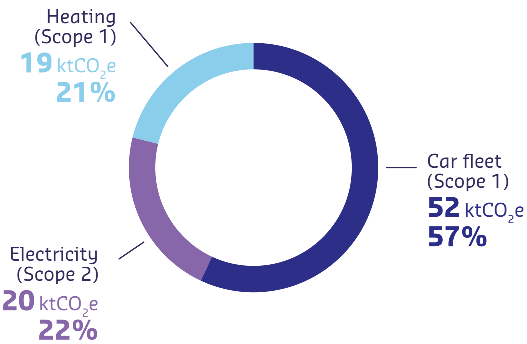
**Sodexo was the first company in its sector to publicly announce its environmental goals, making a commitment to fight climate change at every level of its value chain. The Group has been working with the World Wildlife Fund (WWF) since 2010 to better understand, measure and reduce its overall carbon footprint with the help of its clients and suppliers. Since 2019, Sodexo was also one of the first multinationals to adopt a reduction target for its direct and indirect greenhouse gas emissions (Scopes 1, 2 and 3): 34% by 2025 as compared to 2017. This target has been approved by the Science Based Targets initiative (SBTi), and is in accordance with the Paris Agreement 1.5°C scenario.**

Our unique business model means that Sodexo works directly at client sites, which gives the Group added responsibility. 99% of Sodexo's carbon emissions come from its clients' and suppliers' businesses. As a responsible partner, Sodexo strives to motivate its stakeholders to choose sustainable practices and collaborative policies that contribute effectively to the transition to a low-carbon economy. Sodexo's head start in terms of corporate responsibility gives the Company's stakeholders a real advantage as they work towards reaching their own goals.

Since 2017, Sodexo has reduced its direct greenhouse gas emissions (Scopes 1 and 2) by 37.2% in absolute value, and its supply chain emissions

(Scope 3) by 23.2% in absolute value. In 2020, Sodexo's approach won the Company a place on the prestigious climate "A list" of the CDP (previously Carbon Disclosure Project).

### OUR DIRECT GREENHOUSE GAS EMISSIONS SCOPE 1 & 2

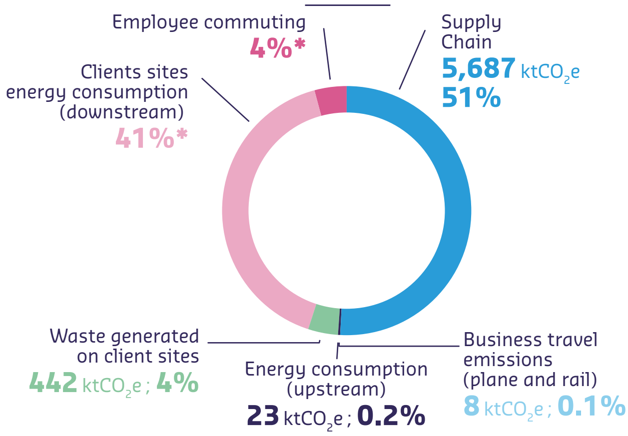



| Change since 2017 | |
|---|---|
| Car fleet (Scope 1) | ↘ -37% |
| Heating (Scope 1) | ↘ -39% |
| Electricity (Scope 2) | ↘ -37% |

**2025 OBJECTIVE -34%** reduction of carbon emissions (vs 2017)

SCIENCE BASED TARGETS

### OUR INDIRECT GREENHOUSE GAS EMISSIONS SCOPE 3




| Change since 2017 | |
|---|---|
| Supply Chain | ↘ -23% |
| Business travel emissions (plane and rail) | ↘ -73% |
| Energy consumption (upstream) | ↘ -30% |
| Waste generated on client sites | ↘ -46% |
| Clients sites energy consumption (downstream)* | |
| Employee commuting* | |

* Not available in Fiscal 2021. Based on estimations.

## Reducing food waste to help build a better future

When food is thrown out, it means that the greenhouse gases resulting from production of that food were generated needlessly. The water and energy used to produce, package and deliver that food was also wasted. In addition, the waste management also generate significant greenhouse gas emissions. Despite this, food waste is often ignored as a major cause of greenhouse gas emissions. Sodexo is convinced that eliminating this waste is a major lever of sustainability and, conscious of the food emergency worldwide, the Company has created an effective solution to minimize food waste. Its program, WasteWatch, has been implemented on around 900 client sites in 26 countries. Based on data collection and analysis, WasteWatch helps preventing around 50% of waste by facilitating the operational and behavioral changes required to eliminate avoidable product waste, both in the kitchen and by consumers themselves.

## Creating sustainable food systems based on vegetable protein

Plant-based meals are another essential driver in reducing carbon emissions. Sodexo offers plant-based options worldwide to raise consumer awareness of the nutritional and environmental benefits of meals featuring sustainable, delicious vegetable protein. To do this, Sodexo relies on the expertise of partners like Eaternity, an organization that measures environmental footprint in the food service industry and helps us find sustainable alternatives. Eaternity's tools are used by Sodexo Belgium in its food product management system, and by Sodexo Germany as part of a joint program implemented for clients like the European Central Bank (ECB) and Deutsche Bank. In France, the balanced meal delivery service *FoodCherí* has been assigning an ECO Score to all its meals since January 2021. This indicator provides information on the environmental impact of foods throughout their life cycle.

*"We are pleased to collaborate with Sodexo on the creation of menus for a sustainable food future. Sodexo's commitment to engage and encourage their guests to develop good eating habits and healthy lifestyles is essential to create a positive difference in the way our society organizes, lives and eats together. Through our collaboration, their guests can make an informed and responsible choice for their day-to-day meals."*

**Manuel Klarmann**, *Co-founder and CEO Eaternity*

## Building a supply chain that protects natural ecosystems

Sodexo's supply chain represents 47% of all the emissions it produces, making it one of the main contributors to the Company's carbon footprint.

In accordance with its Better Tomorrow 2025 roadmap, Sodexo adheres to strict rules regarding the sourcing, impact and recyclability of each product.

Sodexo has defined key actions to lower its carbon footprint and protect biodiversity. The Group strives to create shorter food supply chains, promote sustainable agriculture, increase the proportion of plant-based foods, and choose suppliers that share its environmental values. Sodexo specifically targeted four products: beef, palm oil, soy and paper, because of their impact on deforestation.

In 2020, Sodexo joined the Consumer Goods Forum (CGF), a group of retailers, producers and various stakeholders whose mission is to address the industry's primary challenges in terms of social and environmental sustainability. In 2021, Sodexo joined the Forest Positive Coalition (FPC), one of the eight CGF coalitions, as part of its commitment to protect forests and peatlands by 2030.

## Turning our commitments into innovative solutions for our clients

Sodexo has been a member of the RE100 initiative, a group of the world's most influential companies working together to drive the energy transition, since February 2021. As part of that commitment, Sodexo's goal is to use 100% renewable electricity at its directly operated sites by 2025. Currently, nearly 24% of its total electricity consumption comes from renewable sources. But the Company is going even further, widening its goal of using renewable energy to include client sites. Its energy management service can assist clients with their renewable energy choice, and help them reach their environmental goals and make significant savings. Sodexo has committed to phase-out from coal related contracts by 2025. The Company has also decided to transform its vehicle fleet by making electric or hybrid vehicles available to employees. In the United Kingdom, over 50% of the fleet is now hybrid. In Sweden, Sodexo has accepted the government's "Company car" challenge as part of the "Fossil Free" initiative, committing to purchasing only hybrid or electric vehicles.

Our impact on the environment

2.4.2

# THE CIRCULAR ECONOMY, AN ENVIRONMENTAL SOLUTION ACROSS THE VALUE CHAIN

**Controlling production and the processing of resources to avoid any loss in value is one of Sodexo's major challenges. To us, it's not just a question of cost-effectiveness. It's a moral obligation. Sodexo is in a unique position to drive the behavioral change we need towards more sustainable consumption. The Company shares its experience and understanding of the principles of the circular economy and waste stream management with its stakeholders, giving clients a real advantage in achieving their environmental goals.**

As part of its operational excellence imperatives, Sodexo takes advantage of the expertise of its employees, having completed sustainability practices training. Employees are encouraged to be creative and suggest innovative approaches to repurposing waste and implementing technological solutions and alternative methods at Sodexo and client sites, such as using eco-friendly packaging, redistributing food products and helping local communities become more independent. On-site waste management includes measuring and analyzing data, which is monitored by internal and external audits and published transparently, taking care to avoid any possible risk to clients' reputations.

Sodexo is strengthening this teamwork, a key aspect of our truly effective global sustainability efforts, within and across the supply chain. In doing so, the Company stimulates the circular economy and contributes to United Nations SDG Target 12.3: to halve food loss and waste throughout production and supply chains, including after harvest, by 2030.

## WasteWatch, Sodexo's Worldwide Data-Based Program to Reduce Waste

Sodexo is convinced that the fight against food waste needs to accelerate. The Company launched its flagship program, WasteWatch, with the goal of preventing an average of 50% of all waste on around 900 client sites in 26 countries. WasteWatch is the first initiative of its size in the food services sector. It's easy to use, and it motivates employees by giving them a clear view of how much food is wasted and why. It also makes it easier to implement the necessary operational and behavioral changes to put a stop to avoidable waste in the kitchen or generated by consumers. Sodexo is the first international food services company to connect its financing to its work fighting food waste.

*"Worldwide, food waste is one of the biggest problems of our time. Now we have the technology in our kitchens to help us monitor production on a daily basis to find out why food has been wasted and what we can do to stop it from happening again. It will bring about digital and behavioral changes in our front-line personnel and our managers, using a fact-based approach."*

***Erwan Harb**, IFM Director at Sodexo*

## Sodexo's Requirements in Terms of Replacing Single-Use Plastics

In March 2021, Sodexo removed the main single-use plastic items from all of its European food service sites, going beyond the constraints imposed by European legislation to eliminate plastic bags as well as straws, plates, cutlery and stirrers. Innovative replacements were suggested, such as using sustainable materials for single-use items, strict cleaning protocols and eco-friendly packaging solutions.

At Sodexo headquarters, single-use cups are no longer provided on-site. This has allowed us to save over 320,000 cups per year. We use reusable glasses and low-flow dishwashers, and have established solid sanitation practices, involving both consumers and the on-site team.

## Taking Action to Improve Resource Use, Starting with Production

For Sodexo, fighting food waste is a concrete way to take action at every level of the value chain, including food production. In the United Kingdom and Ireland, Sodexo partnered with the organization Waste Knot and the agricultural cooperative FerryFast to launch Wasteful to Tasteful, a recycling campaign for the 30% of harvested fruit and vegetables that are deemed unusable in the industry due to their appearance or size. The program supplies 112 client sites with salvaged fruit and vegetables that still retain their full nutritional value and flavor. In Australia, Sodexo has formed a partnership with the anti-waste platform Yume, significantly reducing water use and $CO_2$ emissions through its commitment to purchasing surplus foods.

## WasteLESS Week Fights All Types of Waste

Every October for the past 12 years, Sodexo has organized WasteLESS Week at all of its sites around the world. The goal of this dedicated week is to raise awareness among employees, clients and consumers of the importance of fighting all types of waste: food, water, energy, paper and raw materials. The event offers activities like personalized messages for clients and recipes that use leftovers, and supports Sodexo's ongoing waste-reduction efforts.

This week allows our consumers and employees to realize that they can change things by giving them a few simple ways to make a difference.

## Fighting Food Waste, Sodexo's Worldwide Collaboration Policy

Sodexo is determined to use its expertise to support joint efforts by global decision-makers to make a collective impact. The Company is joining forces with stakeholders and public authorities involved in the fight against waste, and is using its close, ongoing partnership with the WWF to get its employees and its stakeholders involved. Sodexo is a member of several international projects: the International Food Waste Coalition (IFWC), which promotes a collaborative "farm to table" approach; the Champions 12.3 initiative, inspired by the United Nations SDG Target 12.3 of halving food waste; and the 10X20X30 coalition, of which Sodexo is a founding member, which is working to implement a common waste measurement process for companies and their main suppliers.

## 2.4.3 Impact on the environment – key performance indicators

| | FISCAL 2021 | FISCAL 2020 | CHANGE |
|---|---|---|---|
| **Responsible Sourcing** | | | |
| % of certified sustainable palm oil (including RSPO credits, Mass Balance, Segregation and Identity Preserved) | 100 % | 100 % | — |
| % of physical certified sustainable palm oil (Mass Balance, Segregation and Identity Preserved) | 32.4% | 32.5% | -0.1 pt |
| % of cage free shell eggs (of the total of shell eggs purchased by Sodexo) | 41.1% | 45.0% | -3.9 pts |
| % of cage free liquid eggs (of the total liquid eggs purchased by Sodexo) | 61.9% | 67.6% | -5.7 pts |
| % of On-site Services revenues of countries having the 2018 Sodexo Animal Welfare Supplier charter available in at least one official language | 93.1% | 88.0% | +5.1 pts |
| % of certified sustainable fish and seafood as a% of total fish and seafood | 44.6% | 36.6% | +8.0 pts |
| % of sustainable fish and seafood which is sustainable as a% of total seafood (in kg)* | 86.0% | 77.7% | +8.3 pts |
| % of spend on certified sustainable paper disposables as a% of total paper disposables ☑ | 78.8% | 71.3% | +7.6 pts |

* As per Sodexo Sustainable Seafood Sourcing Guide.

The cage free shell eggs indicator fell significantly compared to the previous period, due to increased purchasing volumes from China and Chile, respectively, the second and third largest shell eggs purchasing volumes in Fiscal 2021, but who do not buy cage free eggs.

Seafood and certified paper Indicators increased significantly during the year.

We are noticing significant increases in the volumes of certified sustainable and responsible seafood products in most countries. This consistent progress reflects the effective implementation of the measures that will help reach the goal of 100% responsible seafood by 2025.

The increase in the share of certified paper is mainly due to the increase in the United States from 70% for the previous year to 96% this year.

| | FISCAL 20201 | FISCAL 2020 | CHANGE |
|---|---|---|---|
| **Reduction in carbone missions – Scope 1 & 2** | | | |
| Energy consumption on our direct operations (MWh) | 495,909 | 583,410 | -15.0% |
| Total Scope 1 and Scope 2 emissions ( $tCO_2e$) | 90,789 | 121,479 | -25.3% |
| Ratio of $CO_2$ emissions to turnover, expressed in tons of $CO_2$ over one million euros ($tCO_2e$/million euros) | 5,4 | 5,8 | |
| % reduction in absolute Scope 1 and Scope 2 carbon emissions (compared to 2017 baseline) | -37.2% | -15.9% | |
| % reduction in intensity Scope 1 and Scope 2 carbon emissions (compared to 2017 baseline) | -22.6% | -16.5% | |
| % Scope 1 and Scope 2 renewable electricity | 23.7% | 20.3% | +3.4 pts |
| **Reduction in carbon missions – Scope 3** | | | |
| Scope 3 Supply Chain carbon emissions ($tCO_2e$) | 5,687,084 | 6,630,901 | -14.2% |
| % reduction in absolute Scope 3 Supply Chain carbon emissions (compared to 2017 baseline) | -23.2% | -10.5% | |
| % reduction in intensity Scope 3 Supply Chain carbon emissions (compared to 2017 baseline) | -5.5% | -12.0% | |
| Scope 3 Business travel emissions (plane and rail) ($tCO_2e$) | 8,000 | 24,817 | -67.8% |
| Scope 3 energy consumption emissions ($tCO_2e$) | 23,037 | 21,231 | +8.5% |
| Scope 3 waste related emissions (waste generated on client sites) ($tCO_2e$) | 442,112 | 507,753 | -12.9% |

| | FISCAL 20201 | FISCAL 2020 | CHANGE |
|---|---|---|---|
| Scope 3 clients sites energy consumption related emissions* ($tCO_2e$) | Not available | Not available | |
| Scope 3 commuting emissions* | Not available | Not available | |
| Total Scope 3 carbon emissions ($tCO_2e$) | 6,160,233 | 7,184,702 | -14.3% |
| % Scope 3 carbon emissions reduction (compared to baseline year 2017) | -25.7% | -13.4% | |

* Sodexo does not publish these two KPIs as the calculation methodologies are in the process of being made more reliable. These indicators will be published from 2022 to cover the entire Sodexo footprint.

Since Fiscal 2020, we have published the reductions in greenhouse gas emissions compared to the 2017 reference year helping assessing our performance against the -34% target set by the Group and validated in July 2019 by the Science Based Target initiative (SBTi).

We are recording significant reductions for all of our greenhouse gas emissions, in line with our reduction projections and helped by Covid-related decline in our activity.

The Scopes 1 and 2 emissions reduction is greater compared to last year. This is mainly due to the increase in the share of electricity from renewable sources and less impacting fuel oil such as biodiesel in the energy mix. In addition, the share of extrapolation was reduced in 2021 with the inclusion in the reporting of the majority of the Benefits & Rewards activity, previously partly extrapolated.

The reduction in greenhouse gas emissions from the Scope 3 supply chain compared to the 2017 reference year is in line with our forecasts and the trajectory that the Group must follow in order to meet the overall objective of -34% reduction by 2025. This result is due on the one hand to the drop in activity linked to the pandemic but also to the implementation of the responsible purchasing strategy aimed at reducing the volumes of animal proteins in favor of plant-based proteins. However, due to an improvement and homogenization of the methods of the emission factors used, the intensity is greater than the previous year.

| | 2010 | 2011 | ... | 2017 | 2018 | 2019 | 2020 | 2021 | ... | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| PARTNERSHIPS AND COMMITMENTS | Beginning of the partnership with the WWF | 1st commitment on deforestation (palm oil) | | New carbon baseline including Scope 3<br>--------<br>Sodexo joins the French Business Climate Pledge | | Validation of the reduction target by the SBTi | | Sodexo joins the RE100 initiative<br>--------<br>Sodexo participates in the FLAG and Net Zero Road Test working group with the SBTi | | Objective: -34% reduction in greenhouse gases compared to 2017<br>--------<br>Objective: 100% renewable electricity |
| MEASUREMENT AND RESULTS | 1st measurement and audit of Scope 1 & 2<br>--------<br>1st reporting to CDP Climate | | | -40% reduction in Scope 1 & 2 emissions compared to 2011<br>--------<br>1st Scope 3 measurement of the On-Site Services activity | | 1st Scope 3 reporting related to supply chain | Sodexo joins CDP Climate A list | 1st Scope 3 measurement of the Benefits and Rewards activity in Belgium | | |
| COUNTRY ILLUSTRATIONS | | | Sweden, the Netherlands and Belgium consume 100% of electricity from renewable sources<br>The United States divides its consumption of fossil fuels for heating by 4 | Germany reaches 100% renewable electricity | Australia installs solar panels in Perth | Norway reaches 100% renewable electricity | | FoodChéri launches the Eco-score<br>Sweden commits to purchasing only hybrid and electric vehicles | | |

| | FISCAL 2021 | FISCAL 2020 | CHANGE |
|---|---|---|---|
| % of food waste reduction on 878 sites having already deployed WasteWatch program | 45.8% | 45.3 | +0.5 pt |
| % of Group revenues of countries working to deliver on the United Nations' food waste objective | 88.7% | 90.7% | -2.0 pts |
| % of Group revenues of countries having one or more ISO 14001 certification | 87.8% | 88.7% | -0.9 pt |
| Direct water consumption ($m^3$) | 3,814,282 | | |
| Number of employees trained on sustainable practices | 74,203 | 57,279 | +29.5% |

Sodexo is continuing its actions to achieve its objective of halving food waste in its food service operations by 2025, thanks to its digital technology and behaviour change program: WasteWatch, with measurement and monitoring of food waste daily. At the end of May 2021, 878 Sodexo sites were measuring and reducing their food waste, enabling Sodexo to successfully avoid food waste equivalent to 1,189.29 $tCO_2e$.The -45.8% in food waste reduction was achieved due to a robust governance with dedicated project managers to support the country program deployment coupled with training programs that engaged site teams on food waste reduction actions. We also had a third of our reporting sites who had the WasteWatch program since pre-Covid, their important share in the total number of reporting sites explains the high reductions we have registered in 2021. Variations on food waste reduction are expected in the coming years, as we will be gradually including new sites in the program.

# 2.5 CONTROVERSIES

Sodexo employs and serves individuals working and living in complex environments and operates in sectors that may be considered controversial, such as the Energy and Resources industry and Justice Services.

In all our operations, we enforce strict Human Rights policies and health and safety protocols, while seeking to mitigate our impact on the environment and contributing to communities' development and inclusion.

## Energy and Resources

As part of our Energy and Resources activities, we provide project management, cleaning, grounds maintenance as well as catering services to support operations in remote areas, away from regional centres or near communities with little infrastructure. Our first priority remains the health and safety of our employees and all individuals working on those remote locations.

We are proud to say, that, to date, this segment has the lowest lost time injury rate (LTIR) compared to our other activities.

Sodexo also acknowledges that project in remotes areas can also happen on ancestral land and have an impact on indigenous communities. We are fully committed to deepening our understanding and expanding the ways in which we can contribute to building respect, relationships and provide opportunities to improve the Quality of Life of indigenous communities around the world.

## Justice Services

In the face of rising pressure to reduce both reoffending and costs of operations, even as prison populations expand, authorities increasingly look to the private sector to provide an expanding range of services and innovative solutions. Fostering rehabilitation is one of our main priorities. By offering opportunities for detainees to acquire life skills, work experience, qualifications and resources, we support their successful re-entry into society.

Sodexo operates prisons under 4 strict criteria:

- only in democratic countries;
- only in Countries that do not administer the death penalty;
- only in countries where rehabilitation is the ultimate goal; and
- only where our team members are not required to carry firearms.

Thus, in line with those criteria, Sodexo Justice services provides a range of services to in public prisons in France, Chile, Belgium, Italy and the Netherlands and in the United Kingdom.

Sodexo decided 20 years ago to exit the largest prison private services market in the world, the USA.

## Coal Industry

Sodexo is also committed to progressively transition away from coal sector projects as part of its strategy to selectively grow its presence in specific mining markets since 2015; aiming to exit the sector by 2025. Sodexo is increasingly supporting diversified energy clients that are willing to shift to new business streams and renewable energies.

# 2.6 OUR REPORTING METHODOLOGY

## Choice of indicators

In Fiscal 2021, we continue to disclose our Corporate Responsibility related information and data in our Integrated Report (chapter 1) and chapter 2 of the present report.

- As part of the Integrated Report we have presented our Value Creation Model, our Materiality Matrix and our Corporate Responsibility Roadmap Better Tomorrow 2025. These three elements are linked and interdependent.
- Chapter 2 presents our 9 Better Tomorrow 2025 commitments, the highlights of Fiscal 2021 and our key performance indicators as well as their progress compared to the previous year.

Sodexo's Corporate Responsibility strategy requires that workforce and environmental performance be measured with clear indicators. These indicators take into consideration the decentralized and primarily client site-based nature of Sodexo's operations and were selected to meet the following reporting objectives:

- to comply with legal requirements such as the European non-financial Directive;
- to address the expectations of other external stakeholders, including shareholders and rating agencies;
- to provide reporting that is consistent with the requirements of the Global Reporting Initiative (GRI) and the United Nations Global Compact.

In addition, Sodexo's indicators:

- are key in allowing us to monitor progress in the areas identified as key topics following our materiality assessment;
- include measures of the tangible benefits Sodexo brings to its clients;
- enhance employee knowledge about Sodexo, increasing awareness and engagement;
- provide visibility on progress for Group and country management.

As part of its progressive journey, Sodexo has added some additional indicators this year and will continue to do so (see List of indicators).

## Scope of consolidation

Indicators generally include all entities which are fully consolidated for financial reporting purposes, with the following exceptions:

- a new country added during the fiscal year is included in the reporting scope in the following fiscal year; and
- acquired entities are included as from the date of acquisition.

Additional restrictions may be applicable and are specified in the "Limits" section below.

## Fiscal 2021 workforce indicators

Workforce indicators are consolidated for all Sodexo entities, except for the number of training hours which excludes the Germany data (see limitations section below).

## Fiscal 2021 societal and environmental indicators

Societal and environmental indicators are calculated and consolidated for entities representing over 99.3% of Group revenues.

In order to streamline the collection and reporting process for the societal and environmental indicators, during the last Fiscal year, we have changed the reporting period. The new reporting period starts on June 1 and ends on May 31.

Certain environmental indicators are applicable only to On-site Services or to Benefits & Rewards Services due to the nature of the indicator itself; for example, an indicator relating to the percentage of sustainable seafood purchased relates only to On-site Services entities which provide Food services.

## Reporting framework and tools

Sodexo's commitments to social and environmental responsibility have always been central to the Group's fundamentals. The Group reinforced its workforce and environmental reporting in 2005 with the publication of its first Corporate Responsibility Report and further developed its sustainability performance processes in 2009 when its Corporate Responsibility roadmap, the Better Tomorrow Plan was launched. At the time, the Group committed to report its progress regularly and transparently.

In 2016, Sodexo reconfirmed its commitment to continued progress as an employer, a service provider and a corporate citizen through an updated version of our roadmap, Better Tomorrow 2025.

Each year, Sodexo endeavors to improve its processes and to this end, has implemented a reporting tool with two modules for gathering and consolidating information.

Consistency checks are embedded within the tools and additional control testing is performed.

The consolidation of workforce data is performed by Group Human Resources with the exception of the Health and Safety data which is consolidated by Group Health and Safety and the consolidation of environmental data is performed by Group Corporate Responsibility.

Certain strategic workforce indicators are consolidated monthly or quarterly for a detailed follow up as part of STEP dashboard.

All information published in this report was also examined by the Group's external auditors.

In addition to the "limited assurance" delivered by the external auditors in relation to indicators published for the requirements of European directive, Sodexo obtained a higher level of assurance called "reasonable assurance" for the following key indicators:

- total Workforce, per activity and client segment;
- retention rate for total workforce;
- retention rate for site management;
- departures related to Resignation of Continuous Contract > 3 months (Excluding Site Loss);
- Group Engagement Rate;
- % of workforce covered by collective agreements;
- % of women's representation on the Board of Directors;

- % of women's representation on the Executive Committee;
- % of women's representation among Group Senior Leaders;
- % of women in management positions;
- % of women in employee positions;
- % of women's representation in total workforce;
- number of work related accidents requiring a leave (LTSC);
- % of Group revenues of countries having one or more OHSAS 18001 or ISO 45001 certification;
- % of spend with contracted suppliers having signed the Sodexo Supplier Code of conduct;
- % of spend on certified sustainable paper disposables as a % of total paper disposables;
- % of On-site Services revenues of countries having either ISO 9001 or ISO 22000 certification for food safety

### Limitations

Sodexo employs 412,088 people, in 56 countries, with differing regulations and operates on a significant number of client sites of different sizes and types of activity.

Certain indicators therefore require some specific explanation as follows:

- number of work-related accidents requiring a leave:
  - excludes commuting accidents,
  - includes Sodexo workforce only,
  - excludes temporary labor, sub-contracted labor and other personnel that are not Sodexo employees,
  - may have insignificant differences created by the way that work-related illness is accounted for locally;
- average number of days absence:
  - includes absences for work-related accidents and illness as well as personal accidents and illness,
  - may have insignificant differences created by the way the number of days of absence is accounted for locally; as some include weekend and others only working days, the minimum number of days of absence from which the absence is recorded;
- number of training hours:
  - the number of training hours in the U.S. is based on an estimation. The estimation is an extrapolation of actual data covering 28% of the population.

Certain information is extremely difficult to gather given the nature of the Group's activities:

- total business value benefitting SMEs: Data for Sodexo On site Services USA includes non-contracted suppliers;
- to ensure that the entire volume of Sodexo palm oil is certified as sustainable, the purchasing teams have implemented a process for analyzing and purchasing RSPO credits between the months of May and April following the end of the fiscal year;
- Scope 1 and Scope 2 energy consumption and related carbon emissions are extrapolated for the Group based on the energy consumption and carbon emissions calculation for a set of major countries representing 95.3% of Group revenues;
- Scope 1 includes energy consumption and carbon emissions related to the fuel consumed by vehicles used by Sodexo as well as from its consumption of natural gas for the offices and sites where Sodexo has operational control;
- Scope 2 includes the electricity consumption for the offices and sites where Sodexo has operational control and is market-based;
- emissions linked to energy consumption (Scope 1 & 2) are calculated from recognized databases such as: the International Energy Agency (IEA), UK Government GHG Conversion Factors for Company Reporting, ADEME Base carbone, US EPA, AIB. The supply chain emissions of Scope 3, corresponding to the categories "1. Purchased goods and services" and "4. Upstream transportation and distribution" of the GHG Protocol, are extrapolated from real data covering 93.2% of On-site Services revenues. Therefore, the emissions have been extrapolated to 100% of On Site activity.

The calculation of carbon emissions related to the supply chain takes into account the following elements:

- the emissions of the 30 most important commodities for Sodexo (in terms of volume of purchase and carbon impact, as per a study conducted in 2014). These compulsory products represent 90% of our purchases, the remaining 10% are extrapolated to cover our total emissions;
- transportation from the last point of processing to the delivered site;
- emission factors by product, including all upstream emissions until the distribution point (production & breeding, transformation, packaging, transportation). When the emissions factors are not available, they are calculated based on the main ingredients used.

Methodology has been improved in Fiscal 2021 by the set up of:

- the same definition has been applied to all countries for the calculation of transportation-related emissions;
- emission factors have been updated and homogenized in order to limit the number of databases used. Factors used for meat have been increased, as they were previously underestimated, taking into account only the agriculture part. Databases used this year are:
  - EcoInventV3, Allocation cut-off,
  - ADEME/Agribalyse 3.01included;
- additional consistency checks have been brought to this perimeter such as the analysis of the ratio plant based proteins/animal proteins by country, significant variances of volumes, inconsistency of the data given the country activity, etc.

One of Sodexo's missions is to improve quality of life for its employees and all who it serves. Sodexo's services are, in the majority of cases, provided by its own employees on a significant number of client sites where the Company operates throughout the world. The following information is therefore not applicable or not material for Sodexo:

- preventive or corrective actions with regard to discharges into the atmosphere, water and soil with a significant negative impact on the surrounding environment;
- consideration of noise and any other activity-specific pollution;
- land usage;
- importance of sub-contracting.

# 2.7 RECONCILIATION TABLES

### The Sustainability Accounting Standards Board (SASB) reconciliation table

The Sustainability Accounting Standards Board (SASB) is an independant organisation of normalization that promotes the sharing of important information on sustainability, in order to satisfy the investors' needs. The table below refers to the norm as defined by the SASB, and highlights the Group's references.

| ACCOUNTING METRICS | CODE | SODEXO ACTIONS & PERFORMANCE |
|---|---|---|
| **Energy Management** | | |
| (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable | FB-RN-130a.1 | (1) 1,785,271 GJ Energy consumption on our direct operations. (2) 34.63% energy consumption from grid electricity. (3) 8.9% renewable energy in our direct operations. |
| **Water Management** | | |
| (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | FB-RN-140a.1 | (1) 3,814,282 direct water consumption in $m^3$. We published in our CDP reporting disclosure. (2) Sodexo does not currently track this indicator. |
| **Food & Packaging Waste Management** | | |
| (1) Total amount of waste, (2) percentage food waste, and (3) percentage diverted | FB-RN-150a.1 | (2) Sodexo targets to halving our food waste on all relevant sites using our WasteWatch program, page 88 |
| (1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable | FB-RN-150a.2 | (1) Our main focus is on the food service disposables. In Fiscal 2021 we started collecting the baseline date on this specific category. (3) Sodexo does not currently track this indicator. |
| **Food Safety** | | |
| (1) Percentage of restaurants inspected by a food safety oversight body, (2) percentage receiving critical violations | FB-RN-250a.1 | (1) In Fiscal 2021, 9,123 food service sites were part of a risk-based site audit program for Food Safety and Hygiene. |
| (1) Number of recalls issued and (2) total amount of food product recalled | FB-RN-250a.2 | Sodexo does not currently track this indicator. |
| Number of confirmed foodborne illness outbreaks, percentage resulting in U.S. Centers for Disease Control and Prevention (CDC) investigation | FB-RN-250a.3 | Sodexo does not currently track this indicator, but we plan to do so through our HSE platform starting Fiscal 2022. |
| **Nutritional Content** | | |
| (1) Percentage of meal options consistent with national dietary guidelines and (2) revenue from these options | FB-RN-260a.1 | (1) Sodexo is reporting the % of sites offering healthy lifestyle options, page: 71. |
| (1) Percentage of children's meal options consistent with national dietary guidelines for children and (2) revenue from these options | FB-RN-260a.2 | Sodexo does not currently track this indicator. |
| Number of advertising impressions made on children, percentage promoting products that meet national dietary guidelines for children | FB-RN-260a.3 | Sodexo does not currently track this indicator. |
| **Labor Practices** | | |
| (1) Voluntary and (2) involuntary turnover rate for restaurant employees | FB-RN-310a.1 | The voluntary turnover rate is disclosed for employees and onsite manager employees who remain with the Company for at least three months, page 68. |
| (1) Average hourly wage, by region and (2) percentage of restaurant employees earning minimum wage, by region | FB-RN-310a.2 | Sodexo does not currently consolidate this information at Group level. |
| Total amount of monetary losses as a result of legal proceedings associated with (1) labor law violations and (2) employment discrimination | FB-RN-310a.3 | Information regarding litigation can be found page 161. |

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| ACCOUNTING METRICS | CODE | SODEXO ACTIONS & PERFORMANCE |
|---|---|---|
| **Supply Chain Management & Food Sourcing** | | |
| Percentage of food purchased that (1) meets environmental and social sourcing standards and (2) is certified to third-party environmental and/or social standards | FB-RN-430a.1 | (1) 95.6% of spend came from contracted suppliers having signed the Sodexo Supplier Code of conduct page 79 . (2) please refer to the results page 86. |
| Percentage of (1) eggs that originated from a cage-free environment and (2) pork that was produced without the use of gestation crates | FB-RN-430a.2 | (1) please refer to the results page 86: (2) Sodexo does not currently track this indicator. |
| Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare | FB-RN-430a.3 | 93,1% of On-site Services revenues of countries have the 2018 Sodexo Animal Welfare Supplier charter available in at least one official language |
| **Activity Metric** | | |
| Number of (1) Company-owned and (2) franchise restaurants | FB-RN-000.A | (1) Sodexo does not currently track this indicator. |
| Number of employees at (1) Company-owned and (2) franchise locations | FB-RN-000.B | (1) 412,000 total number of employees worldwide. |

## Task force on Climate-related Financial Disclosures (TCFD) reconciliation table

The Task force on Climate-related Financial Disclosures (TCFD) has been created upon the request of the G20 leaders. It aims at encouraging companies and organizations to communicate in a transparent manner on the financial risks linked to climate, in order to help the investors to integrate them in their decisions.

In 2017, the TCFD published a set of recommendations to encourage a consistent and reliable financial reporting based on 4 pillars: governance, strategy, measure and objectives, as well as risk management.

| TOPIC | RECOMMENDED DISCLOSURE | PAGES |
|---|---|---|
| Governance | a) Describe the Board's oversight of climate-related risks and opportunities. | 54 |
| | b) Describe management's role in assessing and managing climate-related risks and opportunities. | 54 |
| Strategy | a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. | 280 |
| | b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. | 280 |
| | c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | 81-88 |
| Risk Management | a) Describe the organization's processes for identifying and assessing climate-related risks. | 280 |
| | b) Describe the organization's processes for managing climate-related risks. | 280 |
| | c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | 280 |
| Metrics and Targets | a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | 86, 87 |
| | b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. | 86, 87, 280 |
| | c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | 86, 87, 280 |

Reconciliation tables are presented in the section "Other informations" of the present document.

# 2.8 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

*This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

**Sodexo S.A.**

Head Office: 255, quai de la Bataille de Stalingrad

92130 Issy-les-Moulineaux

For the year ended August 31, 2021

To the Annual General Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "entity") appointed as independent third party, and accredited by the French Accreditation Committee (*Comité Français d'Accréditation* or COFRAC) under number 3-1049[1], we hereby report to you on the consolidated non-financial statement for the year ended August 31, 2021 (hereinafter the "Statement"), included in the entity's Management Report pursuant to the requirements of articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code *(Code de commerce).*

## Responsibility of the entity

The Management Board's is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available upon request at the entity's head office.

## Independence and quality control

Our independence is defined by the requirements of article L.822-11-3 of the French Commercial Code and the French Code of Ethics *(Code de déontologie)* of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

## Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R.225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R.225-105 I, 3º and II of the French Commercial Code, *i.e.*, the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

At the request of the entity and outside of the scope of accreditation, our responsibility is also to provide a report expressing a reasonable assurance conclusion that information selected by the entity, presented in Appendix and identified with the symbol ✓ in chapter 2 has been prepared, in all material respects, in accordance with the Guidelines.

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French Vigilance Plan law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

1 Accreditation Cofrac Inspection, number 3-1049, scope available at www.cofrac.fr

## Nature and scope of our work

The work described below was performed in accordance with the provisions of Article A.225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes* or CNCC) applicable to such engagements and with ISAE 3000[1] :

- we obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L.225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation set out in article L. 22-10-36, paragraph 2;
- we verified that the Statement provides the information required under article R.225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented,
  - corroborate the qualitative information (measures and outcomes) that we considered the most important and presented in Appendix. Concerning certain risks[2], our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities[3];
- we verified that the Statement covers the scope of consolidation, *i.e.* all the consolidated entities in accordance with article L.233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities[3] and covers between 33% and 46% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

## Means and resources

Our work was carried out by a team of nine people between July and October 2021 and took a total of twelve weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted some fifteen interviews with the people responsible for preparing the Statement.

1 ISAE 3000: international standard on assurance engagements other than audits or reviews of historical financial information.
2 Healthy and sustainable eating & Food quality and safety; Pandemic risk.
3 Entities that were selected for limited assurance:
- Sodexo On Site services: United States of America, United Kingdom & Ireland;
- Sodexo Benefits & Rewards Services: Belgium.

Entities that were selected for reasonable assurance:
- Sodexo On-Site Services: Brazil, Netherlands, France;
- Sodexo Benefits & Rewards Services: Brazil.

### Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

## Reasonable assurance report on a selection of non-financial information

### Nature and scope of our work

With regard to the information selected by the entity presented in Appendix and identified with the symbol √ in chapter 2, we conducted the same procedures as those described in the paragraph "Nature and scope of our work" (for the most important non-financial information). However, these procedures were more in-depth, particularly regarding the number of tests.

Consequently, the selected sample represents between 52% and 63% of the information identified with the symbol √.

We believe that these procedures enable us to express reasonable assurance regarding the information selected by the entity and identified with the symbol √.

### Conclusion

In our opinion, the information selected by the entity and identified with the symbol ✓ in chapter 2 has been prepared, in all material respects, in accordance with the Guidelines.

Paris-La Défense, on October 26th 2021

**KPMG S.A.**

Fanny Houlliot
Partner
*Sustainability Services*

Caroline Bruno-Diaz
Partner

# Appendix

## Qualitative information (actions and results) considered most important

| |
|---|
| Policy on the continuous development of employee skills |
| Measures taken to promote internal mobility of employees and related results |
| Actions in favor of diversity, equity and inclusion |
| Creation of SoTogether on strengthening gender equality |
| Deployment of WasteWatch and other initiatives to combat food waste |
| Actions to control the environmental footprint |
| Monitoring of the carbon footprint perimeter 3 linked to business travel, energy consumption and waste generated |
| Measures taken in relation to human rights and business integrity |
| Partnership and sponsorship initiatives |
| Measures put in place to meet consumer expectations |
| Supporting local communities following the COVID-19 pandemic |

## Key performance indicators and other quantitative results considered most important

| SOCIAL KEY PERFORMANCE INDICATORS AND OUTCOMES | LEVEL OF ASSURANCE |
|---|---|
| Total workforce | Reasonable |
| Total workforce by segment and activity | Reasonable |
| Retention rate for total workforce | Reasonable |
| Retention rate for site managers | Reasonable |
| Number of Departures related to Resignation of continuous employment > 3 months excl. site loss | Reasonable |
| Total New Hires Excluding Acquisitions & Transfers | Limited |
| Average number of workday absences per employee due to work-related accident or illness and non-work-related accident or illness | Limited |
| Total number of training hours | Limited |
| Average number of hours of training per employee | Limited |
| Number of Respondents (Employee engagement survey) | Limited |
| Group Engagement Rate | Reasonable |
| Employee Net Promoter Score | Limited |
| % of Employees Believing that Sodexo Values Diversity (such as Age, Gender, Culture and Origin, Religion, Sexual Orientation and Providing Opportunities for Individuals with Disabilities) in the Workplace | Limited |
| % of Employees Considering Sodexo to be a Socially and Environmentally Responsible Company | Limited |
| % of workforce covered by collective agreements | Reasonable |
| % of women on the Board of Directors | Limited |
| % of women on the Executive Committee | Reasonable |
| % of women among Group Senior Leaders | Reasonable |
| % of women in management positions | Reasonable |
| % of women in the employee category | Reasonable |
| % of women in total workforce | Reasonable |

| SAFETY KEY PERFORMANCE INDICATORS AND OUTCOMES | LEVEL OF ASSURANCE |
|---|---|
| Number of work-related accidents requiring leave | Reasonable |
| LTIR | Limited |
| % LTIR reduction | Limited |
| % of Group revenues of countries having one or more OHSAS 18001 or ISO 45001 certification | Reasonable |

| ENVIRONMENTAL KEY PERFORMANCE INDICATORS AND OUTCOMES | LEVEL OF ASSURANCE |
|---|---|
| Scope 1 and Scope 2 emissions energy consumption (Mwh) | Limited |
| Scope 1 and Scope 2 (market based) emissions | Limited |
| Scope 3 Supply Chain carbon emissions | Limited |
| % reduction in absolute Scope 1 and Scope 2 carbon emissions (compared to 2017 baseline) | Limited |
| % reduction in intensity Scope 1 and Scope 2 carbon emissions (compared to 2017 baseline) | Limited |
| % reduction in absolute Scope 3 Supply Chain carbon emissions (compared to 2017 baseline) | Limited |
| % reduction in intensity Scope 3 Supply Chain carbon emissions (compared to 2017 baseline) | Limited |

| SOCIETAL KEY PERFORMANCE INDICATORS AND OUTCOMES | LEVEL OF ASSURANCE |
|---|---|
| % of Group revenues of countries employing environmental experts | Limited |
| Our business value benefiting SMEs | Limited |
| % of spend with contracted suppliers having signed the Sodexo Supplier Code of conduct | Reasonable |
| % of physical certified sustainable palm oil | Limited |
| % of cage free shell eggs (of the total of shell eggs purchased by Sodexo) | Limited |
| % of cage free liquid eggs (of the total liquid eggs purchased by Sodexo) | Limited |
| % of sustainable fish and seafood which is sustainable as a% of total fish and seafood | Limited |
| % of spend on certified sustainable paper disposables as a% of total paper disposables | Reasonable |
| Number of Stop Hunger beneficiaries | Limited |
| % of On-site Services revenues of countries having either ISO 9001 or ISO 22000 certification for food safety | Reasonable |

3

# FISCAL YEAR ACTIVITY REPORT

# 3.1 FISCAL YEAR HIGHLIGHTS - SOLID PICK-UP IN ACTIVITY AND BETTER THAN EXPECTED PERFORMANCE

## 3.1.1 Fiscal 2021 operating performance

Fiscal 2021 continued to be significantly impacted by the Covid-19 pandemic. However, in terms of performance there was a marked improvement between the first half and the second half, as the teams constantly adapted to the changing environment and benefited from a favorable comparable basis on the second half of Fiscal 2020. Due to the lack of visibility at the beginning of the year, the decision was made to prepare half-year budgets and provide half-year guidance.

First half Fiscal 2021 organic growth was negative at -21.7%, in line with guidance of -20 to -25%. Activity improved progressively quarter on quarter from a trend of -36% in Q3 Fiscal 2020 at the start of the pandemic, to -20.6% in the second quarter of Fiscal 2021. Profitability also improved progressing to a positive 3.1% in the first half of Fiscal 2021, well ahead of the original guidance of between 2 and 2.5%, and following a negative operating margin of -1.5% in the second half of Fiscal 2020.

As the vaccination levels progressed in Europe and North America, the trend in revenues continued to improve in the second half in most markets. As a result, there was a return to growth compared to the particularly low levels of the previous year. Second half Fiscal 2021 Revenues were up +18.1% organically, despite the emergence of the delta variant in the fourth quarter. By year end, recovery was apparent in all segments and in all regions, even if the pace of recovery was slower in Corporate Services, hampered by a slow return to the office.

Underlying operating profit margin was 3.5%, or 3.7% at constant rates, 20 basis points better than guidance.

As a result, overall for Fiscal 2021, the organic decline was limited to -5.6%, with an Underlying Operating margin at 3.3%, up +40 bps, and a net profit of 139 million euro compared to a net loss of -315 million euro in Fiscal 2020.

## 3.1.2 Acceleration of trends post Covid

Coming out of the pandemic, client discussions are confirming the acceleration of several major trends around Working from home, the need to make the workplace more flexible, attractive and safe, and the digitalization of our markets both in Food and FM services.

According to a client survey in September 2020, and confirmed by recent client discussions, there will be an increase on average of about 27% of working from home compared to 2019 levels. This could have an impact of about 10% on the Corporate Services segment, or 2-3% of Group revenues. More working from home means more flexible office spaces combined with a range of services to attract consumers back to the office and/or to maintain the engagement and retention of those working remotely. Our strength is our capacity to provide clients with a holistic approach to reinvent FM and food services through our Vital spaces proposition that Sodexo is deploying in its major markets. These include more flexible spaces, and more convenient, healthy and environmentally-friendly food offerings, delivery, click & collect, produced on or off-site.

This more comprehensive approach to On-site Services is also being deployed in Universities, in Sports & Leisure and Government & Agencies sites, and even in Hospitals.

## 3.1.3 Portfolio management

As part of the simplification of the On-site Services, the Group has continued to reduce the number of countries in which it is present, now down to 56 from 80 at the start of 2018. This process has led to a more disciplined approach to reduce the Group's presence in certain smaller countries, where either the size, or the growth opportunities were lacking.

A decision was made in July 2021 to enter into exclusive negotiations to combine the Childcare activities with those of the Grandir group, thereby creating an ambitious project to become a global early education leader. Sodexo will maintain a minority stake in the new Childcare entity to ensure a smooth transition. The transaction is expected to be finalized during First half Fiscal 2022.

Rydoo, the Group's business travel and expense management activities, has been sold to the global investment firm Marlin Equity Partners, due to the sizeable investments required to sustain the business model.

As part of the Group's portfolio management program, the Board of Directors has confirmed that it is necessary to accelerate the growth and diversification plans of Benefits & Rewards Services and has therefore decided to explore a number of strategic options to enhance support, focus and resources of Benefits & Rewards Services, while retaining control. The Group will keep the market informed of the evolution of this project.

## 3.1.4 Working towards a Better Tomorrow

Sodexo is advancing along its Better Tomorrow 2025 roadmap, which is guiding our route towards our nine objectives set in 2017. Some of these objectives are more challenging than others, but despite the pandemic, there are great things being achieved in Fiscal 2021:

- we have an Employee engagement target at 80% for 2025. In the latest survey we reached 78.3%, coming out of the pandemic, and just slightly below last year's level of 80.1% in the midst of the pandemic;
- we are also doing well in integrating SMEs into our value chain, reaching a value of 6.9 billion euro in Fiscal 2021, up from 4.5 billion euro in the previous year, and on track for 10 billion euro by 2025;
- in Fiscal 2021 Scope 3 supply chain carbon emissions are down 23.2% *versus* the base line of 2017. The 2025 objective is to achieve a 34% reduction in total Scope 1, 2 and 3 emissions against the base line. This target has been approved by the Science Based Targets initiative (SBTi) and is in accordance with the Paris Agreement 1.5ºC scenario. Since 2017, Sodexo has already reduced its direct greenhouse gas emissions (Scopes 1 and 2) by 37.2%, more than the objective;
- waste reduction of 45.8% has been achieved in the 878 sites reporting in Fiscal 2021, in line with the 2025 objective of 50%. Despite the program delay due to a lot of sites being closed or at very low levels of activity, implementation is now picking up fast. We had 878 reporting in Fiscal 2021 *vs* 291 in Fiscal 2020. Currently we are getting to 1,300 sites deployed;
- this year we have published a new KPI, which we have been putting in place for several years. Today, 73.8% of our sites provide consumers with a healthy lifestyle option. This compares to our 2025 objective of 100%.

## 3.1.5 New chapter, new leadership for Sodexo

On July 27, 2021, the Group announced that the Board had decided to launch a search for a new Chief Executive Officer, to enable the Group to strengthen its competitiveness and accelerate its transformation while confronted by post-Covid challenges. Our environment is significantly influenced by the acceleration of new consumer behaviors and trends, by digital and technological disruptions, and the emergence of new business models. This new phase should enable the Group to rapidly adapt to the expectations of its clients and consumers and return to solid, profitable, and responsible growth over the long term.

As a result, Denis Machuel left the Group on September 30, 2021.

The Board of Directors thanked Denis Machuel, who joined the Company in 2007 and was appointed CEO in January 2018, for his contribution to Sodexo's development and for having lived by its values. In particular, the Board salutes his efforts to relaunch the growth momentum, which was interrupted by the Covid-19 crisis, and for having initiated the Group's digitalization and strengthened its CSR commitments. During the difficult period of the pandemic, his leadership and action contributed greatly to the Group's resilience and agility in weathering the crisis.

To ensure the operational continuity of the Company during the search, Sophie Bellon will act as interim CEO.

The search is oriented towards an international profile, with experience in North America, in corporate restructuring and digitalization of the business model.

## 3.1.6 Organizational changes for transition

Sophie Bellon took over as Interim Chief Executive Officer on the departure of Denis Machuel on September 30, 2021. The key elements of this transition are:

- to enhance efficiency in Schools and Government & Agencies, the segments will now be managed regionally. As a result, each Region/Country chair will be responsible for the segment in his region. These two segments are significant in North America, the UK and France;
- a Transition Committee, composed of 12 people and chaired by Sophie Bellon, has been created to steer progress on the priorities defined for the transition period, manage business performance and prioritize projects and investments. This

Committee is composed of representatives of the activities, segments, regions and functions;

- Key Strategic priorities of the Transition Committee during the transition period are:
  - boost US growth,
  - accelerate the food model transformation,
  - manage more actively our portfolio,
  - enhance the effectiveness of our organization.

### 3.1.7 Evolution of the Board of Directors

- Emmanuel Babeau has decided not to seek reelection at the next Shareholders Meeting due to increased responsibilities at PMI. The Board warmly thanks Emmanuel Babeau for his extensive contribution to the Board's discussions, in particular, on performance, strategy and financial matters, as well as his active participation on the Audit and Compensation Committees.
- Jean-Baptiste Chasseloup de Chatillon will be proposed as a new member of the Board and Audit Committee. He is Executive Vice President and Chief Financial Officer of Sanofi, since 2018. Before joining Sanofi, Jean-Baptiste Chasseloup de Chatillon was Finance Director and member of the Management Board and Executive Committee of PSA-Peugeot Citroën, where he spent nearly 30 years in different finance, commercial and operational roles in several European countries. He brings significant experience in mergers and acquisitions, organizations' transformation, financing and information technology.
- Should all the resolutions concerning the appointment and reelection of Board members be approved at the Shareholders Meeting, 70% of its elected members will be independent and 60% will be women.
- Luc Messier will join the Nominating Committee. He will bring his strong understanding of different cultures given his experience living and working in several countries in Europe, Asia, and North America. The Committee now has a majority of independent members and remains chaired by an independent Director.

# 3.2 FISCAL YEAR PERFORMANCE

### 3.2.1 Consolidated income statement

| (in millions of euro) | AUGUST 31, 2021 | AUGUST 31, 2020 | DIFFERENCE | DIFFERENCE CONSTANT RATES |
|---|---|---|---|---|
| Revenue | 17,428 | 19,321 | -9.8% | -5.8% |
| **UNDERLYING OPERATING PROFIT** | **578** | **569** | **+1.6%** | **+12.4%** |
| **UNDERLYING OPERATING PROFIT MARGIN** | **3.3%** | **2.9%** | **+40 bps** | **+60 bps** |
| Other operating expenses | (239) | (503) | | |
| **OPERATING PROFIT** | **339** | **65** | **+417.8%** | **+485.9%** |
| Net financial expense | (106) | (291) | | |
| PRE-TAX PROFIT excluding share of profit from Equity method companies | 229 | (230) | | |
| Tax charge* | (101) | (98) | | |
| **GROUP NET PROFIT** | **139** | **(315)** | | |
| **EPS** (in euro) | **0.95** | **(2.16)** | | |
| **UNDERLYING NET PROFIT** | **346** | **306** | **+13.1%** | **+30.5%** |
| Underlying EPS (in euro) | 2.37 | 2.10 | +13.0% | |

* Fiscal 2021 Underlying effective tax rate is around 28.3%, stable compared to 30% in Fiscal 2020.

## 3.2.2 Currency effect

Exchange rate fluctuations do not generate operational risks, because each subsidiary bills its revenues and incurs its expenses in the same currency. However, given the weight of the Benefit & Rewards activity in Brazil, and the high level of its margins relative to the Group, when the Brazilian real declines against the euro, it has a negative effect on the underlying operating margin due to a change in the mix of margins. Conversely, when the Brazilian real strenghtens Group margins increase.

| 1€= | AVERAGE RATE FY 2021 | AVERAGE RATE FY 2020 | AVERAGE RATE FY 2021 *VS.* FY 2020 | CLOSING RATE FY 2021 AT 08/31/2021 | CLOSING RATE FY 2020 AT 08/31/20 | CLOSING RATE 08/31/2021 *VS.* 08/31/2020 |
|---|---|---|---|---|---|---|
| U.S. dollar | 1.197 | 1.115 | -6.9% | 1.183 | 1.194 | +0.9% |
| Pound Sterling | 0.878 | 0.876 | -0.2% | 0.859 | 0.896 | +4.3% |
| Brazilian real | 6.441 | 5.255 | -18.4% | 6.139 | 6.474 | +5.5% |

The impact of currencies this year is linked to the decline in the U.S. dollar of -6.9% and the Brazilian real of -18.4% cumulating in a -4% negative impact on revenues and 20 bps on the Underlying operating margin.

Sodexo operates in 56 countries. The percentage of total revenues and underlying operating profit denominated in the main currencies are as follows:

| FISCAL 2021 | % OF REVENUES | % OF UNDERLYING OPERATING PROFIT |
|---|---|---|
| U.S. dollar | 36% | 42% |
| Euro | 25% | -24% |
| UK pound Sterling | 11% | 17% |
| Brazilian real | 5% | 23% |

The currency effect is determined by applying the previous year's average exchange rates to the current year figures except in hyper-inflationary economies where all figures are converted at the latest closing rate for both periods when the impact is significant.

## 3.2.3 Revenues

### REVENUES BY ACTIVITY

| REVENUES (in millions of euro) | FY 2021 | FY 2020 | ORGANIC GROWTH | EXTERNAL GROWTH | CURRENCY EFFECT | TOTAL GROWTH |
|---|---|---|---|---|---|---|
| Business & Administrations | 8,884 | 10,265 | -9.7% | -0.4% | -3.4% | -13.5% |
| Healthcare & Seniors | 4,762 | 4,815 | +3.1% | +0.3% | -4.5% | -1.1% |
| Education | 3,041 | 3,475 | -7.6% | -0.6% | -4.3% | -12.5% |
| **ON-SITE SERVICES** | **16,687** | **18,554** | **-6.0%** | **-0.3%** | **-3.8%** | **-10.1%** |
| **BENEFITS & REWARDS SERVICES** | **745** | **773** | **+3.9%** | **+0.1%** | **-7.6%** | **-3.6%** |
| Elimination | (3) | (5) | | | | |
| **TOTAL GROUP** | **17,428** | **19,321** | **-5.6%** | **-0.2%** | **-4.0%** | **-9.8%** |

Fiscal 2021 consolidated revenues were 17.4 billion euro, down -9.8% year-on-year including a negative net contribution from acquisitions and disposals of -0.2% and a negative currency impact of -4%. As a result, the organic decline was -5.6%, with the combination of a first half down -21.7%, followed by a second half up +18.1% as the comparable base was already impacted by the pandemic.

| REVENUES BY ACTIVITY (in millions of euro) | H1 FY 2021 | H1 FY 2020 | ORGANIC GROWTH | H2 FY 2021 | H2 FY 2020 | ORGANIC GROWTH |
|---|---|---|---|---|---|---|
| Business & Administrations | 4,280 | 6,186 | -26.5% | 4,603 | 4,079 | +14.6% |
| Healthcare & Seniors | 2,338 | 2,538 | -2.1% | 2,424 | 2,276 | +8.7% |
| Education | 1,620 | 2,528 | -31.9% | 1,421 | 947 | +55.2% |
| **ON-SITE SERVICES** | **8,238** | **11,252** | **-22.2%** | **8,449** | **7,302** | **+18.0%** |
| **BENEFITS & REWARDS SERVICES** | **359** | **443** | **-8.1%** | **386** | **330** | **+18.2%** |
| Elimination | (2) | (3) | | (2) | (2) | |
| **TOTAL GROUP** | **8,595** | **11,692** | **-21.7%** | **8,833** | **7,629** | **+18.1%** |

## ON-SITE SERVICES

On-site Services revenues declined by -6.0% overall for the year. Following the deepest downturn ever registered by the Group due to the pandemic in the second half Fiscal 2020, activity has picked up progressively quarter by quarter, reaching 87% of pre-Covid Fiscal 2019 revenues at constant rates, by the fourth quarter. Healthcare & Seniors picked back up to 100%, and Schools to 99% (of pre-Covid levels), However, Business & Administrations remained impacted by the slow return to work in Corporate Services, which was at 79% (of pre-Covid levels). However, Business & Administrations remained impacted by the slow return to work in Corporate Services, which was at 79% (of pre-Covid levels), and the recovery in Sports & Leisure at only 43% (of pre-Covid levels), which really only started from July in Sports events, while the Convention center activity is only just starting to see the recovery in reservations.

The performance of the main segments relative to Fiscal 2019 revenues is as follows:

| | % OF FISCAL 2019 REVENUES | | | | | |
|---|---|---|---|---|---|---|
| AT CONSTANT RATES | Q3 FY2020 | Q4 FY2020 | Q1 FY2021 | Q2 FY2021 | Q3 FY2021 | Q4 FY2021 |
| **Business & Administrations** | **71%** | **70%** | **78%** | **78%** | **78%** | **82%** |
| Of which Corporate Services | 73% | 74% | 79% | 78% | 75% | 79% |
| Of which Sports & Leisure | 16% | 9% | 14% | 17% | 22% | 43% |
| **Education** | **46%** | **64%** | **72%** | **68%** | **79%** | **85%** |
| Of which Schools | 52% | 78% | 87% | 84% | 88% | 99% |
| Of which Universities | 41% | 52% | 61% | 54% | 72% | 71% |
| **Healthcare & Seniors** | **88%** | **92%** | **97%** | **100%** | **96%** | **100%** |
| **On-site Services** | **70%** | **75%** | **81%** | **81%** | **83%** | **87%** |
| **Benefits & Rewards Services** | **77%** | **95%** | **99%** | **94%** | **96%** | **97%** |
| **Group** | **70%** | **75%** | **81%** | **82%** | **83%** | **87%** |

During the year, Facilities Management services were up +6.9%, particularly resilient during the crisis, while Food services were down -14.5% despite a +24.5% increase in the second half, as the comparable base was favorable. In the fourth quarter, FM services had reached 110% of Fiscal 2019 revenues, Food services remained at 73%.

Key performance indicators continued to be impacted by the pandemic, even though there are clear signs of an improvement in quality:

- client retention rate at the end of the year was 93.1%, down -40 bps, compared to the previous year. However, this included the impact of the British Government's decision to take back the Transforming Rehabilitation contracts which accounted for 40 bps. Excluding this contract, retention would have been flat. While retention was better in most segments and most geographies, and particularly in Healthcare and Universities in North America, the performance was impacted by the loss of a large schools contract in North America in the last month of the year;
- new sales development was up +110 bps at 6%, with a solid contribution from all segments. While the level of new signatures remains below our target, the quality is improving with an increase in the average gross margin of +80 bps;
- although same site sales were down -6.3%, the performance was better than in the previous year at -11.9% reflecting the recovery in volumes in the second half and more cross-selling of services on existing sites.

### ON-SITE SERVICES REVENUES BY REGION

| REVENUES BY REGION (in millions of euro) | FY 2021 | FY 2020 | ORGANIC GROWTH |
|---|---|---|---|
| North America | 6,514 | 8,036 | -13.3% |
| Europe | 7,002 | 7,308 | -3.5% |
| Asia-Pacific, Latam, Middle East and Africa | 3,171 | 3,210 | +6.6% |
| **ON-SITE SERVICES TOTAL** | **16,687** | **18,554** | **-6.0%** |

- **North America** remained the region the most impacted by the pandemic with sales down -13.3% in Fiscal 2021 due to the significant weight of Sports & Leisure and Education in the mix of business, which were the worst affected segments. However, the bounce-back in the second half was also the most significant. North America now accounts for 39% of On-site revenues.
- **Europe** (representing 42% of On-site sales) was more resilient at -3.5% reflecting the faster recovery of Education and Corporate Services activity and the contribution of the large Rapid Testing Centre contract in the United Kingdom.
- **Asia-Pacific, Latin America, Middle East and Africa** (19% of On-site Services revenues) ended the year up +6.6% with strong recovery in China and Brazil and despite the significant deterioration in India in the third quarter due to the Delta variant.

### FOR THE SECOND HALF ONLY

| REVENUES BY REGION (in millions of euro) | H2 FY 2021 | H2 FY 2020 | ORGANIC GROWTH |
|---|---|---|---|
| North America | 3,340 | 2,936 | +19.4% |
| Europe | 3,473 | 2,919 | +18.5% |
| Asia-Pacific, Latam, Middle East and Africa | 1,636 | 1,447 | +14.4% |
| **ON-SITE SERVICES TOTAL** | **8,449** | **7,302** | **+18.0%** |

All regions performed well in the second half Fiscal 2021 compared to the previous year. The comparative base was particularly weak in **North America** and **Europe**, severely impacted by the pandemic. The regions ended up at 77% and 85% respectively of Fiscal 2019 levels, at constant rates. However, **Asia-Pacific, Latam Middle East and Africa** performed particularly well against a much less impacted comparative base and despite the effect of the delta variant in India, ending at 107% of Second half Fiscal 2019 levels, at constant rates.

**Brexit**

The United Kingdom left the European Union on January 1, 2020. Sodexo has been present in the United Kingdom since 1988 and has around 37,000 employees there today. The Group's business is not materially impacted by the United Kingdom leaving the European Union. Sodexo is a local player, working with local suppliers and employees, and very often for Government authorities and Government services. In the UK, a large part of the services are FM, which have demonstrated their resilience during the Covid-19 pandemic. Our supply chain teams planned extensively for the EU exit and continue to manage supply carefully in partnership with our suppliers. As a result, we have not suffered any significant disruption to our supply chains. Growth in activity will remain dependent upon stand up of Covid impacted services, outsourcing trends, growth in GDP and employment in the country.

## Business & Administrations

### REVENUES

| REVENUES BY REGION (in millions of euro) | FY 2021 | FY 2020 | ORGANIC GROWTH |
|---|---|---|---|
| North America | 1,859 | 2,518 | -21.2% |
| Europe | 4,200 | 4,904 | -13.1% |
| Asia-Pacific, Latam, Middle East and Africa | 2,825 | 2,843 | +6.4% |
| **BUSINESS & ADMINISTRATIONS TOTAL** | **8,884** | **10,265** | **-9.7%** |

Fiscal 2021 **Business & Administrations** revenues totaled **8.9 billion euro**, down -9.7% organically. This was a combination of organic decline in the first half of -26.5% and a rebound of +14.6% in the second half.

### FOR THE SECOND HALF ONLY

| REVENUES BY REGION (in millions of euro) | H2 FY 2021 | H2 FY 2020 | ORGANIC GROWTH |
|---|---|---|---|
| North America | 1,031 | 860 | +25.0% |
| Europe | 2,116 | 1,920 | +11.0% |
| Asia-Pacific, Latam, Middle East and Africa | 1,456 | 1,299 | +12.9% |
| **BUSINESS & ADMINISTRATIONS TOTAL** | **4,603** | **4,079** | **+14.6%** |

Second half organic growth in **North America** was +25%, thanks to a soft comparable base, modest recovery in Corporate Services, delayed somewhat by the delta variant, and a strong rebound in the fourth quarter in the sports activities of Sports & Leisure. Government & Agencies and Energy & Resources were also up significantly during the period due to the return to normal activity and new contract startups, particularly in Energy & Resources.

In **Europe**, second half revenues were up +11% organically, driven by the progressive return to the office in Continental Europe after the end of the lockdowns, some recovery in the Sports & Leisure activities during the summer and in particular the sports and tourism activities. Government & Agencies activity was strong despite the impact from the loss of the Transforming Rehabilitation contract in the UK during the fourth quarter. Energy & Resources was also strong with positive net new business and strong growth with the large global accounts.

In **Asia-Pacific, Latam, Middle East and Africa** organic revenue growth was +12.9%. The Corporate Services segment continued to recover across all regions, even in India in the fourth quarter, as the delta variant impact subsided. Energy & Resources continued to achieve very solid growth, against a backdrop of unbroken strong double digit growth in the last two years. New business ramp-ups and strong underlying growth in Latin America more than offset some contract losses and a ramp-down in some of the Covid-related extra FM Services in the Asia-Pacific region.

## Healthcare & Seniors

| REVENUES BY REGION (in millions of euro) | FY 2021 | FY 2020 | ORGANIC GROWTH |
|---|---|---|---|
| North America | 2,642 | 2,950 | -4.2% |
| Europe | 1,838 | 1,579 | +15.6% |
| Asia-Pacific, Latam, Middle East and Africa | 281 | 286 | +8.7% |
| **HEALTHCARE & SENIORS TOTAL** | **4,762** | **4,815** | **+3.1%** |

**Healthcare & Seniors** revenues amounted to **4.8 billion euro,** up +3.1% organically. The first half was down -2.1% due to some significant contract losses and a large contract exit. In the second half, organic growth was +8.7%, particularly boosted by the contribution of the Rapid Testing Centres contract in the UK.

**FOR THE SECOND HALF ONLY**

| REVENUES BY REGION (in millions of euro) | H2 FY 2021 | H2 FY 2020 | ORGANIC GROWTH |
|---|---|---|---|
| North America | 1,346 | 1,394 | +1.9% |
| Europe | 928 | 760 | +18.7% |
| Asia-Pacific, Latam, Middle East and Africa | 150 | 122 | +22.5% |
| **HEALTHCARE & SENIORS TOTAL** | **2,424** | **2,276** | **+8.7%** |

In **North America**, second half organic growth was +1.9%. While elective surgery has been picking up progressively, cross-selling has remained strong and retail sales started to pick up in the fourth quarter. Seniors occupancy is still suffering from the effects of the pandemic.

In **Europe**, organic growth was up at +18.7%. While the retail activity remained low, cross-selling of new Covid-related hygiene services and a large Rapid Testing Centers contract in the UK is boosting activity. Seniors activity has continued to pick up progressively during the second half.

In **Asia-Pacific, Latam, Middle East and Africa,** organic revenue growth was +22.5%, due to strong recovery in volumes and new business wins in China, India and Brazil.

## Education

| REVENUES BY REGION (in millions of euro) | FY 2021 | FY 2020 | ORGANIC GROWTH |
|---|---|---|---|
| North America | 2,013 | 2,569 | -15.9% |
| Europe | 963 | 824 | +16.9% |
| Asia-Pacific, Latam, Middle East and Africa | 65 | 81 | +6.7% |
| **EDUCATION TOTAL** | **3,041** | **3,475** | **-7.6%** |

Fiscal 2021 revenues in Education were 3.0 billion euro, down -7.6% organically. While the first half was down -31.9%, the second half was up +55.2%, against the peak of the school closures in most countries in the previous year.

**FOR THE SECOND HALF ONLY**

| REVENUES BY REGION (in millions of euro) | H2 FY 2021 | H2 FY 2020 | ORGANIC GROWTH |
|---|---|---|---|
| North America | 963 | 681 | +47.6% |
| Europe | 429 | 239 | +78.0% |
| Asia-Pacific, Latam, Middle East and Africa | 30 | 26 | +49.5% |
| **EDUCATION TOTAL** | **1,421** | **947** | **+55.2%** |

In the second half, **North America** was up +47.6%. Whereas the return to school and universities was slow in the second and third quarters relative to Europe, all sites reopened for the start of the new academic year in August. There was also some summer camp activity and project work during the fourth quarter.

In **Europe**, revenue was up +78% organically, reflecting reopening in most countries from April, even if there were some class closures and high absenteeism due to the delta variant in the last months of the school year, particularly in the United Kingdom.

In **Asia-Pacific, Latam, Middle East and Africa**, organic growth was +49.5% reflecting progressive reopening of schools and universities in the region except in India where schools remained closed due to the delta variant.

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## BENEFITS & REWARDS SERVICES

Fiscal 2021 **Benefits & Rewards Services** revenue amounted to 745 million euro, up +3.9% organically, with the first half down -8.1% and a second half up +18.2%. Employee benefits organic growth was +3.8% compared to an issue volume up +5.2%, the performance gap being attributable in particular to delayed reimbursement volumes during the year due to the closure of restaurants during confinement. Services Diversification was up +4% organically. Organic growth in Europe and Asia was positive at +6.4%, whereas Latin America was down due to fierce competitive pressures in Brazil.

| REVENUES BY ACTIVITY (in millions of euro) | FY 2021 | FY 2020 | ORGANIC GROWTH |
|---|---|---|---|
| Employee benefits | 577 | 607 | +3.8% |
| Services Diversification* | 168 | 166 | +4.0% |
| **BENEFITS & REWARDS SERVICES** | **745** | **773** | **+3.9%** |

* Including Incentive & Recognition, Mobility & Expenses and Public Benefits.

### FOR THE SECOND HALF ONLY

| REVENUES BY ACTIVITY (in millions of euro) | H2 FY 2021 | H2 FY 2020 | ORGANIC GROWTH |
|---|---|---|---|
| Employee benefits | 302 | 259 | +18.2% |
| Services Diversification* | 84 | 70 | +18.5% |
| **BENEFITS & REWARDS SERVICES** | **386** | **329** | **+18.2%** |

* Including Incentive & Recognition, Mobility & Expenses and Public Benefits.

In the second half, the organic growth in **Employee Benefits** revenues was +18.2**%**, compared to an organic growth in issue volume of +11%. The discrepancy of the performance between revenues and issue volumes is due to the impact of the catch-up in reimbursement volumes as restaurants reopened. As reimbursement grew, the float declined during the period.

**Services Diversification** was also up +18.5% organically, resulting from a recovery from very low levels in the previous year in Travel & Expense management and Incentives & Recognition, while public benefits continued to grow due to ongoing and new Government schemes in several countries.

| REVENUES BY REGION (in millions of euro) | FY 2021 | FY 2020 | ORGANIC GROWTH |
|---|---|---|---|
| Europe, USA and Asia | 499 | 482 | +6.4% |
| Latin America | 246 | 290 | -0.3% |
| **BENEFITS & REWARDS SERVICES** | **745** | **773** | **+3.9%** |

### FOR THE SECOND HALF ONLY

| REVENUES BY REGION (in millions of euro) | H2 FY 2021 | H2 FY 2020 | ORGANIC GROWTH |
|---|---|---|---|
| Europe, USA and Asia | 256 | 213 | +22.9% |
| Latin America | 129 | 117 | +10.7% |
| **BENEFITS & REWARDS SERVICES** | **386** | **329** | **+18.2%** |

In **Europe, Asia** and **USA**, the second half Fiscal 2021 organic revenue growth was +22.9**%,** as restaurants reopened and activity picked back up in all the diversified services.

In **Latin America**, organic growth was +10.7%, boosted by issue volume growth, even though the environment remained very competitive in Brazil. Growth in the rest of the region was mixed with strong activity in Mexico, boosted by the solid fuel cards activity while the Covid-related public benefits activity slowed down, compared to the strong comparative basis of the previous year.

| REVENUES BY NATURE (in millions of euro) | FY 2021 | FY 2020 | ORGANIC GROWTH |
|---|---|---|---|
| Operating Revenues | 701 | 718 | +4.7% |
| Financial Revenues | 43 | 54 | -7.1% |
| **BENEFITS & REWARDS SERVICES** | **745** | **773** | **+3.9%** |

**Operating revenues** were up for the year thanks to a strong recovery in the second half as reimbursement volumes caught up with issue volumes. On the other hand, despite the higher float, **financial revenues** were down due to much lower interest rates, particularly in Brazil. The trend improved in the second half as the Selic (official Brazilian interest rate) recovered.

**FOR THE SECOND HALF ONLY**

| REVENUES BY NATURE (in millions of euro) | H2 FY 2021 | H2 FY 2020 | ORGANIC GROWTH |
|---|---|---|---|
| Operating Revenues | 363 | 306 | +19.3% |
| Financial Revenues | 23 | 23 | +5.0% |
| **BENEFITS & REWARDS SERVICES** | **386** | **329** | **+18.2%** |

In the second half, **Operating revenues** were up +19.3%. Financial revenues were up +5%, as the Brazilian interest rate started to rise from March.

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## 3.2.4 Underlying operating profit

Fiscal 2021 Underlying operating profit was 578 million euro, up +1.6%, or +12.4% excluding the currency effect. The Underlying operating margin was 3.3%, up +40 bps or +60 bps excluding the currency mix effect.

| (in millions of euro) | UNDERLYING OPERATING PROFIT FISCAL 2021 | DIFFERENCE | DIFFERENCE (EXCLUDING CURRENCY EFFECT) | UNDERLYING OPERATING PROFIT MARGIN FISCAL 2021 | DIFFERENCE IN MARGIN | DIFFERENCE IN MARGIN (EXCLUDING CURRENCY MIX EFFECT) |
|---|---|---|---|---|---|---|
| Business & Administrations | 103 | -6.3% | +6.5% | 1.2% | +10 bps | +20 bps |
| Healthcare & Seniors | 310 | +5.9% | +10.7% | 6.5% | +40 bps | +40 bps |
| Education | 74 | -1.9% | +6.2% | 2.4% | +20 bps | +30 bps |
| **On-site Services** | **486** | **+1.8%** | **+9.0%** | **2.9%** | **+30 bps** | **+40 bps** |
| **Benefits & Rewards Services** | **186** | **-7.8%** | **+5.9%** | **25.0%** | **-120 bps** | **+40 bps** |
| Corporate expenses & Intragroup eliminations | (95) | +13.3% | +13.0% | | | |
| **UNDERLYING OPERATING PROFIT** | **578** | **+1.6%** | **+12.4%** | **3.3%** | **+40 BPS** | **+60 BPS** |

Despite the traditional seasonal gap in the second half margin *versus* the first half, particularly in Education, the performance improved, from 3.1% in first half Fiscal 2021 to 3.5% in the second half Fiscal 2021, or 3.7% at constant rates, +20 bps better than guidance.

| | UNDERLYING OPERATING PROFIT | | | |
|---|---|---|---|---|
| | H1 FISCAL 2021 | | H2 FISCAL 2021 | |
| (in millions of euro) | UOP | MARGIN | UOP | MARGIN |
| Business & Administrations | 16 | 0.4% | 87 | 1.9% |
| Healthcare & Seniors | 149 | 6.4% | 160 | 6.6% |
| Education | 69 | 4.3% | 5 | 0.3% |
| **On-site Services** | **235** | **2.9%** | **252** | **3.0%** |
| **Benefits & Rewards Services** | **85** | **23.6%** | **101** | **26.2%** |
| Corporate expenses & Intragroup eliminations | (55) | | (41) | |
| **UNDERLYING OPERATING PROFIT** | **265** | **3.1%** | **312** | **3.5%** |

The significant step-up in the underlying operating margin since the second half Fiscal 2020 at -1.5% reflects the improvement in activity levels, very tight cost control, numerous contract renegotiations in the On-site activities, more active portfolio management, and the contribution from the GET efficiency program.

The GET efficiency program has provided a significant improvement in profitability. Half was aimed at protecting the gross profit margin by adapting Onsite costs to the new post-Covid levels of activity and to compensate for the end of government aid. The other half of the program was aimed at structurally reducing SG&A for the long-term by simplifying the structures in the Group, to free up capacity to invest in growth and to enhance margins.

At the end of Fiscal 2021, the GET program had cost 312 million euro and generated 218 million euro of savings, with a cash impact of 217 million euro. For Fiscal 2022, there will be further exceptional costs of 18 million euro linked to a few initiatives having continued past the year end, significant further savings of 176 million euro and cash-out of 93 million euro.

The program which ends in Fiscal 2022, should exceed expectations in terms of cost reduction as the total amount is estimated at 394 million euro, 44 million euro above target, and the ratio of savings to costs is expected to be 119%, above the target of 100%.

| | GET PROGRAM | | | |
|---|---|---|---|---|
| | FISCAL 2020 | FISCAL 2021 | FISCAL 2022 FORECAST | TARGET |
| (in millions of euro) | CUMULATED NUMBERS | | | |
| **Total exceptional costs** | **158** | **312** | **330** | **350** |
| **Cash impact** | **(75)** | **(217)** | **(310)** | **90% of costs** |
| SG&A savings | — | 91 | 166 | 175 |
| Gross profit cost avoidance | — | 127 | 228 | 175 |
| **Total savings** | **—** | **218** | **394** | **350** |
| **Savings/Costs** | | | **119%** | **100%** |

At current rates, Fiscal 2021 On-site Services underlying operating profit was up +1.8% and the margin rose to 2.9%, up +30 bps compared to the previous year. The margin was relatively stable between the first half at 2.9% and the second half at 3%, despite the traditional profitability gap.

The performance by segment at **constant rates** is as follows:

- **Business & Administrations** underlying operating profit increased by +6.5% and the operating margin was up +20 bps at 1.2%. This represents a significant improvement in margins since the beginning of the pandemic, from -3.3% in second half Fiscal 2020, to 0.4% in first half 2021 and 1.9% in the second half. This improved performance reflects positive margins in most sub-segments, and in particular in Energy & Resources and Government & Agencies which are both ahead relative to Fiscal 2019. Only Sports & Leisure is loss-making due to incompressible fixed costs and very low volumes, until the fourth quarter;
- in **Healthcare & Seniors**, the +10.7% increase in underlying operating profit led to a +40 bps increase in the margin which reached 6.5%, only 10 bps below the level in Fiscal 2019. Net new business has been positive on margins and costs have been strictly controlled, compensating the absence of retail sales;
- in **Education**, underlying operating profit was up +6.2% and the margin by +30 bps to 2.4%, reflecting strict cost management and contract renegotiations. The margin seasonality remained very significant. The return to higher margins is dependent upon the full reopening of Schools and Universities in North America, which started in August 2021.

In **Benefits & Rewards Services**, underlying operating profit was down -7.8%, but up +5.9% excluding currency impacts. The margin was 25%, down -120 bps, due to the currency mix effect of the weakness in particular of the Brazilian real, but up +40 bps at constant rates. In the first half, the margin had started to recover strongly from 20.8% in the second half of Fiscal 2020 to 23.6% in the first half Fiscal 2021, with a further increase to 26.2% in the second half. The progressive pick-up in margins during the year reflects the progressive pick-up in revenues.

## 3.2.5 Group net profit

**Other operating income and expenses** amounted to 239 million euro compared to 503 million euro in the previous year.

The GET program represented a further 153 million euro of restructuring costs in Fiscal 2021, compared to a total amount of restructuring costs of 191 million euro in the previous year. Impairment of non-performing assets also continued, for an amount of 27 million euro, but at a much lower level than the previous year's 234 million euro. Net losses related to consolidation scope changes were higher due to the disposal program.

As a result, the **Operating Profit** recovered to 339 million euro compared to 65 million euro in the previous year.

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| **UNDERLYING OPERATING PROFIT** | **578** | **569** |
| **OTHER OPERATING INCOME** | **56** | **7** |
| Gains related to consolidation scope changes | 31 | 2 |
| Gain on disposals of non-current assets | 12 | |
| Gains on changes of post-employment benefits | 4 | 2 |
| Other | 9 | 3 |
| **OTHER OPERATING EXPENSES** | **(295)** | **(510)** |
| Restructuring and rationalization costs | (153) | (191) |
| Losses related to consolidation scope changes | (63) | (14) |
| Amortization of purchased intangible assets | (33) | (39) |
| Impairment of goodwill and non-current assets | (27) | (234) |
| Acquisition-related costs | (5) | (9) |
| Losses on changes of post-employment benefits | (5) | (4) |
| Losses related to the disposal of non-current assets | (2) | |
| Other | (8) | (19) |
| **OTHER OPERATING INCOME AND EXPENSES (NET)** | **(239)** | **(503)** |
| **OPERATING PROFIT** | **339** | **65** |

Fiscal 2021 Net financial expenses decreased to a more normal 106 million euro against the particularly high level of 291 million euro the previous year, related to the 150 million euro make-whole payment for the reimbursement of the 1.4 billion euro USPP in the fourth quarter. As a result of the combination of the two bond issues and the USPP reimbursement in the second half of Fiscal 2020, and the U.S. dollar bond issue in April 2021, average interest expenses were lower in Fiscal 2021. However, the blended cost of debt at Fiscal 2021 year end was stable at 1.6% relative to year end Fiscal 2020.

The tax charge was more or less stable at 101 million euro. The Effective tax rate on Pre-tax profit (excluding the share of profit of companies accounted for using the equity method) of 229 million euro was 43.9%. This rate is higher than normal due to the non-recognition of deferred tax assets in France (the Group restricted the recognition of deferred tax assets to the amount of the deferred tax liabilities). Excluding this factor, the underlying effective tax rate would have been 28.3%.

The share of profit of other companies accounted for using the equity method was 8 million euro, compared to 9 million euro in the preceding year. Profit attributed to non-controlling interests was -2 million euro compared to the previous year amount of -4 million euro.

As a result, Group net income was 139 million euro, compared to a net loss of 315 million euro in Fiscal 2020. Underlying net profit adjusted for Other Operating income and expenses net of tax amounted to 346 million euro, compared to 306 million euro in Fiscal 2020, up +13.1% at current rates and +30.5% at constant rates.

### 3.2.6 Earnings per share

Published EPS was 0.95 euro against -2.16 euro in Fiscal 2020. The weighted average number of shares for Fiscal 2021 was more or less stable at 146,004,484 compared to 145,778,963 shares for Fiscal 2020.

Underlying EPS amounted to 2.37 euro, up +13.0% compared to the previous year.

### 3.2.7 Proposed dividend

The Board has decided to propose a Fiscal 2021 dividend of 2.00 euro, which includes a recurring 1.20 euro, reflecting the dividend policy of a pay-out ratio of 50% of Underlying net profit, and a very exceptional non-recurring element of 0.80 euro, reflecting the distribution of the cash related to the disposals program of about 120 million euro.

## 3.3 CONSOLIDATED FINANCIAL POSITION

### 3.3.1 Cash flows

Cash flows for the period were as follows:

| (in millions of euro) | H1 FISCAL 2021 | H2 FISCAL 2021 | FISCAL 2021 | FISCAL 2020 |
|---|---|---|---|---|
| Operating cash flow | 405 | 361 | 766 | 670 |
| Change in working capital excluding change in BRS financial assets[(1)] | 41 | 129 | 171 | 55 |
| IFRS 16 outflow | (123) | (119) | (242) | (260) |
| Net capital expenditure | (86) | (125) | (211) | (393) |
| **Free cash flow[(2)]** | **237** | **246** | **483** | **72** |
| Net acquisitions | (10) | (32) | (42) | (18) |
| Share buy-backs | (11) | — | (11) | (39) |
| Dividends paid to shareholders | — | — | — | (425) |
| Other changes (including scope and exchange rates) | (28) | (12) | (40) | (245) |
| **(Increase)/decrease in net debt** | **187** | **203** | **390** | **(655)** |

(1) Excluding change in financial assets related to the Benefits & Rewards Services activity of 45 million euro in Fiscal 2021 *versus* -93 million euro in Fiscal 2020. Total change in working capital as reported in consolidated accounts: in Fiscal 2021: 216 million euro = 171 million euro + 45 million euro and in Fiscal 2020: -38 million euro = 55 million euro - 93 million euro.

(2) The Group does not believe the accounting treatment introduced by IFRS 16 modifies the operating nature of its lease transactions. Accordingly, to ensure the Group's performance measures continue to best reflect its operating performance, the Group considers repayments of lease liabilities as operating items impacting the Free cash flow, which integrates all lease payments (fixed or variable). To be consistent, the lease liabilities are not included in Net debt (treated as operating items).

As the effects of the pandemic receded progressively during Fiscal 2021, cash inflows improved. As a result, Free cash flow was 483 million euro against 72 million euro in Fiscal 2020. Operating cash flow improved to 766 million euro against 670 million euro in Fiscal 2020. The IFRS 16 adjustment of 242 million euro is also relatively stable compared to the previous year of 260 million euro. Working capital improved significantly during the year. This was due to strict cash management, progressive improvement in activity and continued government aid.

Net capital expenditure, including client investments, at 211 million euro, or 1.2% of revenues, was below the previous year levels of 393 million euro and 2% of revenues. This was impacted by several asset disposals due principally to the early exit of two large contracts, amounting to 72 million euro. Excluding this, capital expenditure to sales would have been 1.6%.

While contract-linked capital expenditure in some segments was mostly delayed in the year due to the effect of the pandemic, IT investment was maintained and the digitization of Benefits & Rewards continued, with investments running at 9.2% of revenues. The Business & Administrations capital expenditure to sales ratio was at 0.5%, well below the normal level, impacted by the reimbursement of capex linked to account exits in Sports & Leisure. On the other hand, relative to Fiscal 2020, the capital expenditure to sales ratio for Healthcare was more or less stable at 0.7% and Education increased by +20 bps to 1.2%. There was some increase in investment at the end of the second half. Given the Group's mix of segments and geographies, and in a normal environment, this rate should be running at around 2.5% of revenues.

As a result, cash conversion of 347% is well above the objective of 100%. This performance is also attributable in part to delays in certain specific elements such as the cash effect of restructuring costs, government Covid-linked payment delays and reimbursement of the Tokyo Olympics hospitality packages, now expected to occur in Fiscal 2022.

Having paused acquisitions from March 2020 due to the Covid-19 crisis, activity picked up in Fiscal 2021 with acquisition spend of 62 million euro, partially offset by disposals of 20 million euro.

The absence of a dividend on Fiscal 2020 earnings due to the Covid pandemic favorably impacted the level of total cashflow.

After taking into account Other changes, consolidated net debt decreased by 390 million euro during the year to 1,478 million euro at August 31, 2021.



## 3.3.2 Acquisitions and disposals for the period

Fiscal 2021 was an active year, with:

- several acquisitions in the new food model such as Fooditude in the UK, Foodee and Nourish in North America;
- Benefits & Rewards acquired a majority stake in Wedoogift, the leading digital native player in gift vouchers in France;
- the exit of several countries;
- the disposal of Rydoo, in travel and expense management.

Overall acquisition costs, net of disposals, amounted to 42 million euro.

## 3.3.3 Condensed consolidated statement of financial position at August 31, 2021

| (in millions of euro) | AUGUST 31, 2021 | AUGUST 31, 2020 | (in millions of euro) | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|---|---|---|
| Non-current assets | 9,360 | 9,730 | Shareholders' equity | 3,168 | 2,758 |
| Current assets excluding cash | 5,031 | 4,493 | Non-controlling interests | 7 | 15 |
| Restricted cash Benefits & Rewards | 773 | 770 | Non-current liabilities | 6,962 | 6,834 |
| Financial assets Benefits & Rewards | 289 | 333 | Current liabilities | 8,853 | 7,745 |
| Cash | 3,539 | 2,027 | | | |
| **TOTAL ASSETS** | **18,991** | **17,353** | **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **18,991** | **17,353** |
| | | | **Borrowings** | **6,072** | **4,992** |
| | | | **Net debt** | **1,478** | **1,868** |
| | | | **Gearing** | **47%** | **67%** |
| | | | **Net debt ratio** | **1.7** | **2.1** |

The increase in shareholders' equity was due to several factors: the currency translation adjustment of some currencies such as UK Sterling and the Brazilian real, as well as the revaluation of financial assets under IFRS 9.

As of August 31, 2021, net debt was 1,478 million euro, representing a gearing of 47%, and a net debt ratio of 1.7, back into the target range of between 1 and 2.

Having reimbursed and refinanced the USPP debt during Fiscal 2020, liquidity was rebuilt progressively during Fiscal 2021.

In April 2021, Sodexo raised 1.25 billion U.S. dollars, with a bond structured in two tranches: 500 million dollars maturing in 2026 and 750 million dollars in 2031, at a rate of 1.6% and 2.7% respectively. Half of the 750 million dollars bond was converted at the time of issuance from fixed to floating using interest rate swaps. The rate applicable on this variable debt at August 31, 2021 was 1.3%.

As a result, at year end, the Group's gross debt of 6.1 billion euro was 23% dollar-denominated, with an average maturity of 5.2 years, 95% at fixed rates and 100% covenant-free.

By the end of Fiscal 2021, Operating cash reached a total of 4,594 million euro, including 773 million euro of restricted cash and 289 million euro of financial assets of Benefits & Rewards Services. The Benefits & Rewards Services activity asset to liability coverage is at 113% compared to 108% as at August 31, 2020, with operating cash of 2,257 million euro and client receivables of 1,295 million euro, compared to voucher liabilities payable of 3,133 million euro. The rest of the Group also had a significant operating cash position of 2,337 million euro.

At the year end, unused credit lines totaled 1.8 billion euro.

Total liquidity at year end was 6.4 billion euro.

## 3.3.4 Subsequent events

Sodexo decided to early redeem in full its outstanding 600 million euro in bonds issued in June 2014, bearing an annual interest coupon of 1.75% and due to mature on January 24, 2022. This early redemption took place on October 26, 2021 and did not trigger any financial penalty. It reduced non performing surplus cash deposits and saved three months of interest.

The operation to combine the Group's Childcare activities with those of the Grandir group, announced in July 2021, has been confirmed. The operation should close in First half Fiscal 2022.

## 3.3.5 Outlook

Massive deployment of the vaccination in many countries has led to reopening or ramping-up of sites in all our major markets, some segments and activities faster than others. Benefits & Rewards Services has also seen its merchant revenues picking up with the reopening of restaurants.

In this context, we remain confident in our capacity to continue the recovery to pre-Covid levels with:

- Fiscal 2022 organic growth expected between +15 and +18%;

- Fiscal 2022 Underlying operating margin of close to 5%, at constant rates.

Looking further out, we expect On-site Services to exceed pre-Covid levels and the performance of Benefits & Rewards Services to accelerate out of the crisis. Our aim is that the Group rapidly returns to regular and sustained growth and over the pre-Covid Underlying operating margin. The boost in U.S. growth, accelerated deployment of the new food model, active portfolio management, a more effective organization and the structural reduction in SG&A will all contribute.

## 3.3.6 Alternative Performance Measure definitions

### Blended cost of debt

The blended cost of debt is calculated at period end and is the weighted blended financing rate on borrowings (including derivative financial instruments and commercial papers) and cash pooling balances at period end.

### Financial ratios

Please refer to Chapter 4, 4.3.1.

### Free cash flow

Please refer to the section entitled Consolidated financial position.

### Growth excluding currency effect

The currency effect is determined by applying the previous year's average exchange rates to the current year figures except in hyper-inflationary economies where all figures are converted at the latest closing rate for both periods when the impact is significant.

### Issue volume

Issue volume corresponds to the total face value of service vouchers, cards and digitally delivered services issued by Benefits & Rewards Services for beneficiaries on behalf of clients.

### Net debt

Net debt is defined as Group borrowing at the balance sheet date, less operating cash.

### Organic growth

Organic growth corresponds to the increase in revenue for a given period (the "current period") compared to the revenue reported for the same period of the prior fiscal year, calculated using the exchange rate for the prior fiscal year; and excluding the impact of business acquisitions (or gain of control) and divestments, as follows:

- for businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- for businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded;
- for businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded;
- for businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded.

### Underlying Net profit

Underlying Net profit presents a net income excluding significant unusual and/or infrequent elements. Therefore, it corresponds to the Net Income Group share excluding Other Income and Expense and significant non-recurring elements in both Net Financial Expense and Income Tax Expense where relevant.

### Underlying Net profit per share

Underlying Net profit per share presents the Underlying net profit divided by the average number of shares.

### Underlying operating profit margin

The underlying operating profit margin corresponds to Underlying operating profit divided by revenues.

### Underlying operating profit margin at constant rates

The underlying operating profit margin at constant rates corresponds to Underlying operating profit divided by revenues, calculated by converting 2021 figures at Fiscal 2020 rates, except for countries with hyperinflationary economies.

4

# CONSOLIDATED FINANCIAL STATEMENTS

# 4.1 CONSOLIDATED FINANCIAL STATEMENTS

## 4.1.1 Consolidated income statement

| (in millions of euro) | NOTES | FISCAL 2021 | FISCAL 2020 |
|---|---|---|---|
| **Revenues** | **4.1** | **17,428** | **19,321** |
| **Cost of sales** | **4.2** | **(15,006)** | **(16,842)** |
| **Gross profit** | | **2,422** | **2,479** |
| Selling, General and Administrative costs | 4.2 | (1,849) | (1,914) |
| Share of profit of companies accounted for using the equity method that directly contribute to the Group's business | 8 | 4 | 4 |
| **Underlying operating profit** | **4.1** | **578** | **569** |
| Other operating income | 4.2 | 56 | 7 |
| Other operating expenses | 4.2 | (295) | (510) |
| **Operating profit** | | **339** | **65** |
| Financial income | 12.1 | 18 | 30 |
| Financial expenses | 12.1 | (124) | (321) |
| Share of profit of other companies accounted for using the equity method | 8 | 4 | 5 |
| **Profit for the year before tax** | | **237** | **(221)** |
| Income tax expense | 9.2 | (101) | (98) |
| **Net profit for the year** | | **137** | **(319)** |
| Of which: | | | |
| Attributable to non-controlling interests | | (2) | (4) |
| **PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | | **139** | **(315)** |
| **Basic earnings per share** (in euro) | **11.2** | **0.95** | **(2.16)** |
| **Diluted earnings per share** (in euro) | **11.2** | **0.94** | **(2.16)** |

## 4.1.2 Consolidated statement of comprehensive income

| (in millions of euro) | NOTES | FISCAL 2021 | FISCAL 2020 |
|---|---|---|---|
| NET PROFIT FOR THE YEAR | | 137 | (319) |
| **Components of other comprehensive income that may be reclassified subsequently to profit or loss** | | **121** | **(500)** |
| Change in fair value of cash flow hedge instruments | 12.5 and 11.1 | — | — |
| Change in fair value of cash flow hedge instruments reclassified to profit or loss | 12.5 and 11.1 | — | — |
| Currency translation adjustment | 11.1 | 117 | (502) |
| Currency translation adjustment reclassified to profit or loss | 11.1 | 1 | — |
| Tax on components of other comprehensive income that may be reclassified subsequently to profit or loss | 11.1 | — | — |
| Share of other components of comprehensive income (loss) of companies accounted for using the equity method, net of tax | 11.1 and 8 | 3 | 2 |
| **Components of other comprehensive income that will not be reclassified subsequently to profit or loss** | | **110** | **(344)** |
| Remeasurement of defined benefit plan obligation | 5.1 and 11.1 | 14 | 30 |
| Change in fair value of financial assets revalued through other comprehensive income | 12.3 and 11.1 | 98 | (383) |
| Tax on components of other comprehensive income that will not be reclassified subsequently to profit or loss | 11.1 | (2) | 9 |
| **TOTAL OTHER COMPREHENSIVE INCOME (LOSS), AFTER TAX** | | **231** | **(844)** |
| **COMPREHENSIVE INCOME** | | **368** | **(1,163)** |
| Of which: | | | |
| Attributable to equity holders of the parent | | 369 | (1,159) |
| Attributable to non-controlling interests | | (1) | (4) |

## 4.1.3 Consolidated statement of financial position

### Assets

| (in millions of euro) | NOTES | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|---|
| Goodwill | 6.1 | 5,811 | 5,764 |
| Other intangible assets | 6.2 | 631 | 673 |
| Property, plant and equipment | 6.3 | 461 | 566 |
| Right-of-use assets relating to leases | 7.2 | 903 | 1,321 |
| Client investments | 4.4 | 560 | 575 |
| Investments in companies accounted for using the equity method | 8 | 63 | 60 |
| Non-current financial assets | 12.3 and 12.5 | 734 | 612 |
| Other non-current assets | | 31 | 22 |
| Deferred tax assets | 9.3 | 165 | 137 |
| **NON CURRENT ASSETS** | | **9,360** | **9,730** |
| Financial assets | 12.3 and 12.5 | 55 | 51 |
| Inventories | | 256 | 259 |
| Income tax receivable | 4.3 | 158 | 113 |
| Trade and other receivables | 4.3 | 4,271 | 4,070 |
| Restricted cash and financial assets related to the Benefits & Rewards Services activity | 4.5 and 12.3 | 1,062 | 1,103 |
| Cash and cash equivalents | 12.2 | 3,539 | 2,027 |
| Assets held for sale | 3.2 | 290 | — |
| **CURRENT ASSETS** | | **9,632** | **7,623** |
| **TOTAL ASSETS** | | **18,991** | **17,353** |

## Shareholders' equity and liabilities

| (in millions of euro) | NOTES | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|---|
| Share capital | | 590 | 590 |
| Additional paid-in capital | | 248 | 248 |
| Reserves and retained earnings | | 2,330 | 1,920 |
| **EQUITY ATTRIBUABLE TO EQUITY HOLDERS OF THE PARENT** | | **3,168** | **2,758** |
| **NON-CONTROLLING INTERESTS** | | **7** | **15** |
| **SHAREHOLDER'S EQUITY** | **11.1** | **3,175** | **2,773** |
| Long-term borrowings | 12.4 and 12.5 | 5,453 | 4,988 |
| Long-term lease liabilities | 7.1 | 763 | 1,126 |
| Employee benefits | 5.1 | 357 | 344 |
| Other non-current liabilities | 4.3 | 181 | 196 |
| Non-current provisions | 10.1 | 106 | 84 |
| Deferred tax liabilities | 9.3 | 101 | 97 |
| **NON CURRENT LIABILITIES** | | **6,962** | **6,834** |
| Bank overdrafts | 12.2 | 7 | 6 |
| Short-term borrowings | 12.4 and 12.5 | 635 | 27 |
| Short-term lease liabilities | 7.1 | 176 | 231 |
| Income tax payable | | 188 | 174 |
| Current provisions | 10.1 | 148 | 171 |
| Trade and other payables | 4.3 | 4,429 | 4,020 |
| Voucher liabilities | 4.5 | 3,133 | 3,117 |
| Liabilities directly associated with assets held for sale | 3.2 | 138 | — |
| **CURRENT LIABILITIES** | | **8,853** | **7,745** |
| **TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES** | | **18,991** | **17,353** |

## 4.1.4 Consolidated cash flow statement

| (in millions of euro) | NOTES | FISCAL 2021 | FISCAL 2020 |
|---|---|---|---|
| **Operating profit** | | **339** | **65** |
| Depreciation, amortization and impairment of intangible assets and property, plant and equipment[(1)] | | 601 | 896 |
| Provisions | | (1) | 122 |
| (Gains) losses on disposals | | 27 | 24 |
| Other non-cash items | | 20 | 35 |
| Dividends received from companies accounted for using the equity method | 8 | 9 | 4 |
| Net interest expense paid[(2)] | | (63) | (247) |
| Interests paid on lease liabilities | | (20) | (25) |
| Income tax paid | | (145) | (202) |
| **Operating cash flow** | | **766** | **670** |
| Change in inventories | | — | 21 |
| Change in trade and other receivables | | (263) | 317 |
| Change in trade and other payables | | 449 | (625) |
| Change in vouchers payable | | (16) | 343 |
| Change in financial assets related to the Benefits & Rewards Services activity | | 45 | (93) |
| **Change in working capital from operating activities** | | **216** | **(38)** |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | | 982 | 632 |
| Acquisitions of property, plant and equipment and intangible assets | | (296) | (398) |
| Disposals of property, plant and equipment and intangible assets | | 72 | 17 |
| Change in client investments | 4.4 | 13 | (12) |
| Change in financial assets and share of companies accounted for using the equity method | | (19) | (20) |
| Business combinations | 3.1 | (62) | (20) |
| Disposals of activities | 3.2 | (11) | 3 |
| NET CASH USED IN INVESTING ACTIVITIES | | (303) | (430) |
| Dividends paid to Sodexo S.A. shareholders | 11.1 | — | (425) |
| Dividends paid to non-controlling shareholders of consolidated companies | | (14) | (10) |
| Purchases of treasury shares | 11.1 | (11) | (39) |
| Change in non-controlling interests | | (14) | (22) |
| Proceeds from borrowings | 12.4 | 1,075 | 3,265 |
| Repayment of borrowings | 12.4 | (5) | (2,310) |
| Repayments of lease liabilities | 7.1 | (242) | (260) |
| NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES | | 789 | 198 |
| NET EFFECT OF EXCHANGE RATES AND OTHER EFFECTS ON CASH | | 44 | (123) |
| **CHANGE IN NET CASH AND CASH EQUIVALENTS** | | **1,511** | **275** |
| **NET CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** | | **2,021** | **1,746** |
| **NET CASH AND CASH EQUIVALENTS, END OF YEAR** | **12.2** | **3,532** | **2,021** |

(1) Including 222 million euro corresponding to the accumulated impairment charges of the property, plant and equipment and intangible assets (goodwill) recognized in Fiscal 2020.
(2) Including 150 million euro indemnity due to early reimbursement of USPP in Fiscal 2020.

## 4.1.5 Consolidated statement of changes in shareholders' equity

| (in millions of euro) | NUMBER OF SHARES OUTSTANDING | SHARE CAPITAL | ADDITIONAL PAID-IN CAPITAL | RESERVES AND COMPREHENSIVE INCOME | CURRENCY TRANSLATION ADJUSTMENT | TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT | TOTAL SHAREHOLDERS' EQUITY NON-CONTROLLING INTERESTS | TOTAL SHAREHOLDERS' EQUITY TOTAL |
|---|---|---|---|---|---|---|---|---|
| **Notes** | **11.1** | | | **11.1** | | | | |
| **Shareholders' equity as of August 31, 2020** | **147,454,887** | **590** | **248** | **3,162** | **(1,242)** | **2,758** | **15** | **2,773** |
| Net profit for the year | | | | 139 | — | 139 | (2) | 137 |
| Other comprehensive income (loss), net of tax | | | | 113 | 117 | 230 | 1 | 231 |
| **Comprehensive income** | | | | **252** | **117** | **369** | **(1)** | **368** |
| Dividends paid | | | | — | — | — | (9) | (9) |
| Treasury share transactions | | | | (11) | — | (11) | — | (11) |
| Share-based payment (net of income tax) | | | | 32 | — | 32 | — | 32 |
| Change in ownership interest without any change of control | | | | (1) | — | (1) | 2 | 1 |
| Other | | | | 21 | — | 21 | — | 21 |
| **SHAREHOLDERS' EQUITY AS OF AUGUST 31, 2021** | **147,454,887** | **590** | **248** | **3,455** | **(1,125)** | **3,168** | **7** | **3,175** |

| (in millions of euro) | NUMBER OF SHARES OUTSTANDING | SHARE CAPITAL | ADDITIONAL PAID-IN CAPITAL | RESERVES AND COMPREHENSIVE INCOME | CURRENCY TRANSLATION ADJUSTMENT | TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT | TOTAL SHAREHOLDERS' EQUITY NON-CONTROLLING INTERESTS | TOTAL SHAREHOLDERS' EQUITY TOTAL |
|---|---|---|---|---|---|---|---|---|
| **Notes** | **11.1** | | | **11.1** | | | | |
| **Shareholders' equity as of August 31, 2019** | **147,454,887** | **590** | **248** | **4,358** | **(740)** | **4,456** | **42** | **4,498** |
| Restatement due to IFRIC 23 first application | | | | (96) | — | (96) | — | (96) |
| **Shareholders' equity as of September 1, 2019** | **147,454,887** | **590** | **248** | **4,262** | **(740)** | **4,360** | **42** | **4,402** |
| Net profit for the year | | | | (315) | — | (315) | (4) | (319) |
| Other comprehensive income (loss), net of tax | | | | (342) | (502) | (844) | — | (844) |
| **Comprehensive income** | | | | **(657)** | **(502)** | **(1,159)** | **(4)** | **(1,163)** |
| Dividends paid | | | | (425) | — | (425) | (19) | (444) |
| Treasury share transactions | | | | (40) | — | (40) | — | (40) |
| Share-based payment (net of income tax) | | | | 38 | — | 38 | — | 38 |
| Change in ownership interest without any change of control | | | | (14) | — | (14) | (4) | (18) |
| Other | | | | (2) | — | (2) | — | (2) |
| **SHAREHOLDERS' EQUITY AS OF AUGUST 31, 2020** | **147,454,887** | **590** | **248** | **3,162** | **(1,242)** | **2,758** | **15** | **2,773** |

# 4.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## DETAILED LIST OF NOTES



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Sodexo is a *société anonyme* (a form of limited liability company) registered in France, with its headquarters located in Issy-les-Moulineaux.

Sodexo's consolidated financial statements for the fiscal year ended August 31, 2021 were approved by the Board of Directors on October 26, 2021 and will be submitted to the Annual Shareholders Meeting on December 14, 2021.

The numbers shown in the tables were prepared in thousands of euro and are presented in millions of euro (unless otherwise indicated).

# NOTE 1. SIGNIFICANT EVENTS

## 1.1 Impact of the Covid-19 Pandemic

Fiscal 2021 continued to be significantly impacted by the Covid-19 pandemic. However, in terms of performance there was a marked improvement between the first half and the second half, as the teams adapted constantly to the changing environment and performance lapped the start of the pandemic in 2020.

As the vaccination levels progressed in Europe and North America, the trend in revenues continued to improve in the second half in most markets. As a result, there was a return to growth against the particularly low levels of the previous year and a progressive improvement in profitability.

### Management of liquidity

With sufficient cash flows provided by operating activities for investments and acquisitions, the Group's financial situation remains solid.

As mentioned in note 12.4 "Borrowings", Sodexo, Inc., a U.S. subsidiary of Sodexo S.A., issued on April 12, 2021 a bond for a total principal amount of 1.25 billion U.S. dollars in two tranches (500 million U.S. dollars due in April 2026 and 750 million U.S. dollars due in April 2031).

In addition, as mentioned in note 12.4.3.1, the Group has access to credit facilities that can be utilized at any time as needed for 1.8 billion euro (the confirmed credit facilities are undrawn as of August 31, 2021). Furthermore, with operating cash of 4.6 billion euro, the Group has access to 6.4 billion euro of liquidity as of August 31, 2021.

Therefore, as of the date of approval of the consolidated financial statements by the Board of Directors, the Group considers there is no risk of going concern.

### Restructuring cost and right-sizing costs

As a continuation of the rigorous measures put in place at the beginning of the pandemic, the restructuring measures of the GET program continued during Fiscal 2021 to protect margins going forward and to reinforce the Group's agility to adapt to the new environment and seize new market opportunities.

These rigorous measures, implemented in all segments and activities to adjust on-site staff costs, as government employment measures progressively fall away, and to sustainably reduce the Selling, General and Administrative costs through the simplification of the Group structures resulted in the recognition in Other operating expenses of 153 million euro during Fiscal 2021 (see note 4.2.2 "Other operating income and expenses").

### Recoverability of deferred tax assets

The Group has reassessed the recoverability of its deferred tax assets. Deferred tax assets whose recoverability was determined to be uncertain in the near term, after taking into account deductible temporary differences, were written down. The deductible temporary differences and unused tax loss carryforwards (tax credits) generated during Fiscal 2021 by the related subsidiaries were not recognized as deferred tax assets. The negative impact on consolidated tax expense was 46 million euro (see note 9 "Income tax").

# NOTE 2. ACCOUNTING POLICIES

## 2.1 Basis of preparation of the financial statements

### 2.1.1 Basis of preparation of financial information for Fiscal 2021

Pursuant to European regulation 1606/2002 of July 19, 2002, the consolidated financial statements of the Sodexo Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union as of the year end. A comprehensive list of the accounting standards adopted by the European Union is available for consultation on the European Commission website at https://ec.europa.eu/commission/index_en.

Information for the comparative year presented has been prepared using the same principles.

The Group does not apply IFRS standards that are not approved by the European Union at the closing date. During the past three years, considering the Company closing date, the IFRS application dates as approved by the European Union have been the same as those for the IFRS standards published by the IASB.

Furthermore, the Group did not elect to early adopt non-mandatory new standards, amendments and interpretations for Fiscal 2021. The Group does not anticipate the application of other non-mandatory new standards, amendments and interpretations to have a material impact on its consolidated financial statements.

Concerning the interest rate benchmarks reform, the Group has carried out an assessment work to assure the transition toward the new benchmarks and is finalizing the discussions with counterparties to negotiate the change of benchmarks (principally for multicurrency confirmed credit facility; see note 12.4.1). As of August 31, 2021, the Group exposure to indexed financial instruments to benchmarks that will disappear and whose maturity date is greater than the date of implementation of the reform is low and no significant impact on the consolidated financial statements are anticipated when the new reform will be implemented.

### 2.1.2 New accounting standards and interpretations required to be applied

The accounting policies used by the Group to prepare its consolidated financial statements for the fiscal year ended August 31, 2021 are the same as those used for the consolidated financial statements as of August 31, 2020. Amendments or interpretations effective as of September 1, 2020 did not have a material impact on the consolidated financial statements of the Group.

In April 2021, the IFRS Interpretation Committee issued its final decision clarifying the calculation methods, in application of IAS 19 "Employee benefits", for commitments with an obligation to be present in the Group at the time of retirement and of which the rights are capped to a certain number of years of seniority. This same Committee, in March 2021, made final its decision providing details on the accounting for configuration and customization costs of SaaS (Software as a Service) type software. The impacts on consolidated financial statements of the Group of the two decisions are currently being analyzed.

## 2.2 Use of estimates

The preparation of financial statements requires the management of Sodexo and its subsidiaries to make estimates and assumptions which affect the amounts reported for assets, liabilities and contingent liabilities as of the date of preparation of the financial statements, and for revenues and expenses for the period.

These estimates and valuations are updated continuously based on past experience and on various other factors considered reasonable in view of current circumstances and are the basis for the assessments of the carrying amount of assets and liabilities. Unpredictability generated by the Covid-19 pandemic made the use of estimations and hypothesis a key factor in the establishment of the annual consolidated financial statements.

Final amounts may differ substantially from these estimates if assumptions or circumstances change.

Significant items subject to such estimates and assumptions include the following:

- impairment of current and non-current assets (notes 4.3 to 6.4);
- provisions for risks, litigation and restructuring (notes 10.1 and 10.2);
- recognition of deferred tax assets (note 9);
- liabilities recognized for uncertain tax positions (note 9);
- fair value of financial assets and derivative financial instruments (notes 12.5 and 12.6);
- valuation of post-employment defined benefit plan assets and liabilities (note 5.1);
- share-based payments (note 5.2);
- valuation of goodwill and intangible assets acquired as part of a business combination, as well as their estimated useful lives (note 3);
- assessment of the lease term in measuring the lease liabilities and related right-of-use assets (note 7.1).

## 2.3 Valuation bases

The consolidated financial statements are prepared using the historical cost convention, except for:

- goodwill and intangible assets acquired as part of a business combination, measured at fair value (note 3.1);
- derivative financial instruments, cash and cash equivalents and non-consolidated investments, measured at fair value (note 12);
- post-employment defined benefit plan assets and liabilities, measured at fair value (note 5.1);
- share-based payment, measured at fair value (note 5.2);
- right-of-use assets relating to leases and leases liabilities (note 7.1).

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). In line with IFRS 13 "Fair Value Valuation" classification, there are 3 levels of Fair value:

- level 1: unadjusted quoted prices in an active market for identical assets or liabilities, used for the valuation of cash and cash equivalents;
- level 2: models that use observable inputs for the asset or liability, either directly (*i.e.*, prices) or indirectly (*i.e.*, price-based data), used for the valuation of derivative financial instruments (valuation models commonly used for derivative instruments traded on a regulated or over-the-counter market);
- level 3: fair value determined using valuation techniques based on unobservable inputs, used for the valuation of client relationships acquired as part of a business combination and non-consolidated investments.

# NOTE 3. MAIN CHANGES IN SCOPE OF CONSOLIDATION

## ACCOUNTING PRINCIPLES AND POLICIES

### Principles and methods of consolidation

### INTRAGROUP TRANSACTIONS

Intragroup transactions and balances, and unrealized losses and gains between Group subsidiaries, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, unless they represent an impairment charge.

### CONSOLIDATION METHODS

A subsidiary is an entity directly or indirectly controlled by Sodexo S.A. The Group controls a subsidiary when it is exposed or has rights to obtain variable benefits from its involvement with the subsidiary and has the ability to influence those benefits through its power over the subsidiary. In determining whether control exists, voting rights granted by equity instruments are taken into account only when they give the Group substantive rights. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained to the date on which control ceases to be exercised.

Associates are companies in which Sodexo S.A. directly or indirectly exercises significant influence over financial and operating policy without exercising exclusive or joint control. Joint ventures are joint arrangements in which Sodexo S.A. directly or indirectly exercises joint control and has rights to the net assets of the arrangement. Associates and joint ventures are accounted for using the equity method. Sodexo has a number of equity interests in project companies established in connection with Public-Private Partnership (PPP) contracts. These contracts enable governments to call upon the private sector for the design, construction, financing and management of public infrastructure (hospitals, schools, barracks, prisons), with detailed performance criteria. An analysis is performed for each of these equity interests, in order to determine whether they qualify as associates or joint ventures.

Sodexo only makes equity and subordinated debt investments in such projects when it acts as a service provider to the project company.

Further information on the main entities consolidated as of August 31, 2021 is provided in note 14.4 "Scope of consolidation".

## FOREIGN CURRENCY TRANSLATION

The exchange rates used are derived from rates quoted by the European central bank and on other major international financial markets.

### Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies at the period end are translated using the closing rate. The resulting translation differences are reported in financial income or expense.

Non-monetary foreign-currency assets and liabilities reported at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities reported at fair value are translated using the exchange rate at the date when the fair value was determined.

Transactions for the period are translated at the exchange rate at the transaction date.

Translation differences on monetary items that are in substance part of a net investment in a foreign operation consolidated by Sodexo are reported in other comprehensive income until the disposal or liquidation of the investment.

### Financial statements denominated in foreign currencies

**(i) Countries with stable currencies**

The separate financial statements of each consolidated entity are presented on the basis of the primary economic environment (functional currency) in which the entity operates.

For consolidation purposes, all foreign-currency assets and liabilities of consolidated entities are translated into the reporting currency of the Sodexo Group (the euro) at the closing exchange rate, and all income statement items are translated at the average exchange rate for the period. The resulting translation differences are recognized in other comprehensive income under “Currency translation adjustment”.

**(ii) Countries with hyperinflationary economies**

Non-monetary assets and liabilities in hyperinflationary countries, as well as the income statement, are adjusted to reflect the changes in the general pricing power of the functional currency in accordance with IAS 29 "Financial reporting in hyperinflationary economies". Moreover, financial statements of subsidiaries in hyperinflationary countries are translated at the closing rate of the period in accordance with IAS 21 "The effects of changes in foreign exchange rates". As of August 2021, there is no hyperinflationary country in the Group perimeter.



### Business combinations

The purchase method is used to account for acquisitions of subsidiaries by the Group. Fair value of the consideration corresponds to the fair value of assets acquired, equity instruments issued by the purchaser and liabilities assumed as of the date of the acquisition. Costs directly related to the acquisition are expensed as incurred in the income statement.

On initial consolidation of a subsidiary or equity interest, the Group measures all identifiable elements acquired at fair value at the acquisition date, in the currency of the acquired entity.

Changes to the measurement of identifiable assets and liabilities resulting from specialist valuations or additional analysis may be recognized as adjustments to goodwill if they are identified within one year of the date of acquisition and result from facts and circumstances existing at the acquisition date. Once this one-year period has elapsed, the effect of any adjustments is recognized directly in the income statement (unless it is the correction of an error), including recognition of deferred tax assets which are recognized in the income statement as a tax benefit if recognized more than one year after the acquisition date. Goodwill arising on the acquisition of associates and joint ventures is included in the value of the equity method investment.

Goodwill is not amortized but is subject to impairment tests immediately if there are indicators of impairment, and at least once per year. Impairment test procedures are described in note 6.4 “Impairment of non-current assets”. Goodwill impairment charges recognized in the income statement are irreversible.

#### STEP ACQUISITIONS

In a step acquisition, the fair value of the Group’s previous interest in the acquired entity is measured at the date that control is obtained and is recognized in profit or loss. In determining the amount of goodwill recognized, the fair value of the consideration transferred (for example the price paid) is increased by the fair value of the interest previously held by the Group.

## 3.1 Business combinations

During Fiscal 2021, goodwill totaling 94 million euro was recognized, mainly on the acquisition of Better World technology (Zeta subsidiary) in India and Wedoogift in France for Benefits & Rewards Services, Abri Dialogue and Hjemmehjælpen A/S for Homecare, and Fooditude and Nourish for Corporate Services.

The table below shows the impact of newly consolidated entities. It includes the values of the assets acquired and liabilities assumed, as provisionally estimated as of August 31, 2021:

| (in millions of euro) | AUGUST 31, 2021 |
|---|---|
| Intangible assets | 11 |
| Property, plant and equipment | 3 |
| Trade receivables | 9 |
| Cash and cash equivalents | 7 |
| Income tax payable | (1) |
| Trade and other payables | (10) |
| Net deferred tax | 3 |
| TOTAL IDENTIFIABLE NET ASSETS | 22 |
| CONSIDERATION TRANSFERRED | 116 |
| **GOODWILL*** | **94** |

* Goodwill is recognized as the difference between acquisition price and identifiable net assets at fair value. It principally represents the *savoir-faire* and expertise of employees and synergies expected from acquired companies.

Business combinations impacts the Cash flow statement as follows:

| | |
|---|---|
| Price paid during the year | (69) |
| Cash acquired | 7 |
| **Business combinations** | **(62)** |

Companies consolidated during Fiscal 2021 were integrated from the date of acquisition, and contributed for 20 million euro to consolidated revenue and for -2 million euro to the consolidated underlying operating profit of the period.

Goodwill variations during Fiscal 2021 and the comparative period are presented in note 6.1 “Goodwill”.

## 3.2 Disposed or held for sales activities

### ACCOUNTING PRINCIPLES AND POLICIES

In accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”, when the Group expects to recover the value of an asset or a group of assets through its sale rather than by its use, this asset or group of assets is presented on a separate line “Assets held for sale” of the consolidated statement of financial position. Non-current assets classified as such are measured at the lower of their carrying value and their fair value net of disposal costs and therefore are no longer subject to depreciation.

The liabilities relating to the asset or group of assets are also presented on a separate line of the consolidated statement of financial ("Liabilities directly associated with assets held for sale").

In addition, when the asset or group of assets held for sale represents a separate major line of business or geographic area of operations, its contribution to income and cash flows is presented on separate lines in the consolidated income statement and the consolidated cash flow statement.

The Group continued its portfolio rationalization by disposing a certain number of activities, resulting in a net loss on disposal of 30 million euro recognized in "Other operating income and expenses" during Fiscal 2021 (see note 4.2.2 "Other operating income and expenses").

Assets and liabilities classified as “Assets held for sale” for 290 million euro and “Liabilities directly associated with assets held for sale” for 138 million euro mainly concern Childcare activities in France and in Spain, for which the Group has announced on July 27, 2021 to have entered exclusive negotiations in relation with their disposal with the group Grandir. The transaction is expected to be completed during the first half of Fiscal 2022. As the fair value of the assets held for sale is higher than the carrying value, no impairment has been recorded for these assets in the consolidated financial statements as of August 31, 2021.

# NOTE 4. SEGMENT INFORMATION AND OTHER OPERATING ITEMS

## ACCOUNTING PRINCIPLES AND POLICIES

### Income statement

Sodexo presents its income statement by function.

Operating profit comprises the following components:

- gross profit;
- Selling, General and Administrative costs (SG&A); and
- other operating income and expenses.

In order to better focus the Group's financial communication on recurring operating profit and to simplify benchmarking with competitors, the consolidated income statement changed from Fiscal 2018 to include a new indicator, "Underlying operating profit", which corresponds to operating profit before "Other operating income" and "Other operating expenses".

Other operating income and expenses include the following:

- gains and losses arising from changes in the scope of consolidation;
- gains and losses arising from changes in post-employment benefit obligations;
- restructuring and rationalization costs;
- acquisition-related costs;
- amortization and impairment of purchased intangible assets (primarily client relationships and trademarks);
- goodwill impairment;
- impairment of non-current assets and other unusual or non-recurring items representing material amounts.

Underlying operating profit also comprises the Group's share of profit of companies accounted for using the equity method that directly contribute to the Group's business.

Underlying operating profit has replaced operating profit in the segment information, as it is now the main indicator reviewed regularly by the Executive Committee, which is the Group's main operating decision-maker.

## REVENUES

Revenues reported by Sodexo relate to the sale of services in connection with the ordinary activities of fully consolidated companies as follows:

- **On-site Services:** Revenues include all revenues stipulated in a contract, whether Sodexo acts as principal (the vast majority of cases) or agent.

  Food services revenues are recognized when the consumer pays at the check-out (the date on which control of the goods is transferred to the consumer, since the sales do not represent any other unsatisfied performance obligation at that date). Facilities Management services mainly represent routine or recurring services, whose benefits are simultaneously received and consumed by clients as they are performed by the Group, and therefore correspond to performance obligations satisfied over time. Consequently, the Group applies the practical expedient provided for in IFRS 15 and recognizes the revenue for its right to bill (invoicing based on contractual prices, which represent the transaction prices of the different promised services).

  As a result, revenue recognition matches with billing for most of the On-site Services.

  *Principal versus Agent considerations*

  When a third party is involved in providing goods or services to the customers (for example, a subcontractor), the Group evaluates whether or not it obtains control of goods or services before transferring control to the customer. When the Group controls the good or service before it is transferred to the customer, the revenue is recognized on a gross basis. Otherwise, when the control is not obtained, the Group considers not to be acting as principal in the transaction and the revenue is recognized on a net basis;

- **Benefits & Rewards Services:** Revenues include mainly commissions received from clients and affiliates, financial income from the investment of cash generated by the activity, and profits from vouchers and cards not reimbursed.

  Commissions received from clients in the Benefits & Rewards Services activity are recognized when the vouchers are issued and sent to the client or the cards are credited. Commissions received from affiliates are recognized when the vouchers are reimbursed, or the cards are used. Profits from unreimbursed vouchers and cards are recognized based on their expiration date and the deadline for presentation for reimbursement by the affiliate.

Revenues are measured at the fair value of the consideration received or to be received, net of discounts and rebates as well as Value Added Tax (VAT) and other taxes. The financial component of each commercial transaction is considered as negligible and therefore is not recognized separately in accordance with IFRS 15 provisions.

#### VENDOR DISCOUNTS AND DISCOUNT ALLOWANCES

As part of its food or other material supply contracts with manufacturers and distributors, the Group can earn discounts, rebates, or credits related to the purchases made under those contracts. Vendor Discounts and Allowances (VDA) are earned on the volume of materials purchased under the contract, on the periodic purchase volumes exceeding certain contractually-defined thresholds, or as fixed amounts in exchange for certain commitments such as vendor exclusivity arrangements. The Group retains VDAs to the extent consistent with the food or Facilities Management services contract signed with the client and applicable law.

VDAs are typically recognized as a reduction to the cost of sales in the period the purchases are made based on the volume of materials purchased in the period and the contractual VDA rate. VDAs earned based on purchase volumes reaching contractually-defined thresholds are recognized in proportion with the purchases made as soon as the Group considers it probable that the thresholds will be reached. If the Group does not consider it probable that its purchase volumes will reach the contractually-defined thresholds, any VDAs earned are recognized if and when the thresholds are reached. Fixed-amount VDAs are recognized immediately unless certain conditions need to be met in order for them to be earned or if there is a clear link between the amount promised and the future purchase volumes. In such cases, fixed-amount VDAs are recognized over the period of the related commitment.

### Cash flow statement

The cash flow statement analyzes changes in net cash and cash equivalents, defined as cash and cash equivalents less current bank overdrafts and credit bank balances payable on demand that form an integral component of treasury management.

## 4.1 Segment information

### ACCOUNTING PRINCIPLES AND POLICIES

The segment information presented below has been prepared based on internal management data as monitored by the Group Executive Committee, which is Sodexo's chief operating decision-maker: On-site Services and Benefits & Rewards Services.

For On-site Services, Revenue and Underlying operating profit are followed by global client segments. These global client segments meet the definition of operating segments in IFRS 8.

Sodexo's operating segments and groups of operating segments are as follows:

- On-site Services:
  - Business & Administrations, which includes Corporate Services, Energy & Resources, Government & Agencies, Sports & Leisure and other non-segmented activities,
  - Healthcare, combined with Seniors,
  - Education, comprising Schools and Universities;
- Benefits & Rewards Services.

The operating segments that have been aggregated carry out similar operations – both in terms of type of services rendered and the processes and methods used to deliver the services – and have similar economic characteristics (notably in terms of the margins they generate).

Segment assets and liabilities are not presented as they are not included in the chief operating decision-maker's measurement of segment performance.

With the exception of Rio Tinto contract, which represents just over 2%, no single Group client or other contract accounts represent more than 2% of the consolidated revenues.

### 4.1.1 By business segment

| FISCAL 2021 (in millions of euro) | ON-SITE SERVICES | *BUSINESS & ADMINISTRATIONS* | *HEALTHCARE & SENIORS* | *EDUCATION* | BENEFITS & REWARDS SERVICES | ELIMINATIONS AND CORPORATE EXPENSES | GROUP TOTAL |
|---|---|---|---|---|---|---|---|
| Revenues (third-party) | 16,687 | *8,884* | *4,762* | *3,041* | 741 | — | 17,428 |
| Inter-segment sales (Group) | — | — | — | — | 3 | (3) | — |
| **TOTAL REVENUES** | **16,687** | ***8,884*** | ***4,762*** | ***3,041*** | **745** | **(3)** | **17,428** |
| Underlying operating profit* | 486 | *103* | *310* | *74* | 186 | (95) | 578 |

* Including Group's share of profit of companies accounted for using the equity method that directly contribute to the Group's business and excluding other operating income and expenses.

| FISCAL 2020 (in millions of euro) | ON-SITE SERVICES | *BUSINESS & ADMINISTRATIONS* | *HEALTHCARE & SENIORS* | *EDUCATION* | BENEFITS & REWARDS SERVICES | ELIMINATIONS AND CORPORATE EXPENSES | GROUP TOTAL |
|---|---|---|---|---|---|---|---|
| Revenues (third-party) | 18,554 | *10,265* | *4,815* | *3,475* | 767 | — | 19,321 |
| Inter-segment sales (Group) | — | — | — | — | 5 | (5) | — |
| **TOTAL REVENUES** | **18,554** | ***10,265*** | ***4,815*** | ***3,475*** | **773** | **(5)** | **19,321** |
| Underlying operating profit* | 478 | *110* | *293* | *75* | 202 | (111) | 569 |

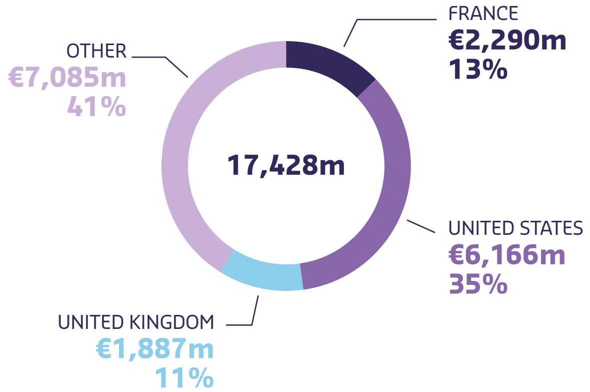
* Including Group's share of profit of companies accounted for using the equity method that directly contribute to the Group's business and excluding other operating income and expenses.

### 4.1.2 By significant country

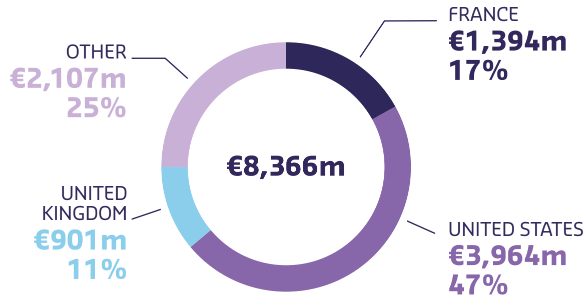
The Group's operations are spread across 56 countries, including three that each represent over 10% of consolidated revenues in Fiscal 2021: France (the Group's registration country), the United States and the United Kingdom (only France and United States exceeded this threshold in Fiscal 2020). Revenues in these countries are as follows:



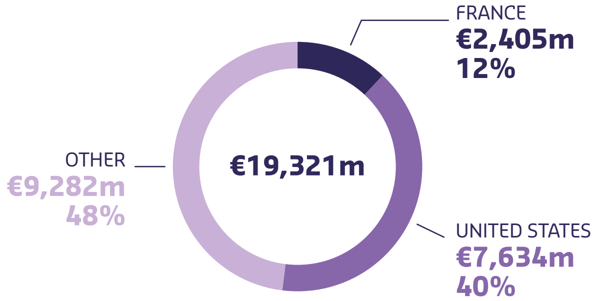
**REVENUE FISCAL 2021**



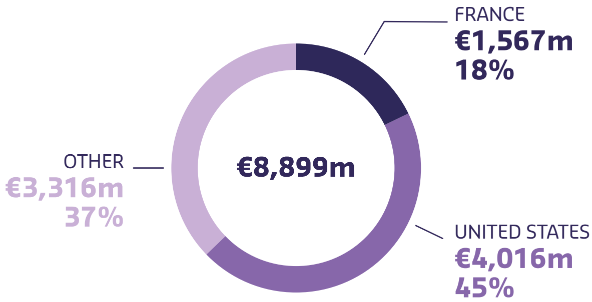

**NON-CURRENT ASSETS AS OF AUGUST 31, 2021**




**REVENUE FISCAL 2020**




**NON-CURRENT ASSETS AS OF AUGUST 31, 2020**




Non-current assets are composed of Property, plant and equipment, goodwill, other intangible assets, and client investments.

### 4.1.3 By line of services

Revenues by line of services are as follows:

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| Food services | 9,052 | 11,181 |
| Facilities Management services | 7,634 | 7,373 |
| **Total On-site Services revenues** | **16,687** | **18,554** |
| **Benefits & Rewards Services** | **745** | **773** |
| Eliminations | (3) | (5) |
| **TOTAL CONSOLIDATED REVENUES** | **17,428** | **19,321** |

## 4.2 Operating expenses by nature and other operating income and expenses

### 4.2.1 Operating expenses by nature

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| Employee costs | (9,274) | (9,979) |
| • Wages and salaries | (7,228) | (7,748) |
| • Other employee costs(1) | (2,046) | (2,231) |
| Purchases of consumables and change in inventory | (3,899) | (4,751) |
| • Depreciation, amortization, and impairment losses(2) | (619) | (938) |
| • Amortization of intangible assets and property, plant and equipment and right-of-use assets relating to leases | (600) | (815) |
| • Impairment of intangible assets and property, plant and equipment and right-of-use assets relating to leases | (19) | (122) |
| Rent and attached charges(3) | (154) | (356) |
| Other operating expenses(4) | (3,147) | (3,236) |
| **TOTAL NET OPERATING EXPENSES** | **(17,093)** | **(19,260)** |

(1) Primarily payroll taxes, but also including costs associated with defined benefit plans (note 5.1), defined contribution plans (note 5.1) and restricted share plans (note 5.2.1).
(2) Including the depreciation of right-of-use assets relating to lease contracts of 252 million euro recognized in accordance with IFRS 16 (278 million euro in Fiscal 2020).
(3) Corresponds to rent not included in the measurement of the lease liabilities, primarily variable lease payments (commissions based on performance indicators of locations operated under concession arrangements), as well as lease expenses relating to short-term lease contracts and lease contracts of low value assets. The decrease observed over the period relates mainly to the variable part of commissions due under concession arrangements and is explained by the decrease in revenues of the sites concerned.
(4) Other expenses mainly include professional fees, other purchases used for operations, sub-contracting costs and travel expenses.

As a result of the Covid-19 pandemic, significant measures were taken to reduce costs both on-site and off-site. Government grants in relation with partial unemployment paid to the Group were accounted as a reduction of employee expenses in accordance with IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance".

### 4.2.2 Other operating income and expenses

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| Gains related to consolidation scope changes | 31 | 2 |
| Gain on disposals of non-current assets | 12 | — |
| Gains on changes of post-employment benefits | 4 | 2 |
| Other | 9 | 3 |
| **OTHER OPERATING INCOME** | **56** | **7** |
| Restructuring and rationalization costs* | (153) | (191) |
| Losses related to consolidation scope changes | (63) | (14) |
| Amortization of purchased intangible assets | (33) | (39) |
| Impairment of goodwill and non-current assets | (27) | (234) |
| Acquisition-related costs | (5) | (9) |
| Losses on changes of post-employment benefits | (5) | (4) |
| Losses on disposals of non-current assets | (2) | — |
| Other | (8) | (19) |
| **OTHER OPERATING EXPENSES** | **(295)** | **(510)** |
| **TOTAL OTHER OPERATING INCOME AND EXPENSES** | **(239)** | **(503)** |

* Mainly corresponds to restructuring measures of the GET program (cf. note 10).



## 4.3 Trade and other receivables

### 4.3.1 Income tax, trade and other receivables

#### ACCOUNTING PRINCIPLES AND POLICIES

Trade and other receivables are initially recognized at fair value and are subsequently measured at amortized cost less impairment charges recognized in the income statement.

Trade and other receivables are impaired to reflect the expected credit losses, assessed using an impairment matrix (application of the simplified impairment model as provided for in IFRS 9 "Financial instruments"). This method consists of applying for each aging balance category a separate impairment rate based on historical credit losses adjusted, when necessary, to take into account prospective factors.

| | AUGUST 31, 2021 | | | AUGUST 31, 2020 | | |
|---|---|---|---|---|---|---|
| (in millions of euro) | GROSS AMOUNT | IMPAIRMENT | CARRYING AMOUNT | GROSS AMOUNT | IMPAIRMENT | CARRYING AMOUNT |
| **Income tax receivable*** | 158 | — | 158 | **113** | **—** | **113** |
| Advances to suppliers | 12 | — | 12 | 5 | — | 5 |
| Trade receivables | 3,866 | (158) | 3,708 | 3,622 | (145) | 3,478 |
| Other operating receivables | 381 | (13) | 368 | 373 | (13) | 360 |
| Prepaid expenses | 182 | — | 182 | 198 | — | 198 |
| Non-operating receivables | 2 | (1) | 1 | 28 | — | 28 |
| **TOTAL TRADE AND OTHER RECEIVABLES** | **4,443** | **(172)** | **4,271** | **4,226** | **(157)** | **4,070** |

* As of Fiscal 2020, amount net of transferred receivables, of which 41 million euro of CICE tax credits, derecognized since substantially all risks and rewards incidental to the ownership of the account receivables had been transferred. There were no further receivables transferred in Fiscal 2021.

The maturities of trade receivables as of August 31, 2021 and August 31, 2020 respectively were as follows:

| | AUGUST 31, 2021 | | | AUGUST 31, 2020 | | |
|---|---|---|---|---|---|---|
| BREAKDOWN OF TRADE RECEIVABLES DUE AS OF AUGUST 31 | GROSS AMOUNT | IMPAIRMENT | CARRYING AMOUNT | GROSS AMOUNT | IMPAIRMENT | CARRYING AMOUNT |
| **Less than 3 months past due** | 350 | (9) | 341 | 403 | (8) | 395 |
| More than 3 months and less than 6 months past due | 86 | (9) | 77 | 81 | (17) | 64 |
| More than 6 months and less than 12 months past due | 39 | (9) | 30 | 58 | (13) | 43 |
| More than 12 months past due | 121 | (93) | 28 | 104 | (81) | 23 |
| **TOTAL TRADE RECEIVABLES DUE AS OF AUGUST 31** | **597** | **(121)** | **476** | **646** | **(120)** | **526** |
| Total trade receivables not yet due as of August 31 | 3,269 | (36) | 3,234 | 2,975 | (25) | 2,950 |
| **TOTAL TRADE RECEIVABLES AS OF AUGUST 31** | **3,866** | **(158)** | **3,708** | **3,622** | **(145)** | **3,477** |

During the fiscal years presented, the Group was not affected by any significant change resulting from proven client failures. In addition, given the geographic dispersion of the Group's activities and the wide range of client industries, there is no material concentration of risk in individual receivables due but not written down.

## 4.3.2 Trade and other payables

### ACCOUNTING PRINCIPLES AND POLICIES

Trade and other payables are classified as financial liabilities measured at amortized cost, as defined in IFRS 9 "Financial instruments". Financial liabilities recognized at their nominal amount, which represents a reasonable estimate of fair value in light of their short maturities.

Sodexo's Group has set up several reverse factoring programs in its main operating countries, which give its suppliers the opportunity of being paid in advance. In practice these programs involve sales of trade receivables to a factor, organized by Sodexo.

Relations between the parties concerned are governed by two totally separate contracts:

- the Group signs a master agreement with the factor, pursuant to which it undertakes to pay on the scheduled due dates the invoices sold by its suppliers to the factor (which have been approved in advance). Each supplier is free to choose whether or not to sell each of its invoices;
- the Group's suppliers can, if they wish, sign a master agreement with the factor enabling them to sell their invoices before their scheduled due date, on terms that benefit from the Group's credit rating.

Employee-related liabilities mainly include short-term employee benefits (see note 5.1).

| (in millions of euro) | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|
| Operating payables | 147 | 183 |
| Non-operating payables | 34 | 13 |
| **OTHER NON-CURRENT LIABILITIES** | **181** | **196** |
| Trade payables | 2,179 | 1,899 |
| Employee-related liabilities | 1,258 | 1,026 |
| Advances from clients | 394 | 447 |
| Tax liabilities | 306 | 335 |
| Other operating payables | 153 | 134 |
| Deferred revenues | 108 | 115 |
| Non-operating payables | 32 | 63 |
| **TRADE AND OTHER CURRENT PAYABLES** | **4,429** | **4,020** |
| **TOTAL TRADE AND OTHER PAYABLES** | **4,610** | **4,216** |

As of August 31, 2021, the total amount of receivables transferred by Sodexo's suppliers through the reverse factoring programs is 274 million euro (205 million euro as of August 31, 2020).

Trade payables that have been financed through a reverse factoring program as of the fiscal year-end are still classified as trade payables and included in the total of trade payables.

| MATURITIES OF TRADE AND OTHER PAYABLES AS OF AUGUST 31, 2021 (in millions of euro) | CARRYING AMOUNT | UNDISCOUNTED CONTRACTUAL VALUE |
|---|---|---|
| Less than 3 months | 3,103 | 3,103 |
| More than 3 months and less than 6 months | 301 | 301 |
| More than 6 months and less than 12 months | 905 | 905 |
| More than 1 year and less than 5 years | 214 | 219 |
| More than 5 years | 87 | 96 |
| **TOTAL TRADE AND OTHER PAYABLES** | **4,610** | **4,624** |

## 4.4 Client investments

### ACCOUNTING PRINCIPLES AND POLICIES

Some client contracts provide for a financial contribution by Sodexo. For example, the Group may participate in financing the purchase of equipment or fixtures on the client site that are necessary to fulfill service obligations, or it may make a financial contribution that will be recovered over the life of the contract. They are recognized in accordance with the application of IFRS 15 for consideration payable to the customer, as a reduction in the transaction price in the absence of a separate good or service provided by the customer. These contributions are recognized as an asset in "Client investments" and spread as a revenue deduction on the service duration The amortization is recognized as a reduction to revenues over the life of the contract. The amortization period is in general less than 10 years, inline with the contract duration, but may be amortized over a longer period if the contract duration permits.

In the cash flow statement, changes in the value of these investments are presented as a component of investing cash flows.

Client investments are subject to an impairment test in the same way as other non-current assets directly linked to contracts concluded with clients showing an indication of loss in value (onerous or low profit contracts), the test for which are detailed in note 6.4.

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| **Client investments as of September 1** | **575** | **626** |
| Increases during the fiscal year | 87 | 117 |
| Decreases during the fiscal year | (101) | (106) |
| Impairment | (3) | (25) |
| Change in scope of consolidation | — | — |
| Currency translation adjustment and other movements | 1 | (37) |
| **CLIENT INVESTMENTS AS OF AUGUST 31** | **560** | **575** |

## 4.5 Benefits & Rewards Services activity

| (in millions of euro) | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|
| Trade and other receivables | 1,295 | 1,274 |
| Trade and other payables(1) | (329) | (285) |
| Voucher liabilities(2) | (3,133) | (3,117) |
| *Vouchers in circulation* | *(2,599)* | *(2,604)* |
| *Voucher payables* | *(370)* | *(352)* |
| *Other(1)* | *(164)* | *(161)* |

| (in millions of euro) | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|
| **WORKING CAPITAL EXCLUDING RESTRICTED CASH AND FINANCIAL ASSETS OF THE BENEFITS & REWARDS SERVICES ACTIVITY** | **(2,166)** | **(2,128)** |
| Restricted cash and financial assets related to the Benefits & Rewards Services activity | 1,062 | 1,103 |
| *Restricted cash* | *773* | *770* |
| *Market securities > 3 months* | *289* | *333* |
| Cash and cash equivalents[1] | 1,200 | 995 |
| Bank overdrafts | (5) | (16) |
| **OPERATING CASH ASSETS OF THE BENEFITS & REWARDS SERVICES ACTIVITY** | **2,257** | **2,082** |

(1) Including intragroup transactions.
(2) Voucher liabilities are accounted at fair value as current liabilities, which is the face value of vouchers in circulation and of vouchers back at Sodexo and not yet reimbursed.

# NOTE 5. EMPLOYEE BENEFITS AND SHARE-BASED PAYMENT

## 5.1 Employee benefits

### ACCOUNTING PRINCIPLES AND POLICIES

#### Short-term benefits

Group employees receive short-term benefits such as vacation pay, sick pay, bonuses and other benefits (other than termination benefits), whose payment is expected within 12 months of the related service period.

These benefits are reported as current liabilities.

#### Post-employment benefits

In accordance with IAS 19 "Employee Benefits", Sodexo measures and recognizes post-employment benefits as follows:

- contributions to defined-contribution plans are recognized as an expense; and
- defined benefit plans are measured using actuarial valuations.

Sodexo uses the projected unit credit method as the actuarial method for measuring its post-employment benefit obligations, on the basis of the national or Company-wide collective agreements effective within each entity.

Factors used in calculating the obligation include length of service, life expectancy, salary inflation, staff turnover, and macro-economic assumptions specific to countries in which Sodexo operates (such as inflation rate and discount rate).

Remeasurement of the net obligation under defined benefit plans, including actuarial gains and losses, differences between the return on plan assets and the corresponding interest income recognized in the income statement, and any changes in the effect of the asset ceiling, is recognized in other comprehensive income and have no impact on profit for the period.

Plan amendments and the establishment of new defined benefit plans result in past service costs that are recognized immediately in the income statement.

The accounting treatment applied to defined benefit plans is as follows:

- the obligation, net of plan assets, is recognized as a non-current liability in the consolidated statement of financial position if the obligation exceeds the plan assets;
- if the value of plan assets exceeds the obligation under the plan, the net amount is recognized as a non-current asset. Plan surpluses are recognized as assets only if they represent future economic benefits that will be available to Sodexo. Where the calculation of the net obligation results in an asset for Sodexo, the amount recognized for this asset may not exceed the present value of all future refunds and reductions in future contributions under the plan;
- the expense recognized in the income statement comprises:
  - current service cost, past service cost, if any, and the effect of plan settlements, all of which are recorded in operating income,

- the interest expense (income) on the net defined benefit obligation (asset), calculated by multiplying the obligation (asset) by the discount rate used to measure the defined benefit obligation at the beginning of the period.

Sodexo contributes to multiemployer plans, primarily in the United States. These plans are accounted for as defined contribution plans, as the information provided by the plan administrators is insufficient for them to be accounted for as defined benefit plans.

### Other long-term employee benefits

Other long-term employee benefits are measured in accordance with IAS 19. The expected cost of such benefits is recognized as a non-current liability over the employee's period of service. Actuarial gains and losses and past service costs arising from plan amendments and the establishment of new plans are recognized immediately in the income statement.

## 5.1.1 Long-term employee benefits

| (in millions of euro) | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|
| Post-employment benefits – Net defined benefit plan obligation | 171 | 195 |
| Other long-term employee benefits | 186 | 150 |
| Post-employment benefits – Net defined benefit plan assets* | (10) | (3) |
| **Employee benefits** | **347** | **342** |

* Included in "Other non-current assets" in the consolidated statement of financial position.

### 5.1.1.1 POST-EMPLOYMENT BENEFITS

#### Defined contribution plans

Under a defined contribution plan, periodic contributions are made to an external entity that is responsible for the administrative and financial management of the plan. Under such a plan, the employer is relieved of any future obligation (the external entity is responsible for paying benefits to employees as they become due and the employer is not required to make additional payments related to prior or current years if the entity does not have sufficient funds).

Contributions to defined contribution plans – which were recognized in operating expenses – amount to 401 million euro for Fiscal 2021, compared to 442 million euro for Fiscal 2020.

Contributions made by the Group are expensed in the period to which they relate.

#### Defined benefit plans

The characteristics of Sodexo's principal defined benefit plans are described below:

- in France, the obligation primarily represents lump-sum benefits payable on retirement if the employee is still with the Company at retirement age. These obligations are covered by specific provisions in the consolidated statement of financial position;
- in the United Kingdom, Sodexo's obligation relates to a complementary retirement plan funded by externally held assets, and calculated on the basis of:
  - for managers working in the private sector, a percentage of final base salary,
  - for managers working on public sector contracts, benefits comparable to those offered in the public sector,
  - this plan was closed to new employees effective July 1, 2003 and the level of contributions was increased in order to cover the shortfall in the fund.

The United Kingdom plan is regularly evaluated by the plan's actuary in compliance with UK law. A formal actuarial valuation by the plan's actuary is required to be conducted every three years, and any shortfall identified at that time must be addressed through mutual agreement between the plan's Trustee and Sodexo UK. Following a consultation process with the members of the pension plan carried out with a view to freezing benefit accruals for certain members, an agreement was signed in October 2012 between the plan's Trustee and Sodexo UK whereby from November 1, 2012 the plan would remain open only to employees who transferred to Sodexo UK from the public sector, as Sodexo UK has a legal obligation to pay them certain benefits. As part of the 12-year plan to address the funding shortfall, Sodexo UK also agreed to pay annual contributions of (i) 10 million pounds Sterling per year over the five years from January 1, 2013 and (ii) 7.5 million pounds Sterling per year over the following seven years. Lastly, in October 2012, Sodexo S.A. issued a Parent company guarantee to the Trustee in order to cover Sodexo UK's obligations in connection with the plan. This guarantee is for up to 100 million pounds Sterling for a duration of 12 years. On completion of the most recent valuation of the fund in July 2016, Sodexo UK and the Trustee agreed to keep unchanged the amount of contributions and the terms and conditions of the Parent company guarantee as set in October 2012.

In Continental Europe other than France, the main defined benefit plans are as follows:

- in the Netherlands, certain employees are entitled to complementary retirement or early retirement benefits.

  In Fiscal 2017 Sodexo negotiated an agreement to convert its pension plans in the Netherlands from defined benefit to defined contribution plans as from January 1, 2016. The entitlements accumulated up until that date under the plans in their previous defined benefit form have been frozen and the plans are still accounted for as defined benefit plans in view of the related indexation commitments given by Sodexo. These plans are fully funded;
- in Italy, there is a legal obligation to pay a lump-sum retirement benefit ("TFR").

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Changes in the present value of the defined benefit plan obligation and the fair value of plan assets are shown below:

| (in millions of euro) | FISCAL 2021 | | | FISCAL 2020 | | |
|---|---|---|---|---|---|---|
| | BENEFIT OBLIGATION | PLAN ASSETS | NET BENEFIT OBLIGATION | BENEFIT OBLIGATION | PLAN ASSETS | NET BENEFIT OBLIGATION |
| **As of September 1** | **1,476** | **(1,284)** | **192** | **1,450** | **(1,210)** | **240** |
| Expense/(income) recognized in the income statement | 33 | (19) | 13 | 39 | (19) | 21 |
| *Current service cost* | *20* | *(1)* | *18* | *19* | — | *19* |
| *Past service cost* | *(8)* | — | *(8)* | *(2)* | — | *(2)* |
| *Effect of settlements* | — | — | — | — | — | — |
| *Interest cost/(income)* | *21* | *(18)* | *3* | *23* | *(19)* | *4* |
| Remeasurement losses/(gains) | 50 | (60) | (10) | 5 | (49) | (44) |
| *Actuarial losses/(gains) arising from changes in demographic assumptions* | *(11)* | — | *(11)* | *(4)* | — | *(4)* |
| *Actuarial losses/(gains) arising from changes in financial assumptions* | *59* | *(60)* | *(1)* | *13* | *(49)* | *(36)* |
| *Experience adjustments* | *2* | — | *2* | *(4)* | — | *(4)* |
| Currency translation adjustment | 41 | (41) | — | 5 | (5) | — |
| Contributions made by plan members | 1 | (1) | — | 2 | — | 2 |
| Employer contributions | — | — | — | — | (19) | (19) |
| Benefits paid from plan assets | (44) | 41 | (3) | (38) | 38 | — |
| Benefits paid other than from plan assets | (16) | (15) | (31) | (8) | — | (8) |
| Changes in scope of consolidation and other* | (106) | 104 | (2) | 21 | (20) | 1 |
| **AS OF AUGUST 31** | **1,435** | **(1,275)** | **160** | **1,476** | **(1,284)** | **192** |
| Of which: | | | | | | |
| Partially funded plans | 1,308 | (1,275) | 33 | 1,350 | (1,284) | 65 |
| Unfunded plans | 127 | — | 127 | 127 | — | 127 |

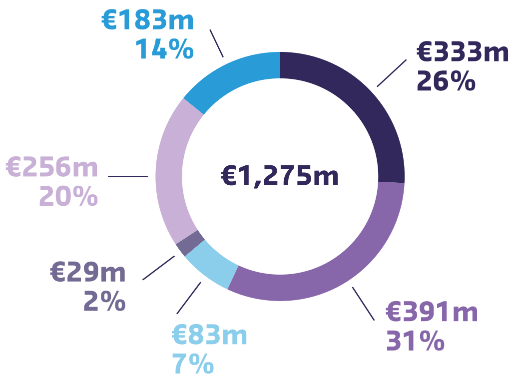
* Including for the fiscal year 2021 a benefit obligation decrease amounting to 104 million euro and assets for the same amount, linked to the retirement benefit obligations in six UK companies due to expiry of the contract.

The amounts recorded in the income statement for defined benefit plans totaled 13 million euro in Fiscal 2021 (23 million euro in Fiscal 2020) and break down as follows:

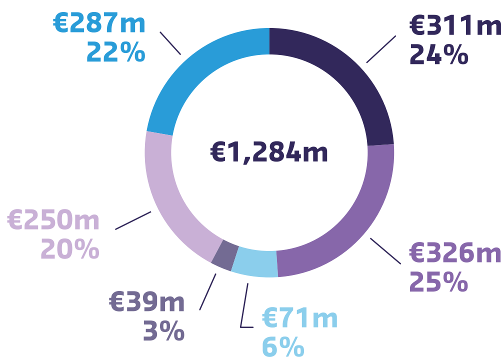
- net expense of 8 million euro (net expense of 7 million euro in Fiscal 2020) in cost of sales;
- net expense of 6 million euro (net expense of 12 million euro in Fiscal 2020) in SG&A;
- net income of 4 million euro in Other Income and Expenses;
- net expense of 3 million euro in financial expenses (see note 12.1).

Defined benefit plan assets comprise:

**AS OF AUGUST 31, 2021**




**AS OF AUGUST 31, 2021**





Recognized net actuarial gains arising from changes in financial assumptions amounted to 59 million euro, of which 53 million euro in the United Kingdom. In the United Kingdom, these gains were mainly due to the updated discount rate.

The following assumptions were used for actuarial valuations for the principal countries as of August 31, 2021 and 2020:

| AUGUST 31, 2021 | FRANCE | NETHERLANDS | UNITED KINGDOM | ITALY |
|---|---|---|---|---|
| Discount rate(1) | 1.05% | 0.8% | 1.7% | 0.35% |
| Salary long-term inflation rate(2) | 2.25% | N/A | 3.8% | N/A |
| General long-term inflation rate | 1.75% | 1.75% | 3.3%(3) | 1.75% |
| Net liability (in millions of euro) | 87 | 2 | (9) | 17 |
| Average term of the plans (in years) | 9 | 18 | 19 | 6 |

(1) Discount rates in each country have been adjusted to reflect the term of the plans. For the euro zone and the United Kingdom, the Group uses discount rates based on yield curves for high quality corporate bonds drawn up by an external actuary.
(2) The salary inflation rate disclosed includes general inflation.
(3) Retail Price Index (RPI): 3.30%; Consumer Price Index (CPI): 2.55% for Fiscal 2021.

| AUGUST 31, 2020 | FRANCE | NETHERLANDS | UNITED KINGDOM(4) | ITALY |
|---|---|---|---|---|
| Discount rate(1) | 1.2% | 0.95% | 1.7% | 0.65% |
| Salary long-term inflation rate(2) | 2.25% | N/A | 3.4% | N/A |
| General long-term inflation rate | 1.75% | 1.75% | 2.1%-2.9%(3) | 1.75% |
| Net liability (in millions of euro) | 87 | 1 | 4 | 18 |
| Average term of the plans (in years) | 9 | 19 | 19 | 8 |

(1) Discount rates in each country have been adjusted to reflect the term of the plans. For the euro zone and the United Kingdom, the Group uses discount rates based on yield curves for high quality corporate bonds drawn up by an external actuary.
(2) The salary inflation rate disclosed includes general inflation.
(3) Retail Price Index (RPI): 2.9%; Consumer Price Index (CPI): 2.1% for Fiscal 2020.
(4) Excluding 104 million euro in retirement benefit obligations in the 6 UK companies (offset by an asset in the same amount).

With respect to the assumptions provided in the above table, for Fiscal 2021, a reduction of 1% in the discount rate would increase the gross obligation to 1,718 million euro (compared with 1,435 million euro based on the assumptions used as of August 31, 2021), while a rise of 0.5% in the general long-term inflation rate would increase the gross obligation to 1,529 million euro.

Based on estimates derived from reasonable assumptions, Sodexo will pay 19 million euro into defined benefit plans in Fiscal 2022.

## Multiemployer plans

In the USA, as of August 31, 2021, Sodexo contributed to 78 multiemployer defined benefit pension plans under the terms of collective-bargaining agreements ("CBA") that cover its union-represented employees. The risks of participating in these multiemployer plans are different than those of single-employer plans in the following respects:

- assets contributed to the multiemployer plan are used to provide benefits to all beneficiaries of the plan, including beneficiaries of other participating employers;
- if a multiemployer plan is considered to be in "critical" status as defined by the U.S. Pension Protection Act of 2006, the plan will be required to adopt a rehabilitation plan which may require the Company to increase its required contributions to the plan;
- if a participating employer ceases to contribute to the plan, the unfunded obligations of the plan may have to be borne by the Company and the other remaining participating employers; and
- if the Company ceases to participate in a multiemployer plan, entirely or partially in excess of a threshold, or if substantially all of the participating employers of a given plan cease to participate, the Company may be required to pay that plan an amount based on the value of unfunded vested benefits of the plan and the Company's *pro-rata* share of total plan contributions, referred to as withdrawal liability.

The Company does not have the ability to account for these multiemployer plans as defined benefit plans because it does not have timely access to information about plan assets, plan obligations, actuarial gains and losses, service costs, and interest costs. As such, the multiemployer plans are accounted for as defined contribution plans.

The Company contributed 12 million euro to U.S. multiemployer defined benefit plans in Fiscal 2021 and 8 million euro in Fiscal 2020. Of the contributions made by the Company, 34% and 14% were made to plans considered to be in "critical" status or "endangered" status, respectively, as defined by the U.S. Pension Protection Act of 2006 and per each plan's most-recent notice of plan funding status. Plans are generally considered to be in "critical" status when they are funded at less than 65%, among other factors, and are considered to be "endangered" when they are funded at 65% or more, but at less than 80%, among other factors.

#### 5.1.1.2 OTHER EMPLOYEE BENEFITS

Other employee benefits, for an amount of 186 million euro as of August 31, 2021 (150 million euro as of August 31, 2020), mainly comprise a liability related to a deferred compensation program in the United States and obligations relating to long-service awards.

The total expense recognized with respect to these benefits in Fiscal 2021 was 6 million euro (16 million euro in Fiscal 2020).

## 5.2 Share-based payments

### ACCOUNTING PRINCIPLES AND POLICIES

Some Group employees receive compensation in the form of share-based payments, for which payment is made in equity instruments.

The services compensated by these plans are recognized as an expense, with the offset recognized in shareholders' equity, over the vesting period. The amount of expense recognized in each period is determined by reference to the fair value of the equity instruments granted, as of the grant date.

The fair value of restricted shares is estimated at the date of grant based on the share price at that date after deductions for dividends on the shares that will not be paid to beneficiaries during the vesting period. The fair value of restricted shares subject to a performance condition based on Total Shareholder Return is estimated using a binomial model that takes into account the vesting conditions.

Each year, Sodexo reassesses the number of shares that is likely to be delivered to beneficiaries of restricted shares based on the applicable vesting conditions. The impact of any change in estimates is recognized in the income statement, with the offset recognized in shareholders' equity.

### 5.2.1 Restricted share plans

#### PRINCIPLE FEATURES OF RESTRICTED SHARE PLANS

Rules governing restricted share plans are as follows:

- shares vest only if the beneficiary is still working for the Group on the vesting date; in addition, some free share grants are subject to performance conditions;
- for the shares awarded from 2017 to 2019, the vesting period for all beneficiaries is four years, with no subsequent lock-up period. In addition, beneficiaries must still be working for the Group on the vesting date in order for the shares to vest;
- for the shares awarded in 2020, the vesting period for all beneficiaries is thirty-eight months, with no subsequent lock-up period. In addition, beneficiaries must still be working for the Group on the vesting date in order for the shares to vest;
- until 2018, the proportion of shares subject to a performance condition ranges from 0% to 80% (depending on the total number of shares awarded), except for the shares granted to the Group Chief Executive Officer which consist solely of performance shares;
- since 2019, all shares granted to the members of the Group Executive Committee are performance shares;
- in 2020, due to the health crisis, 80% of shares granted to the Group Executive Committee are subject to a performance condition except for the shares granted to the Group Chief Executive Officer which consist solely of performance shares.

The performance conditions other than those related to stock market performance ("non-market performance conditions") were as follows:

- for the shares awarded from 2017 to 2019, the non-market performance condition is based on annual growth in consolidated underlying operating profit (before exceptional items and excluding currency effects) over a four-year period and over a three-year period for the 2020 plan. For the 2018 plan, a portion of the shares is also subject to the achievement of Corporate Responsibility objectives. Since 2019, a condition based on organic growth has been added.

Since the 2015 plan, a portion of the shares awarded has also been subject to a stock market performance condition as follows:

- for the 2017 plans, a portion of the shares awarded to the members of the Group Executive Committee and to beneficiaries of more than 1,000 shares, are subject to a TSR performance condition. Sodexo's TSR must be positive and outperform the CAC 40 GR (Gross Total Return) index, published by Euronext, between January 25, 2017 and the date of the Annual Shareholders Meeting called to approve the Fiscal 2021 financial statements;
- for the 2018 plan, a portion of the shares awarded to the members of the Group Executive Committee and to beneficiaries of more than 250 shares, Sodexo's TSR will be compared to that of two peer groups. The first peer group is made up of 12 companies selected based on their size, the similarity of their operations to those of Sodexo and the fact that they all operate in the outsourcing and shared services industry. The second peer group comprises CAC 40 companies. In both cases, the number of shares that will vest will depend on Sodexo's ranking within the peer group, with no shares vesting if Sodexo's ranking is below the third quartile. The starting share price used will be the average of the share prices quoted over the thirty (30) calendar days preceding the plan grant date. The end share price used to measure the overall stock market performance will be the average of the share prices quoted over the thirty (30) calendar days preceding the performance assessment date (March 27, 2022);
- for the 2019 plan, Sodexo's TSR will be compared to that of the peer group made up of 12 companies selected based on their size, the similarity of their operations to those of Sodexo and the fact that they all operate in the outsourcing and shared services industry. This condition is only applicable to the shares awarded to the Group Chief Executive Officer and to the members of the Group Executive Committee;
- for the 2020 plan, Sodexo's TSR will be compared to that of the peer group made up of 8 companies selected based on their size, the similarity of their operations to those of Sodexo and the fact that they all operate in the outsourcing and shared services industry. This condition is only applicable to the shares awarded to the Group Chief Executive Officer and to the members of the Group Executive Committee.

**MOVEMENTS IN FISCAL 2021 AND FISCAL 2020**

The table below shows movements in free shares in Fiscal 2021 and Fiscal 2020:

| | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| **Outstanding at the beginning of the year** | **2,447,754** | **3,241,464** |
| Granted during the year | 922,840 | 10,000 |
| Forfeited during the year | (640,922) | (354,213) |
| Delivered during the year | (414,045) | (449,497) |
| **Outstanding at the end of the year** | **2,315,627** | **2,447,754** |

The weighted average fair value of the restricted shares granted in Fiscal 2021 is 64.92 euro per share (88.41 euro per shares granted in Fiscal 2020).

The table below shows the grant dates of restricted shares outstanding as of August 31, 2021, the assumptions used to estimate their fair value at the grant date and the number of restricted shares outstanding at the period end:

| DATE OF GRANT | | VESTING PERIOD (in years) | EXPECTED DIVIDEND YIELD (in %) | RISK-FREE INTEREST RATE (in %) | LOAN INTEREST RATE (in %) | VOLATILITY* (in %) | NUMBER OF SHARES OUTSTANDING AS OF AUGUST 31 |
|---|---|---|---|---|---|---|---|
| September 14, 2017 | International | 4 | 2.4% | 0.0% | N/A | 18.1% | 13,000 |
| April 27, 2018 | International | 4 | 2.7% | 0.0% | N/A | 21.3% | 710,480 |
| September 13, 2018 | International | 4 | 2.7% | 0.0% | N/A | 21.3% | 25,400 |
| June 19, 2019 | International | 4 | 3.0% | 0.0% | N/A | 21.9% | 679,740 |
| November 6, 2019 | International | 4 | 3.0% | 0.0% | N/A | 21.9% | 8,000 |
| November 20, 2020 | International | 3.2 | 2.0% | 0.0% | N/A | 38.8% | 879,007 |
| **TOTAL** | | | | | | | **2,315,627** |

* Applicable for the portion of the restricted share grants subject to the TSR performance condition. Volatility is determined by reference to the share's historical weighted average volatility over five years and the implicit volatility expected by the market.

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### 5.2.2 Expense recognized during the fiscal year

The expense recognized in the Fiscal 2021 income statement for restricted shares is 33 million euro (39 million euro in Fiscal 2020).

## 5.3 Group employees

The following table shows the headcount of Group employees:

| | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|
| **AVERAGE HEADCOUNT AS OF AUGUST 31** | **409,100** | **454,254** |
| **TOTAL HEADCOUNT AS OF AUGUST 31** | **412,088** | **422,712** |

## 5.4 Compensation, loans, post-employment benefits and other benefits granted to Board members and the Executive Committee

The compensation, loans, post-employment benefits and other benefits granted to Board members, the Executive Committee, including the Group Chief Executive Officer of Sodexo in office as of August 31, 2021 and August 31, 2020 respectively for Fiscal 2021 and Fiscal 2020 comprise the following:

| (in euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| Short-term benefits* | 14,221,131 | 16,410,877 |
| Post-employment benefits | 229,350 | 655,266 |
| Fair value of free shares at the grant date | 12,203,100 | — |

* Short-term benefits correspond to compensations paid by the Group to Board members and to the Executive Committee during Fiscal 2021 (including variable compensations of the prior year).

These benefits include directors' compensation, and all forms of compensation and benefits paid (or earned during the period for offices held) by Sodexo S.A., other Sodexo Group companies or Bellon SA.

Denis Machuel, Group Chief Executive Officer from January 23, 2018, to September 30, 2021 was paid by Sodexo S.A. but did not have an employment contract with Sodexo S.A..

The Company has entered into non-compete clauses with Denis Machuel with a term of 36 months and the members of the Executive Committee with a maximum term of 24 months in order to protect the Group by restricting their freedom to hold a position as employee or director, or carry out any consulting work, for any of Sodexo's competitors, either directly or through another legal entity.

No loans have been granted to the Board or Executive Committee members.

# NOTE 6. GOODWILL, OTHERS INTANGIBLE AND TANGIBLE ASSETS

## 6.1 Goodwill

### ACCOUNTING PRINCIPLES AND POLICIES

#### Goodwill

Any residual difference between the fair value of the consideration transferred (for example the amount paid), increased by the amount of the non-controlling interest in the acquired company (measured either at fair value or its share in the fair value of the identifiable net assets acquired) and the fair value as of the date of acquisition of the assets acquired and liabilities assumed, is recognized as goodwill in the statement of financial position.

The Group measures non-controlling interests on a case-by-case basis for each business combination either at fair value or based on their percentage interest in the fair value of identifiable net assets acquired.

### Bargain purchases

When the fair value of the assets acquired and the liabilities assumed as of the acquisition date is greater than acquisition cost, increased by the amount of any non-controlling interest, the excess – representing negative goodwill – is immediately recognized in the income statement in the period of acquisition, after reviewing the procedures for the identification and measurement of the different components included in the calculation.

### Transactions in non-controlling interests

Changes in non-controlling interests, in the absence of either assumption or loss of control, are recognized in shareholders' equity. In particular, when additional shares in an entity already controlled by the Group are acquired, the difference between the acquisition cost of the shares and the share of net assets acquired is recognized in equity attributable to equity holders of the parent. The consolidated value of the assets and liabilities of the subsidiary (including goodwill) remains unchanged.

### Purchase price adjustments and/or earn-outs

Purchase price adjustments and/or earn-outs related to business combinations are recognized at their fair value as of the date of acquisition even if they are considered to be not probable. After the date of acquisition, changes in estimates of the fair value of price adjustments lead to an adjustment to goodwill only if they occur within the time allowed (a maximum of one year as of the date of acquisition) and if they result from facts and circumstances that existed at the acquisition date. In all other cases, the change is recognized in profit or loss except when the consideration transferred consists of an equity instrument.

Changes in goodwill during the fiscal year were as follows:

| (in millions of euro) | AUGUST 31, 2020 | INCREASES DURING THE PERIOD | DECREASES DURING THE PERIOD | IMPAIRMENT | RECLASSIFICATION | CURRENCY TRANSLATION ADJUSTMENT | AUGUST 31, 2021 |
|---|---|---|---|---|---|---|---|
| Corporate Services | 938 | 23 | (1) | — | — | 15 | 976 |
| Government & Agencies | 322 | — | — | — | — | 9 | 331 |
| Sports & Leisure | 369 | — | — | — | — | 4 | 373 |
| Energy & Resources | 289 | — | — | — | — | 4 | 293 |
| Other non-segmented activities | 523 | — | — | — | — | 7 | 529 |
| **Business & Administrations** | **2,441** | **23** | **(1)** | **—** | **—** | **40** | **2,503** |
| Healthcare | 920 | 6 | — | — | — | 12 | 937 |
| Seniors | 616 | 21 | — | — | (1) | 10 | 645 |
| **Healthcare & Seniors** | **1,536** | **26** | **—** | **—** | **(1)** | **22** | **1,582** |
| Schools | 484 | — | (3) | — | (105) | 4 | 380 |
| Universities | 756 | — | — | — | — | 8 | 764 |
| **Education** | **1,240** | **—** | **(3)** | **—** | **(105)** | **12** | **1,145** |
| **On-site Services** | **5,217** | **50** | **(4)** | **—** | **(107)** | **74** | **5,230** |
| **Benefits & Rewards Services** | **547** | **45** | **(16)** | **(8)** | **—** | **13** | **581** |
| **TOTAL** | **5,764** | **94** | **(20)** | **(8)** | **—** | **87** | **5,811** |

The reclassification movements of the period result of the classification as asset held for sale of the goodwill affected to Childcare activities (see note 3.2 "Disposed or held for sale activities").

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| (in millions of euro) | AUGUST 31, 2019 | INCREASES DURING THE PERIOD | DECREASES DURING THE PERIOD | IMPAIRMENT | RECLASSIFICATION | CURRENCY TRANSLATION ADJUSTMENT | AUGUST 31, 2020 |
|---|---|---|---|---|---|---|---|
| Corporate Services | 1,024 | 4 | — | — | (35) | (55) | 938 |
| Government & Agencies | 362 | — | — | — | (34) | (6) | 322 |
| Sports & Leisure | 439 | — | — | (64) | 18 | (24) | 369 |
| Energy & Resources | 329 | — | — | — | (15) | (25) | 289 |
| Other non-segmented activities | 438 | 13 | — | — | 88 | (15) | 523 |
| **Business & Administrations** | **2,591** | **17** | **—** | **(64)** | **23** | **(125)** | **2,441** |
| Healthcare | 1,040 | — | — | — | (60) | (61) | 920 |
| Seniors | 554 | 53 | — | — | 48 | (40) | 616 |
| **Healthcare & Seniors** | **1,595** | **53** | **—** | **—** | **(11)** | **(101)** | **1,536** |
| Schools | 441 | 5 | (9) | (4) | 73 | (21) | 484 |
| Universities | 901 | — | — | — | (85) | (60) | 756 |
| **Education** | **1,342** | **5** | **(9)** | **(4)** | **(12)** | **(81)** | **1,240** |
| **On-site Services** | **5,528** | **75** | **(9)** | **(68)** | **—** | **(307)** | **5,217** |
| **Benefits & Rewards Services** | **631** | **12** | **—** | **(24)** | **—** | **(72)** | **547** |
| **TOTAL** | **6,158** | **87** | **(9)** | **(92)** | **—** | **(379)** | **5,764** |

During the Fiscal 2020 the Group recognized an impairment charge of 92 million euro mainly in the Sports & Leisure segment.

## 6.2 Other intangible assets

### ACCOUNTING PRINCIPLES AND POLICIES

Separately acquired intangible assets are initially measured at cost. Intangible assets acquired in connection with a business combination and which can be reliably measured, are controlled by the Group and are separable or arise from a legal or contractual right, are recognized at fair value separately from goodwill. Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortization and impairment charges.

Intangible assets other than certain trademarks having an indefinite useful life are considered to have finite useful lives, and are amortized by the straight-line method over their expected useful lives:

| | |
|---|---|
| Integrated management software | 3-7 years |
| Other software | 3-4 years |
| Patents and licenses | 2-10 years |
| Client relationships | 3-20 years |
| Other intangible assets | 3-20 years |

Acquired trademarks with a finite useful life are generally amortized over a period of less than ten years. Trademarks that the Group considers as having an indefinite useful life (notably based on criteria relating to their durability and brand recognition) are not amortized. The amortization periods for client relationships recognized in connection with business combinations have been set by Management based on the estimated attrition rate for the contracts concerned (with a maximum of 20 years). The cost of licenses and software recognized in the statement of financial position comprises the costs incurred in acquiring the software and bringing it into use, and is amortized over the estimated useful life of the asset. Subsequent expenditures on intangible assets are capitalized only if they increase the expected future economic benefits associated with the asset to which they relate. Other expenditures are expensed as incurred.

## 6.2.1 Gross value of other intangible assets

| (in millions of euro) | LICENSES AND SOFTWARE | CLIENT RELATIONSHIPS, TRADEMARKS AND OTHER | TOTAL |
|---|---|---|---|
| **Gross value as of August 31, 2019** | **652** | **980** | **1,632** |
| Acquisitions | 116 | 54 | 170 |
| Disposals | (52) | (57) | (109) |
| Translation Adjustments | (26) | (66) | (92) |
| Reclassifications | (15) | 15 | — |
| Change in scope of consolidation | 3 | — | 3 |
| Other | — | — | — |
| **Gross value as of August 31, 2020** | **679** | **927** | **1,605** |
| Acquisitions | 109 | 25 | 133 |
| Disposals | (38) | (71) | (109) |
| Translation Adjustments | 6 | 14 | 20 |
| Reclassifications* | (4) | (37) | (43) |
| Change in scope of consolidation | (12) | (17) | (29) |
| Other | — | — | — |
| **Gross value as of August 31, 2021** | **739** | **838** | **1,577** |

* Corresponds mainly to the reclassification of assets held for sale (see note 3.2 "Disposed or held for sale activities").

## 6.2.2 Amortization and impairment of other intangible assets

| (in millions of euro) | LICENSES AND SOFTWARE | CLIENT RELATIONSHIPS, TRADEMARKS AND OTHER | TOTAL |
|---|---|---|---|
| **Amortization and impairment as of August 31, 2019** | **(408)** | **(423)** | **(831)** |
| Amortization | (77) | (89) | (166) |
| Disposals | 44 | 4 | 48 |
| Impairment | (21) | (13) | (33) |
| Translation Adjustments | 18 | 32 | 50 |
| Reclassifications | 13 | (13) | — |
| Change in scope of consolidation | — | — | — |
| Other | — | — | — |
| **Amortization and impairment as of August 31, 2020** | **(432)** | **(501)** | **(933)** |
| Amortization | (78) | (54) | (131) |
| Disposals | 29 | 59 | 88 |
| Impairment | — | (9) | (9) |
| Translation Adjustments | (5) | (9) | (13) |
| Reclassifications* | 6 | 27 | 33 |
| Change in scope of consolidation | 11 | 8 | 19 |
| Other | — | — | — |
| **Amortization and impairment as of August 31, 2021** | **(469)** | **(478)** | **(947)** |

* Corresponds mainly to the reclassification of assets held for sale (see note 3.2 "Disposed or held for sale activities").

Amortization is reported under either cost of sales or Administrative and Sales Department costs, except for amortization of intangibles assets acquired during a business combination transactions  are recognized in “Other operating expenses”.

### 6.2.3 Net value of other intangible assets

| (in millions of euro) | LICENSES AND SOFTWARE | CLIENT RELATIONSHIPS, TRADEMARKS AND OTHER | TOTAL |
|---|---|---|---|
| Net carrying amount as of August 31, 2019 | 244 | 557 | 801 |
| Net carrying amount as of August 31, 2020 | 247 | 425 | 673 |
| **Net carrying amount as of August 31, 2021** | **270** | **360** | **631** |

## 6.3 Property, plant and equipment

### ACCOUNTING PRINCIPLES AND POLICIES

Property, plant and equipment are measured at cost less accumulated depreciation and impairment charges, except for land, which is measured at cost less accumulated impairment charges. Cost includes expenditures directly incurred to acquire the asset, and in some cases may also include estimated unavoidable future dismantling, removal and site remediation costs.

Subsequent expenditures are included in the carrying amount of the asset, or recognized as a separate component, if it is probable that the future economic benefits of the expenditures will flow to Sodexo and the cost can be measured reliably. All other repair and maintenance costs are recognized as expenses during the period in which they are incurred, except costs incurred to improve productivity or extend the useful life of an asset, which are capitalized.

Items of property, plant and equipment are depreciated over their expected useful lives using the component-based approach, taking account of their residual value. The straight-line method of depreciation is regarded as the method that most closely reflects the expected pattern of consumption of the future economic benefits embodied in items of property, plant and equipment.

The useful lives generally used by the Group are:

| | |
|---|---|
| Buildings | 20-30 years |
| General fixtures and fittings | 3-10 years |
| Plant and machinery | 3-8 years |
| Motor vehicles | 4 years |
| Boats and pontoons (depending on the component) | 5-15 years |

The residual values and useful lives of items of property, plant and equipment are reviewed at each period end and, if necessary, adjusted.

The carrying amounts of items of property, plant and equipment are tested for impairment if there is an indication that an item may be subject to impairment.

## 6.3.1 Gross value of property, plant and equipment

| (in millions of euro) | LAND AND BUILDINGS | PLANT AND EQUIPMENT | CONSTRUCTION IN PROGRESS AND OTHER | TOTAL |
|---|---|---|---|---|
| **Gross value as of August 31, 2019** | **141** | **1,781** | **216** | **2,138** |
| Acquisitions | 4 | 164 | 43 | 211 |
| Disposals | (1) | (81) | (14) | (96) |
| Translation Adjustments | (2) | (71) | (6) | (78) |
| Reclassifications | (7) | 6 | (24) | (25) |
| Change in scope of consolidation | 1 | 9 | — | 9 |
| Other | — | — | — | — |
| **Gross value as of August 31, 2020** | **136** | **1,807** | **216** | **2,159** |
| Acquisitions | 3 | 116 | 38 | 158 |
| Disposals | (12) | (125) | (15) | (151) |
| Translation Adjustments | 1 | 15 | 2 | 17 |
| Reclassifications* | (52) | (44) | (23) | (119) |
| Change in scope of consolidation | (3) | (40) | (1) | (44) |
| Other | — | — | — | — |
| **Gross value as of August 31, 2021** | **73** | **1,730** | **217** | **2,020** |

* Corresponds mainly to the reclassification of assets held for sale (see note 3.2 "Disposed or held for sale activities").

No item of property, plant and equipment is pledged as collateral for a liability.

## 6.3.2 Depreciation and impairment of property, plant and equipment

| (in millions of euro) | LAND AND BUILDINGS | PLANT AND EQUIPMENT | CONSTRUCTION IN PROGRESS AND OTHER | TOTAL |
|---|---|---|---|---|
| **Depreciation and impairment as of August 31, 2019** | **(73)** | **(1,246)** | **(135)** | **(1,454)** |
| Amortization | (8) | (184) | (24) | (216) |
| Disposals | — | 69 | 8 | 77 |
| Impairment | (13) | (48) | (3) | (64) |
| Translation Adjustments | 1 | 46 | 4 | 51 |
| Reclassifications | 5 | 8 | 5 | 19 |
| Change in scope of consolidation | (1) | (6) | — | (6) |
| Other | — | — | — | — |
| **Depreciation and impairment as of August 31, 2020** | **(87)** | **(1,362)** | **(144)** | **(1,593)** |
| Amortization | (7) | (162) | (20) | (189) |
| Disposals | 11 | 108 | 12 | 130 |
| Impairment | (2) | (8) | — | (10) |
| Translation Adjustments | — | (11) | (1) | (12) |
| Reclassifications* | 31 | 44 | 4 | 78 |
| Change in scope of consolidation | 1 | 35 | 1 | 36 |
| Other | — | — | — | — |
| **Depreciation and impairment as of August 31, 2021** | **(54)** | **(1,356)** | **(149)** | **(1,559)** |

* Corresponds mainly to the reclassification of assets held for sale (see note 3.2 "Disposed or held for sale activities").

Depreciation is reported under either Cost of sales or SG&A costs.

### 6.3.3 Net book value of property, plant and equipment

| (in millions of euro) | BUILDINGS | PLANT AND EQUIPMENT | CONSTRUCTION IN PROGRESS AND OTHER | TOTAL |
|---|---|---|---|---|
| Net carrying amount as of August 31, 2019 | 68 | 535 | 81 | 684 |
| Net carrying amount as of August 31, 2020 | 49 | 446 | 72 | 566 |
| **Net carrying amount as of August 31, 2021** | **19** | **374** | **68** | **461** |

## 6.4 Impairment of non-current assets

### ACCOUNTING PRINCIPLES AND POLICIES

#### Impairment of assets with finite useful lives

Property, plant and equipment and intangible assets with finite useful lives are tested for impairment if there is any indication of impairment. Impairment charges are recognized in the income statement, and may be reversed subsequently.

#### Impairment of assets with indefinite useful lives

Goodwill and other intangible assets considered to have an indefinite useful life (such as certain trademarks) are tested for impairment whenever there is an indication of impairment, and at least annually, in the last quarter of the fiscal year. The results of the impairment tests are then confirmed using actual data as of August 31.

#### Cash Generating Units

Assets that do not generate cash inflows that are largely independent of those from other assets, and hence cannot be tested for impairment individually, are grouped together in Cash Generating Units (CGUs).

Impairment tests are performed at the level of the CGU or group of CGUs corresponding to the lowest level at which goodwill is monitored by the Group.

Goodwill is generally analyzed per operating segment, as reflected in the Group's organizational structure (see note 4.1):

- On-site Services activity:
  - Business & Administrations, which includes Corporate Services, Energy & Resources, Government & Agencies, Sports & Leisure and other non-segmented,
  - Healthcare, combined with Seniors,
  - Education, comprising Schools and Universities;
- the Benefits & Rewards Services activity corresponds to a single CGU.

Goodwill is not tested for impairment at a higher level than the operating segments before aggregation for segment reporting.

The assets allocated to each CGU or group of CGUs comprise:

- goodwill, which is allocated when the CGU or group of CGUs is likely to benefit from the business combination;
- other intangible assets, property, plant and equipment, client investments and net working capital.

#### Indications of impairment

The main indicators that a CGU or group of CGUs may be impaired are a significant decrease in the CGU's or group of CGUs' revenues and underlying operating profit or material changes in market trends.

### Methods used to determine the recoverable amount

An impairment charge is recognized in the income statement when the carrying amount of an asset or CGU or group of CGUs is greater than its recoverable amount.

Recoverable amount is the greater of:

- fair value less costs of disposal, *i.e.*, the amount obtainable from the sale of an asset (net of selling costs) in an orderly transaction between market participants at the measurement date; and
- value in use, which is the present value of the future cash flows expected to be derived from continuing use and ultimate disposal of the asset or CGU or group of CGUs.

The value in use of a CGU or group of CGUs is estimated using after-tax cash flow projections based on business plans and a terminal value calculated by extrapolating data for the final year of the business plan. Business plans generally cover one to five years.

These plans have been drawn up for each operating segment resulting from the Group's organizational structure as described in note 4.1.

Management both at Group and subsidiary levels prepares underlying profit forecasts on the basis of past performance and expected market trends.

The growth rate used beyond the initial period of the business plans reflects the growth rate of the operating segment concerned, taking into account the geographic regions in which the operating segment conducts business.

Expected future cash flows are discounted at the weighted average cost of capital calculated for the Group. For certain CGUs or groups of CGUs a premium is added to the weighted average cost of capital in order to reflect the greater risk factors affecting certain countries in which the operating segment concerned conducts business.

### Recognition of impairment charges

An impairment charge recognized with respect to a CGU or group of CGUs is allocated initially to reducing the carrying amount of any goodwill allocated to that CGU, and then to reducing the carrying amount of the other assets of the CGU or group of CGUs in proportion to the carrying amount of each asset.

### Reversal of impairment charges

Impairment charges recognized with respect to goodwill cannot be reversed.

Impairment charges recognized with respect to any other asset may only be reversed if there is an indication that the impairment charge is lower or no longer exists. The amount reversed is based on the new estimates of the recoverable amount.

The increased carrying amount of an asset resulting from the reversal of an impairment charge cannot exceed the carrying amount that would have been determined for that asset had no impairment charge been recognized.



Accumulated impairment charges against property, plant and equipment and intangible assets (including goodwill) amounted to 32 million euro as of August 31, 2021 (222 million euro as of August 31, 2020), and include a net loss of 27 million euro recognized in other operating expenses in Fiscal 2021 (188 million euro in Fiscal 2020).

The main assumptions used were as follows:

| | FISCAL 2021 | | FISCAL 2020 | |
|---|---|---|---|---|
| | DISCOUNT RATE | LONG-TERM GROWTH RATE | DISCOUNT RATE | LONG-TERM GROWTH RATE |
| Corporate Services | 8.0% | 2.2% | 8.0% | 2.1% |
| Energy & Resources | 8.2% | 2.6% | 8.6% | 2.4% |
| Government & Agencies | 7.5% | 2.1% | 7.4% | 1.9% |
| Sports & Leisure | 7.3% | 2.1% | 7.3% | 1.9% |
| Healthcare | 7.3% | 2.2% | 7.4% | 2.0% |
| Seniors | 7.6% | 2.0% | 7.5% | 1.9% |
| Schools | 7.5% | 2.0% | 7.4% | 1.9% |
| Universities | 7.0% | 2.0% | 7.2% | 2.0% |
| Other non-segmented activities | 7.9% | 2.0% | 7.8% | 1.9% |
| Benefits & Rewards Services | 8.8% | 2.7% | 9.5% | 2.3% |

The discount rates used by segment (group of CGUs) were set based on the weighted average of the discount rates for each geographic region, taking into account the relative weighting of each segment in the Group's revenues:

| | DISCOUNT RATE | |
|---|---|---|
| | FISCAL 2021 | FISCAL 2020 |
| Continental Europe | 7.9% | 7.6% |
| North America | 7.0% | 7.2% |
| United Kingdom and Ireland | 7.5% | 7.3% |
| Latin America | 9.1% | 10.5% |
| Rest of the world (excluding Latin America) | 8.3% | 8.3% |
| Group | 7.6% | 7.2% |

### SENSITIVITY ANALYSIS

Sodexo has analyzed the sensitivity of goodwill impairment test results to different financial and operational scenarios:

- the results of the goodwill sensitivity analysis indicated no probable scenario where a change in the discount rate or long-term growth rate would result in the recoverable amount of segment assets becoming less than its carrying amount. In fact, the results of the impairment testing demonstrate that even an increase of 200 basis points in the discount rate or a reduction of 200 basis points in the long-term growth rate would not result in an impairment of the assets tested for any segment;
- the Group also performed a sensitivity analysis on the operational assumptions used in order to determine whether a 10% decrease in forecast net cash flows over the time period of the business plans prepared by the management and in terminal value would result in the recognition of an impairment in the Group's consolidated financial statements as of August 31, 2021. The results of this analysis did not indicate any risk of impairment for any of the segments.

# NOTE 7. LEASES

## ACCOUNTING PRINCIPLES AND POLICIES

The Group determines whether a contract is or contains a lease at inception of the contract. The Group classifies as a lease a contract that conveys to the Group the right to control the use of an identified asset for a given period of time.

Leases are recognized on the consolidated statement of financial position at the commencement date of the contract, except for leases covered by the exemptions allowed by IFRS 16 (short-term leases and leases of low value assets), adopted by the Group.

Leases are reflected in the consolidated statement of financial position by recognizing an asset representing the right to use the leased asset and a related liability corresponding to the obligation to make future lease payments. In the consolidated income statement, a depreciation of the right-of-use assets is recorded in operating expenses, separately from the interest expense on lease liabilities. In the consolidated cash flow statement, cash outflows relating to interest on lease liabilities impact operating activities flows, while repayment of the lease liabilities impact financing activities flows.

Short-term leases (*i.e.* lease term of 12 months or less) and leases of low-value assets (such as IT equipment) are expensed directly in operating expenses on a straight-line basis over the lease term.

Particular rent concessions payments due until June 30, 2022 occurring as a direct consequence of the Covid-19 pandemic are recorded in operating profit as if they were not lease modifications in accordance with the practical expedient permitted by amendments to IFRS 16 "Covid-19-Related Rent Concessions" and "Covid-19-Related Rent Concessions beyond June 30, 2021" published respectively in May 2020 and March 2021.

The leases contracted by the Group as a lessee mainly relate to the following categories of assets:

- real estate (land and buildings): The Group leases land and buildings for its offices, as well as for its Personal & Home Services activity (mainly Childcare facilities). Terms and conditions are negotiated on an individual case basis and contain numerous different clauses, depending on the legal environment specific to each country. These leases are entered into for terms of 1 to 20 years and may contain extension options;
- sites and spaces operated as part of concession arrangements: The Group operates various sites (restaurants, retail spaces and kitchens) made available pursuant to concession agreements. The commissions paid in that respect are based on performance indicators of the location (variable payments, generally based on turnover) and may contain a minimum guarantee fee. Terms and conditions are negotiated on an individual case basis and contain numerous different clauses. These leases are entered into for terms of 1 to 18 years and may contain extension options;

- vehicles: The Group leases vehicles for some of its employees. These leases are entered into for terms of 1 to 5 years;
- equipment: The Group also leases some equipment necessary for its operations (kitchen equipment, vending machines...). Terms and conditions are negotiated on a case-by-case basis and contain numerous different clauses. These leases are entered into for terms of 1 to 5 years and may contain extension options.

The amount of lease concessions granted by lessors due to the Covid-19 pandemic which was recognized in the income statement during Fiscal 2021 and Fiscal 2020 in application of the practical expedient provided for by the amendments to IFRS 16 is not significant.

## 7.1 Lease liabilities

### ACCOUNTING PRINCIPLES AND POLICIES

The Group recognizes a lease liability at the date on which the underlying asset is made available for use. The lease liability is measured at the net present value of lease payments to be made over the lease term.

#### Lease payments

The lease payments included in the measurement of the lease liability comprise:

- fixed rents (including minimum guarantee fee to be paid in accordance with concession agreements), less any lease incentive receivable from the lessor;
- variable rents that depend on an index or a rate;
- in-substance fixed payments.

Payments expected to be made to the lessor at the termination of the contract are also included (relatively rare in practice within the Group), such as:

- residual value guarantees;
- exercise price of a purchase option, when its exercise is reasonably certain; and
- termination penalties payable to the lessor, when the exercise of a termination option is reasonably certain.

Variable lease payments that do not depend on an index or a rate (notably, rents or commissions based on turnover) remain recognized in operating expenses when incurred. In addition, the Group elected to exclude, where applicable, non-lease components of the contract in the measurement of the lease liability (for example, vehicle maintenance services). Consequently, payments in relation with service components of the lease contracts are recorded in operating expenses, in the same way as variable lease payments.

#### Lease term

The lease term is assessed for each lease as the non-cancellable period of the contract, adjusted to reflect periods covered by an option to extend the lease that the Group is reasonably certain to exercise, and periods covered by an option to terminate the lease that the Group is reasonably certain not to exercise.

The legal environment and market practices specific to each country are also considered in assessing the lease term. This applies in particular to open-ended leases, for which enforceable period is determined in light of circumstances specific to each situation. In assessing the enforceable period of each contract, the Group determines whether it would incur a penalty on termination that is more than insignificant, taking into account various relevant indicators (indemnities arising from contractual obligations and economic penalties based on operational criteria, in accordance with the clarifications provided by IFRS IC). In the specific case of French commercial property leases (also referred to as “3/6/9 leases”), the assessment is made on a case-by-case basis, that may lead to consider an enforceable period that is beyond the residual length of the initial 9-year term in some instances.

#### Discount rate

The discount rate used is generally the lessee incremental borrowing rate, as the rate implicit in the lease cannot be readily determined for most of the contracts. The incremental borrowing rate is calculated using the following parameters: risk-free rate of the relevant currency, duration of the lease, credit spread of the subsidiary concerned.

Subsequently, the lease liability is recognized at amortized cost using the effective interest method and is remeasured after the commencement date to reflect changes arising from:

- any modification of the lease term, reflecting a contractual modification or a reassessment of the probability of an extension or termination option being exercised;
- any changes in rent amount, resulting for example from a change in an index or a rate used to determine lease payments;
- any reassessment of the probability of a purchase option being exercised;
- any other contractual modification, such as the scope of the underlying asset.

4

As of August 31, 2021, the lease liabilities amount to 940 million euro, including 763 million euro of non-current lease liabilities and 176 million euro of current lease liabilities. The change in lease liabilities during Fiscal 2021 breaks down as follows:

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| **Lease liabilities as of September 1** | **1,357** | **1,490** |
| Increase/(Decrease)(1) | (94) | 167 |
| Repayment of the principal | (242) | (260) |
| Translation adjustments | 7 | (41) |
| Change in scope of consolidation | (9) | — |
| Other movements(2) | (78) | — |
| **LEASE LIABILITIES AS OF AUGUST 31** | **939** | **1,357** |

(1) Impact of new leases entered into, rent indexation, contractual modifications, as well as changes in assessment of the likelihood that renewal and termination options will be exercised. During the Fiscal 2021, some significant contracts were terminated early.
(2) Mostly due to the reclassification of assets held for sale (see note 3.2 "Disposed or held for sale activities").

Lease liabilities maturity breaks down as follows:

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| < 1 year | 176 | 231 |
| 1 to 3 years | 227 | 308 |
| 3 to 5 years | 171 | 239 |
| > 5 years | 366 | 579 |
| **LEASE LIABILITIES CARRYING VALUE** | **939** | **1,357** |

## 7.2 Right-of-use assets relating to leases

### ACCOUNTING PRINCIPLES AND POLICIES

A right-of-use asset is recognized for each lease contract (except for those covered by the exemptions), as a counterpart of the lease liability. This right-of-use asset is measured as the initial amount of the lease liability (assessed as specified above) plus, where applicable, the initial direct costs incurred in obtaining the contract (fees and administrative costs), the advance lease payments made to the lessor and the estimated costs to be incurred in restoring the underlying asset to the condition required by the terms and conditions of the contract.

The right-of-use asset is depreciated on a straight-line basis over the lease term used to measure the lease liability and, when necessary, is subject to impairment tests according to the same rules as those used for intangible assets and property, plant and equipment. The carrying amount is subsequently adjusted to reflect the change in the lease liability arising from amendments to the lease provisions and other remeasurement events (see above).

Right-of-use assets break down as follows, by type of underlying asset:

| (in millions of euro) | LAND AND BUILDINGS | SITES AND SPACES OPERATED UNDER CONCESSION AGREEMENTS | VEHICLES | EQUIPMENT | TOTAL |
|---|---|---|---|---|---|
| **Gross value as of September 1, 2019** | **549** | **819** | **95** | **26** | **1,490** |
| Increase | 42 | 120 | 42 | 7 | 212 |
| Translation Adjustments | (12) | (30) | (3) | (3) | (48) |
| Reclassifications | — | (4) | — | (1) | (4) |
| Change in scope of consolidation | — | — | — | — | — |
| Other movements | (9) | (29) | (10) | (6) | (54) |
| **Gross value as of August 31, 2020** | **570** | **877** | **125** | **23** | **1,595** |
| Increase | 22 | 90 | 47 | 5 | 164 |
| Translation Adjustments | 3 | 5 | 1 | — | 9 |
| Reclassifications(1) | (106) | — | 1 | — | (105) |
| Change in scope of consolidation | (5) | (1) | (5) | (1) | (13) |
| Other movements(2) | (46) | (276) | (19) | (7) | (348) |
| **Gross value as of August 31, 2021** | **438** | **695** | **149** | **21** | **1,304** |

(1) Corresponds mainly to the reclassification of assets held for sale (see note 3.2 "Disposed or held for sale activities").
(2) Corresponds mainly to significant contracts that were early terminated.

| (in millions of euro) | LAND AND BUILDINGS | SITES AND SPACES OPERATED UNDER CONCESSION AGREEMENTS | VEHICLES | EQUIPMENT | TOTAL |
|---|---|---|---|---|---|
| **Amortization and impairment as of September 1, 2019** | **—** | **—** | **—** | **—** | **—** |
| Amortization | (95) | (123) | (49) | (11) | (278) |
| Reversals | 4 | 4 | 8 | 3 | 18 |
| Impairment | (2) | (20) | — | — | (22) |
| Translation Adjustments | 2 | 5 | 1 | 1 | 9 |
| Reclassifications | — | 1 | — | 1 | 2 |
| Change in scope of consolidation | — | — | — | — | — |
| Other movements | (2) | — | — | (1) | (3) |
| **Amortization and impairment as of August 31, 2020** | **(93)** | **(133)** | **(40)** | **(8)** | **(274)** |
| Amortization | (88) | (108) | (48) | (9) | (252) |
| Reversals | 15 | 62 | 15 | 5 | 96 |
| Impairment | (4) | (1) | — | — | (5) |
| Translation Adjustments | (1) | (2) | — | — | (3) |
| Reclassifications* | 29 | 4 | — | — | 34 |
| Change in scope of consolidation | 1 | 1 | 2 | — | 4 |
| Other movements | — | — | — | — | — |
| **Amortization and impairment as of August 31, 2021** | **(140)** | **(177)** | **(72)** | **(11)** | **(400)** |

* Corresponds mainly to the reclassification of assets held for sale (see note 3.2 "Disposed or held for sale activities").

4

| (in millions of euro) | LAND AND BUILDINGS | SITES AND SPACES OPERATED UNDER CONCESSION AGREEMENTS | VEHICLES | EQUIPMENT | TOTAL |
|---|---|---|---|---|---|
| Net carrying amount as of September 1, 2019 | 549 | 819 | 95 | 26 | 1,490 |
| Net carrying amount as of August 31, 2020 | 477 | 744 | 84 | 15 | 1,321 |
| **Net carrying amount as of August 31, 2021** | **299** | **518** | **77** | **10** | **903** |

# NOTE 8. INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

## ACCOUNTING PRINCIPLES AND POLICIES

Associates are companies in which Sodexo S.A. directly or indirectly exercises significant influence over financial and operating policy without exercising exclusive or joint control. Joint ventures are joint arrangements in which Sodexo S.A. directly or indirectly exercises joint control and has rights to the net assets of the arrangement. Associates and joint ventures are accounted for using the equity method. Sodexo has a number of equity interests in project companies established in connection with Public-Private Partnership (PPP) contracts. These contracts enable governments to call upon the private sector for the design, construction, financing and management of public infrastructure (hospitals, schools, barracks, prisons), with detailed performance criteria. An analysis is performed for each of these equity interests, in order to determine whether they qualify as associates or joint ventures.

When Sodexo is legally or constructively obligated to make payments on behalf of companies accounted for using the equity method, a provision is made under liabilities in the consolidated statement of financial position for its share in the negative shareholders' equity of the said companies (see note 10.1).

Changes in the Group's share of the net assets of companies accounted for using the equity method in Fiscal 2020 and Fiscal 2021 are shown below:

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| **Carrying amount as of September 1** | **53** | **51** |
| ***Of which Investments in companies accounted for using the equity method*** | ***60*** | ***62*** |
| ***Of which Provisions*** | ***(7)*** | ***(9)*** |
| Share of profit for the period | 9 | 9 |
| Other comprehensive income (loss) | 3 | 2 |
| Dividend paid for the period | (9) | (3) |
| Currency translation adjustment | — | (3) |
| Other movements | 2 | (3) |
| **CARRYING AMOUNT AS OF AUGUST 31** | **57** | **53** |
| ***Of which Investments in companies accounted for using the equity method*** | ***63*** | ***60*** |
| ***Of which Provisions*** | ***(6)*** | ***(7)*** |

# NOTE 9. INCOME TAX

## ACCOUNTING PRINCIPLES AND POLICIES

### Income tax expense

Income tax expense for the year includes current taxes and deferred taxes. It includes the *cotisation sur la valeur ajoutée des entreprises* (CVAE), a business tax assessed on corporate value-added generated by the French subsidiaries, which is reported under income tax expense because the Group considers that it meets the definition of a tax on income contained in IAS 12 “Income Tax”.

Tax credits which do not affect taxable profit and which are always refunded by the French government if they have not been deducted from corporate income tax (including the Competitiveness and Employment Tax Credit (CICE) introduced in France under the third amended 2012 Finance Bill) are recognized as subsidies and therefore deducted from the expenses to which they relate.

Uncertain income tax liabilities related to tax positions are estimated in accordance with IFRIC 23 “Uncertainty over income tax treatments” and presented in Income tax payable. The accounting for uncertain tax treatments requires an entity to make estimates and judgments about whether the relevant taxation authority will accept the position taken by the entity in its tax filings (most likely amount or expected value corresponding to the probability-weighted average of the possible outcomes).

### Deferred taxes

Deferred taxes are recognized on temporary differences between the carrying amount of an asset or liability and its tax base, using the tax rate that is expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantially enacted at the period end.

Deferred taxes are not recognized on the following items:

- initial recognition of goodwill;
- initial recognition of an asset in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit; and
- temporary differences on investments in subsidiaries that are not expected to reverse in the foreseeable future.

Taxes on items recognized directly in shareholders’ equity or in other comprehensive income are recognized in shareholders’ equity or in other comprehensive income, respectively, and not in the income statement.

Residual deferred tax assets on temporary differences and tax loss carry-forwards (after offset of deferred tax liabilities) are only recognized if their recovery is considered probable.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets and liabilities and the deferred taxes relate to the same taxable entity and tax authority.



## 9.1 Components of income tax expense

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| Current income tax (expenses)/income | (107) | (185) |
| Withholding taxes | (7) | (1) |
| Deferred income tax (expenses)/income | 14 | 88 |
| **INCOME TAX EXPENSE** | **(101)** | **(98)** |

As of Fiscal 2021, the change in deferred income tax income corresponds to deferred tax assets recognized in countries impacted by non-recurring losses relating to assets impairments and restructuring costs.

## 9.2 Income tax rate reconciliation

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| Profit for the year before tax | 237 | (221) |
| Share of profit of companies accounted for using the equity method | (9) | (9) |
| **Profit before tax excluding share of profit of companies accounted for using the equity method** | **229** | **(230)** |
| Tax rate applicable to Sodexo S.A. | 32.02% | 34.43% |
| **Theoretical income tax (expense)/income** | **(73)** | **79** |
| Effect of jurisdictional tax rate differences | 37 | 15 |
| Permanently non-deductible expenses or non-taxable income | (1) | (43) |
| Other tax repayments/(charges), net | (18) | (18) |
| Tax loss carry-forwards used or recognized during the period but not recognized as a deferred tax asset in prior periods | 8 | 1 |
| Tax loss carry-forwards and temporary differences arising during the period or prior years but not recognized as a deferred tax asset* | (46) | (131) |
| **Actual income tax expense** | **(94)** | **(97)** |
| Withholding taxes | (7) | (1) |
| **TOTAL INCOME TAX EXPENSE** | **(101)** | **(98)** |

* Including unrecognized deferred tax assets arising from non-recurring tax loss carry-forwards and temporary differences for 31 million euro.

The effective tax rate, calculated on profit for the period before tax and excluding the share of profit of companies accounted for using the equity method, went from -42.6% for Fiscal 2020 to 43.9% for Fiscal 2021. Income tax expense of 101 million euro is driven by tax loss carry-forwards and temporary differences arising during the period but not recognized as a deferred tax asset for 46 million euro, mainly in France due to material non-recurring expenses, where there no prospect of short-term recoverability.

## 9.3 Deferred taxes

Movements in deferred taxes were as follows in Fiscal 2021:

| (in millions of euro) | AUGUST 31, 2020 | DEFERRED TAX BENEFIT/ (EXPENSE) | DEFERRED TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME | CURRENCY TRANSLATION ADJUSTMENT AND OTHER | AUGUST 31, 2021 |
|---|---|---|---|---|---|
| Employee-related liabilities | 151 | 1 | (1) | 3 | 154 |
| Fair value of financial instruments | 2 | 13 | 2 | (1) | 16 |
| Intangible assets | (30) | 9 | — | (1) | (22) |
| Goodwill | (199) | 5 | — | (6) | (200) |
| Other temporary differences | 38 | (26) | 3 | 3 | 18 |
| Tax loss carry-forwards | 77 | 13 | — | 7 | 97 |
| **TOTAL NET DEFERRED TAX** | **39** | **15** | **4** | **5** | **63** |
| **Of which Deferred tax assets** | **137** | **—** | **—** | **—** | **165** |
| **Of which Deferred tax liabilities** | **(97)** | **—** | **—** | **—** | **(101)** |

Movements in deferred taxes were as follows in Fiscal 2020:

| (in millions of euro) | AUGUST 31, 2019 | IFRIC 23 IMPACT | SEPTEMBER 1, 2019 | DEFERRED TAX BENEFIT/ (EXPENSE) | DEFERRED TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME | CURRENCY TRANSLATION ADJUSTMENT AND OTHER | AUGUST 31, 2020 |
|---|---|---|---|---|---|---|---|
| Employee-related liabilities | 140 | — | 140 | 31 | (9) | (11) | 151 |
| Fair value of financial instruments | 8 | — | 8 | (5) | — | (1) | 2 |
| Intangible assets | (42) | — | (42) | 11 | — | 1 | (30) |
| Goodwill | (248) | — | (248) | 4 | — | 45 | (199) |
| Other temporary differences | (3) | — | (3) | 51 | 10 | (20) | 38 |
| Tax loss carry-forwards | 93 | (6) | 87 | (4) | — | (6) | 77 |
| **TOTAL NET DEFERRED TAX** | **(52)** | **(6)** | **(58)** | **88** | **1** | **7** | **39** |
| **Of which Deferred tax assets** | **99** | **(6)** | **93** | **—** | **—** | **—** | **137** |
| **Of which Deferred tax liabilities** | **(151)** | **—** | **(151)** | **—** | **—** | **—** | **(97)** |

As of August 31, 2021, the deferred tax assets arising from tax loss carry-forwards amount to 97 million euro (77 million euro as of August 31, 2020). Brazil and Germany are the main countries with tax loss carry-forwards recognized (for those countries, the use of tax loss carry-forwards is unlimited). The recoverability of the deferred tax assets arising from tax loss carry-forwards is assessed based on a business plan performed at the level of each tax jurisdiction.

Unrecognized deferred tax assets arising from tax loss carry-forwards because their recovery is considered to be uncertain amounted to 192 million euro as of August 31, 2021 (170 million euro as of August 31, 2020), including 10 million euro generated by subsidiaries prior to their acquisition (19 million euro as of August 31, 2020). France is the main country with unrecognized deferred tax assets on tax loss carry-forwards. Unrecognized deferred tax assets arising from tax losses generated within the French tax group in Fiscal 2021 amount to 39 million euro.

Temporary differences on employee-related liabilities relate primarily to post-employment benefits.



# NOTE 10. PROVISIONS, LITIGATION AND CONTINGENT LIABILITIES

## ACCOUNTING PRINCIPLES AND POLICIES

A provision is recognized if the Group has a legal or constructive obligation at the closing date and it is probable that settlement of the obligation will require an outflow of resources and the amount of the liability can be reliably measured.

Provisions primarily cover commercial, employee-related and tax-related risks and litigation (other than those related to income tax) arising in the course of operating activities, and are measured using assumptions that take account of the most likely outcomes.

Where the effect of the time value of money is material, the amount of the provision is determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and any risks specific to the liability.

A provision for onerous contracts is established where the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it.

## 10.1 Provisions

| (in millions of euro) | AUGUST 31, 2020 | INCREASES/ CHARGES | REVERSALS WITH UTILIZATION | REVERSALS WITHOUT UTILIZATION | CURRENCY TRANSLATION ADJUSTMENT AND OTHER | CHANGES IN SCOPE OF CONSOLIDATION | AUGUST 31, 2021 |
|---|---|---|---|---|---|---|---|
| Reorganization costs[1] | 81 | 49 | (54) | (12) | 3 | 0 | 67 |
| Employee claims and litigation | 42 | 32 | (14) | (4) | (1) | 0 | 56 |
| Tax and social security exposures | 27 | 9 | (4) | (3) | 1 | — | 30 |
| Contract termination and loss-making contracts | 37 | 9 | (14) | (1) | (5) | — | 27 |
| Client/supplier claims and litigation | 18 | 16 | (11) | — | — | — | 23 |
| Negative net assets of associates[2] | 7 | — | — | — | 0 | — | 6 |
| Other provisions | 43 | 21 | (18) | (4) | 2 | 0 | 45 |
| **TOTAL PROVISIONS** | **255** | **137** | **(114)** | **(24)** | **1** | **(1)** | **254** |

(1) Mainly consists of the restructuring costs and right-sizing. The increase of the period corresponds to the execution of the GET program (see note 1).
(2) Investments in companies accounted for using the equity method that have negative net assets.

| (in millions of euro) | AUGUST 31, 2019 | INCREASES/ CHARGES | REVERSALS WITH UTILIZATION | REVERSALS WITHOUT UTILIZATION | CURRENCY TRANSLATION ADJUSTMENT AND OTHER | CHANGES IN SCOPE OF CONSOLIDATION | AUGUST 31, 2020 |
|---|---|---|---|---|---|---|---|
| Reorganization costs | 4 | 78 | (2) | (1) | 1 | — | 81 |
| Employee claims and litigation | 43 | 22 | (9) | (4) | (11) | — | 42 |
| Tax and social security exposures | 22 | 16 | — | (1) | (10) | — | 27 |
| Contract termination and loss-making contracts | 13 | 29 | (9) | (1) | (4) | 8 | 37 |
| Client/supplier claims and litigation | 18 | 6 | (1) | (5) | (1) | 1 | 18 |
| Negative net assets of associates* | 9 | — | — | — | (3) | — | 7 |
| Other provisions | 37 | 16 | (8) | (7) | 4 | 1 | 43 |
| **TOTAL PROVISIONS** | **146** | **168** | **(28)** | **(18)** | **(23)** | **10** | **255** |

* Investments in companies accounted for using the equity method that have negative net assets (see note 8).

Provisions for exposures and litigation are determined on a case-by-case basis and rely on management's best estimate of the outflows deemed likely to satisfy legal or implicit obligations to which the Group is exposed as of the end of the fiscal year.

Current and non-current provisions are as follows:

| | AUGUST 31, 2021 | | AUGUST 31, 2020 | |
|---|---|---|---|---|
| (in millions of euro) | CURRENT | NON-CURRENT | CURRENT | NON-CURRENT |
| Reorganization costs | 67 | — | 79 | 2 |
| Employee claims and litigation | 30 | 26 | 23 | 19 |
| Tax and social security exposures | 13 | 18 | 12 | 15 |
| Contract termination and loss-making contracts | 14 | 13 | 25 | 13 |
| Client/supplier claims and litigation | 14 | 9 | 17 | 1 |
| Negative net assets of associates* | — | 6 | — | 7 |
| Other provisions | 10 | 35 | 16 | 27 |
| **TOTAL PROVISIONS** | **148** | **106** | **171** | **84** |

* Investments in companies accounted for using the equity method that have negative net assets (see note 8).

## 10.2 Litigation and contingent liabilities

### DISPUTES WITH THE BRAZILIAN TAX AUTHORITIES

The Company is in dispute with the Brazilian tax authorities regarding the tax deductibility of the amortization of goodwill recognized on the purchase of VR in March 2008. For the record, in Fiscal year 2017, Sodexo Pass do Brasil received a tax reassessment notice from the Brazilian tax authorities for fiscal years 2010, 2011 and 2012 relating to the deductibility for tax purposes of the amortization of goodwill recognized on the purchase of VR in March 2008. The reassessment amounted to 88 million euro (breaking down as 24 million euro in principal and 64 million euro in penalties and late payment interest).

Sodexo Pass do Brasil is firmly disputing this reassessment, which the Brazilian tax authorities originally envisaged during a previous tax audit covering fiscal years 2008 and 2009 but then abandoned. The Company considers that the goodwill amortization was valid, both in terms of its underlying reasons and the way it has been recorded. Therefore, the Company considers that there is a strong probability of winning the dispute with the tax authorities, and this has been confirmed by its tax advisors. Consequently, no provision was recorded for this dispute in the consolidated statement of financial position as of August 31, 2017.

This dispute was presented on August 14, 2018 for a judgment of the competent administrative court. The court ruled in favor of Sodexo Pass do Brasil as it considered that the goodwill and corresponding amortization were legitimately recognized on the acquisition of VR. The judgment therefore confirms that Sodexo Pass do Brasil acquired a full business structure when it purchased VR.

This judgment can be reversed on appeal. The Group believes, after consulting its advisers, that the risk of change in this judgement is low.

The tax savings generated by this tax depreciation were offset in the consolidated accounts of the Group by a deferred tax expense of the same amount for each of the financial periods concerned, in accordance with the IFRS rules. The deferred tax liability related to the reassessed periods amounts to 24 million euro as of August 31, 2021 (30 million euro as of August 31, 2020).

During Fiscal 2021, Sodexo do Brasil Comercial received a tax reassessment notice mainly linked to the tax deductibility of the amortization of goodwill recognized on the purchase of Puras. The reassessment is covering the period from 2015 to 2017 and raise to 29 million euro (of which 8 million in principal and 21 million euro in penalties and late payment interests). In August 2021, the competent administrative Court ruled in favor of the Company. The Group considers it has strong arguments to contest the tax reassessment and prevail in court.

The Goodwill amount has been fully amortized. The tax savings generated by this tax depreciation were offset in the consolidated accounts of the Group by a deferred tax expense of the same amount for each of the related financial periods, in accordance with the IFRS rules. The balance of the related deferred tax liability amounts to 23 million euro as of August 31, 2021.

In addition, Sodexo and its main competitors have a different interpretation from that of the Tax Administration on the deductibility of PIS/COFIN on certain purchases that are made at a zero rate. Proceedings are still ongoing but suspended pending the decision of the Supreme Courts (which will judge in law on another taxpayer). Based on the opinion of its tax advisers, the Group considers that its chances of success in these proceedings are good and therefore did not consider it necessary at this stage to provision for appropriations deducted to date.

### DISPUTE WITH THE FRENCH COMPETITION AUTHORITY

On October 9, 2015, the company Octoplus filed a complaint with the French Competition Authority *(Autorité de la concurrence)* concerning several French meal voucher issuers, including Sodexo Pass France. Following the hearing of the parties concerned in April and July 2016, the Competition Authority decided on October 6, 2016 to continue the proceedings, without ordering interim measures against Sodexo Pass France.

On February 27, 2019, the prosecution services sent their final investigation report to Sodexo Pass France. In its response filed on April 29, 2019, the Group contested both of the grievances notified by the Authority (exchange of information and foreclosure of the meal voucher market through the *Centrale de Règlement des Titres*). On December 17, 2019, the French Competition Authority ruled against the meal voucher issuers and fined Sodexo Pass France, jointly and severally with Sodexo S.A., 126 million euro. This decision was formally notified to Sodexo Pass France and Sodexo S.A. on February 6, 2020. Given the significant impact of the Covid-19 pandemic on the Group's activities and performance, Sodexo obtained a decision from the Tax Authorities allowing it to defer payment of the fine without any penalty being due, subject to providing a guarantee in the same amount. The payment date is scheduled for December 15, 2021.

Sodexo nevertheless vigorously contests the decision which demonstrates a flawed understanding of the practices in question and of the way in which the market operates. Sodexo has therefore lodged an appeal against the decision with the Paris Court of Appeal. The appeal proceeding is ongoing and the hearing is scheduled for November 18, 2021. After consultation with its legal advisers, the Group considers that it has solid arguments capable of resulting in the reversal or revision of the decision of the Competition Authority. As a result, no provision has been made for this dispute.

### DISPUTE IN HUNGARY

Following legislative and regulatory changes to the issuance of food and meal voucher market in Hungary, Sodexo made an application to the International Center for Settlement of Investment Disputes (ICSID) in July 2014 for arbitration proceedings to be commenced against the Hungarian state.

The ICSID issued its decision on January 28, 2019, ordering the Hungarian State to pay compensation in an amount of 73 million euro to Sodexo, together with accrued interest from December 31, 2011.

On May 27, 2019, the Hungarian State lodged an appeal against this decision which was rejected by the ICSID on May 7, 2021 thereby definitively confirming its decision of January 28, 2019 and the obligation of the Hungarian state to compensate Sodexo in accordance with international law.

At the closing date, the Hungarian state has still not paid the award and the Group considers it would be premature to record any income. The Group continues to seek all legal measures available to enforce the decision.

### FRENCH TAX REASSESSMENT

Sodexo S.A. received in June 2021 a notification for a proposed tax reassessment concerning Fiscal 2017 with interruption of the statute of limitations. After review with its tax advisors, the Company considers it has strong arguments to contest the proposed reevaluation.

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**OTHER DISPUTES**

Group subsidiaries can also be subject to tax audits certain of which may result in reassessments. In each case, the risk is assessed by management and its advisors and any charges deemed probable are recorded as provisions or tax liabilities.

The Group is not aware of any other governmental, judicial or arbitral proceedings which are outstanding or threatened and which may have, or have had in the past 12 months, material effects on the Group's financial position or profitability.

Sodexo is also involved in other legal proceedings arising in the normal course of its business. The Group does not anticipate that any potential related liabilities will in the aggregate be material to its activities or to its consolidated financial position.

# NOTE 11. EQUITY AND EARNINGS PER SHARE

## ACCOUNTING PRINCIPLES AND POLICIES

### Sodexo treasury shares

Sodexo shares held by Sodexo S.A. itself and/or by other Group companies are shown as a reduction in consolidated shareholders' equity at their acquisition cost.

Gains and losses on acquisitions and disposals of treasury shares are recognized directly in consolidated shareholders' equity and do not affect profit or loss for the year.

### Commitments to purchase non-controlling interests

As required by IAS 32 "Financial instruments: Presentation", Sodexo recognizes commitments to purchase non-controlling interests as a liability within borrowings in the consolidated statement of financial position. Commitments to purchase non-controlling interests given in connection with business combinations are recognized as follows:

- the liability arising from the commitment is recognized in other borrowings at the present value of the purchase commitment;
- the corresponding non-controlling interests are cancelled; and
- additional goodwill is recognized for the balance.

### Earnings per share

Earnings per share is calculated by dividing profit for the period by the weighted average number of ordinary shares outstanding during the period, net of treasury shares.

In the calculation of diluted earnings per share, the denominator is increased by the number of potentially dilutive shares, and the numerator is adjusted for all dividends and interest recognized in the period and any other change in income or expenses that would result from conversion of the potentially dilutive shares.

Potential ordinary shares are treated as dilutive if and only if their conversion to shares would decrease earnings per share or increase loss per share.

## 11.1 Equity

### 11.1.1 Statement of changes in shareholders' equity

#### Composition of share capital and treasury shares

| *(number of shares)* | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|
| Share Capital(1) | 147,454,887 | 147,454,887 |
| Treasury shares(2) | 1,166,593 | 1,442,351 |
| Outstanding shares | 146,288,294 | 146,012,536 |

(1) With a par value of 4 euro each.
(2) Treasury shares value of 108 million euro as of August 31, 2021 (138 million euro as of August 31, 2020).

### Dividends

| | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|
| Dividends paid (in millions of euro) | — | 425 |
| Dividend per share paid (in euro) | — | 2.90 |

Sodexo's bylaws confer double voting rights on shares held in registered form for more than four years.

Furthermore, since Fiscal 2013, shares held in registered form for at least four years and still held in that form when the dividend becomes payable, are entitled to a dividend premium equal to 10% of the dividend paid on the other shares. The number of shares eligible for this dividend premium may not exceed 0.5% of the share capital for any single shareholder.

Items recognized directly in Other Comprehensive Income (OCI) (Group share) are shown below:

| | FISCAL 2021 | | | FISCAL 2020 | | |
|---|---|---|---|---|---|---|
| (in millions of euro) | INCREASE/ (DECREASE) DURING THE YEAR, PRE-TAX | INCOME TAX (EXPENSE)/ BENEFIT | INCREASE/ (DECREASE) DURING THE YEAR, NET OF TAX | INCREASE/ (DECREASE) DURING THE YEAR, PRE-TAX | INCOME TAX (EXPENSE)/ BENEFIT | INCREASE/ (DECREASE) DURING THE YEAR, NET OF TAX |
| Financial assets measured at fair value through other comprehensive income[1] | 98 | (2) | 96 | (383) | 9 | (374) |
| Share of other components of comprehensive income/(loss) of companies accounted for using the equity method | 3 | — | 3 | 2 | — | 2 |
| Remeasurements of net defined benefit obligation | 15 | (1) | 14 | 39 | (9) | 30 |
| Currency translation adjustment | 118 | — | 118 | (502) | — | (502) |
| **TOTAL OTHER COMPREHENSIVE INCOME (LOSS) (GROUP SHARE)** | **233** | **(3)** | **231** | **(844)** | **—** | **(844)** |

(1) See note 12.3.

### 11.1.2 Policy for managing the Company's capital structure

Sodexo takes a long-term view in managing its capital structure, with the objective of ensuring the Group's liquidity, optimizing its financial structure and allowing shareholders to benefit from its strong cash flow generation.

Contributing to decisions made may be objectives for earnings per share or estimated future cash flows, or for balancing various components of the consolidated statement of financial position in order to meet the net debt criteria defined by Group management and communicated to the marketplace.

## 11.2 Earnings per share

The table below presents the calculation of basic and diluted earnings per share:

| | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| Profit for the year attributable to equity holders of the parent (in millions of euro) | 139 | (315) |
| Basic weighted average number of shares | 146,004,484 | 145,778,963 |
| **Basic earnings per share[1]** (in euro) | **0.95** | **(2.16)** |
| Average dilutive effect of free share plans | 1,618,597 | 2,141,538 |
| Diluted weighted average number of shares | 147,623,081 | 147,920,501 |
| **Diluted earnings per share[1][2]** (in euro) | **0.94** | **(2.16)** |

(1) Basic and diluted earnings per share do not reflect the effect of the dividend premium to be paid on certain registered shares meeting the criteria described in note 11.1. Based on the number of registered shares as of August 31, 2021, such shares total 8,963,835 (9,822,658 as of August 31, 2020).
(2) The net income being negative in Fiscal 2020, the restricted shares granted were not deemed dilutive.

# NOTE 12. CASH AND CASH EQUIVALENTS, FINANCIAL ASSETS AND LIABILITIES, AND FINANCIAL INCOME AND EXPENSE

## ACCOUNTING PRINCIPLES AND POLICIES

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying non-current asset are included in the cost of that asset. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying non-current asset are recognized as an expense using the effective interest method.

### Financial instruments

Financial assets and liabilities are recognized in the statement of financial position on the transaction date, which is the date when Sodexo becomes a party to the contractual provisions of the instrument.

The fair values of financial assets and derivative instruments are generally determined on the basis of quoted market prices, of values resulting from recent transactions or of valuations carried out by the depositary bank.

### FINANCIAL ASSETS

Financial assets are measured and recognized in three main categories:

- **financial assets measured at fair value through other comprehensive income** include investments in non-consolidated entities, which correspond to equity instruments that the Group has irrevocably elected to classify in this category. When an equity instrument is sold, the cumulative fair value adjustment recognized in other comprehensive income is not transferred to the income statement; only dividends are booked in the income statement. For securities listed on an active market, fair value is considered to equal the market value. If no active market exists, the fair value is generally determined based on an appropriate financial criteria for the specific security;
- **financial assets measured at amortized cost** represent debt instruments for which contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and that are held within a business model whose objective is to hold assets to collect contractual cash flows. They include financial and security deposits, and loans to non-consolidated entities. These financial assets are initially recognized at fair value in the statement of financial position and subsequently at amortized cost, using the effective interest rate method (which is equivalent to acquisition cost as no significant transaction costs are incurred in acquiring such assets). They are impaired to cover the estimated expected credit losses;
- **financial assets at fair value through profit or loss** include marketable securities with maturities greater than three months and other financial assets held for trading and acquired for the purpose of resale in the near term (instruments that are not eligible to be classified as financial assets measured at amortized cost or at fair value through other comprehensive income). These assets are measured at fair value, with changes in fair value recognized in financial income or expense in the income statement, with the exception of changes in the fair value of financial assets related to the Benefits & Rewards Services activity which are recognized in operating income or expense.

### DERIVATIVE FINANCIAL INSTRUMENTS

Sodexo's policy is to finance the majority of acquisition costs insofar as possible in the currency of the acquired entity, generally at fixed rates of interest.

Derivative financial instruments are initially recognized at fair value in the statement of financial position. Subsequent changes in the fair value of derivative instruments are recognized in the income statement, except in the case of instruments that qualify as cash flow hedges.

For cash flow hedges, the necessary documentation is prepared at inception and updated at each period end. Gains or losses arising on the effective portion of the hedge are recognized in other comprehensive income, and are not recognized in the income statement until the underlying asset or liability is realized. Gains or losses arising from the ineffective portion of the hedge are recognized in the income statement.

Interest-rate derivatives are also used as fair value hedges (fixed-rate bond swapped for a floating rate). In the case of fair value hedge relationships, the portion of financial liabilities hedged by the interest-rate derivatives are remeasured to the extent of risk hedged. Changes in the value of hedged items are recognized in profit and loss for the period and are offset by symmetrical adjustments in interest-rate derivatives.

The fair value of these derivative instruments is generally determined based on valuations provided by the bank counter-parties.

### BANK BORROWINGS AND BOND ISSUES

All borrowings, including bank credit facilities and overdrafts, are initially recognized at the fair value of the amount received less directly attributable transaction costs.

Subsequent to initial recognition, borrowings are measured at amortized cost using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of a financial liability to the net carrying amount of that liability. The calculation includes the effects of transaction costs, and of differences between the issue proceeds (net of transaction costs) and reimbursement value.

### Cash and cash equivalents

Cash and cash equivalents comprise current bank account balances, cash on hand and short-term cash investments in money-market instruments. Money-market instruments correspond to authorized “short-term” or “standard” money-market funds under the new regulation adopted by the European Union (market funds that are eligible to the presumption as to classification as cash equivalents pursuant to the common AMF and ANC position issued in November 27, 2018) and have an initial maturity of less than three months at the moment of purchase or may be withdrawn at any time at a known cash value with no material risk of loss in value.

## 12.1 Financial income and expense

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| Gross borrowing cost(1) | (89) | (121) |
| Interest income from short-term bank deposits and equivalent | 6 | 18 |
| **NET BORROWING COST** | **(83)** | **(103)** |
| Interest on financial lease liabilities IFRS 16(2) | (20) | (25) |
| Net foreign exchange gains/(losses) | (2) | (7) |
| Net interest cost on net defined benefit plan obligation | (3) | (4) |
| Interest income from loans and receivables at amortized cost | 4 | 5 |
| Other financial income | 8 | 5 |
| Other financial expense(3) | (9) | (164) |
| **NET FINANCIAL EXPENSE** | **(106)** | **(291)** |
| **Of which Financial income** | **18** | **30** |
| **Of which Financial expense** | **(124)** | **(321)** |

(1) Gross borrowing cost represents interest expense on financial liabilities at amortized cost and interest expense on hedging instruments.
(2) Interests on lease liabilities recognized starting September 1, 2019 in accordance with IFRS 16.
(3) Including, in Fiscal 2020, a 150 million euro indemnity due to anticipated refund of USPP (note 12.4.3.3).

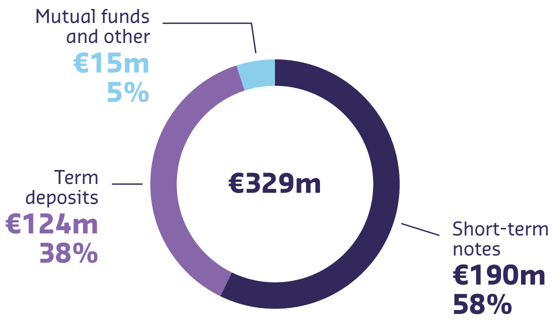
## 12.2 Cash and cash equivalents

| (in millions of euro) | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|
| Marketable securities | 329 | 354 |
| Cash* | 3,211 | 1,673 |
| **CASH AND CASH EQUIVALENTS** | **3,539** | **2,027** |
| Bank overdrafts | (7) | (6) |
| **CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS** | **3,532** | **2,021** |

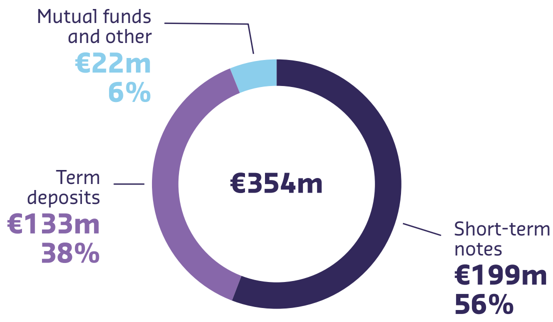
* Including 5 million euro allocated to the liquidity contract signed with an investment services provider, which complies with the Code of conduct drawn up by the French financial markets association *Association française des marchés financiers* – AMAFI) and approved by the French securities regulator (*Autorité des marchés financiers* – AMF), for the purpose of improving the liquidity of Sodexo shares and the regularity of the quotations.

Marketable securities comprised:

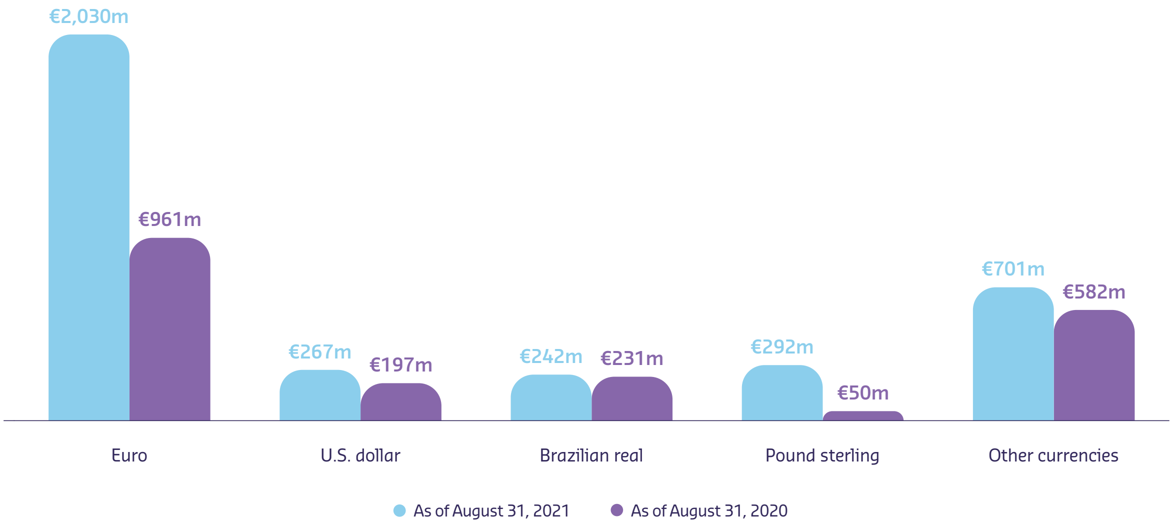
**AS OF AUGUST 31, 2021**




**AS OF AUGUST 31, 2020**




Cash, cash equivalents and overdraft break down as follows by currency:




This currency allocation is presented after clearing the positive and negative positions of the Group's two cash pools with an asset position of 3,226 million euro and a liability position of 22 million euro as of August 31, 2021.

More than 85% of the Group’s cash and cash equivalents, restricted cash and financial assets related to the Benefits & Rewards Services activity, is held with A+, A1- or A2-rated financial institutions.

No significant amount of cash or cash equivalents was subject to any restrictions as of August 31, 2021.

## 12.3 Financial assets

### 12.3.1 Current and non-current financial assets

| (in millions of euro) | AUGUST 31, 2021 | | AUGUST 31, 2020 | |
|---|---|---|---|---|
| | CURRENT | NON-CURRENT | CURRENT | NON-CURRENT |
| **Investments in non-consolidated companies** | — | 643 | — | 485 |
| **Financial assets related to the Benefits & Rewards Services activity, including restricted cash** | **1,062** | **—** | **1,103** | **—** |
| Cost* | 1,062 | — | 1,103 | — |
| Impairment | — | — | — | — |
| **Receivables from investees** | **—** | **17** | **—** | **17** |
| Cost | — | 17 | — | 17 |
| Impairment | — | — | — | — |
| **Loans and deposits** | **39** | **75** | **40** | **100** |
| Cost | 39 | 104 | 40 | 115 |
| Impairment | — | (29) | — | (15) |
| **Derivative financial instruments** | **16** | **—** | **11** | **11** |
| **FINANCIAL ASSETS** | **1,117** | **734** | **1,154** | **612** |
| Cost | 1,117 | 815 | 1,154 | 659 |
| Impairment | — | (81) | — | (46) |

* The split between financial assets at amortized cost and cash and cash equivalent is presented in note 12.6.

**PRINCIPAL INVESTMENTS IN NON-CONSOLIDATED COMPANIES**

The Group holds 19.61% of the shares in Bellon SA, the Parent company of Sodexo S.A., carried at a value of 481 million euro. In accordance with IFRS 9, this financial asset is, as from September 1, 2018, measured at fair value through other comprehensive income. The method used for determining the fair value of this investment is described in note 12.6 “Financial instruments”.

**RESTRICTED CASH AND FINANCIAL ASSETS RELATED TO THE BENEFITS & REWARDS SERVICES ACTIVITY**

Restricted cash corresponds to 773 million euro of “Financial assets related to the Benefits & Rewards Services activity” primarily in funds set aside to comply with regulations governing the issuance of service vouchers in France (311 million euro), Romania (123 million euro), Belgium (104 million euro), India (99 million euro) and China (64 million euro). The funds remain the property of Sodexo but are subject to restrictions on their use. They may not be used for any purpose other than to reimburse affiliates and must be kept separate from the Group’s unrestricted cash. Restricted cash is invested in interest-bearing instruments.

Restricted cash and financial assets related to the Benefits & Rewards Services activity breaks down as follows by currency:

| (in millions of euro) | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|
| Euro | 439 | 470 |
| U.S. dollar | 6 | 5 |
| Brazilian real | 206 | 211 |
| Other currencies | 411 | 417 |
| **TOTAL RESTRICTED CASH AND FINANCIAL ASSETS RELATED TO THE BENEFITS & REWARDS SERVICES ACTIVITY** | **1,062** | **1,103** |

### 12.3.2 Changes in current and non-current financial assets excluding derivative financial instruments

| CARRYING AMOUNT (in millions of euro) | AUGUST 31, 2020 | INCREASE/(DECREASE) DURING THE PERIOD | IMPAIRMENT | CHANGES IN SCOPE OF CONSOLIDATION | CHANGE IN FAIR VALUE | | CURRENCY TRANSLATION ADJUSTMENT AND OTHER | AUGUST 31, 2021 |
|---|---|---|---|---|---|---|---|---|
| | | | | | INCOME | OCI | | |
| Investments in non-consolidated companies | 485 | 64 | 1 | (1) | | 98 | (3) | 643 |
| Financial assets related to the Benefits & Rewards Services activity, including restricted cash | 1,103 | (45) | — | (1) | — | (5) | 10 | 1,062 |
| Receivables from investees | 17 | (1) | — | — | — | — | 1 | 17 |
| Loans and deposits | 140 | (10) | (15) | — | — | — | 1 | 114 |
| **FINANCIAL ASSETS EXCLUDING FINANCIAL DERIVATIVES INSTRUMENTS** | **1,744** | **7** | **(14)** | **(2)** | **—** | **93** | **8** | **1,835** |

| CARRYING AMOUNT (in millions of euro) | AUGUST 31, 2019 | INCREASE/(DECREASE) DURING THE PERIOD | IMPAIRMENT | CHANGES IN SCOPE OF CONSOLIDATION | CHANGE IN FAIR VALUE | | CURRENCY TRANSLATION ADJUSTMENT AND OTHER | AUGUST 31, 2020 |
|---|---|---|---|---|---|---|---|---|
| | | | | | INCOME | OCI | | |
| Investments in non-consolidated companies | 896 | 3 | — | 3 | — | (384) | (33) | 485 |
| Financial assets related to the Benefits & Rewards Services activity, including restricted cash | 1,120 | 93 | — | — | — | — | (110) | 1,103 |
| Receivables from investees | 17 | — | — | — | — | — | — | 17 |
| Loans and deposits | 145 | 19 | (9) | — | — | — | (15) | 140 |
| **FINANCIAL ASSETS EXCLUDING FINANCIAL DERIVATIVE INSTRUMENTS** | **2,177** | **115** | **(9)** | **3** | **—** | **(384)** | **(158)** | **1,744** |

## 12.4 Borrowings

Changes in borrowings during Fiscal 2021 and Fiscal 2020 were as follows:

| (in millions of euro) | AUGUST 31, 2020 | INCREASES | REPAYMENTS | DISCOUNTING EFFECTS AND OTHER | CURRENCY TRANSLATION ADJUSTMENT | CHANGES IN SCOPE OF CONSOLIDATION | AUGUST 31, 2021 |
|---|---|---|---|---|---|---|---|
| Bond issues(1) | 4,960 | 1,116 | (57) | 9 | 26 | — | 6,053 |
| Private Placements and bank borrowings | 6 | 5 | (10) | — | — | — | 1 |
| Other borrowings | 29 | 44 | (2) | (14) | 1 | (28) | 30 |
| **TOTAL BORROWINGS EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS** | **4,996** | **1,165** | **(69)** | **(5)** | **26** | **(28)** | **6,084** |
| Net fair value of derivative financial instruments(2) | (4) | (1) | 13 | (10) | (11) | — | (13) |
| **TOTAL BORROWINGS** | **4,992** | **1,165** | **(57)** | **(15)** | **15** | **(28)** | **6,071** |

(1) The increase of 1,116 million euro mainly corresponds to the issuance of new bonds for 1,043 million euro by Sodexo, Inc. (see note 12.4.2).
(2) Including derivative financial instruments of 4 million euro recorded in liabilities as of August 31, 2021 (19 million euro as of August 31, 2020).

| (in millions of euro) | AUGUST 31, 2019 | INCREASES | REPAYMENTS | DISCOUNTING EFFECTS AND OTHER | CURRENCY TRANSLATION ADJUSTMENT | CHANGES IN SCOPE OF CONSOLIDATION | AUGUST 31, 2020 |
|---|---|---|---|---|---|---|---|
| Bond issues | 2,468 | 2,526 | (37) | — | 3 | — | 4,960 |
| Private Placements and bank borrowings | 1,577 | 737 | (2,268) | — | (41) | 2 | 6 |
| Finance lease obligations | 5 | — | — | (5) | — | — | — |
| Other borrowings | 34 | 5 | (11) | (2) | (3) | 6 | 29 |
| **TOTAL BORROWINGS EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS** | **4,084** | **3,268** | **(2,315)** | **(7)** | **(41)** | **8** | **4,996** |
| Net fair value of derivative financial instruments | (6) | (3) | 5 | 1 | (1) | — | (4) |
| **TOTAL BORROWINGS** | **4,078** | **3,265** | **(2,310)** | **(6)** | **(43)** | **8** | **4,992** |

## 12.4.1 Borrowings by currency

| | AUGUST 31, 2021 | | AUGUST 31, 2020 | |
|---|---|---|---|---|
| (in millions of euro) | CURRENT | NON-CURRENT | CURRENT | NON-CURRENT |
| **Bond issues(1)** | | | | |
| U.S. dollar (USD) | 18 | 1,056 | — | — |
| Euro | 613 | 4,076 | 12 | 4,670 |
| Sterling pound | 1 | 289 | 1 | 277 |
| TOTAL | 631 | 5,421 | 13 | 4,947 |
| **Private Placements and bank borrowings** | | | | |
| U.S. dollar (USD) | — | — | — | (2) |
| Euro | 1 | — | 1 | 3 |
| Other currencies | — | — | 4 | — |
| TOTAL | 1 | — | 5 | 1 |
| **Other borrowings(2)** | | | | |
| Euro | 0 | 8 | 3 | 15 |
| Sterling pound | 0 | 8 | — | — |
| Other currencies | 0 | 14 | — | 11 |
| TOTAL | 0 | 30 | 3 | 26 |
| **BORROWINGS EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS** | **633** | **5,451** | **21** | **4,975** |
| Net fair value of derivative financial instruments(3) | (14) | 1 | (6) | 2 |
| **BORROWINGS** | **619** | **5,453** | **14** | **4,977** |

(1) Including, as of August 31, 2021, 4,979 million euro bonds issued by Sodexo S.A. and 1,074 million euro bonds issued by Sodexo, Inc.
(2) Of which 25 million euro as of August 31, 2021 (24 million euro as of August 31, 2020) corresponding to liabilities recognized in connection with written put options over non-controlling interests in certain subsidiaries.
(3) Described in note 12.5.

For borrowings other than bond issues, amortized cost is equivalent to historical cost (nominal amount) insofar as no significant transaction costs are incurred.

## 12.4.2 Bond issues

- On April 16, 2021, Sodexo, Inc., U.S. subsidiary of Sodexo S.A., completed a bond issue of 1.25 billion U.S. dollars structured in two tranches:
- 500 million U.S. dollars redeemable at par value in April 2026 and bearing interest at an annual rate of 1.634%, with interest payable semi-annually on April and October 16;
- 750 million U.S. dollars redeemable at par value in April 2031 and bearing interest at an annual rate of 2.718%, with interest payable semi-annually on April and October 16;
- 375 million (or 50%) of the 750 million U.S. dollars bond due in April 2031 was converted at the time of issuance from fixed to floating rate using interest rate swaps. The interest rate applicable on these floating interest rate swaps at August 31, 2021 was 1.29%.

Accrued interest on these bonds amounted to 9 million euro as of August 31, 2021.

On July 17, 2020, Sodexo S.A. issued a bond structured in two tranches:

- 500 million euro tranche redeemable at par value on January 17, 2024 and bearing interest at an annual rate of 0.5%, with interest payable annually on January 17;
- 500 million euro tranche redeemable at par value on July 17, 2028 and bearing interest at an annual rate of 1.0%, with interest payable annually on July 17.

Accrued interest on these bonds amounted to 2 million euro as of August 31, 2021.

On April 27, 2020, Sodexo S.A. issued a bond structured in two tranches:

- 700 million euro tranche redeemable at par value on April 27, 2025 and bearing interest at an annual rate of 0.75%, with interest payable annually on April 27;
- 800 million euro tranche redeemable at par value on April 27, 2029 and bearing interest at an annual rate of 1.0%, with interest payable annually on April 27.

Accrued interest on these bonds amounted to 5 million euro as of August 31, 2021.

On June 26, 2019, Sodexo S.A. issued bonds for 250 million pounds Sterling redeemable in June 2028 and bearing interest at an annual rate of 1.75%, with interest payable annually on June 26. Accrued interests on this bond amounted to 1 million euro as of August 31, 2021.

On May 22, 2018, Sodexo S.A. issued bonds for 300 million euro redeemable in May 2025 and bearing interest at an annual rate of 1.125%, with interest payable annually on May 22. Accrued interests on this bond amounted to 1 million euro as of August 31, 2021.

On October 14, 2016 Sodexo S.A. issued bonds for 600 million euro redeemable in April 2027 and bearing interest at an annual rate of 0.75%, with interest payable annually on April 14. On August 1, 2017, the Company increased this issue with an additional 200 million euro of bonds. Accrued interests on these bonds amounted to 2 million euro as of August 31, 2021.

On June 24, 2014, Sodexo S.A. completed a bond issue structured in two tranches:

- a 600 million euro tranche redeemable at par value on January 24, 2022 and bearing interest at an annual rate of 1.75%, with interest payable annually on January 24;
- a 500 million euro tranche redeemable at par value on June 24, 2026 and bearing interest at an annual rate of 2.50%, with interest payable annually on June 24.

Accrued interests on these bonds amounted to 9 million euro as of August 31, 2021.

None of the above-described bonds are subject to financial covenant.

## 12.4.3 Other borrowings

### 12.4.3.1 CREDIT FACILITIES

#### July 2011 multicurrency confirmed credit facility

On July 18, 2011, Sodexo S.A. contracted a multicurrency credit facility for a maximum of 600 million euro plus 800 million U.S. dollars, with an original maturity date of July 18, 2016. This facility has been amended on a number of occasions with the most recent amendment being in July 2019 with a new maturity date of July 2024, with two options to extend the maturity by one year each, up to July 2026. The first option to extend this facility was executed during Fiscal 2020 and the second was executed during Fiscal 2021. The facility maturity date is now July 2026. The maximum available limits under this facility now are 589 million euro plus 785 million U.S. dollars.

The most recent amendment also incorporates a sustainability clause that links the credit facility cost to Sodexo's ability to comply with its public commitment to reduce its food waste by 50% by 2025.

Amounts drawn on this facility carry floating interest indexed on the LIBOR and EURIBOR rates. This credit facility is not subject to any covenant.

No amounts had been drawn down on the facility as of either August 31, 2021 nor as of August 31, 2020.

Concerning the benchmark rate reform, the Group is finalizing the discussions with their counterparts to negotiate the change of the rates, which include essentially this multilateral credit facility.

#### Bilateral confirmed credit facility

On May 20, 2020, the Group obtained a further two bilateral facilities totaling 250 million euro. One facility is a 150 million euro facility and has matured on May 2021 and the second facility is a 100 million euro facility that has matured in September 2021 following the execution of the option to extend the facility for a further 8 months in January 2021.

On February 13, 2020, the Group obtained a third 150 million euro bilateral confirmed credit facility expiring in February 2024.

On December 18, 2019, the Group obtained two 150 million euro bilateral confirmed credit facility, both are due to expire in December 2023.

No amounts had been drawn down on any of these facilities as of August 31, 2021.

### 12.4.3.2 COMMERCIAL PAPER

Borrowings under the Sodexo S.A. and Sodexo Finance commercial paper programs are nil either as of August 31, 2021 nor of August 31, 2020.

### 12.4.3.3 U.S. PRIVATE PLACEMENTS

During Fiscal 2020, Sodexo S.A. and Sodexo, Inc. reimbursed the outstanding nominal amount of loans taken out between 2011 and 2018 from U.S. investors (1,557 million U.S. dollars). In accordance with the terms of the USPP loans, this repayment resulted in the payment of an indemnity of 168 million U.S. dollars (150 million euro).

### 12.4.4 Interest rates

In order to comply with the Group's financing policy, substantially all borrowings are long term and at fixed interest rates.

As of August 31, 2021, 95% of the Group's borrowings were at fixed rate. The average rate of interest as of the same date was 1.6%.

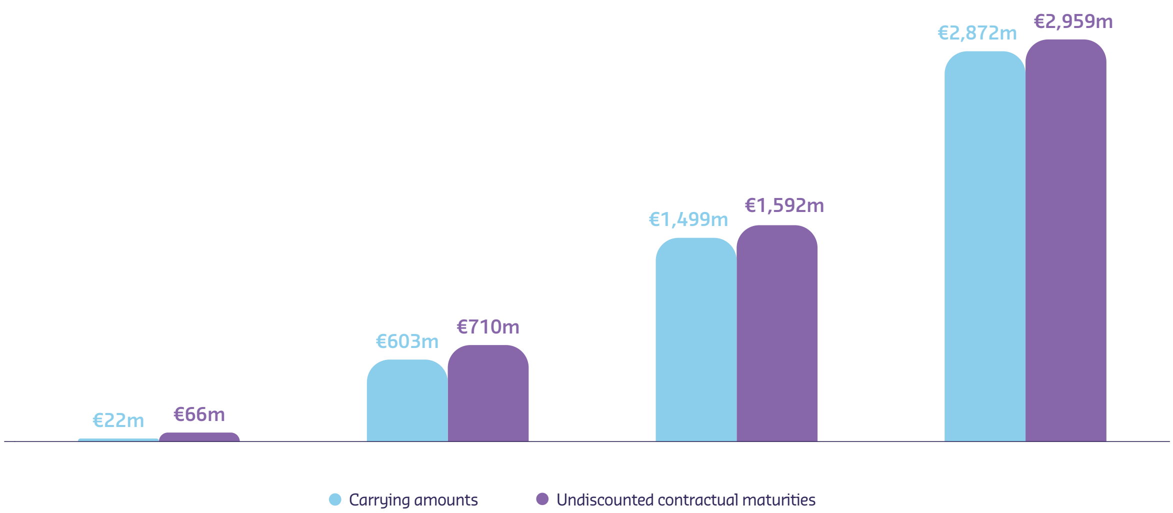
As of August 31, 2020, 100% of the Group's borrowings were at fixed rate. The average rate of interest as of the same date was 1.6%.

The bond issues and borrowings from financial institutions described above include customary early redemption clauses. These clauses include cross-default and change-in-control clauses which apply to all of the borrowings.

### 12.4.5 Maturity of borrowings

**BORROWINGS EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS AS OF AUGUST 31, 2021**


**BORROWINGS EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS AS OF AUGUST 31, 2020**




For borrowings expressed in a foreign currency, amounts are translated at the year-end closing rate

Maturities include interest accrued as of the period end. Credit facility renewal rights are taken into account to determine the maturities.

The undiscounted contractual maturities include payment of future interest not due yet.

4

## 12.5 Derivative financial instruments

The fair values of Sodexo's derivative financial instruments are as follows:

| DERIVATIVE FINANCIAL INSTRUMENTS (in millions of euro) | IFRS CLASSIFICATION | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|---|
| **Interest instruments** | | **2** | **3** |
| Assets | *Trading* | 6 | 19 |
| Liabilities | *Trading* | (4) | (16) |
| **Currency/cross-currency instruments*** | | **11** | **—** |
| Assets | *Fair value hedge* | 11 | — |
| Liabilities | *Fair value hedge* | — | — |
| **Cross-currency swaps** | | **—** | **1** |
| Assets | *Cash flow hedge* | — | 4 |
| Liabilities | *Cash flow hedge* | — | (3) |
| **NET DERIVATIVE FINANCIAL INSTRUMENTS** | | **13** | **4** |

* Corresponds to the floating-rate swaps on fixed-rate bonds issued by Sodexo, Inc. described in note 12.4.2.

The face value and fair value of currency instruments and cross-currency swaps are as follows by maturity:

| | AUGUST 31, 2021 | | | | AUGUST 31, 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| (in millions of euro) | LESS THAN 1 YEAR | 1 TO 5 YEARS | MORE THAN 5 YEARS | TOTAL | LESS THAN 1 YEAR | 1 TO 5 YEARS | MORE THAN 5 YEARS | TOTAL |
| **Currency lender positions** | **45** | **8** | **1** | **54** | **53** | **4** | **—** | **57** |
| Czech crown/Euro | — | — | — | — | 45 | — | — | 45 |
| Polish zloty/Euro | 9 | — | — | 9 | — | — | — | — |
| Other | 36 | 8 | 1 | 45 | 8 | 4 | — | 12 |
| **Currency borrower positions** | **(374)** | **(10)** | **(10)** | **(394)** | **(719)** | **(1)** | **(1)** | **(721)** |
| Pound Sterling/Euro | — | — | — | — | (3) | — | — | (3) |
| Brazilian real/Euro | — | — | — | — | (23) | — | — | (23) |
| Dollar/Euro | (302) | — | — | (302) | (677) | — | — | (677) |
| Other | (72) | (10) | (10) | (92) | (16) | (1) | (1) | (18) |
| **TOTAL FACE VALUE** | **(329)** | **(1)** | **(9)** | **(340)** | **(666)** | **3** | **(1)** | **(663)** |
| **Fair value** | **17** | **(4)** | **—** | **13** | **6** | **(2)** | **—** | **4** |

The face value represents the nominal value of currency hedging instruments, including amounts related to forward agreements. Foreign currency amounts are translated at year-end closing rates.

## 12.6 Financial instruments

The table below presents the categories of financial instruments, their carrying amount and their fair value, by item in the consolidated statement of financial position.

The fair value hierarchy used in classifying financial instruments is provided for in IFRS 13 "Fair value measurement" as defined in note 2.3.

| FINANCIAL ASSETS (in millions of euro) | CATEGORY | NOTE | AUGUST 31, 2021 CARRYING AMOUNT | AUGUST 31, 2021 FAIR VALUE | FAIR VALUE LEVEL LEVEL 1 | LEVEL 2 | LEVEL 3 | TOTAL |
|---|---|---|---|---|---|---|---|---|
| Marketable securities | Financial assets at fair value through profit or loss | 12.2 | 328 | 328 | 15 | 313 | — | 328 |
| Restricted cash and financial assets related to the Benefits & Rewards Services activity | Financial assets at amortized cost | 12.3 | 773 | 773 | — | — | — | — |
| | Cash and cash equivalents | 12.3 | 289 | 289 | 289 | — | — | 289 |
| Trade and other receivables | Financial assets at amortized cost | 4.3 | 4,271 | 4,271 | — | — | — | — |
| Other financial assets | Financial assets at fair value through other comprehensive income | 12.3 | 643 | 643 | — | — | 643 | 643 |
| | Financial assets at amortized cost | 12.3 | 131 | 131 | — | — | — | — |
| Derivative financial instrument assets | | 12.5 | 17 | 17 | — | 17 | — | 17 |

| FINANCIAL LIABILITIES (in millions of euro) | CATEGORY | NOTE | AUGUST 31, 2021 CARRYING AMOUNT | AUGUST 31, 2021 FAIR VALUE | FAIR VALUE LEVEL LEVEL 1 | LEVEL 2 | LEVEL 3 | TOTAL |
|---|---|---|---|---|---|---|---|---|
| Bond issues* | Financial liabilities at amortized cost | 12.4 | 6,053 | 6,283 | 6,283 | — | — | 6,283 |
| Bank borrowings | Financial liabilities at amortized cost | 12.4 | 1 | 1 | 1 | — | — | 1 |
| Other borrowings | Financial liabilities at amortized cost | 12.4 | 30 | 30 | 30 | — | — | 30 |
| Bank overdrafts | Financial liabilities at amortized cost | 12.2 | 7 | 7 | 7 | — | — | 7 |
| Trade and other payables | Financial liabilities at amortized cost | 4.3 | 4,429 | 4,429 | — | — | — | — |
| Vouchers payable | Financial liabilities at amortized cost | 4.5 | 3,133 | 3,133 | — | — | — | — |
| Derivative financial instrument liabilities | | 12.5 | 4 | 4 | — | 4 | — | 4 |

* Fair value is calculated on the basis of listed bond prices as of August 31, 2021.

| FINANCIAL ASSETS (in millions of euro) | CATEGORY | NOTE | AUGUST 31, 2020 CARRYING AMOUNT | FAIR VALUE | FAIR VALUE LEVEL LEVEL 1 | LEVEL 2 | LEVEL 3 | TOTAL |
|---|---|---|---|---|---|---|---|---|
| Marketable securities | Financial assets at fair value through profit or loss | 12.2 | 354 | 354 | 22 | 332 | — | 354 |
| Restricted cash and financial assets related to the Benefits & Rewards Services activity | Financial assets at amortized cost | 12.3 | 727 | 727 | — | — | — | — |
| | Cash and cash equivalents | 12.3 | 376 | 376 | 376 | — | — | 376 |
| Trade and other receivables | Financial assets at amortized cost | 4.3 | 4,070 | 4,070 | — | — | — | — |
| Other financial assets | Financial assets atfair value through other comprehensive income | 12.3 | 485 | 485 | — | — | 485 | 485 |
| | Financial assets at amortized cost | 12.3 | 156 | 156 | — | — | — | — |
| Derivative financial instrument assets | | 12.5 | 23 | 23 | — | 23 | — | 23 |

| FINANCIAL LIABILITIES (in millions of euro) | CATEGORY | NOTE | AUGUST 31, 2020 CARRYING AMOUNT | FAIR VALUE | FAIR VALUE LEVEL LEVEL 1 | LEVEL 2 | LEVEL 3 | TOTAL |
|---|---|---|---|---|---|---|---|---|
| Bond issues* | Financial liabilities at amortized cost | 12.4 | 4,960 | 5,100 | 5,100 | — | — | 5,100 |
| Bank borrowings | Financial liabilities at amortized cost | 12.4 | 6 | 6 | 6 | — | — | 6 |
| Other borrowings | Financial liabilities at amortized cost | 12.4 | 29 | 29 | 29 | — | — | 29 |
| Bank overdrafts | Financial liabilities at amortized cost | 12.2 | 6 | 6 | 6 | — | — | 6 |
| Trade and other payables | Financial liabilities at amortized cost | 4.3 | 4,020 | 4,020 | — | — | — | — |
| Vouchers payable | Financial liabilities at amortized cost | 4.5 | 3,117 | 3,117 | — | — | — | — |
| Derivative financial instrument liabilities | | 12.5 | (19) | (19) | — | (19) | — | (19) |

* Fair value is calculated on the basis of listed bond prices as of August 31, 2020.

There were no transfers between the various fair value hierarchy levels between Fiscal 2020 and Fiscal 2021.

#### FAIR VALUE LEVEL 3: MEASUREMENT OF BELLON SA SECURITIES

The Group holds, through its wholly-owned subsidiary Sofinsod, a 19.61% stake in Bellon SA, a company that controls Sodexo S.A. with 42.75% of its shares and 57.25% of its voting rights exercisable on August 31, 2021. This shareholding does not give the Group significant influence over Bellon SA, as voting rights attached to Bellon SA shares cannot be exercised by Sofinsod, in accordance with the provisions of article L.233-31 of *Code de commerce*.

Due to the application of IFRS 9, the Group assessed this investment at its fair value, determined in accordance with IFRS 13, and opted for accounting for subsequent changes in fair value in other non-recyclable items of consolidated comprehensive income.

The management conducted a fair value assessment of the equity participation in the first application of IFRS 9, with the support of two independent experts. The valuation of the fair value of the investment depends, among other things, on the revalued Net Asset Value (NAV) of Bellon SA which has limited debt and holds no assets other than shares of Sodexo S.A. These shares are valued at their closing share price for the calculation of the NAV of Bellon SA.

The bylaws of Bellon SA include a clause which restricts the sale of Bellon SA shares to non-shareholder third parties, subject to the prior approval of its Supervisory Board. Bellon SA is controlled 72.6% by Mr. and Mrs. Pierre Bellon, and their four children who signed in June 2015 a 50-year agreement preventing the direct descendants of Mr. and Mrs. Pierre Bellon from freely disposing of their Bellon SA shares. The sole asset of Bellon SA being its interest in Sodexo, it can be inferred that Bellon SA does not intend to sell this interest to third parties.

These specific characteristics imply very limited liquidity for the shares that Sofinsod holds in Bellon SA. The valuation method used by management (Level 3 of the hierarchy defined by IFRS 13) incorporates this illiquidity on the one hand, as well as all of the characteristics of the holding's ownership structure, on the other hand. This method results in a discount to net asset value on Bellon SA estimated at 40% as of September 1, 2018 and August 31, 2020.

As of August 31, 2021, the fair value of the investment is assessed at 481 million euro, and its change since the opening of the year has been recorded in other non-recyclable items of comprehensive income. Its fair value was assessed to 410 million euro as of August 31, 2020.

# NOTE 13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

The Group policies and procedures adopted by the Board of Directors, the Chief Executive Officer and the Group Chief Financial Officer are designed to prevent speculative positions. Furthermore, under them:

- substantially all borrowings must be at fixed rates of interest, or converted to fixed-rate using hedging instruments;
- in the context of financing policy, foreign exchange risk on loans to subsidiaries must be hedged;
- the maturity of hedging instruments must not exceed the maturity of the borrowings they hedge.

## 13.1 Analysis of sensitivity to interest rates

As of August 31, 2021, an increase or a decrease in interest rates would have had no material impact on profit before tax or on shareholders' equity as 95% of all liabilities at those dates were at a fixed rate of interest.

## 13.2 Analysis of sensitivity to foreign exchange rates and exchange rate exposures on principal currencies

Because Sodexo has operations in 56 countries, all components of the financial statements are influenced by foreign currency translation effects, and in particular by fluctuations in the U.S. dollar. However, exchange rate fluctuations do not generate any operational risk, because each of the Group's subsidiaries invoices its revenues and incurs its expenses in the same currency.

Sodexo S.A. uses derivative instruments to manage the Group's risk exposure resulting from the volatility of exchange rates.

#### SENSITIVITY TO EXCHANGE RATES

| IMPACT OF A 10% APPRECIATION OF THE EXCHANGE RATE OF THE FOLLOWING CURRENCIES AGAINST THE EURO (in millions of euro) | AUGUST 31, 2021 | | | | AUGUST 31, 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | IMPACT ON REVENUES | IMPACT ON OPERATING PROFIT | IMPACT ON PROFIT BEFORE TAX | IMPACT ON SHAREHOLDERS' EQUITY | IMPACT ON REVENUES | IMPACT ON OPERATING PROFIT | IMPACT ON PROFIT BEFORE TAX | IMPACT ON SHAREHOLDERS' EQUITY |
| U.S. dollar (USD) | 619 | 20 | 7 | 220 | 766 | 8 | (13) | 217 |
| Brazilian real (BRL) | 82 | 12 | 6 | 64 | 92 | 13 | 13 | 60 |
| Pound Sterling (GBP) | 189 | 8 | 11 | 74 | 175 | 7 | 7 | 61 |

## 13.3 Exposure to liquidity risk

The nature of the Group's bank borrowings and bond issues as of August 31, 2021 is described in detail in note 12.4.

As of August 31, 2021, and as of August 31, 2020, more than 99% of the Group's consolidated borrowings was raised on capital markets and bank financing covered less than 1% of the Group's financing needs. The maturity dates of the main borrowings range between Fiscal 2022 and Fiscal 2031.

## 13.4 Exposure to counterparty risk

Exposure to counterparty risk is limited to the carrying amount of financial assets.

Group policies and procedures are to manage and spread counterparty risk. For derivative financial instruments, each transaction with a bank is required to be based on a master contract modelled on the standard contract issued by the French Bankers' Association (AFB) or the International Swaps and Derivatives Association (ISDA).

Counterparty risk relating to client accounts receivable is immaterial. Due to the Group's geographic and segment spread, there is no concentration of risk on past due individual receivables for which no provision has been recorded. Given the degradation in the economic environment resulting from the Covid-19 pandemic, the Group has reinforced its credit risk tracking.

Thus, the Group did not record any significant change in the impacts related to the proven financial failures of its customers during the year. The net carrying amount of overdue receivables amounts to 476 million euro, of which 58 million are beyond 6 months (1.6% of total net accounts receivable as of August 31, 2021 *vs.* 2% as of August 31, 2020).

The main counterparty risk is bank-related. The Group has limited its exposure to counterparty risk by diversifying its investments and limiting the concentration of risk held by each of its counterparties. Transactions are conducted with highly creditworthy counterparties taking into consideration country risk. The Group has instituted a regular reporting of the risk spread between counterparties and of their quality.

To reduce this risk further, in Fiscal 2011 the Group implemented an international cash pooling mechanism between its main subsidiaries (with a netting facility), reducing the amount of liquidity held by third parties by concentrating it in the Group's financial holding companies.

The maximum counterparty represents approximately 17% (13% as of August 31, 2020) of the Group's operating cash (including restricted cash and financial assets related to the Benefits & Rewards Services activity) and is with a banking group whose rating is A-1.

# NOTE 14. OTHER INFORMATION

## 14.1 Subsequent events

On October 26, 2021, the Group has early redeemed in full its outstanding 600 million euro bonds with ISIN XS1080163709 issued in June 2014, bearing an annual interest coupon of 1.75% and due to mature on January 24, 2022. This redemption without penalties reduces the cost of debt and the non performing surplus cash deposits.

## 14.2 Commitments and contingencies

### 14.2.1 Sureties

Commitments arising from surety arrangements (pledges, charges secured against plant and equipment, and real estate mortgages) contracted by Sodexo S.A. and its subsidiaries in connection with operating activities during Fiscal 2021 are not material.

### 14.2.2 Other commitments given

| | AUGUST 31, 2021 | | | | AUGUST 31, 2020 |
|---|---|---|---|---|---|
| (in millions of euro) | LESS THAN 1 YEAR | 1 TO 5 YEARS | MORE THAN 5 YEARS | TOTAL | TOTAL |
| Financial guarantees to third parties | — | 20 | — | 20 | 1 |
| Site management commitments | — | — | — | — | — |
| Performance bonds given to clients | 21 | 8 | 107 | 136 | 184 |
| Other commitments | 6 | 139 | 1 | 145 | 131 |
| **TOTAL OTHER COMMITMENTS GIVEN** | **28** | **167** | **109** | **301** | **316** |

The performance bonds given to clients relate to around fifteen sub-contracting contracts where the Group considers that it may be exposed to indemnity payments if it is unable to fulfill the service obligation. These bonds are subject to regular review by the management of the business unit and a provision is recorded as soon as payment under a bond becomes probable. For all other contracts with a performance bond, Sodexo considers that it can deploy the additional resources needed to avoid paying compensation under the bond.

The Group also has performance obligations to clients, but regards these as having the essential features of a performance guarantee rather than an insurance contract designed to compensate the client in the event of non-fulfillment of the service obligation (compensation is generally due only where Sodexo is unable to provide alternative or additional resources to fulfill the obligation to the client).

In practice, given its size and geographical reach, Sodexo considers itself capable of providing the additional resources required to avoid paying compensation to clients protected by such clauses.

At this time, no provision has been recorded in the consolidated statement of financial position with respect to these guarantees.

The "Other commitments" line mainly includes the 12-year guarantee given by Sodexo S.A. in October 2012 to the Trustee of the UK pension plan (*i.e.*, until October 2024) for a maximum of 100 million pounds Sterling in order to cover Sodexo UK's obligations in connection with the plan.

## 14.3 Related parties

### 14.3.1 Principal shareholder

As of August 31, 2021, Bellon SA held 42.75%  of the capital of Sodexo and 57.25% of the exercisable voting rights.

The expense recognized in Fiscal 2021 under an assistance and advisory services contract between Bellon SA and Sodexo S.A. amounts to 3,7 million euro (1.5 million euro in Fiscal 2020).

No dividend was paid to Bellon SA from Sodexo S.A. in 2021.

The Group received dividends of 2.9 million euro from Bellon SA during Fiscal 2021.

### 14.3.2 Non-consolidated companies

Other transactions with related companies comprise loans advanced, commercial transactions, and off-balance sheet commitments involving associates and non-consolidated companies.

| | AUGUST 31, 2021 | | | AUGUST 31, 2020 |
|---|---|---|---|---|
| (in millions of euro) | GROSS AMOUNT | IMPAIRMENT | CARRYING AMOUNT | CARRYING AMOUNT |
| Loans | 52 | — | 52 | 48 |

| OFF-BALANCE SHEET COMMITMENTS | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|
| Financial guarantees to third parties | 20 | 1 |
| Performance bonds given to clients | 136 | 184 |

| TRANSACTIONS | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| Revenues | 299 | 296 |
| Operating expenses | (3) | (4) |
| Financial income and expense, net | 1 | 1 |

## 14.4 Scope of consolidation

The main companies consolidated as of August 31, 2021 and presented in the table below together represent over 80% of consolidated revenues, operating profit, profit for the period attributable to equity holders of the parent, and shareholders' equity. The other entities individually represent less than 0.6% of each of these items.

The first column shows the percentage interest held by the Group, and the second column the percentage of voting rights held by the Group. Percentage interests and percentages of voting rights are only shown if less than 97%.

Companies newly consolidated during the year are indicated by the letter "N".

| | % INTEREST | % VOTING RIGHTS | PRINCIPAL ACTIVITY | COUNTRY |
|---|---|---|---|---|
| **France** | | | | |
| Sodexo S.A. | | | Holding | France |
| Sodexo Entreprises (consolidated) | | | On-site | France |
| Sodexo Santé Médico Social | | | On-site | France |
| Société Française de Restauration et Services (consolidated) | | | On-site | France |
| Segsmhi (Le Lido) | | | On-site | France |
| Sogeres | | | On-site | France |
| Lenôtre SA (consolidated) | | | On-site | France |
| Umanis | | | On-site | France |
| Sodexo Sports et Loisirs | | | On-site | France |
| Sodexo Justice Services | | | On-site | France |
| Société d'Exploitation des Vedettes Paris Tour Eiffel (SEVPTE) | | | On-site | France |
| Yachts de Paris | | | On-site | France |
| Sodexo Energie et Maintenance | | | On-site | France |
| Foodchéri | | | On-site | France |
| Sodexo Pass International SAS | | | Holding | France |
| Sodexo Pass France SA | | | Benefits & Rewards | France |
| Sofinsod SAS | | | Holding | France |
| **Americas** | | | | |
| Sodexo do Brasil Comercial SA (consolidated) | | | On-site | Brazil |
| Sodexo Pass do Brasil Serviços E Comércio SA | | | Benefits & Rewards | Brazil |
| Sodexo Facilities Services Ltda | | | On-site | Brazil |
| Sodexo S.A.S. | | | On-site | Colombia |
| Sodexo Canada Ltd (consolidated) | | | On-site | Canada |
| Centerplate Canada | | | On-site | Canada |
| Sodexo Chile SpA (consolidated) | | | On-site | Chile |
| Sodexo, Inc. (consolidated) | | | On-site | United States |
| Centerplate Ultimate Holdings, Corp. | | | On-site | United States |
| CK Franchising Inc. | | | On-site | United States |
| Inspirus LLC | | | Benefits & Rewards | United States |
| Sodexo Global Services, LLC | | | Holding | United States |
| Sodexo Peru SAC | | | On-site | Mexico |
| Sodexo Mexico SA de CV | | | On-site | Peru |
| **Europe** | | | | |
| Sodexo Services GmbH (consolidated) | | | On-site | Germany |
| Sodexo Beteiligungs BV & Co. KG | | | On-site | Germany |
| GA-tec Gebäude und Anlagentechnik GmbH | | | On-site | Germany |
| Sodexo Services Solutions Austria GmbH | | | On-site | Austria |
| Sodexo Belgium SA (consolidated) | | | On-site | Belgium |

| | | % INTEREST | % VOTING RIGHTS | PRINCIPAL ACTIVITY | COUNTRY |
|---|---|---|---|---|---|
| | Imagor SA | | | Benefits & Rewards | Belgium |
| | Sodexo Pass Belgium SA (consolidated) | | | Benefits & Rewards | Belgium |
| | Centerplate Europe Ltd | | | On-site | United Kingdom |
| | Centerplate ISG Limited | 60% | 60% | On-site | United Kingdom |
| | Sodexo Iberia SA (consolidated) | | | On-site | Spain |
| | CenterplateISG Espana S.L.U. | 60% | 60% | On-site | Spain |
| | Novae Restauration SA | | | On-site | Switzerland |
| | Sodexo Italia SpA (consolidated) | | | On-site | Italy |
| | Sodexo Nederland BV (consolidated) | | | On-site | Netherlands |
| | Sodexo Pass Česka Republika AS | | | Benefits & Rewards | Czech Republic |
| | Sodexo Ltd (consolidated) | | | On-site | United Kingdom |
| | Sodexo Global Services UK Ltd | | | Holding | United Kingdom |
| | Sodexo Motivation Solutions UK Ltd | | | Benefits & Rewards | United Kingdom |
| | Entegra Europe UK Limited | | | On-site | United Kingdom |
| | Sodexo Luxembourg SA | | | On-site | Luxembourg |
| | Sodexo Finances USD Ltd | | | Holding | United Kingdom |
| | Sodexo Finance Designated Activity Company | | | Holding | Ireland |
| | Sodexo Ireland Ltd | | | On-site | Ireland |
| | Sodexo Remote Sites Scotland Ltd | | | On-site | Scotland |
| | Sodexo Pass Romania Srl | | | Benefits & Rewards | Romania |
| | Sodexo Avantaj Ve Odullendirme Hizmetleri AS | | | Benefits & Rewards | Turkey |
| | Sodexo AS - Norway | | | On-site | Norway |
| | Sodexo AB | | | On-site | Sweden |
| **Asia, Pacific, Middle East, Africa** | | | | | |
| | Sodexo Australia Pty Ltd (consolidated) | | | On-site | Australia |
| | Sodexo Remote Sites Australia Pty Ltd | | | On-site | Australia |
| | Sodexo India Services Private LTD | | | On-site | India |
| | Sodexo (China) Enterprise Management Sces Co., Ltd | | | On-site | China |
| | Beijing Sodexo Service Co., Ltd | | | On-site | China |
| | Sodexo Management Company Ltd Shanghaï | | | On-site | China |
| | Sodexo Singapore PTE Ltd | | | On-site | Singapore |
| | Sodexo Services Asia | | | Holding | Singapore |
| | Kelvin Catering Services (Emirates) LLC | | | On-site | United Arab Emirates |

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## 14.5 Auditors' fees

| (in millions of euro excluding VAT) | PWC | | | | KPMG | | | |
|---|---|---|---|---|---|---|---|---|
| | PRICEWATERHOUSECOOPERS AUDIT | | NETWORK | | KPMG SA | | NETWORK | |
| | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| **Audit of individual company financial statements and consolidated financial statements** | | | | | | | | |
| Issuer | 0.8 | 52% | n/a | n/a | 0.7 | 37% | n/a | n/a |
| Consolidated subsidiaries | 0.5 | 29% | 4.7 | 89% | 1.0 | 53% | 2.7 | 87% |
| TOTAL AUDIT SERVICES | 1.3 | 80% | 4.7 | 89% | 1.7 | 89% | 2.7 | 87% |
| **Other services** | | | | | | | | |
| Issuer | 0.1 | 6% | 0.0 | 0% | 0.2 | 11% | 0.0 | 0% |
| Consolidated subsidiaries | 0.2 | 14% | 0.6 | 11% | 0.0 | 0% | 0.4 | 13% |
| TOTAL OTHER SERVICES | 0.3 | 20% | 0.6 | 11% | 0.2 | 11% | 0.4 | 13% |
| **TOTAL FEES** | **1.6** | **100%** | **5.3** | **100%** | **1.9** | **100%** | **3.1** | **100%** |

Services other than the certification of accounts provided by PricewaterhouseCoopers Audit and its network to the consolidated subsidiaries mainly consist of technical consultations and, outside France, tax compliance services.

Services other than the certification of accounts provided by KPMG SA to the consolidating entity mainly consist of professional services in the context of the non-financial performance; services other than the certification of accounts provided by its network to the consolidated subsidiaries mainly consist of professional services in the context of agreed upon procedures, issuance of attestations and tax compliance services.

# 4.3 SUPPLEMENTAL INFORMATION AND CONDENSED GROUP ORGANIZATION CHART

## 4.3.1 Financial ratios

| | | FISCAL 2021 | FISCAL 2020 |
|---|---|---|---|
| Gearing ratio | Borrowings (1) – operating cash (2) / Shareholders' equity and non-controlling interests | 46.6% | 67.4% |
| Net debt ratio* | Borrowings (1) – operating cash (2) / Underlying EBITDA (underlying operating profit before Interest, Taxes, Depreciation and Amortization) (3) | 1.7 | 2.1 |
| Debt coverage | Borrowings / Operating cash flow | 8 years | 7.5 years |
| Financial independence | Long-term borrowings / Shareholders' equity and non-controlling interests | 171.7% | 179.4% |
| Return on equity | Profit attributable to equity holders of the parent / Equity attributable to equity holders of the parent (before profit for the period) | 4.6% | -10.3% |
| ROCE (Return on capital employed)* | Underlying operating profit after tax (4) / Average capital employed (5) | 9.9% | 8.6% |
| Interest cover | Operating profit / Net borrowing cost | 4.1 | 0.6 |

Financial ratios have been computed based on the following key indicators:

| | | FISCAL 2021 | FISCAL 2020 |
|---|---|---|---|
| (1) Borrowings[1] | Long-term borrowings | 5,453 | 4,988 |
| | + Short-term borrowings | 635 | 27 |
| | - Derivative financial instruments recognized as assets | (17) | (22) |
| | **BORROWINGS** | **6,072** | **4,992** |
| (2) Operating cash | Cash and cash equivalents | 3,539 | 2,027 |
| | + Restricted cash and financial assets related to the Benefits & Rewards Services activity | 1,062 | 1,103 |
| | - Bank overdrafts | (7) | (6) |
| | **OPERATING CASH** | **4,594** | **3,124** |
| (3) Underlying EBITDA | Underlying operating profit | 578 | 569 |
| | + Depreciation and amortization | 537 | 622 |
| | payments | (260) | (285) |
| | **UNDERLYING EBITDA (UNDERLYING OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION)** | **854** | **905** |

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| | | FISCAL 2021 | FISCAL 2020 |
|---|---|---|---|
| (4) Underlying operating profit after tax | Underlying operating profit | 578 | 569 |
| | Underlying Effective tax rate[4] | 28.3% | 30.8% |
| | **UNDERLYING OPERATING PROFIT AFTER TAX** | **414** | **392** |
| (5) Average capital employed[2] | Property, plant and equipment | 513 | 625 |
| | + Right-of-use assets relating to leases | 1,112 | 1,406 |
| | + Leases liabilities | (1,148) | (1,424) |
| | + Goodwill | 5,787 | 5,961 |
| | + Other intangible assets | 652 | 737 |
| | + Client investments | 568 | 600 |
| | + Working capital excluding restricted cash and financial assets of the Benefits & Rewards Services activity | (3,391) | (3,343) |
| | + Impact of assets held for sale net of liabilities[3] | 78 | — |
| | **AVERAGE CAPITAL EMPLOYED** | **4,172** | **4,563** |

(1) The Group does not believe the accounting treatment introduced by IFRS 16 modifies the operating nature of its lease transactions. Accordingly, to ensure the Group's performance measures continue to best reflect its operating performance, the Group considers repayments of lease liabilities as operating items impacting the Free cash flow, which integrates all lease payments (fixed or variable). Consistently, the lease liabilities are not included in Net debt.
(2) Average capital employed between the beginning and the end of the period.
(3) Reinstatement of the capital employed of Childcare activity which gave rise to classification in assets and liabilities held for sale.
(4) Below the underlying effective tax rate calculation:

| | AUGUST 31, 2021 | | | AUGUST 31, 2020 | | |
|---|---|---|---|---|---|---|
| (in millions of euro) | PROFIT BEFORE TAX EXCLUDING SHARE OF PROFIT OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD | INCOME TAX | RATE | PROFIT BEFORE TAX EXCLUDING SHARE OF PROFIT OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD | INCOME TAX | RATE |
| **EFFECTIVE** | **229** | **(101)** | **43.9%** | **(230)** | **(98)** | **-42.6%** |
| *Adjustments:* | | | | | | |
| Restructuring costs | 153 | (39) | | 191 | (44) | |
| Impairment | 60 | (15) | | 273 | (57) | |
| Anticipated refund of USPP | — | — | | 150 | (42) | |
| Non recognition of non recurrent deferred taxes | — | 31 | | — | 122 | |
| Others | 25 | (8) | | 38 | (11) | |
| **UNDERLYING** | **467** | **(132)** | **28.3%** | **422** | **(131)** | **30.8%** |

## 4.3.2 Two-year financial summary

| | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| **Total shareholders' equity** | **3,175** | **2,773** |
| Equity attributable to equity holders of the parent | 3,167 | 2,758 |
| Non-controlling interests | 7 | 15 |
| **Borrowings(1)** | **6,072** | **4,992** |
| Non-current borrowings | 5,453 | 4,977 |
| Current borrowings | 619 | 14 |
| **Cash and equivalent, net of bank overdrafts** | **3,532** | **2,021** |
| **Financial assets of the Benefits & Rewards Services activity (including restricted cash)** | **1,062** | **1,103** |
| **Net borrowings(2)** | **1,478** | **1,868** |
| **Revenue** | **17,428** | **19,321** |
| **Underlying Operating profit** | **578** | **569** |
| Operating profit | 339 | 65 |
| Profit for the period | 137 | (319) |
| Profit attributable to non-controlling interests | (2) | (4) |
| **Profit attributable to equity holders of the parent** | **139** | **(315)** |
| **Weighted average number of shares** | **146,004,484** | **145,778,963** |
| Earnings per share (in euro) | 1.0 | (2.2) |
| Dividend per share paid during the fiscal year (in euro) | — | 2.9 |
| Share price at August 31 (in euro) | 70.02 | 59.96 |
| Highest share price in the fiscal year (in euro) | 88.04 | 107.40 |
| Lowest share price in the fiscal year (in euro) | **53.40** | 50.42 |

(1) Including net financial instruments at fair value, excluding bank overdrafts.
(2) Cash and cash equivalents + restricted cash and financial assets of the Benefits & Rewards Services activity – borrowings.

## 4.3.3 Exchange rates

| | | | CLOSING EXCHANGE RATE AT AUGUST 31, 2021 | AVERAGE EXCHANGE RATE FISCAL 2021 |
|---|---|---|---|---|
| ISO CODES | COUNTRIES | CURRENCY | 1 EURO = | 1 EURO = |
| USD | United States | U.S. dollar | 1.183400 | 1.196617 |
| GBP | United Kingdom | Pound Sterling | 0.858750 | 0.878168 |
| BRL | Brazil | Brazilian real | 6.138600 | 6.441021 |
| AUD | Australia | Australian dollar | 1.615600 | 1.596958 |
| CAD | Canada | Canadian dollar | 1.489600 | 1.520038 |
| CNY | China | Yuan Renminbi | 7.646500 | 7.821483 |
| SEK | Sweden | Swedish Krona | 10.162500 | 10.205621 |
| INR | India | Indian Rupee (thousands) | 0.086385 | 0.088126 |

## 4.3.4 Investment policy

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| Acquisitions of property, plant, equipment, intangible assets, and client investments | 211 | 393 |
| Acquisitions of equity interests | 84 | 18 |

As of the date of this document Sodexo has not made any significant firm commitment to acquire equity interests.

Because of the nature of the Group's activities, investments represent less than 2% of revenues and mainly relate to investments on the Group's sites, which are used to support operating activities and are financed by operating cash. None of these investments is individually significant in Fiscal 2021.

The main acquisitions made during Fiscal 2021 are indicated in note 6.1 "Goodwill" to the consolidated financial statements.

A detailed description of changes in investments is provided in notes 4.4, 6.2 and 6.3 to the consolidated financial statements.

## 4.3.5 Condensed Group organization chart

**SODEXO SA**

Holds directly or indirectly 100% of the subsidiaries indicated

| | |
|---|---|
| **UNITED KINGDOM** | SODEXO LTD<br>SODEXO IRELAND LTD<br>SODEXO REMOTE SITES SCOTLAND LTD |
| **NORTH AMERICA** | SODEXO, INC<br>CENTERPLATE ULTIMATE HOLDINGS, CORP.<br>CK FRANCHISING, INC<br>SODEXO CANADA LTD |
| **FRANCE** | SOGERES SA<br>SODEXO ENTREPRISES SAS<br>SODEXO SANTE MEDICO SOCIAL SAS<br>SOCIETE FRANCAISE DE RESTAURATION ET SERVICES<br>SODEXO ENERGIE ET MAINTENANCE<br>SODEXO SPORTS ET LOISIRS<br>SODEXO JUSTICE SERVICES |
| **EUROPE** | SODEXO SERVICE SOLUTIONS AUSTRIA GMBH<br>SODEXO ITALIA SPA<br>SODEXO BELGIUM SA<br>SODEXO SERVICES GMBH (GERMANY)<br>SODEXO IBERIA SA<br>SODEXO AB (SWEDEN)<br>SODEXO NEDERLAND BV<br>SODEXO LUXEMBOURG SA |
| **SOUTH AMERICA** | SODEXO CHILE SPA<br>SODEXO DO BRASIL COMERCIAL SA<br>SODEXO FACILITIES SERVICES LTDA (BRASIL)<br>SODEXO PEROU SAC<br>SODEXO SAS (COLOMBIA) |
| **ASIA AUSTRALIA** | SODEXO (CHINA) ENTERPRISE MANAGEMENT SCES CO LTD<br>BEIJING SODEXO SCES CO LTD<br>SODEXO SINGAPORE PTE LTD<br>SODEXO REMOTE SITES AUSTRALIA PTY LTD<br>SODEXO FOOD SOLUTIONS INDIA PRIVATE LTD<br>SODEXO EUROASIA SARL (RUSSIA)<br>KELVIN CATERING SERVICES LLC (UNITED ARAB EMIRATES)* |
| **BENEFITS & REWARDS SERVICES** | SODEXO PASS INTERNATIONAL SAS (FRANCE)<br>SODEXO PASS FRANCE SA<br>SODEXO PASS DO BRASIL SERV. E COMERCIO SA<br>SODEXO PASS CESKA REPUBLICA AS<br>SODEXO PASS BELGIUM SA<br>SODEXO MOTIVATION SOLUTIONS UK LTD<br>INSPIRUS LLC (USA) |

**Third party non-controlling interest*

NB: The operating subsidiaries indicated for each geographic area or activity are those with the highest revenues for Fiscal 2021.

# 4.4 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

For the year ended August 31, 2021

**SODEXO**
255, quai de la Bataille de Stalingrad
92866 Issy-les-Moulineaux Cedex 9, France

To the Shareholders,

## Opinion

In compliance with the engagement entrusted to us by your Shareholders Meeting, we have audited the accompanying consolidated financial statements of Sodexo for the year ended August 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at August 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

## Basis for opinion

### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

### Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from September 1, 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014.

## Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

## Measurement of the recoverable amount of goodwill

***(Note 6.4 to the consolidated financial statements)***

### Description of risk

At August 31, 2021, the goodwill balance amounted to €5,811 million, representing the largest item on the consolidated balance sheet. An impairment loss is recognized if the recoverable amount of goodwill as determined during the annual impairment test, or during a specific test carried out where there is an indication of impairment, is lower than its carrying amount.

Recoverable amount is typically determined based on the present value of future cash flows and requires significant judgment from management, in particular as regards the preparation of business forecasts, as well as the discount and long-term growth rates used.

We deemed the measurement of the recoverable amount of goodwill to be a key audit matter, due to the size of the goodwill balance and the inherent uncertainty of certain inputs, in particular the likelihood of achieving forecast results included in such measurement.

### How our audit addressed this risk

We performed a critical review of the methods applied by management to determine the recoverable amount of goodwill. Our audit work consisted in:

- assessing the components of the carrying amount of cash-generating units (CGUs) or groups of CGUs, corresponding to the level at which goodwill is monitored by Group management, and their consistency with those used in projecting future cash flows;
- assessing the consistency of the projected future cash flows with the economic environments in which the Group operates;
- assessing the consistency of the growth rates used for projected cash flows with available long-term inflation forecasts for the geographical areas concerned;
- assessing the reasonableness of the discount rates applied to projected future cash flows, verifying in particular that the various inputs used to calculate the weighted average cost of capital for each CGU or group of CGUs were sufficient to approximate the return expected by market participants for similar activities;
- assessing the sensitivity analyses of value in use to changes in the main assumptions used by Management;
- verifying that note 6.4 to the consolidated financial statements contains the appropriate disclosures on the sensitivity analyses of the results of goodwill impairment tests.



## Tax risks

***(Note 10.2 to the consolidated financial statements)***

### Description of risk

The Group has operations in numerous countries around the world and, in the normal course of business, is subject to regular inspections by local tax authorities.

Such inspections may give rise to tax adjustments and disputes with tax authorities.

Estimates of the impacts of these tax risks and any related provisions involve significant judgment by management, especially as regards the expected outcome of disputes in progress or the probability of identified risks occurring. Accordingly, we deemed this subject to be a key audit matter.

### How our audit addressed this risk

We held meetings with management to gain an understanding of the internal control procedures implemented to identify tax risks and uncertain tax positions, and, when necessary, determine any provisions.

With the support of our tax experts, we also:

- held meetings with the Group tax department and local management to assess the latest status of any inspections in progress and tax adjustments notified by the tax authorities, and to monitor developments in any disputes in progress;
- consulted the recent decisions and correspondence of Group companies with the tax authorities, and gained an understanding of the correspondence between the companies concerned and their tax advisors;
- analyzed the responses of the tax advisors to our requests for information or their analyses of disputes in progress;
- conducted a critical review of the estimates and positions adopted by management;
- verified that the latest developments had been factored into the risk analysis and the estimates of the provisions set aside in the statement of financial position.

## Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the information pertaining to the Group presented in the management report includes the consolidated non-financial information statement required under article L.225-102-1 of the French Commercial Code. However, in accordance with article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

## Other verifications and information pursuant to legal and regulatory requirements

### Presentation of the consolidated financial statements to be included in the annual financial report

Pursuant to paragraph III of article 222-3 of the AMF's General Regulations, the Company's management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018, to reporting periods beginning on or after January 1, 2021. Accordingly, this report does not contain a conclusion on the compliance of the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) with this format.

### Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Sodexo by the Shareholders' Meetings held on February 22, 1994 for PricewaterhouseCoopers Audit and on February 4, 2003 for KPMG Audit.

At August 31, 2021, PricewaterhouseCoopers Audit and KPMG Audit were in the twenty-eighth and the nineteenth consecutive year of their engagement, respectively.

## Responsibilities of management and those charged with governance for the consolidated financial Statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

## Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial Statements

### Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

### Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, October 26, 2021

The Statutory Auditors

| | |
|---|---|
| **PricewaterhouseCoopers Audit** | **KPMG Audit** |
| | *Department of KPMG SA* |
| Stéphane Basset - Bardadi Benzeghadi | Caroline Bruno-Diaz |

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# INFORMATION ON THE ISSUER

# 5.1 SODEXO S.A. INDIVIDUAL COMPANY FINANCIAL STATEMENTS

## 5.1.1 Income statement

| (in millions of euro) | NOTES | FISCAL 2021 | FISCAL 2020 |
|---|---|---|---|
| **Revenues** | **3** | **168** | **135** |
| Other operating income | | 211 | 199 |
| Purchases | | (1) | (1) |
| Employee costs | | (104) | (65) |
| Other operating expenses | | (259) | (259) |
| Taxes other than income taxes | | (7) | (9) |
| Depreciation, amortization and change in provisions | | (26) | (18) |
| **Operating profit** | | **(18)** | **(18)** |
| Financial income/(expense), net | 4 | 143 | 358 |
| Exceptional income/(expense), net | 5 | (4) | (133) |
| Employee profit-sharing | | — | — |
| Income taxes | 6 | 15 | 14 |
| **Net income** | | **136** | **221** |

## 5.1.2 Balance sheet

### Assets

| (in millions of euro) | NOTES | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|---|
| NON-CURRENT ASSETS, NET | | | |
| Intangible assets | 7 | 56 | 50 |
| Property, plant and equipment | 7 | 7 | 6 |
| Financial investments | 7 | 7,067 | 7,581 |
| **TOTAL NON-CURRENT ASSETS** | **7** | **7,130** | **7,637** |
| CURRENT AND OTHER ASSETS | | | |
| Accounts receivable | 9 | 45 | 32 |
| Prepaid expenses, other receivables and other assets | 9 | 734 | 958 |
| Marketable securities | 11 | 108 | 138 |
| Cash | | 934 | 617 |
| **TOTAL CURRENT AND OTHER ASSETS** | | **1,821** | **1,745** |
| **TOTAL ASSETS** | | **8,951** | **9,383** |

### Liabilities and equity

| (in millions of euro) | NOTES | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|---|
| SHAREHOLDERS' EQUITY | | | |
| Share capital | | 590 | 590 |
| Additional paid-in capital | | 248 | 248 |
| Reserves and retained earnings | | 1,943 | 1,806 |
| Restricted provisions | | 15 | 15 |
| **TOTAL SHAREHOLDERS' EQUITY** | **13** | **2,796** | **2,659** |
| Provisions for contingencies and losses | 10 | 362 | 392 |
| LIABILITIES | | | |
| Borrowings | | 5,595 | 6,138 |
| Accounts payable | | 75 | 50 |
| Other liabilities | | 123 | 144 |
| **TOTAL LIABILITIES AND PROVISIONS** | **14** | **6,155** | **6,724** |
| **TOTAL LIABILITIES AND EQUITY** | | **8,951** | **9,383** |

# 5.2 NOTES TO THE INDIVIDUAL COMPANY FINANCIAL STATEMENTS

DETAILED LIST OF NOTES

# 1. SIGNIFICANT EVENTS

## 1.1 Capital transactions

During Fiscal 2021, Sodexo S.A. purchased 150,000 of its own shares for 11 million euro, to be used for restricted share grants.

## 1.2 Restructuring

During Fiscal 2021, Sodexo S.A. implemented an employment protection plan *(Plan de Sauvegarde de l'Emploi)*. The related provision amounts to 9 million euro at the end of Fiscal 2021.

## 1.3 Group loans and borrowings

Sodexo, Inc. repaid in April 2021 the loan of 677 million euro which had been granted by Sodexo S.A. in August 2020 (see note 7).

Sodexo S.A. repaid the loan of 606 million U.S. dollars granted by Sodexo Finance USD and the loan of 26 million U.S. dollars granted by Etin. The hedging instrument associated with these two loans has been fully unwound, generating a positive result of 6 million euro (see note 15.3).

## 1.4 Equity investments

During fiscal year 2020-2021, Sodexo S.A. proceeded with the recapitalization of several of its subsidiaries, mainly in France, Israel and Argentina, for a total of 293 million euro (see note 7).

The equity investment in Argentina was completely sold on May 31, 2021 after a recapitalization of 14 million euro, generating a capital loss of 27 million euro (see note 5).

# 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The individual Company financial statements have been prepared in accordance with the *plan comptable général* of 2014 and regulation no. 2014-03 issued by the *Autorité des normes comptables* (ANC), as amended by regulation no. 2016-07 dated November 4, 2016.

The accounting policies applied in preparing the individual Company financial statements for Fiscal 2021 are the same as those applied for Fiscal 2020.

In accordance with regulation no. 2015-06 issued by the ANC, merger deficits are included in "Other financial assets" (see note 7, "Non-current assets").

ANC regulation no. 2015-05 concerning forward financial instruments and hedging transactions has been effective for Sodexo S.A. since September 1, 2017 (see note 2.5 below for further details).

General accounting conventions were applied with respect to the principle of prudence and in accordance with basic assumptions as follows:

- going concern;
- consistency of accounting policies from one period to the next;
- proper cut-off between periods.

The basic method used to value the items recognized in the accounts is the historical cost method. Only significant information is disclosed.

The amounts presented in the tables in these notes are in millions of euro.

Exceptional items comprise items that do not relate to the Company's ordinary activities, and certain items that do relate to ordinary activities but are of an exceptional nature.

The balance sheet and income statement of Sodexo S.A. include amounts for branches in metropolitan France and in French overseas departments and regions.

## 2.1 Non-current assets

Non-current assets are valued at acquisition cost or historical cost. Acquisition cost comprises the amount paid plus all incidental costs directly related to the acquisition or to the installation of the asset, and incurred to enable the asset to function as intended.

Depreciation is calculated over the useful life of the asset using the straight-line method, which is considered to best reflect the underlying economic reality.

### 2.1.1 Intangible assets

Software is amortized over three to five years and integrated management software packages are amortized over three to seven years, depending on their expected useful lives.

The difference between the accounting and tax amortization of intangible assets is recognized as exceptional amortization.

### 2.1.2 Property, plant and equipment

The straight-line depreciation lives generally used are:

| | |
|---|---|
| Buildings | 20 years |
| General fixtures and fittings | 3-10 years |
| Plant and machinery | 4-10 years |
| Motor vehicles | 4 years |
| Office and computer equipment | 3-10 years |
| Other property, plant and equipment | 5-10 years |

### 2.1.3 Financial investments

Equity investments and other financial investments are carried on the balance sheet at cost. At each balance sheet date, a provision for impairment is recorded if the value in use of these assets is less than their net carrying amount including any merger deficits allocated to the assets for accounting purposes.

The value in use of investments is determined on the basis of net asset value, profitability and the future prospects of the investee.

When the carrying amount of an investment is higher than the net book value of the share of net assets of the subsidiary, the valuation is also supported by comparing the carrying amount of the investment to its value in use based on discounted future cash flows, using the following parameters:

- after-tax cash flows derived from business plans and a terminal value calculated by extrapolating the data for the final year of the business plan using a long-term growth rate specific to the business activity and geographic region Business plans generally cover one to five years;
- the cash flows are discounted using a rate based on the weighted average cost of capital.

Based on the estimated value in use, an investment may be maintained at a carrying amount in excess of the share of book net assets held.

Costs incurred to acquire shares in companies recognized at cost are recognized for tax purposes as exceptional amortization over a five-year period.

Receivables related to equity investments are recognized at face value. A provision for impairment is recorded where the recoverable amount is less than the carrying amount.

When an equity investment is sold or liquidated, any provision for impairment previously recognized against that investment is released and recorded as exceptional income.

## 2.2 Accounts receivable

Accounts receivable are recognized at face value. An allowance for doubtful accounts is recorded where the recoverable amount is less than the carrying amount.

## 2.3 Marketable securities (excluding treasury shares)

Marketable securities are recognized at acquisition cost, with any unrealized losses at the balance sheet date covered by a provision for impairment.

## 2.4 Treasury shares – restricted share plans

A provision is recorded when it is probable that restricted share plans will give rise to an outflow of resources. The amount of the provision is based on the cost of the treasury shares acquired (or to be acquired) for allocation to each plan.

Depending on the plan terms, the provision is recognized over the period in which the services are rendered by the beneficiaries, as applicable.

The provision is released upon delivery of the shares and recognition of a capital loss in an amount equal to the average cost of the delivered shares.

When treasury shares are neither allocated to a plan nor held for the purpose of being cancelled, they are valued at the lower of the average purchase price and the average market price for the last month of the fiscal year.

Treasury shares acquired for cancellation purposes are recognized in other financial assets and no provision for impairment is recorded.

## 2.5 Foreign currency transactions

Foreign currency revenues and expenses are translated using the exchange rate as of the transaction date. Foreign currency liabilities and receivables are translated in the balance sheet at the exchange rate prevailing as of the balance sheet date. Any difference arising from the retranslation of foreign currency liabilities and receivables at the closing exchange rate is recorded in the balance sheet. Unrealized foreign exchange losses at the balance sheet date are recognized to the extent the underlying balance is not hedged.

In accordance with the ANC regulation no. 2015-05, for foreign currency transactions a distinction is now made between commercial transactions and financial transactions, with the exchange gains and losses on these transactions recognized as follows:

- within operating profit, under “Other operating expenses” for commercial transactions;
- within “Financial income/(expense), net” for financial transactions, which includes the premiums on currency hedges recognized over the duration of the contracts.

## 2.6 Debt issuance costs

Debt issuance costs are recognized as a deferred charge asset in the balance sheet and amortized straight-line over the term of the debt.

## 2.7 Retirement benefits

Retirement benefit obligations due to active employees by law or under collective agreements are included in off-balance sheet commitments. Commitments under supplementary retirement plans are estimated using the projected unit credit method based on final salary and are also included in off-balance sheet commitments, net of any plan assets. The commitment which remains carried by Sodexo S.A. only concerns rights acquired before the date of replacement of the plan.

The Board decided to replace this additional scheme with a plan provided for in article L.137-11-2 of the Social Security Code. This new plan was put in place during Fiscal 2021. This contract is managed exclusively by an insurer which, in return for the insurance premium paid, is responsible for life annuity payments. It therefore does not generate social liabilities for the Company (refer to section 6.5.2).

## 2.8 French tax consolidation

Sodexo S.A. is the lead company in the French tax consolidation, and has sole liability for income taxes for the entire French tax group. Each company included in the French tax consolidation recognizes the income tax for which it would have been liable had there been no French tax consolidation. Any income tax gains or losses arising from the French tax consolidation are recognized in the Sodexo S.A. financial statements.

Regarding the recognition of a provision by the Parent company benefiting from the tax consolidation, Sodexo S.A. has opted for the following accounting treatment: for the tax losses of subsidiaries generated within the framework of tax consolidation and which will probably be returned to them in the event of a withdrawal, a provision for risks and charges has been booked in its accounts.

## 3. ANALYSIS OF NET REVENUES

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| **Revenues by business activity** | | |
| On-site Services | — | — |
| Holding company services | 168 | 135 |
| **TOTAL** | **168** | **135** |
| **Revenues by geographic region** | | |
| France | 168 | 135 |
| French overseas departments and regions | — | — |
| **TOTAL** | **168** | **135** |

## 4. FINANCIAL INCOME AND EXPENSE, NET

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| Dividends received from subsidiaries and affiliates | 319 | 476 |
| Interest income | 17 | 15 |
| Interest expense | (83) | (91) |
| Net foreign exchange gain/(loss) | 6 | (3) |
| Net change in provisions for financial items | (116) | (39) |
| **TOTAL** | **143** | **358** |

The net change in provisions for financial items primarily corresponds to the net total of charges to and releases of provisions for impairment of equity investments for (109) million euro.

## 5. EXCEPTIONAL ITEMS, NET

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 |
|---|---|---|
| Net change in provision for negative net assets of subsidiaries and equity investments | 67 | (45) |
| Net expense on treasury shares and commitments under stock option plans | (9) | (8) |
| Net change in provisions for tax losses reclaimable and other risks and charges | (22) | (29) |
| Net gain/(loss) on asset disposals | (32) | (8) |
| Other provision increase or decrease | (8) | — |
| Other | — | (42) |
| **TOTAL** | **(4)** | **(133)** |

The net loss on asset disposals includes mainly the loss on Argentina's equity investment disposal.

The 9 million euro net expense on treasury shares and commitments under restricted shares plans comprises:

- a 46 million euro loss on the sale of treasury shares in connection with the delivery of restricted shares;
- a 37 million euro net release of provisions for restricted share grants.

## 6. ANALYSIS OF INCOME TAX EXPENSE

| (in millions of euro) | PRE-TAX INCOME | INCOME TAXES | AFTER-TAX INCOME |
|---|---|---|---|
| Operating income | (18) | 1 | (17) |
| Financial income/(expense), net | 143 | 11 | 154 |
| Exceptional income/(expense), net[1] | (4) | 3 | (1) |
| Employee profit-sharing | — | — | — |
| **TOTAL** | **121** | **15** | **136** |

(1) This amount includes the 15 million euro tax gain arising from the French tax consolidation. This benefit represents the difference between the aggregate of the tax income and expenses recognized by the French subsidiaries included in the French tax consolidation and the income tax of Sodexo S.A. as lead company in the French tax consolidation.

# 7. NON-CURRENT ASSETS

| (in millions of euro) | GROSS VALUE AT AUGUST 31, 2020 | ADDITIONS DURING THE PERIOD | DECREASES DURING THE PERIOD | OTHER MOVEMENTS DURING THE PERIOD | GROSS VALUE AT AUGUST 31, 2021 | NET VALUE AT AUGUST 31, 2021 |
|---|---|---|---|---|---|---|
| Intangible assets | 109 | 22 | 9 | — | 122 | 56 |
| Property, plant and equipment | 21 | 3 | 5 | — | 19 | 7 |
| Financial investments | | | | | | |
| • Equity investments | 6,992 | 306 | 30 | — | 7,268 | 6,974 |
| • Receivables related to equity investments | 706 | 10 | 701 | — | 16 | 6 |
| • Other financial assets | 78 | 9 | — | 1 | 88 | 87 |
| **TOTAL FINANCIAL INVESTMENTS** | 7,776 | 325 | 731 | 1 | 7,371 | 7,067 |
| **TOTAL** | **7,906** | **350** | **745** | **1** | **7,512** | **7,130** |

In accordance with ANC regulation no. 2015-06, merger deficits are included in "Other financial assets" for 74 million euro as of August 31, 2021.

Sodexo S.A. participated in the recapitalization of its subsidiaries mainly in France, Israel and Argentina (before disposal) for a total of 293 million euro.

Sodexo, Inc. repaid in April 2021 the loan of 677 million euro which had been granted by Sodexo S.A. in August 2020.

# 8. DEPRECIATION AND AMORTIZATION

| (in millions of euro) | ACCUMULATED DEPRECIATION AND AMORTIZATION AUGUST 31, 2020 | INCREASES DURING THE PERIOD | DECREASES DURING THE PERIOD | OTHER MOVEMENTS DURING THE PERIOD | ACCUMULATED DEPRECIATION AND AMORTIZATION AUGUST 31, 2021 |
|---|---|---|---|---|---|
| Intangible assets | 59 | 13 | 6 | — | 66 |
| Property, plant and equipment | 15 | 2 | 5 | — | 12 |
| **TOTAL** | **74** | **15** | **11** | **—** | **78** |

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## 9. AMOUNT AND MATURITY OF RECEIVABLES AND OTHER ASSETS

| (in millions of euro) | GROSS VALUE | LESS THAN 1 YEAR | MORE THAN 1 YEAR | AMORTIZATION AND PROVISIONS | CARRYING AMOUNT |
|---|---|---|---|---|---|
| Equity investments | 7,268 | | 7,268 | 294 | 6,974 |
| Receivables related to equity investments | 16 | 16 | — | 10 | 6 |
| Other financial assets | 88 | 4 | 84 | 1 | 87 |
| **TOTAL FINANCIAL INVESTMENTS** | **7,372** | **20** | **7,352** | **305** | **7,067** |
| Accounts receivable | 46 | 46 | | 1 | 45 |
| Prepaid expenses, other receivables and other assets | 734 | 613 | 121 | — | 734 |
| **TOTAL ACCOUNTS AND OTHER RECEIVABLES** | **780** | **659** | **121** | **1** | **779** |
| **TOTAL** | **8,152** | **678** | **7,473** | **306** | **7,846** |

There is no commercial paper included in accounts receivable.

## 10. PROVISIONS AND IMPAIRMENT

| (in millions of euro) | AUGUST 31, 2020 | INCREASES AND CHARGES DURING THE PERIOD | DECREASES, RELEASES AND RECLASSIFICATIONS DURING THE PERIOD | OTHER MOVEMENTS DURING THE PERIOD | AUGUST 31, 2021 |
|---|---|---|---|---|---|
| Provisions for contingencies and losses | 392 | 210 | 240 | — | 362 |
| Impairment | | | | | |
| • financial investments | 195 | 115 | 6 | — | 305 |
| • current assets | 1 | — | — | | 1 |
| **TOTAL IMPAIRMENT** | **196** | **115** | **6** | **—** | **306** |
| **TOTAL** | **588** | **325** | **246** | **—** | **668** |
| Increases and decreases: | | | | | |
| • operating items | | 19 | 17 | | |
| • financial items | | 141 | 29 | | |
| • exceptional items | | 165 | 200 | | |

As of August 31, 2021, the main provisions for contingencies and losses were for the following:

- restricted share grants for 133 million euro;
- losses reclaimable by subsidiaries included in the French tax consolidation and other risks and charges for 161 million euro;
- subsidiaries in negative net equity positions for 21 million euro;
- foreign exchange losses for 25 million euro;
- litigation for 15 million euro;
- restructuring for 5 million euro.

# 11. MARKETABLE SECURITIES

| (in millions of euro) | GROSS VALUE AUGUST 31, 2021 | NET VALUE AUGUST 31, 2021 | NET VALUE AUGUST 31, 2020 |
|---|---|---|---|
| Treasury shares | 96 | 96 | 127 |
| Cash in the liquidity contract account | 12 | 12 | 11 |
| **TOTAL** | **108** | **108** | **138** |

# 12. TREASURY SHARES

### MOVEMENTS IN TREASURY SHARES DURING THE FISCAL YEAR

| | MARKETABLE SECURITIES | OTHER FINANCIAL ASSETS |
|---|---|---|
| **Number of shares held** | | |
| September 1, 2020 | 1,442,351 | — |
| Acquisitions | 3,091,129 | — |
| Disposals | (3,366,887) | |
| Cancellation of treasury shares leading to a reduction in capital and additional paid-in capital | | — |
| Allocation as treasury shares held for cancellation | — | — |
| August 31, 2021 | 1,166,593 | — |
| **Gross value of shares held** (in millions of euro) | | |
| September 1, 2020 | 138 | — |
| Acquisitions | 228 | — |
| Disposals | (258) | |
| Cancellation of treasury shares leading to a reduction in capital and additional paid-in capital | | — |
| Allocation as treasury shares held for cancellation | — | — |
| August 31, 2021 | 108 | — |

* Acquisitions and disposals include the implementation of the liquidity contract signed with an investment services provider, which complies with the decision 2021-01 of the French securities regulator (Autorité des marchés financiers – AMF), for the purpose of improving the liquidity of Sodexo shares and the regularity of the quotations.
Disposals of treasury shares also include those resulting from the delivery of restricted shares granted to employees in prior years.

# 13. SHAREHOLDERS' EQUITY

## 13.1 Share capital

As of August 31, 2021, the Company's share capital totaled 589,819,548 euro and comprised 147,454,887 shares, including 70,217,797 with double voting rights.

Since Fiscal 2013, all shares held in registered form for at least four years and still held in that form when the dividend becomes payable for the related fiscal year, qualify for a 10% dividend premium, limited to 0.5% of the capital per shareholder.

## 13.2 Changes in shareholders' equity

(in millions of euro)

| | |
|---|---|
| Shareholders' equity at end of previous fiscal year | 2,659 |
| Dividends approved by Shareholders Meeting and paid | — |
| Dividends on treasury shares | — |
| Net income for the fiscal year | 136 |
| Restricted provisions | — |
| Cancellation of treasury shares leading to a reduction in capital and additional paid-in capital | — |
| Other – Premiums/discounts on currency forwards | — |
| **SHAREHOLDERS' EQUITY AT END OF FISCAL YEAR** | **2,796** |

In accordance with article L.225-210 of the French Commercial Code, Sodexo has reserves in addition to the legal reserve at least equal to the value of treasury shares held.

# 14. AMOUNT AND MATURITY OF LIABILITIES

| LIABILITIES<br>(in millions of euro) | GROSS AMOUNT | LESS THAN 1 YEAR | 1 TO 5 YEARS | MORE THAN 5 YEARS |
|---|---|---|---|---|
| Bond issues | 5,000 | 620 | 2,000 | 2,380 |
| Borrowings from related companies | 595 | 15 | — | 580 |
| Other borrowings | — | — | — | — |
| **SUB-TOTAL BORROWINGS** | **5,595** | **635** | **2,000** | **2,960** |
| Accounts payable* | 75 | 75 | | |
| Other liabilities | 123 | 119 | 4 | |
| **TOTAL** | **5,793** | **829** | **2,004** | **2,960** |

* Only accounts payable and accrued expenses are included in this line item.

There is no commercial paper included in payables.

| ACCOUNTS PAYABLE BY AMOUNT AND DUE DATE (in millions of euro) | TOTAL | NOT DUE | < 30 DAYS | 31-44 DAYS | 45-75 DAYS | 76-90 DAYS | > 90 DAYS |
|---|---|---|---|---|---|---|---|
| Non-Group accounts payable* | 64 | 44 | 12 | 1 | 2 | — | 5 |
| Group accounts payable | 11 | — | 11 | — | — | — | — |
| **TOTAL** | **75** | **44** | **23** | **1** | **2** | **—** | **5** |

* Only accounts payable and accrued expenses are included in this line item.

# 15. BOND ISSUES AND OTHER BORROWINGS

## 15.1 Bond issues

On June 24, 2014, Sodexo S.A. completed a bond issue structured in two tranches:

- a 600 million euro tranche redeemable at par on January 24, 2022 and bearing interest at an annual rate of 1.75%, with interest payable annually on January 24;
- a 500 million euro tranche redeemable at par on June 24, 2026 and bearing interest at an annual rate of 2.50%, with interest payable annually on June 24.

Accrued interest on these bonds amounted to 9 million euro as of August 31, 2021.

On October 14, 2016 Sodexo S.A. issued bonds for 600 million euro redeemable in April 2027 and bearing interest at an annual rate of 0.75%, with interest payable annually on April 14. On August 1, 2017, the Company increased this issue with an additional 200 million euro of bonds. Accrued interest on these bonds was 2 million euro as of August 31, 2021.

On May 22, 2018, Sodexo S.A. issued bonds for 300 million euro redeemable in May 2025 and bearing interest at an annual rate of 1.125%, with interest payable annually on May 22. Accrued interest on this bond was 1 million euro as of August 31, 2021.

On June 26, 2019, Sodexo S.A. issued bonds for 250 million pounds Sterling redeemable in June 2028 and bearing interest at an annual rate of 1.75%, with interest payable annually on June 26. Accrued interest on this bond was 1 million euro as of August 31, 2021.

On April 27, 2020, Sodexo S.A. completed a bond issue structured in two tranches:

- a 700 million euro tranche redeemable at par on April 27, 2025 and bearing interest at an annual rate of 0.75%, with interest payable annually on April 27;
- a 800 million euro tranche redeemable at par on April 27, 2029 and bearing interest at an annual rate of 1%, with interest payable annually on April 27.

Accrued interest on this bond amounted to 5 million euro as of August 31, 2021.

On July 17, 2020, Sodexo S.A. completed a bond issue structured in two tranches:

- a 500 million euro tranche redeemable at par on January 17, 2024 and bearing interest at an annual rate of 0.5%, with interest payable annually on January 17;
- a 500 million euro tranche redeemable at par on July 17, 2028 and bearing interest at an annual rate of 1%, with interest payable annually on July 17.

Accrued interest on this bond amounted to 2 million euro as of August 31, 2021.

None of the above-described bonds are subject to financial covenants.

## 15.2 Other borrowings

### 15.2.1 July 2011 multi-currency confirmed credit facility

On July 18, 2011, Sodexo S.A. contracted a multi-currency credit facility for a maximum of 600 million euro plus 800 million U.S. dollars, with an original maturity date of July 18, 2016. This facility has been amended on a number of occasions with the most recent amendment being in July 2019 with a new maturity date of July 2024, with two options to extend the maturity by one year each, up to July 2026. The first option to extend this facility was executed during Fiscal 2020 and the second was executed during Fiscal 2021. The maturing date is now July 2026. The maximum available limits under this facility now are 589 million euro plus 785 million U.S. dollars.

The most recent amendment also incorporates a sustainability clause that links the credit facility cost to Sodexo's ability to comply with its public commitment to reduce its food waste by 50% by 2025.

Amounts drawn on this facility carry floating interest indexed on the LIBOR and EURIBOR rates. This credit facility is not subject to any covenants.

No amounts had been drawn down on the facility as of either August 31, 2021 or August 31, 2020.

### 15.2.2 Commercial paper

As of August 31, 2021, borrowings under the Sodexo S.A. commercial paper programs are nil, as on August 31, 2020.

The bonds and loans from financial institutions described above include customary early redemption clauses. These early redemption clauses include cross-default or change of control clauses that apply to all borrowings.

## 15.3 Borrowings from related companies

On July 24, 2020, Sodexo S.A. borrowed 607 million U.S. dollars (522 million euro) from its subsidiary Sodexo Finance USD Limited. As planned it was reimbursed on April 20, 2021. The loan of 26 million U.S. dollars (or 21 million euro) which had been granted by it's subsidiary Etin was also repaid as planned on the same date.

On September 14, 2017, Sodexo S.A. borrowed 580 million euro from its subsidiary Sodexo Finance Designed Activity Company redeemable in September 2034. The amount of accrued interest relating to this loan amounted to 15 million euro as of August 31, 2021.

# 16. ACCRUED EXPENSES – DEFERRED REVENUES AND PREPAID EXPENSES

**ACCRUED EXPENSES**
(in millions of euro)

| | |
|---|---|
| Borrowings | 35 |
| Accounts payable | 27 |
| Tax and employee-related liabilities | 33 |
| **TOTAL** | **95** |

**DEFERRED REVENUES AND PREPAID EXPENSES**
(in millions of euro)

| | |
|---|---|
| Deferred revenues | 2 |
| Prepaid expenses | 14 |

# 17. RELATED-PARTY INFORMATION

| (in millions of euro) | RELATED PARTIES | ASSOCIATED COMPANIES | OTHER | TOTAL |
|---|---|---|---|---|
| **Assets-Gross values** | | | | |
| Equity investments | 7,243 | 25 | | 7,268 |
| Receivables related to equity investments | 697 | 9 | | 706 |
| Other investment securities | — | | | — |
| Advances to suppliers | — | | | — |
| Accounts receivable | 44 | 1 | | 45 |
| Other operating receivables | 2 | | | 2 |
| Due from related companies | 523 | | | 523 |
| Non-operating receivables | — | | | — |
| **TOTAL** | **8,509** | **35** | | **8,544** |
| **Liabilities** | | | | |
| Accounts payable | 11 | | | 11 |
| Due to related companies | 64 | | | 64 |
| **TOTAL** | **75** | **—** | | **75** |
| **Income statement** | | | | |
| Revenues | 167 | | | 167 |
| Other operating income | 187 | | | 187 |
| Other operating expenses | 124 | 1 | | 125 |
| Financial income | 353 | | | 353 |
| Financial expenses | 135 | | | 135 |
| Exceptional income | 95 | | | 95 |
| Exceptional expenses | 37 | 2 | | 40 |

Related parties: fully consolidated companies.

Associated companies: companies accounted for using the equity method, and non-consolidated companies in which Sodexo S.A. has an equity interest of more than 10%.

Other: companies accounted for using the equity method, and non-consolidated companies in which Sodexo S.A. has an equity interest of less than 10%.

There has been no related-party transaction that is both material and falls outside the framework of normal business dealings concluded at conditions that are not arm's-length.

# 18. FINANCIAL COMMITMENTS

## 18.1 Commitments made by Sodexo S.A.

| (in millions of euro) | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|
| Performance bonds given to Sodexo Group clients | 1,506 | 1,614 |
| Financial guarantees to third parties | 6,087 | 5,056 |
| Retirement benefit commitments | 8 | 12 |
| Other commitments | 137 | 139 |
| **TOTAL** | **7,738** | **6,821** |

Financial guarantees to third parties concern:

- guarantees for loans granted to Sodexo S.A. subsidiaries;
- guarantees related to reverse factoring programs set up by Sodexo S.A. subsidiaries, capped at 580 million euro (of which 87 million euro was guaranteed as of August 31, 2021); and
- a 1,802 million euro guarantee given during the year for a commercial paper program.

The leases for the Group's corporate headquarters in Issy-les-Moulineaux increased commitments for office leases by 16 million euro.

Other commitments notably include the guarantee issued by Sodexo S.A. in October 2012 to cover Sodexo UK's retirement plan obligation in the United Kingdom (*i.e.*, until October 2024). This guarantee was issued to the plan trustee for a maximum 100 million pounds Sterling with a 12-year term.

## 18.2 Commitments received by Sodexo S.A.

| (in millions of euro) | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|
| Commitments received | 2,400 | 2,400 |

Commitments received mainly correspond to counter-guarantees by Sodexo, Inc. of Sodexo S.A.'s financial borrowings, which decreased due to the reimbursement of the borrowings during the year.

## 18.3 Financial instrument commitments

The ongoing commitments as of the end of the year were as follows:

| DESCRIPTION | INCEPTION DATE | EXPIRATION DATE | NOMINAL AMOUNT | MARKET VALUE AS OF AUGUST 31, 2021 |
|---|---|---|---|---|
| Forward currency purchase | June 2019 | June 2028 | £250 million | €20 million |

Sodexo S.A. may use derivative financial instruments in order to hedge its exposure to volatility in interest and currency exchange rates.

# 19. MAIN ADJUSTMENTS TO THE FUTURE TAX BASIS

| INCREASES (in millions of euro) | |
|---|---|
| Exceptional amortization | 15 |

| DECREASES (in millions of euro) | |
|---|---|
| Employee profit-sharing | — |
| Other non-deductible provisions | 18 |

The future tax asset related to this unrealized tax difference was 0.5 million euro, calculated at a rate of 25.83%.

# 20. RETIREMENT BENEFIT COMMITMENTS

## 20.1 Retirement benefits payable by law or under collective agreements

Sodexo S.A. is required to pay benefits to retiring employees on the terms stipulated in a Company-wide collective agreement. The amount of the commitment has been calculated on the basis of rights vested at the balance sheet date, taking into account assumptions about final salary, discount rates and employee turnover.

This commitment, which is not recognized as a liability in the balance sheet, was estimated at 6 million euro as of August 31, 2021.

## 20.2 Commitments related to a supplemental pension plan

Commitments related to a supplemental pension plan were estimated using the projected unit credit method based on final salary and net of funding for the plan. These commitments, amounting to 2 million euro as of August 31, 2021, are not recognized in the financial statements.

The new retirement plan implemented in 2021 is not the subject of any provision in the balance sheet apart from the insurance premium to be paid and does not generate an off-balance sheet commitment, the pensions being paid directly by the insurer.



# 21. DIRECTORS’ FEES

Directors’ fees paid to Board members during the fiscal year represented less than 1 million euro (refer to section 6.5.3).

# 22. CONTINGENT LIABILITIES

A rectification proposal – known as an interruptive prescription – concerning Fiscal 2017 was received by Sodexo S.A. in June 2021. The Company believes, after having taken advice from its tax advisers, to have solid arguments to contest the proposed increases.

## 23. AVERAGE NUMBER OF EMPLOYEES

| | AUGUST 31, 2021 | AUGUST 31, 2020 |
|---|---|---|
| Managers | 428 | 403 |
| Supervisors | 23 | 28 |
| Other | 1 | 3 |
| Apprentices | 13 | 14 |
| **TOTAL** | **465** | **448** |

The average number of employees is an average of the number of employees who were present at the end of each quarter.

## 24. CONSOLIDATION

Sodexo S.A. is consolidated in the financial statements of Bellon SA, which has its registered office at 17-19, place de la Résistance, Issy-les-Moulineaux, France. The consolidated financial statements of the Sodexo Group are presented in chapter 3 of this Universal Registration Document.

## 25. SUBSEQUENT EVENTS

On October 26, 2021, the Group has early redeemed in full its outstanding 600 million euro bonds with ISIN XS1080163709 issued in June 2014, bearing an annual interest coupon of 1.75% and due to mature on January 24, 2022. This redemption without penalties reduces the cost of debt and the non performing surplus cash deposits.

# 26. LIST OF SUBSIDIARIES AND OTHER EQUITY INVESTMENTS

| (in thousands of euro) | CAPITAL | OTHER SHAREHOLDERS' EQUITY | PERCENTAGE INTEREST IN CAPITAL | BOOK VALUE OF INVESTMENT | | LOANS AND ADVANCES GRANTED, NET | GUARANTEES GIVEN | REVENUES FOR MOST RECENT FISCAL YEAR | INCOME FOR MOST RECENT FISCAL YEAR | DIVIDENDS RECEIVED DURING THE FISCAL YEAR |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | GROSS | NET | | | | | |
| **Detailed information** | | | | | | | | | | |
| **French subsidiaries** | | | | | | | | | | |
| Sodexo Pass International SAS | 406,656 | 253,955 | 100.0% | 662,056 | 662,056 | | | — | 561 | 45,113 |
| Sodexo Entreprises | 51,697 | (51,894) | 100.0% | 224,674 | 224,674 | | | 435,953 | (53,543) | — |
| Sofinsod SAS | 82,683 | (13,221) | 100.0% | 133,860 | 133,860 | | | — | (18,488) | 192,157 |
| Sogeres | 2,153 | (12,258) | 92.3% | 107,717 | 107,717 | | | 409,327 | (18,868) | — |
| Sodexo GC | 15,095 | 6,825 | 100.0% | 72,218 | 72,218 | | | — | 5,152 | — |
| SEVPTE | 16,799 | (10,082) | 100.0% | 51,619 | 51,619 | | | 7,110 | (10,819) | — |
| ETIN | 36,030 | (10,697) | 100.0% | 22,213 | 22,213 | | 370,000 | — | 1,289 | — |
| Société Française de Restauration et Services | 30,236 | (10,496) | 100.0% | 107,139 | 91,809 | | 2,140 | 214,528 | (10,496) | — |
| Sodexo en France | 1,041 | (140) | 100.0% | 12,040 | 12,040 | | 12,000 | 889 | (68) | — |
| Sodexo Sports et Loisirs | 10,144 | (12,195) | 100.0% | 18,610 | 18,610 | | 21,431 | 54,797 | (12,193) | — |
| CSM | 2,658 | 3,865 | 100.0% | 7,403 | 7,403 | | 80 | 1,711 | — | — |
| FoodChéri | 293 | 5,424 | 100.0% | 59,668 | 44,668 | | 200 | 25,258 | (8,273) | — |
| Ouest Catering | 516 | (243) | 100.0% | 7,900 | 7,900 | | | — | (420) | 3,547 |
| Lenôtre SA | 2,606 | (15,548) | 100.0% | 136,767 | 1,517 | | | 40,171 | (12,859) | — |
| Sodexo Afrique SARL | 1,624 | (3,281) | 100.0% | 14,539 | 1 | | | — | (1,252) | — |
| Sodexo Ventures France | 4,139 | 1,068 | 100.0% | 32,425 | 4,500 | | | — | 1,068 | — |
| **French equity investments** | | | | | | | | | | |
| - | | | | | | | | | | |
| **Foreign subsidiaries** | | | | | | | | | | |
| Sodexo, Inc. | 31,629 | 1,488,510 | 100.0% | 2,120,843 | 2,120,843 | | 1,218,519 | 5,847,336 | 110,997 | — |
| Sodexo Finance Designated Activity Company | 379,830 | 589,637 | 100.0% | 807,830 | 807,830 | | 3,207,343 | — | 49,046 | — |
| Sodexo Holdings Ltd | 442,093 | (16,135) | 100.0% | 555,305 | 555,305 | | 1,164 | — | (4,086) | — |
| Sodexo do Brasil Comercial SA | 89,225 | 196,840 | 98.6% | 446,825 | 446,825 | | | 467,147 | — | — |
| Sodexo Belgium SA | 215,765 | (10,702) | 99.9% | 242,428 | 242,428 | | 3,957 | 251,598 | (7,697) | — |

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| (in thousands of euro) | CAPITAL | OTHER SHAREHOLDERS' EQUITY | PERCENTAGE INTEREST IN CAPITAL | BOOK VALUE OF INVESTMENT | | LOANS AND ADVANCES GRANTED, NET | GUARANTEES GIVEN | REVENUES FOR MOST RECENT FISCAL YEAR | INCOME FOR MOST RECENT FISCAL YEAR | DIVIDENDS RECEIVED DURING THE FISCAL YEAR |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | GROSS | NET | | | | | |
| Sodexo Beteiligungs BV & Co. KG | 194 | 179,079 | 100.0% | 195,455 | 195,455 | | | — | (437) | — |
| Sodexo Food Solutions India Private Limited | 26,246 | 119 | 100.0% | 145,011 | 145,011 | | | 196,447 | — | — |
| Sodexo Australia Pty Ltd | 126,123 | (79,933) | 100.0% | 136,418 | 136,418 | | 7,737 | 55,333 | (6,793) | — |
| Sodexo Nederland B.V. | 45 | 32,517 | 100.0% | 115,435 | 115,435 | | 743 | 193,789 | 11,918 | — |
| Novae Holding SA | 926 | 1,784 | 100.0% | 112,045 | 91,045 | | | 71,784 | — | — |
| Sodexo AB | 10,666 | 34,726 | 100.0% | 101,264 | 101,264 | | | 313,007 | 3,798 | — |
| Sodexo Services Asia | 83,284 | 14,068 | 100.0% | 89,462 | 89,462 | | 25,351 | — | 5,925 | 11,336 |
| Compagnie Financière Aurore International | 58,010 | 12,143 | 100.0% | 68,920 | 68,920 | | | — | 164 | — |
| Sodexo SAS | 102 | 7,449 | 100.0% | 40,153 | 40,153 | | | 118,858 | 6,674 | 6,399 |
| Sodexo Inversiones SA | 22,581 | 22,926 | 100.0% | 28,041 | 28,041 | | 41,216 | — | 185 | — |
| Prima Assistance SA | 16 | 1,074 | 85.0% | 27,762 | 27,762 | | | 34,086 | 1,057 | — |
| Sodexo Iberia SA | 3,467 | (11,116) | 100.0% | 27,677 | 27,677 | | | 180,441 | (15,613) | — |
| Sodexo Entegre Hizmet Yonetimi AS | 6,097 | — | 100.0% | 25,530 | 25,530 | | 3,052 | 48,341 | — | — |
| Sodexo Global Services UK Limited | 26,201 | 82,918 | 100.0% | 24,391 | 24,391 | | | — | 44,452 | 46,307 |
| Sodexo Mexico SA de CV | 5,438 | 5,839 | 100.0% | 17,434 | 17,434 | | | 78,033 | 7,341 | — |
| Sodexo One-Site Services Israel Ltd | 96 | 9,653 | 100.0% | 23,491 | 23,491 | | 11,014 | 40,648 | 350 | — |
| Nemomarlin | 2,328 | — | 100.0% | 7,255 | 7,255 | | | 3,505 | (308) | — |
| Sodexo Chile SpA | 9,981 | 10,887 | 100.0% | 10,999 | 10,999 | | 57,584 | 399,804 | 5,217 | — |
| Kalyx Limited | 17 | 2,421 | 100.0% | 9,430 | 2,438 | | | — | — | — |
| Sodexo SRL | 7,302 | (5,593) | 100.0% | 8,872 | 1,709 | | | 4,559 | (238) | — |
| Sodexo Singapore Pte Ltd | 8,492 | 1,989 | 100.0% | 8,614 | 8,614 | | | 59,414 | 322 | — |
| Sofinsod Insurance Designed Activity Company | 9,618 | (603) | 100.0% | 9,618 | 9,618 | | 5,500 | — | (255) | — |

| (in thousands of euro) | CAPITAL | OTHER SHAREHOLDERS' EQUITY | PERCENTAGE INTEREST IN CAPITAL | BOOK VALUE OF INVESTMENT GROSS | BOOK VALUE OF INVESTMENT NET | LOANS AND ADVANCES GRANTED, NET | GUARANTEES GIVEN | REVENUES FOR MOST RECENT FISCAL YEAR | INCOME FOR MOST RECENT FISCAL YEAR | DIVIDENDS RECEIVED DURING THE FISCAL YEAR |
|---|---|---|---|---|---|---|---|---|---|---|
| Sodexo Maroc SA | 4,705 | (4,282) | 100.0% | 9,738 | 1 | | 1,136 | 13,520 | (1,484) | — |
| Sodexo OY | 5,046 | (3,420) | 100.0% | 7,054 | 7,054 | | | 67,301 | (993) | — |
| Sodexo Italia SPA | 1,898 | 57,892 | 100.0% | 7,029 | 7,029 | | | 363,698 | 3,523 | — |
| Sodexo S.R.O. | 5,390 | (7,053) | 100.0% | 6,999 | — | | | 17,571 | 74 | — |
| Sodexo Euroasia | 54 | 12,580 | 100.0% | 6,214 | 6,214 | | 3,458 | 69,669 | 621 | 870 |
| **Foreign equity investments** | | | | | | | | | | |
| Sodexo GmbH | 308 | 307,322 | 37.4% | 38,702 | 38,702 | | | — | (62) | — |
| Eat Club, Inc. (bankruptcy) | | | 17.1% | 18,395 | 17 | | | | | — |
| Mentor Technical Group Corporation | 3 | 48,236 | 45.0% | 18,423 | 18,423 | | | 56,340 | 3,347 | 2,295 |
| Socat LLC | 562 | 1,125 | 49.0% | 11,372 | 8,531 | | | 21,218 | (337) | — |
| **Aggregate information** | | | | | | | | | | |
| Other French subsidiaries | | | | 21,307 | 18,433 | | 22,144 | | | 63 |
| Other foreign subsidiaries | | | | 34,358 | 30,055 | | 34,827 | | | 11,907 |
| Other French equity investments | | | | 1,724 | 1,724 | | 2,540 | | | 55 |
| Other foreign equity investments | | | | 4,592 | 3,388 | 512 | — | | | — |
| **TOTAL** | | | | **7,263,263** | **6,973,730** | **512** | **5,053,135** | | | **320,049** |

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# 5.3 SUPPLEMENTAL INFORMATION ON THE INDIVIDUAL COMPANY FINANCIAL STATEMENTS

## 5.3.1 Five-year financial summary

| (in millions of euro) | FISCAL 2021[1] | FISCAL 2020 | FISCAL 2019 | FISCAL 2018 | FISCAL 2017 |
|---|---|---|---|---|---|
| **Capital at end of period** | | | | | |
| Share capital | 590 | 590 | 590 | 590 | 603 |
| Number of ordinary shares outstanding | 147,454,887 | 147,454,887 | 147 454 887 | 147 454 887 | 150 830 449 |
| Maximum number of potential new shares issuable by conversion of bonds | — | — | — | — | — |
| **Income statement data** | | | | | |
| Revenues excluding taxes | 168 | 135 | 128 | 114 | 119 |
| Earnings before income tax, employee profit-sharing, depreciation, amortization and provisions | 184 | 266 | 632 | 450 | 428 |
| Income tax | 15 | 14 | 23 | 62 | 14 |
| Employee profit-sharing | — | — | — | — | — |
| Earnings after income tax, employee profit-sharing, depreciation, amortization and provisions | 136 | 221 | 597 | 481 | 396 |
| Dividend payout | 294 | — | 430 | 407 | 417 |
| **Per share data** | | | | | |
| Earnings after income tax and employee profit-sharing but before depreciation, amortization and provisions | 1.35 | 1.90 | 4.44 | 3.47 | 2.93 |
| Earnings after income tax, employee profit-sharing, depreciation, amortization and provisions | 0.93 | 1.50 | 4.05 | 3.26 | 2.62 |
| Net dividend per share[2] | 2.00 | — | 2.90 | 2.75 | 2.75 |
| Dividend premium per eligible share[2] | 0.20 | — | 0.29 | 0.275 | 0.275 |

(1) Subject to approval by the Annual Shareholders Meeting to be held on December 14, 2021.
(2) The Board of Directors proposes at the Annual Shareholders Meeting on December 14, 2021, to pay a dividend of 2 euro per share for Fiscal 2021.

| (in millions of euro) | FISCAL 2021 | FISCAL 2020 | FISCAL 2019 | FISCAL 2018 | FISCAL 2017 |
|---|---|---|---|---|---|
| **Employee data** | | | | | |
| Average number of employees during the fiscal year | 465 | 448 | 434 | 370 | 360 |
| Salary expense for the fiscal year | 73 | 43 | 55 | 44 | 40 |
| Social security and other employee benefits paid during the fiscal year | 31 | 22 | 22 | 20 | 16 |

## 5.3.2 Appropriation of earnings

| (in millions of euro) | FISCAL 2021[1] | FISCAL 2020 | FISCAL 2019 | FISCAL 2018 | FISCAL 2017 |
|---|---|---|---|---|---|
| Net income | 136 | 221 | 597 | 481 | 396 |
| Retained earnings | 1,664 | 1,443 | 1,276 | 1,202 | 1,223 |
| Retained earnings[2] | 28 | 28 | 23 | 18 | 11 |
| Retained earnings[3] | — | — | — | — | — |
| Transfer to legal reserve | — | — | — | — | — |
| **Transfer from long-term capital gains reserve** | **—** | **—** | **—** | **—** | **—** |
| Distributable earnings | 1,828 | 1,692 | 1,896 | 1,701 | 1,630 |
| Net dividend | 292 | — | 427 | 405 | 415 |
| Dividend premium[4] | 2 | — | 3 | 2 | 2 |
| Reserves | — | — | — | — | — |
| **Retained earnings** | **1,534** | **1,692** | **1,465** | **1,294** | **1,213** |
| **Number of shares outstanding** | **147,454,887** | **147,454,887** | **147 454 887** | **147 454 887** | **150 830 449** |
| **Number of shares entitled to a dividend** | **147,454,887** | **147,454,887** | **147 454 887** | **147 454 887** | **150 830 449** |
| **Earnings per share** (in euro) | **0.93** | **1.50** | **4.05** | **3.26** | **2.62** |

(1) Subject to approval by the Annual Shareholders Meeting to be held on December 14, 2021.
(2) Corresponding to dividends not paid on treasury shares.
(3) Corresponding to the 10% dividend premium not paid.
(4) The Board of Directors proposes at the Annual Shareholders Meeting on December 14, 2021, to pay a dividend of 2 euro per share for Fiscal year 2021.

## 5.3.3 Supplier and client past due invoices

### INVOICES RECEIVED AND PAST DUE AS OF AUGUST 31, 2021

| (in millions of euro) | 0 DAY | 1-30 DAYS | 31-60 DAYS | 61-90 DAYS | OVER 91 DAYS | TOTAL (1 DAY AND OVER) |
|---|---|---|---|---|---|---|
| **Classified as late payment** | | | | | | |
| Number of invoices | 1,462 | | | | | 628 |
| Amount (incl. VAT) | 15 | 23 | 2 | 1 | 5 | 31 |
| % of total purchases (net of VAT) for the fiscal year | 8.0% | 12.6% | 0.9% | 0.7% | 2.8% | 17.0% |
| **Invoices related to disputed or unrecognized payables and not classified as late payment** | | | | | | |
| Number of invoices | | | — | | | |
| Amount (incl. VAT) | | | — | | | |
| **Reference payment terms used** | | | | | | |
| | | | Contractual payment terms | | | |

#### INVOICES ISSUED AND PAST DUE AS OF AUGUST 31, 2021

| (in millions of euro) | 0 DAY | 1-30 DAYS | 31-60 DAYS | 61-90 DAYS | OVER 91 DAYS | TOTAL (1 DAY AND OVER) |
|---|---|---|---|---|---|---|
| **Classified as late payment** | | | | | | |
| Number of invoices | 753 | | | | | 1,923 |
| Amount (incl. VAT) | 28 | 4 | 3 | 1 | 9 | 16 |
| % of total purchases (net of VAT) for the fiscal year | 7.9% | 1.1% | 0.8% | 0.2% | 2.5% | 4.5% |
| **Invoices related to disputed or unrecognized receivables and not classified as late payment** | | | | | | |
| Number of invoices | 12 | | | | | |
| Amount (incl. VAT) | 1 | | | | | |
| **Reference payment terms used** | | | | | | |
| | Contractual payment terms | | | | | |

# 5.4 STATUTORY AUDITORS' REPORT

## 5.4.1 Statutory Auditors' Report on the financial statements

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

For the year ended August 31, 2021

**SODEXO**

255, quai de la Bataille de Stalingrad
92866 Issy-les-Moulineaux Cedex 9, France

To the shareholders,

### Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Sodexo for the year ended August 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at August 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

### Basis for opinion

#### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

#### Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from September 1, 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments– Key audit matters Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These assessments were made as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

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## Valuation of equity investments

### Description of risk

The balance of equity investments at August 31, 2021 represented €6,974 million, the largest asset on the balance sheet. They are recognized at cost or contribution value. They are written down, where appropriate, when their value in use at the year-end is less than their carrying amount.

As described in note 2.1.3 to the financial statements, value in use is determined by management on the basis of net asset value, profitability and the future prospects of the investee.

When the carrying amount of an investment is higher than the net book value of the share of net assets of the subsidiary, value in use is determined based on discounted future cash flows, using business plans prepared by management generally covering one to five years. In preparing such business plans, management is required to exercise judgment.

Accordingly, we deemed the valuation of equity investments and any related receivables or provisions for contingencies to be a key audit matter, due to the inherent uncertainty of certain components of the valuation, in particular the likelihood of achieving forecast results used to calculate value in use.

### How our audit addressed this risk

In order to assess the reasonableness of the estimate of the value in use of equity investments, based on the information provided to us, our audit work consisted mainly in verifying that the estimated values determined by management were based on an appropriate measurement method and underlying data, and, depending on the investee concerned:

- for valuations based on historical data: verifying that the equity values used were consistent with the financial statements of the entities concerned, and that any adjustments to equity were based on documentary evidence;
- for valuations based on forecast data:
  - obtaining forecast future cash flows of the investees concerned, and assessing their consistency with the business plans drawn up by management,
  - assessing the consistency of the growth rates used for projected cash flows with available long-term inflation forecasts for the geographical areas concerned, in light of the economic environments in which the investees operate,
  - assessing the reasonableness of the discount rates applied to estimated future cash flows, verifying in particular that the various inputs used to calculate the weighted average cost of capital for each investee were sufficient to approximate the return expected by market participants for similar activities.

Our audit work also consisted in:

- assessing the recoverability of receivables related to equity investments;
- verifying the recognition of provisions for contingencies where the Company is exposed to the losses of investees with negative equity.

## Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

### Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in article D.441-6 of the French Commercial Code.

### Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.22-10-9 of the French Commercial Code relating to compensation and benefits paid or awarded to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by the Company from controlled companies within its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of article L.22-10-11 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

## Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

### Other verifications and information pursuant to legal and regulatory requirements

Presentation of the financial statements to be included in the annual financial report Pursuant to paragraph III of article 222-3 of the AMF's General Regulations, the Company's management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018, to reporting periods beginning on or after January 1, 2021. Accordingly, this report does not contain a conclusion on the compliance of the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) with this format.

### Appointment of the Statutory Auditors

We were appointed Statutory Auditors by the Shareholders' Meetings held on February 22, 1994 for PricewaterhouseCoopers Audit and on February 4, 2003 for KPMG Audit.

At August 31, 2021, PricewaterhouseCoopers Audit and KPMG Audit were in the twenty-eighth and the nineteenth consecutive year of their engagement, respectively.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## Responsibilities of the Statutory Auditors relating to the audit of the financial statements

### Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform udit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris La Défense, October 26, 2021

The Statutory Auditors

| **PricewaterhouseCoopers Audit** | **KPMG Audit** |
|---|---|
| | *Department of KPMG SA* |
| Stéphane Basset – Bardadi Benzeghadi | Caroline Bruno-Diaz |

# 5.4.2 Statutory Auditors' special report on related-party agreements

*This is a free translation into English of the Statutory Auditors' special report on related-party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**Shareholders' Meeting held to approve the financial statements for the year ended August 31, 2021**

**SODEXO**

255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9, France

To the shareholders,

In our capacity as Statutory Auditors of Sodexo, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R. 225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

## Agreements to be submitted for the approval of the Shareholders' Meeting

### Agreements authorized during the year

In accordance with article L.225-38 of the French Commercial Code, we were informed of the following agreements entered into since the year-end, which were previously authorized by the Board of Directors during the year.

#### SERVICE AGREEMENT BETWEEN BELLON SA AND SODEXO

- Persons concerned:

  Sophie Bellon, Nathalie Bellon-Szabo and François-Xavier Bellon, members of the Board of Directors of Sodexo and members of the Management Board of Bellon SA.

- Nature and purpose:

  At its meeting on June 23, 2021, the Board of Directors, on the recommendation of the Audit Committee, authorized the conclusion of a new service agreement, renewing under similar conditions the agreement previously entered into with effect from November 17, 2016 and expiring on November 17, 2021. The new agreement was entered into on October 26, 2021 and comes into effect on November 17, 2021 for a period of five (5) years.

  Under this agreement, Bellon SA provides Sodexo with three of its employees to hold the positions of Group Chief Financial Officer, Group Chief People Officer and Group Chief Growth Officer, enabling Sodexo to benefit from their experience and skills in the implementation of its strategy.

- Terms and conditions:

  Under this agreement, Bellon SA invoices Sodexo for the compensation of the Group Chief Financial Officer, Group Chief People Officer and Group Chief Growth Officer during the secondment period. This invoicing includes the compensation and associated benefits, as well as payroll and any other related taxes. The invoiced amount does not include a margin on the items invoiced.

  The total fees billed under this agreement, and changes compared with the prior year, are reviewed annually by the Audit Committee. In addition, and in compliance with the law, the agreement is reviewed every year by the Board of Directors.

  The annual fees payable to Bellon SA are approved each year by the Board of Directors of Sodexo, with none of the directors who are Bellon family members taking part in the vote.

- Reasons given as to why the agreement is beneficial for the Company:

  The Board of Directors of Sodexo authorized this agreement for the following reasons:

  "The Board of Directors deemed that this agreement was in line with the interests of all shareholders given:

  - the strategic advantage for Sodexo of having a business model based on the values of family shareholdings;
  - the quality of the managers concerned;
  - all the governance processes that guarantee a good balance of powers and avoid any abusive control;
  - the absence of economic impact for the Company.

  *The agreement ensures that the values, culture and ambitions initially set out by Pierre Bellon are shared at all levels of the Group. Since Sodexo was founded over 50 years ago, Pierre Bellon's ambition is for Sodexo to be a community of customers, consumers, employees and shareholders. This concept, which was a precursor to the current rise in social and environmental awareness, is one of the fundamental principles of Sodexo's development and guarantees a business model that creates value for all stakeholders.*

  *With these three key managers promoting this model, Sodexo ensures its application through the implementation of the Group's strategy.*

*It is fully in line with the interests of all of Sodexo's shareholders and stakeholders:*

- *The presence of a very long-term family shareholder, which is intrinsically in line with the interests of Sodexo's shareholders, is embodied by the commitment of Mr. and Mrs. Pierre Bellon and their children to not transfer any shares to third parties for 50 years.*
- *The sole asset of Bellon SA is its shareholding in Sodexo and it does not intend to sell this shareholding to third parties.*
- *Bellon SA's interest in the Group's capital is the guarantee of its independence, allowing it to maintain its values, to carry out its dual mission, to have a long-term strategy, to ensure continuity in management and to guarantee its sustainability.*
- *The men and women of Sodexo are strongly committed to this independence, as evidenced by the engagement rate.*

*This independence has contributed significantly to the Group's growth, and is crucial in the current context of the unprecedented crisis. It has enabled Sodexo to seize development opportunities that will enable it to accelerate its transformation. In the context of the Covid-19 crisis and the weakening of the share price, this independence allows Sodexo to avoid giving in to short-term pressures and to focus on its objective of returning to sustainable growth.*

*Moreover, given the absence of additional costs and the process used to determine the compensation of the managers concerned, which is fully in line with that of the other members of the Executive Committee, this agreement is neutral for the Company from a financial point of view.*

*It also ensures the presence of high-quality managers with in-depth knowledge of the Group and significant experience in similar functions.*

*Finally, in order to ensure that this agreement does not contribute to an imbalance of power in favor of Bellon SA, the Board of Directors is committed to ensuring that the rights of all shareholders are effectively protected, through various governance mechanisms:*

- *a high rate of independence on the Board (70%, which is well above the recommendation of the AFEP-MEDEF Code for a controlled company), which is constantly increasing;*
- *mostly independent committees, chaired by an independent director;*
- *the existence of internal regulations and a policy for managing conflicts of interest."*

## Agreements already approved by Shareholders' Meetings

### Agreements approved in prior years that were implemented during the year

In accordance with article R.225-30 of the French Commercial Code, we were informed of the following agreement, which was approved by the Shareholders' Meeting in previous years and implemented during the year.

#### SERVICE AGREEMENT BETWEEN BELLON SA AND SODEXO

- Persons concerned:

Sophie Bellon, Nathalie Bellon-Szabo and François-Xavier Bellon, members of the Board of Directors of Sodexo and members of the Management Board of Bellon SA.

- Purpose and reasons given as to why it is beneficial for the Company:

A service agreement has been in place between Sodexo and Bellon SA, Sodexo's managing holding company, since 1991.

At its meetings on November 15, 2016 and July 10, 2017, the Board of Directors, on the recommendation of the Audit Committee, approved the revision of this agreement, which was approved by the Shareholders' Meeting of January 23, 2018.

The new agreement came into effect on November 17, 2016 for a period of five years, *i.e.*, until November 17, 2021.

According to the Board of Directors, under the terms of this agreement, Sodexo benefits from the professional experience and expertise of three Bellon SA managers holding the positions of Group Chief Financial Officer, Group Chief People Officer and Group Chief Growth Officer.

- Terms and conditions:

Under the terms of this agreement, Bellon SA invoices Sodexo for the compensation of the Group Chief Financial Officer, Group Chief People Officer and Group Chief Growth Strategy Officer during the secondment period. Their compensation is rebilled for the exact amount and includes a fixed and variable portion, as well as any related payroll taxes.

The total fees billed under this agreement, and changes compared with the prior year, are reviewed annually by the Audit Committee. In addition, and in compliance with the law, the agreement is reviewed every year by the Board of Directors.

The annual fees payable to Bellon SA are approved each year by the Board of Directors of Sodexo, with none of the directors who are Bellon family members taking part in the vote.

For the year ended August 31, 2021, the fees billed by Bellon SA under this agreement amounted to 1,880,000 euro excluding taxes, relating to the compensation (including payroll taxes) paid to the Group Chief Financial Officer, Group Chief People Officer and Group Chief Growth Strategy Officer.

Neuilly-sur-Seine and Paris La Défense, November 28, 2021

The Statutory Auditors

| **PricewaterhouseCoopers Audit** | **KPMG Audit** |
|---|---|
| | *Department of KPMG SA* |
| Stéphane Basset – Bardadi Benzeghadi | Caroline Bruno-Diaz |

6

# CORPORATE GOVERNANCE

This chapter includes the Board of Directors' Corporate Governance Report[1].

It provides information on:

- the composition of the Board of Directors;
- the preparation and organization of the Board's work;
- the choice of governance structure and any restrictions placed by the Board on the Chief Executive Officer's powers;
- the related-party agreement authorized by the Board;
- the conditions governing shareholders' attendance at Shareholders Meetings;
- currently valid authorizations for share capital increases; and
- information that could have an impact in the event of a public tender offer.

It also includes the components of Corporate Officers' compensation packages and their compensation policies[2].

The Board of Directors' Corporate Governance Report was approved at the October 26, 2021 Board meeting, and has been submitted in full to the Company's Statutory Auditors.

The Corporate Governance reference framework used by Sodexo is the AFEP-MEDEF Corporate Governance Code for listed companies in France (hereafter the "AFEP-MEDEF Code"). The Company's application of the recommendations contained in this Code is presented in section 6.2.2.

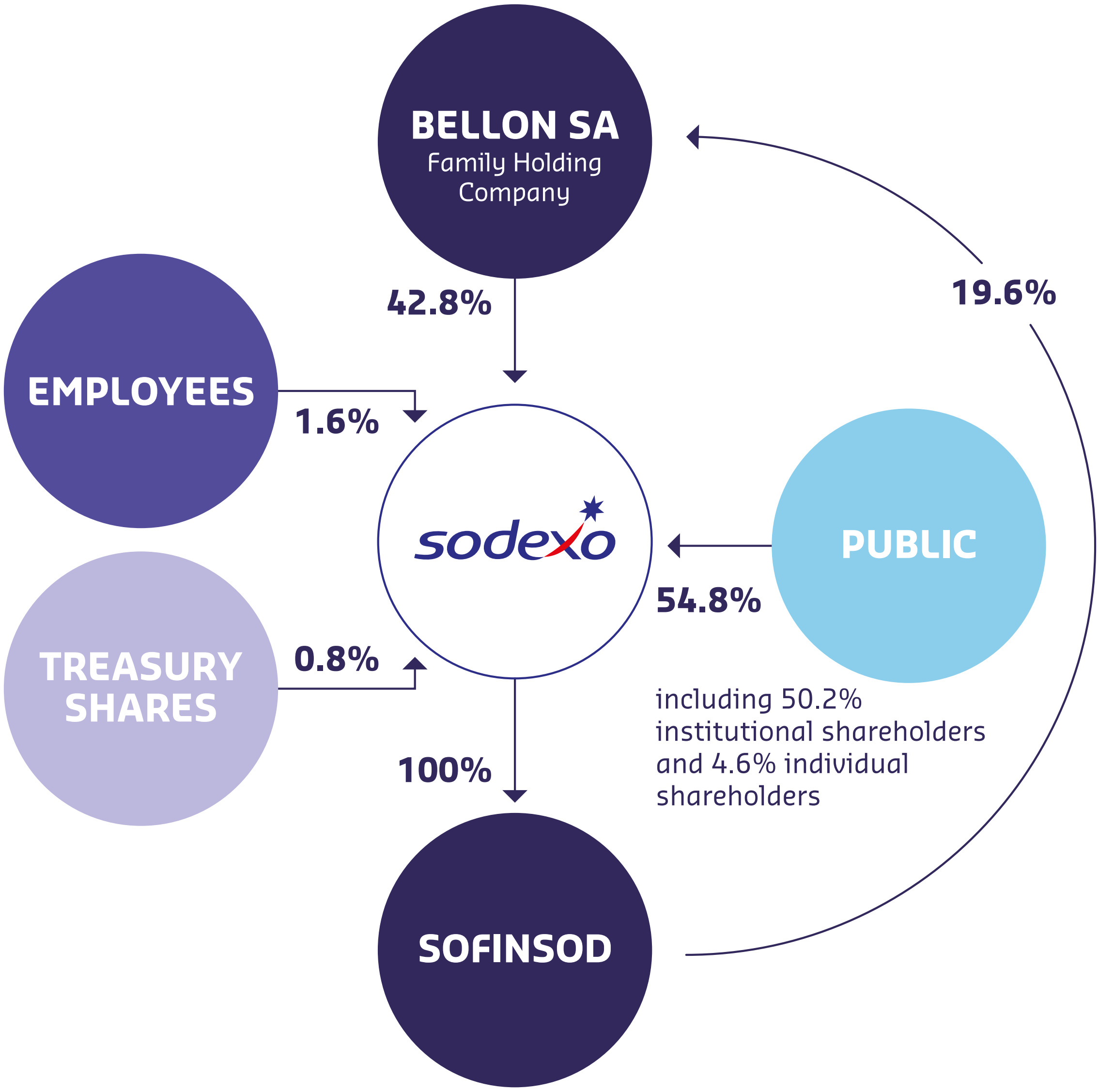
This chapter also provides information on:

- Sodexo's shareholding structure; and
- transactions in Sodexo shares disclosed by Corporate Officers.

Lastly, this chapter also describes the Group's risk management and internal control procedures (section 6.4) as well as its corporate responsibility vigilance plan[3] (section 6.3.4).

1 In accordance with article L.225-37 of the French Commercial Code.
2 In compliance with article L.22.10.8 (formerly article L.225-37-2) of the French Commercial Code.
3 In accordance with article L.225-102-4 of the French Commercial Code.

# 6.1 SHAREHOLDING STRUCTURE[1]




For further information about the Group's shareholding structure, see chapter 7 of this Universal Registration Document.

1 Percentages have been rounded to the nearest tenth.

# 6.2 BOARD OF DIRECTORS

## 6.2.1 Composition and operating procedures of the Board of Directors

Sodexo is a French public limited company *(société anonyme)* governed by a Board of Directors.

The rules and operating procedures of the Board of Directors are defined by the law, the Company's bylaws and the Internal Rules of the Board. In addition, three specialized Committees have been set up by the Board in order to enhance the Board's effectiveness and the Company's governance.

Directors hold office for a term of three years and may be reappointed. However, exceptionally, the Ordinary Shareholders Meeting may, on the recommendation of the Board of Directors, appoint or reappoint one or several directors for a period of one or two years, to stagger the reappointment of directors.

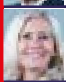
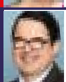
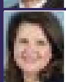
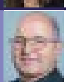
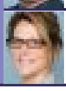
Since September 1, 2005, the roles of Chairman of the Board of Directors and Chief Executive Officer have been separated. This governance structure creates a clear segregation between the strategic planning and oversight functions that are the responsibility of the Board of Directors, and the operational and executive functions that are the responsibility of senior management.

On July 26, 2021, the Board of Directors decided to recruit a new Chief Executive Officer so that the Group could bolster its competitiveness and accelerate its transformation amid the challenges of a post-Covid world.

The Group's environment is characterized by the acceleration of new consumer habits and trends, digital and technological breakthroughs, and emerging new business models. This new stage must allow the Group to swiftly adapt to the expectations of its clients and consumers and forge a path to solid, profitable and responsible growth for the long term.

The duties of Denis Machuel as Chief Executive Officer ended on September 30, 2021. Since that date, the Chairwoman of the Board of Directors, Sophie Bellon, has also been acting as interim Chief Executive Officer to ensure the Company's business continuity during the selection process for a new Chief Executive Officer.

## 6.2.1.1 Composition as of August 31, 2021

| | | | DATE OF BIRTH | NATIONALITY | NUMBER OF DIRECTOR/ OFFICER POSITIONS HELD IN OTHER LISTED COMPANIES | FIRST APPOINTMENT TO THE BOARD | TERM EXPIRES (AT THE ANNUAL SHAREHOLDERS MEETING CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR INDICATED) | SENIORITY (YEARS) | NUMBER OF SODEXO SHARES HELD | INDEPENDENT DIRECTORS[1] | BOARD COMMITTEES: AUDIT | NOMINATING | COMPENSATION |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Chairwoman |  | Sophie Bellon | 08/19/1961 | | 1 | 07/26/1989 | Fiscal 2023 | 32 | 7,964 | | | ● | |
| Independent directors |  | Emmanuel Babeau[2] | 02/13/1967 | | 0 | 01/26/2016 | Fiscal 2021 | 6 | 400 | X | ● | | |
| |  | Françoise Brougher | 09/02/1965 | | 0 | 01/23/2012 | Fiscal 2023 | 10 | 400 | X | | ● | ● |
| |  | Federico J. González Tejera | 12/04/1964 | | 0 | 01/12/2021 | Fiscal 2023 | 1 | 1,000 | X | | | |
| |  | Véronique Laury | 06/29/1965 | | 1 | 01/21/2020 | Fiscal 2022 | 2 | 400 | X | ● | | |
| |  | Luc Messier | 04/21/1964 | | 1 | 01/21/2020 | Fiscal 2022 | 2 | 400 | X | | | |
| |  | Sophie Stabile | 03/19/1970 | | 1 | 07/01/2018 | Fiscal 2022 | 3 | 400 | X | Chair | | ● |
| |  | Cécile Tandeau de Marsac | 04/17/1963 | | 2 | 01/24/2017 | Fiscal 2022 | 5 | 400 | X | | Chair | Chair |
| Family directors |  | François-Xavier Bellon[2] | 09/10/1965 | | 0 | 07/26/1989 | Fiscal 2021 | 32 | 36,383 | | ● | | |
| |  | Nathalie Bellon-Szabo | 01/26/1964 | | 0 | 07/26/1989 | Fiscal 2023 | 32 | 3,052 | | | ● | |
| Director representing employees |  | Philippe Besson | 09/21/1956 | | 0 | 06/18/2014 | Fiscal 2022 | 7 | – | N/A[3] | | | ● |
| |  | Cathy Martin | 05/06/1972 | | 0 | 09/10/2015 | Fiscal 2023 | 5 | – | N/A[3] | ● | | |

(1) Independent directors based on the criteria set out in the AFEP-MEDEF Code.

(2) At the Annual Shareholders Meeting held on December 14, 2021, the Board of Directors recommends that the shareholders reappoint François-Xavier Bellon as director for three-year terms expiring at the Annual Shareholders Meeting to be held to adopt the financial statements for Fiscal 2024. Furthermore, Emmanuel Babeau, whose term of office expires at the close of the December 14, 2021 Annual Shareholders Meeting, has stated that he does not wish to be reappointed.

(3) In accordance with French law and the AFEP-MEDEF Code, directors representing employees are not included in the calculation of the representation of men and women on the Board or the percentage of independent directors.

6

**70%**
Independent directors (excluding directors representing employees)

**57**
Average age of directors

**60%**
Female directors (excluding directors representing employees)

## 6.2.1.2 Chairman *Emeritus*

### PIERRE BELLON

**Born January 24, 1930**
**French nationality**
**Graduate of the *École des hautes études commerciales* (HEC)**

Number of Sodexo shares held: **12,900**

**Business address:**
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

***Main role:*** Chairman of the Supervisory Board, Bellon SA, and Chairman Emeritus, Sodexo S.A.

#### Background

Pierre Bellon joined Société d'Exploitations Hôtelières, Aériennes, Maritimes et Terrestres in 1958 as Assistant Manager. He later served as Managing Director and then Chairman and Chief Executive Officer.

In 1966 he founded Sodexo S.A., where he served as Chairman and Chief Executive Officer until August 31, 2005. Following the Board decision to separate the roles of Chairman of the Board of Directors and Chief Executive Officer, Pierre Bellon remained as Chairman of the Board of Directors until the Shareholders Meeting of January 26, 2016, when he was named Chairman Emeritus.

In 1988, Pierre Bellon was appointed Chairman and Chief Executive Officer of Bellon SA before serving as Chairman of the Management Board from 1996 to 2002 and Chairman of the Supervisory Board since February 2002.

Pierre Bellon had also served as:

- Vice President of CNPF (subsequently MEDEF), 1980-2005
- President of the French National Center for Young Business Leaders (formerly the Center for Young Employers), 1968-1970
- President of the French National Federation of Hotel and Restaurant Chains, 1972-1975
- Member of the French Economic and Social Council, 1969-1979

#### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES

- **Chairman of the Supervisory Board:** Bellon SA

FOREIGN COMPANIES

None

**Companies not linked to Sodexo**

FRENCH COMPANIES

- **Chairman of the Supervisory Board:** Sobelnat SCA
- **Member of the Board of Directors:** *Association progrès du management* (APM), created by Pierre Bellon in 1987
- **Chairman and Founder:** Pierre Bellon Foundation

FOREIGN COMPANIES

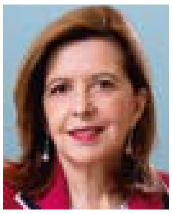
None

#### Other positions and corporate offices held within the past five years but no longer held

- None

## 6.2.1.3 Board members as of August 31, 2021

### SOPHIE BELLON – CHAIRWOMAN OF THE BOARD OF DIRECTORS



**Born August 19, 1961**
**French nationality**
**Graduate of the École des hautes études commerciales du Nord (EDHEC)**
**First appointed:** July 26, 1989
**Expiration of current term:** at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements
Member of the Nominating Committee
Number of Sodexo shares held: **7,964**

**Business address:**
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

***Main role:*** Chairwoman of the Board of Directors, Sodexo*

Chief Executive Officer, Sodexo, on an interim basis from October 1, 2021, until the appointment of a new Chief Executive Officer

#### Background

Sophie Bellon began her career in 1985 with Crédit Lyonnais in the United States as a mergers and acquisitions advisor for the bank's French clientele in New York.

She joined Sodexo in 1994 as a senior analyst in the Group Finance Department. In 2001, she was appointed Project Manager – Strategic Financial Planning within the Group Strategic Planning Department to develop and implement key performance indicators for the Group. In September 2005, she was named Group Vice President of Client Retention and was responsible for the worldwide deployment of the initiative on client retention.

In September 2008, she was appointed Chief Executive Officer of Corporate Services for Sodexo France. In that capacity, she also took over responsibility for Facilities Management (FM) activities in France in September 2010.

In November 2013, Sophie Bellon was appointed Vice Chairwoman of the Sodexo Board of Directors (replacing Robert Baconnier), and was also entrusted with specific responsibility for increasing, within Sodexo, the pace of Research, Development and Innovation, particularly in Quality of Life services.

On January 26, 2016, Sophie Bellon became Chairwoman of the Board of Directors of Sodexo S.A.

Since Denis Machuel's departure on September 30, 2021, she has also been acting as interim Chief Executive Officer.

#### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES

- **Member of the Management Boar**d: Bellon SA

FOREIGN COMPANIES

None

**Companies not linked to Sodexo**

**FRENCH COMPANIES**

- **Chairwoman:** PB Holding SAS
- **Member of the Board of Directors:** L'Oréal*; Chairwoman of L'Oréal's Human Resources and Remuneration Committee; Chairwoman of L'Oréal's Nominations and Governance Committee, Member of L'Oréal's Audit Committee
- **Member of the Board of Directors:** *Association nationale des sociétés par actions* (ANSA); *Association française des entreprises privées* (AFEP); *Association Comité France Chine*

FOREIGN COMPANIES

None

#### Other positions and corporate offices held within the past five years but no longer held

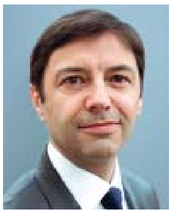
- **Founding membe**r: Pierre Bellon Foundation *(Term ended: September 2018)*
- ***Co-Chair:*** Sodexo Women's international Forum for Talent (SWIFT) *(Term ended: June 2018)*

* Listed company.



6

## EMMANUEL BABEAU



**Born February 13, 1967**

**French nationality**

**Graduate of the *École supérieure de commerce de Paris* (ESCP Europe); degree in accounting and finance (DESCF)**

**First appointed:** January 26, 2016

**Expiration of current term:** at the Annual Shareholders Meeting held to adopt the Fiscal 2021 financial statements

Member of the Audit Committee.

Number of Sodexo shares held: **400**

**Business address:**
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

***Main role:*** Chief Financial Officer, Philip Morris International

### Background

Emmanuel Babeau began his career at Arthur Andersen in late 1990. In 1993, he joined the Pernod Ricard group as Internal Auditor and was appointed Head of internal audit, Corporate Treasury and Consolidation in 1996. He subsequently held several executive positions at Pernod Ricard, notably outside France, before becoming Vice President, Development in 2001. In June 2003, he was appointed Chief Financial Officer and in 2006 he was named Deputy Managing Director of Finance.

He joined Schneider Electric in 2009 as Executive Vice President, Finance and a member of the Management Board. In 2013 he became Deputy Chief Executive Officer in charge of Finance and Legal Affairs. On May 1, 2020, he joined Philip Morris International as Chief Financial Officer.

### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

**Companies not linked to Sodexo**

FRENCH COMPANIES

- **Managing partner:** SCI GETIJ

FOREIGN COMPANIES

None

### Other positions and corporate offices held within the past five years but no longer held

- **Deputy Chief Executive Officer:** Schneider Electric SE* (France) *(Term ended: April 2020)*
- **Vice Chairman and member of the Board of Directors:** Aveva Group plc* (Schneider Electric Group) (UK) *(Term ended: April 2020)*
- **Member of the Board of Directors:** Sanofi* (France) *(Term ended: May 2020)*
- Schneider Electric group companies (Terms ended: April 2020): Schneider Electric Industries SAS (France); Schneider Electric USA Inc. (USA); Schneider Electric (China) Co., Ltd. (China); Samos Acquisition Company Ltd. (UK); Schneider Electric Holdings Inc. (USA); Carros Sensors Topco (previously InnoVista Sensors Topco Ltd) (UK); AO Schneider Electric (Russia); Invensys Ltd. (UK) (Term ended for this office: July 2018)
- **Member of the Supervisory Board:**
- Schneider Electric group companies (Terms ended: April 2020): Aster Capital Partners SAS (France); Schneider Electric Energy Access (representing Schneider Electric Industries SAS); InnoVista Sensors SAS (France) (Term ended for this office: January 2018)

* Listed company.

## FRANÇOIS-XAVIER BELLON

**Born September 10, 1965**
**French nationality**
**Graduate of the European Business School**
**First appointed:** July 26, 1989
**Expiration of current term:** at the Annual Shareholders Meeting held to adopt the Fiscal 2021 financial statements
Member of the Audit Committee.
Number of Sodexo shares held: **36,383**

**Business address:**
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

***Main role:*** Chairman of the Management Board, Bellon SA

### Background

François-Xavier Bellon began his career in 1990 with the Adecco group, working first in France and then in Spain.

In 1995, he joined the Sodexo Group, taking up an operational role in the Healthcare segment in France. In 1999, he was appointed Regional Director in Mexico and subsequently became Chief Executive Officer of Sodexo Mexico.

In 2004, he was appointed Chief Executive Officer of Sodexo UK & Ireland but he resigned from this position a few months later due to health problems.

He rejoined the Adecco group in September 2004 and headed up the Sales and Marketing Department of the Global Staffing Division as well as managing the Group's key international accounts, based between Zurich and London.

In May 2007, François-Xavier Bellon took over a company based in the United Kingdom that provides home care services to dependent people, of which he became Chief Executive Officer before founding LifeCarers. He then left LifeCarers in November 2019 to focus on his various roles within Bellon SA (Chairman of the Management Board) and Sodexo (director).

### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES

- **Chairman of the Management Board:** Bellon SA

FOREIGN COMPANIES

None

**Companies not linked to Sodexo**

FRENCH COMPANIES

- **Chief Executive Officer**: PB Holding SAS

FOREIGN COMPANIES

None

### Other positions and corporate offices held within the past five years but no longer held

- **Chief Executive Officer and member of the Board of Directors:** LifeCarers Ltd. (UK) (*Term ended: November 2019)*
- **Member of the Board of Directors:** *U1st Sports SA (Spain) (Term ended: January 2019); House of HR (Belgium) (Term ended: January 2019)*
- **Advisor:** French Foreign Trade Commission *(Term ended: December 2018)*

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## NATHALIE BELLON-SZABO

**Born January 26, 1964**
**French nationality**
**Graduate of the European Business School**
**First appointed:** July 26, 1989
**Expiration of current term:** at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements
Member of the Nominating Committee
Number of Sodexo shares held: **3,052**

**Business address:**
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

***Main role:*** Chief Executive Officer, Sodexo Sports and Leisure

### Background

Nathalie Bellon-Szabo began her career in the Foodservices industry in 1987. In 1989, she became an account manager for Scott Traiteur, and then Sales Manager of Le Pavillon Royal.

She joined Sodexo in March 1996 as Sales Director for Sodexo Prestige in France, becoming a Regional Manager in 1999. In September 2003, she was appointed Managing Director of Sodexo Prestige, and Managing Director of L'Affiche in January 2006. She was named Chairwoman of the Management Board of the Lido in 2009. She became Chief Executive Officer of Sodexo Prestige Sports and Leisure in France on September 1, 2010 and Chairwoman of the Management Board of Lenôtre in 2012.

On September 1, 2015, Nathalie Bellon-Szabo was appointed Chief Executive Officer Sports and Leisure France, On-site Services and Chief Operating Officer Sports and Leisure Worldwide, On-site Services.

On June 19, 2018, she was appointed Chief Executive Officer Sports and Leisure (now Sodexo Live!) Worldwide and joined the Group Executive Committee.

### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES

- **Member of the Management Board:** Bellon SA
- **Chairwoman:** Gedex SAS; Umanis SAS; Pierre Bellon Foundation
- **Chairwoman of the Management Board:** Société du Lido (SEGSMHI); Lenôtre SA

FOREIGN COMPANIES

None

**Companies not linked to Sodexo**

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

### Other positions and corporate offices held within the past five years but no longer held

- **Chairwoman:** Yachts de Paris SAS (France) (*Term ended: November 2018*); *Société d'exploitation des vedettes Paris Tour Eiffel SAS (France*) (Term ended: November 2018); Sodexo Sports et Loisirs SAS (France) *(Term ended: November 2018)*; Compagnie d'armateur fluvial et maritime SAS (*France*) *(Term ended: November 2018)*
- **Chairwoman of the Board of Directors:** Millenia SA (France) *(Term ended: December 2018)*
- **Member of the Board of Directors:** Altima SA (France) *(Term ended: December 2018)*

## PHILIPPE BESSON – DIRECTOR REPRESENTING EMPLOYEES

**Born September 21, 1956**
**French nationality**
**First appointed:** June 18, 2014
**Expiration of current term:** at the Annual Shareholders Meeting held to adopt the Fiscal 2022 financial statements
Member of the Compensation Committee

Number of Sodexo shares held: **N/A**

**Business address:**
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

***Main role:*** Head of Projects for Sponsorship, Sodexo France

### Background

Philippe Besson joined the Sodexo Healthcare Division in 1981, as Foodservices manager for the Paris Île de France region. He took part in the World Youth Days in Paris, Rome and Cologne, was responsible for the Tour de France departure villages for Sodexo and managed athlete Foodservices for the Pacific Games.

He has been Head of Projects for Sponsorship since 2014.

### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES
None

FOREIGN COMPANIES
None

**Companies not linked to Sodexo**

FRENCH COMPANIES
None

FOREIGN COMPANIES
None

### Other positions and corporate offices held within the past five years but no longer held

None

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## FRANÇOISE BROUGHER

**Born September 2, 1965**

**Dual French and American nationality**

**Graduate of ICAM-Lille *(Institut catholique d'arts et métiers)* (France) and Harvard University (United States)**

**First appointed:** January 23, 2012

**Expiration of current term:** at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements

Member of the Nominating Committee

Member of the Compensation Committee

Number of Sodexo shares held: **400**

**Business address:**

Sodexo

255, quai de la Bataille-de-Stalingrad

92130 Issy-les-Moulineaux (France)

***Main role:*** Director

### Background

Françoise Brougher began her career in 1989 in a production unit of L'Oréal in Japan.

After receiving her MBA in 1994, she joined the strategy consulting firm Booz Allen & Hamilton, dividing her time between Europe and the United States.

In 1998, she joined the San Francisco-based Ocean Gem Pearl Corporation, an importer of black Tahitian pearls, as Chief Executive Officer.

From 2000 to 2005, she was Vice President of Strategy at California-based brokerage firm Charles Schwab Corporation.

In March 2005, she joined Google, where she managed the Business Operations for four years, becoming Vice President, Global SME Sales & Operations in 2009.

In April 2013, she joined San Francisco-based Square as Business Lead.

In February 2018, she was appointed Chief Operating Officer of Pinterest and stepped down from this role in April 2020.

### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

**Companies not linked to Sodexo**

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

### Other positions and corporate offices held within the past five years but no longer held

- **Member of the Board of Directors:** Blackbird Air (USA) *(Term ended: November 2020)*
- **Executive Officer:** Pinterest*, (USA) *(Term ended: April 2020)*
- **Business Lead:** Square* (USA) *(Term ended: May 2017)*

* Listed company.

## FEDERICO J. GONZÁLEZ TEJERA

**Born April 12, 1964**

**Spanish nationality**

**Graduate of the University Complutense de Madrid and the *École Supérieure de Commerce de Paris* (ESCP)**

**First appointed:** January 12, 2021

**Expiration of current term:** at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements

Number of Sodexo shares held: **1,000**

**Business address:**
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

***Main role:*** Chief Executive Officer of Radisson Hotel Group

### Background

After receiving degrees in Economics, International Trade and Finance in Spain in 1988, Federico J. González Tejera joined Procter & Gamble in Spain where he held various marketing positions. He later assumed additional responsibilities in Europe (based in Belgium) and the Nordic countries (based in Sweden) prior to being appointed country head of Portugal.

After 16 years at Procter & Gamble, he joined Eurodisney in 2004 as Vice President of Marketing and later, President of Eurodisney Vacations and Senior Vice President of Marketing and Sales, Paris and EMEA.

In 2012, he joined the Spanish group NH Hotel Group as Chief Executive Officer.

Since 2017, he is Chief Executive Officer of Radisson Hotel Group.

### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

**Companies not linked to Sodexo**

FRENCH COMPANIES

None

FOREIGN COMPANIES

- **Member of the Board of Directors:** Radisson Hotel Group

### Other positions and corporate offices held within the past five years but no longer held

- **Chief Executive Officer:** NH Hotel Group *(Term ended: December 2016)*

## VÉRONIQUE LAURY

**Born June 29, 1965**

**French nationality**

**Graduate of the *Institut d'études politiques* (Sciences Po) of Paris**

**First appointed:** January 21, 2020

**Expiration of current term:** at the Annual Shareholders Meeting held to adopt the Fiscal 2022 financial statements

Member of the Audit Committee

Number of Sodexo shares held: **400**

**Business address:**
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

***Main role:*** Director

### Background

After graduating from Sciences Po in 1988, Véronique Laury joined Leroy Merlin and took over various functions in the marketing and sales field for about 15 years.

In 2003, she joined Kingfisher, the European giant DIY retailer, Parent company of B&Q, Brico Dépôt, Castorama and Screwfix. She was in charge of the Sales and Marketing Department of Castorama (France) and later of B&Q (UK) before being named Head of the Group sales and marketing strategy, taking over the responsibility of Group purchasing and brand development.

In 2013, Véronique Laury became Chief Executive Officer of Castorama France.

From September 2014 to September 2019, she was Chief Executive Officer of Kingfisher plc, listed in the FTSE 100 (UK).

### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

**Companies not linked to Sodexo**

FRENCH COMPANIES

- **Member of the Supervisory Board:** Tarkett*

FOREIGN COMPANIES

- **Member of the Board of Directors:** IKEA Holding B.V. (Netherlands)
- **Member of the Supervisory Board:** Eczacibosi Holding (Turkey)

### Other positions and corporate offices held within the past five years but no longer held

- **Chief Executive Officer:** Kingfisher plc* (UK) *(Term ended: March 2019)*

* Listed company.

## CATHY MARTIN – DIRECTOR REPRESENTING EMPLOYEES

**Born June 5, 1972**
**Canadian nationality**
**First appointed:** September 10, 2015
**Expiration of current term:** at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements

Member of the Audit Committee.

Number of Sodexo shares held: **N/A**

**Business address:**
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

***Main role:*** Regional Manager, On-site Services, Energy & Resources segment – East Canada, Sodexo Canada

### Background

After completing her studies in nutrition, Cathy Martin began her career in the Foodservices industry in 1998.

In January 2000, she joined Sodexo as an on-site Foodservices manager. Over the past 20 years, she has held various operating and project management positions. In December 2014, she was named Regional Manager, On-site Services in the Education segment in Quebec, Canada. In 2017, she became Regional Manager – East Canada for the Energy & Resources segment.

### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

**Companies not linked to Sodexo**

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

### Other positions and corporate offices held within the past five years but no longer held

None

## LUC MESSIER

**Born April 21, 1964**
**Dual Canadian and American nationality**
**Graduate of the University of Sherbrooke (civil engineering) and of UC Davis (viticulture and oenology)**
**First appointed:** January 21, 2020
**Expiration of current term: at** the Annual Shareholders Meeting held to adopt the Fiscal 2022 financial statements
Number of Sodexo shares held: **400**

**Business address:**
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

***Main role:*** President, Reus Technologies LLC (USA)

### Background

Luc Messier began his career in engineering and project management at Pomerleau. He joined the Bouygues group in 1993 as an engineer, project manager in Hong Kong and in South Africa and was later appointed Chief Executive Officer of the Bouygues subsidiary handling construction work in Hong Kong.

In 2003, he joined Technip as Chief Operating Officer and was then named President and Chief Executive Officer of Technip Offshore Inc. before being appointed President and Chief Executive Officer of Technip USA.

Between 2007 and 2015, he served as Senior Vice President for ConocoPhillips, where he was responsible for projects, aviation and procurement.

Since 2015, he has been President of Reus Technologies LLC (on a part time basis), a technology development company that acts primarily as an angel investor in new technology, focused ventures. He is also Chairman of Messier Wine Holdings LLC (part time), a company that owns a vineyard in Carmel, California.

### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES
None

FOREIGN COMPANIES
None

**Companies not linked to Sodexo**

FRENCH COMPANIES
None

FOREIGN COMPANIES
- **Chairman:** Reus Technologies LLC (USA); Messier Wine Holdings (USA)
- **Member of the Board of Directors:** Greenfield Holdings LLC (USA), Bird Construction Inc.* (Canada), member of the Human Resources, safety and Governance Committee of Bird Construction Inc., Chairman of the Environment and Health & Safety Committee of Bird Construction Inc.

### Other positions and corporate offices held within the past five years but no longer held

- **Member of the Board of Directors:** Mercury Ensemble (USA) *(Term ended: December 2017)*; Da Camera (USA) *(Term ended: December 2017)*; IGP Methanol (USA) *(Term ended: April 2019)*; Ocean Installer (Norway) *(Term ended: March 2020)*

* Listed company.

## SOPHIE STABILE

**Born March 19, 1970**
**French nationality**
**Graduate of the *École supérieure de gestion et finances* (ESGF) de Paris.**
**First appointed:** July 1, 2018
**Expiration of current term:** at the Annual Shareholders Meeting held to adopt the Fiscal 2022 financial statements
Chair of the Audit Committee
Member of the Compensation Committee
Number of Sodexo shares held: **400**

**Business address:**
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

***Main role:*** Chief Financial Officer, Lagardère

### Background

Sophie Stabile began her career as a financial auditor before joining the Accor group in 1999. In 2006, she was appointed Group Controller-General, in charge of the consolidation process, the International Finance Departments and the Financial Control and Internal Audit Departments as well as the Accor holding company and the Group's finance back offices. In 2010 she became Chief Financial Officer.

From 2015 to 2017 she served as Chief Executive Officer, HotelServices France and Switzerland, for AccorHotels.

In February 2018, she founded Révérence – a consulting, investment and private equity firm – of which she has been Managing Partner since that date. In October 2020, she became Chief Financial Officer of group Lagardère.

### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

**Companies not linked to Sodexo**

FRENCH COMPANIES

- **Managing Partner:** Révérence
- **Member of the Board of Directors:** Ingenico*; Bpifrance SA
- **Member of the Board of Directors:** *Institut Français des Administrateurs* (IFA), treasurer of IFA

FOREIGN COMPANIES

None

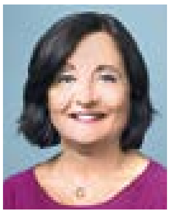
### Other positions and corporate offices held within the past five years but no longer held

- **Chief Executive Officer:** HotelServices France and Switzerland, AccorHotels (France) *(Term ended: 2017)*
- **Member of the Supervisory Board:** Altamir* (France) *(Term ended: March 2019); Unibail Rodamco-Westfield* (France) (Term ended: 2021)*
- **Member of the Board of Directors**: SPIE* (France) (Term ended: 2021)

* Listed company.

6

## CÉCILE TANDEAU DE MARSAC



**Born April 17, 1963**
**French nationality**
**Graduate of the NEOMA Business School**
**First appointed:** January 24, 2017
**Expiration of current term:** at the Annual Shareholders Meeting held to adopt the Fiscal 2022 financial statements
Chair of the Compensation Committee
Chair of the Nominating Committee
Number of Sodexo shares held: **400**

**Business address:**
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

***Main role:*** Director

### Background

Cécile Tandeau de Marsac began her career with Nestlé in 1987, holding various positions in Marketing and Communications before joining the Human Resources Department in 2002, where she was in charge of career development in France. In 2005, she became Human Resources Director for certain businesses and corporate functions at Nestlé France.

In 2007, she joined Rhodia as HR Director of a business unit in France, responsible for talent development for the Group. She subsequently took part in two major projects, the transformation of Rhodia's organizational structure and the subsequent integration of Rhodia's teams following its acquisition by Solvay.

From September 2012 to June 2019 she served as Chief Human Resources Officer, Solvay group.

### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES
None

FOREIGN COMPANIES
None

**Companies not linked to Sodexo**

FRENCH COMPANIES

- **Member of the Board of Directors:** Daher; Verallia*
- **Member (non-director) of the Nominating and Compensation Committees**: Bel*

FOREIGN COMPANIES
None

### Other positions and corporate offices held within the past five years but no longer held

- **Chief Human Resources Officer:** Solvay group (France) *(Term ended: June 2019)*

* Listed company.

### 6.2.1.4 Changes in the composition of the Board of Directors and its Committees during Fiscal 2021 and changes planned for Fiscal 2022

#### Changes during Fiscal 2021

| | DEPARTURE | APPOINTMENT | REAPPOINTMENT |
|---|---|---|---|
| Board of Directors | ***January 12, 2021:***<br>Soumitra Dutta | ***January 12, 2021:***<br>Federico J. Gonzalez Tejera | ***January 12, 2021:***<br>Sophie Bellon<br>Nathalie Bellon-Szabo<br>Françoise Brougher |
| Audit Committee | ***January 12, 2021:***<br>Soumitra Dutta | ***October 28, 2020:***<br>Véronique Laury | - |
| Compensation Committee | - | - | - |
| Nominating Committee | - | - | - |

#### Changes planned for Fiscal 2022

At the Combined Annual Shareholders Meeting on December 14, 2021, the Board of Directors will recommend that shareholders:

- reappoint François-Xavier Bellon as director for an additional three-year term.

  François-Xavier Bellon is recognized for his operational and financial expertise as well as for his long-term strategic vision, fully in line with the expertise sought by the Board of Directors, even more so during the current context of accelerating the Group's transformation. He has demonstrated great rigor over the duration of his mandate, notably during the sanitary crisis related to the Covid-19 pandemic.

  Emmanuel Babeau, whose term of office expires at the close of the December 14, 2021 Annual Shareholders Meeting, has stated that he does not wish to be reappointed after 6 years of tenure;
- appoint a new independent director, Jean-Baptiste Chasseloup de Chatillon, for a three-year term.

  Jean-Baptiste Chasseloup de Chatillon, of French nationality, is Executive Vice President and Chief Financial Officer of Sanofi since 2018. Before joining Sanofi, he was Chief Financial Officer and Member of the Management Board and of the Executive Committee of PSA Peugeot Citroën, where he spent nearly 30 years and held finance, commercial and operational roles, in various European countries. He led major merger and acquisition transactions with American, Russian, Chinese, Indian and European companies.

  Jean-Baptiste Chasseloup de Chatillon's biography below provides additional information on his background.

On October 26, 2021, the Board of Directors also decided to appoint Luc Messier as a new member of the Nominating Committee. He will bring his strong understanding of different cultures given his experience living and working in several countries in Europe, Asia and North America.

The Board also decided that, subject to his appointment as a director at the Shareholders Meeting of December 14, 2021, Jean-Baptiste Chasseloup de Chatillon would join the Audit Committee.

## JEAN-BAPTISTE CHASSELOUP DE CHATILLON

**Born March 19, 1965**
**French nationality**
**Graduate in Finance of the Paris Dauphine University and the Lancaster University (UK)**

Number of Sodexo shares held: **400**

**Business address:**
Sanofi
54, rue La Boétie
75008 Paris (France)

***Main role***: Chief Financial Officer of Sanofi

**Background**

Jean-Baptiste Chasseloup de Chatillon began his career with the PSA Peugeot Citroën group in 1989, as internal consultant within the shared service center for Europe, before being appointed management controller and Treasurer for Spain. In 1999, he became Chief Financial officer of the Group British subsidiaries in the UK and joined Automobiles Citroën in 2001 as Director of Imports. In 2003, he was appointed Managing Director of Citroën Benelux and in 2007, Financial Controller of the Peugeot SA group, before being entrusted with the role of Chief Financial Officer in 2012 and joining then the Management Board and the Executive Committee. Chairman of Banque PSA Finance from 2012 to 2016, he was also in charge of the commercial divisions Spare parts, After sale, PSA Retail (PSA dealers network) and used vehicles, as well as of the Group IT Department. In 2018, he joined Sanofi as Chief Financial officer and member of the Executive Committee.

### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES
None

FOREIGN COMPANIES
None

**Companies not linked to Sodexo**

FRENCH COMPANIES
None

FOREIGN COMPANIES
None

### Other positions and corporate offices held within the past five years but no longer held

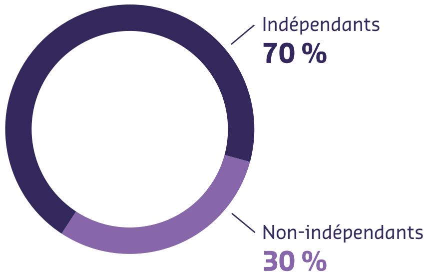
- **Member of the Board of Directors and of the Audit Committee**: Faurecia *(Term ended: July 2018)*
- **Member of the Board of Directors**: GEFCO (company controlled by Russian Railways) *(Term ended: September 2018)*; Dong Feng Peugeot Citroën Automobiles (DPCA) *(Term ended: September 2018)*; Changan PSA (CAPSA) *(Term ended: September 2018)*

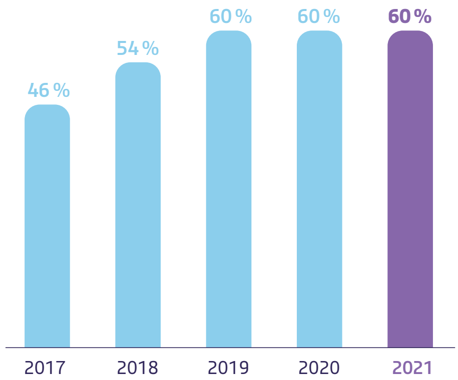
### 6.2.1.5 Principles governing the composition of the Board of Directors

The Board of Directors regularly assesses whether the composition of the Board and of its specialized Committees is well balanced, particularly in terms of diversity (gender mix, nationality, age, competencies, etc.).

#### Diversity policy of the Board of Directors

<table>
<tr><th>CRITERIA</th><th>OBJECTIVES</th><th>IMPLEMENTATION AND RESULTS ACHIEVED IN FISCAL 2021</th></tr>
<tr><td>Director independence*</td><td>Have at least one third of the Board's members considered independent in accordance with the recommendations for controlled companies in the AFEP-MEDEF Code.</td><td>Since January 21, 2020, 70% of the directors are deemed to be independent.



</td></tr>
<tr><td>Gender balance*</td><td>Maintain an optimal gender mix on the Board of Directors.</td><td>



As of August 31, 2021, the Board of Directors had 12 members (including two directors representing employees), comprising seven women (including one female director representing employees) and five men (including one male director representing employees). This 60%/40% ratio of women to men (excluding directors representing employees) gives the Board a good gender balance and complies with the legal requirement in France, according to which the proportion of women and men on Corporate Boards must be at least 40% for each gender.</td></tr>
<tr><td>Directors' ages</td><td>No more than one third of the directors to be over 70 years old, in accordance with the applicable legal requirements.</td><td>Since January 21, 2020, all directors are under 70 years old.</td></tr>
<tr><td>Director nationality</td><td>The composition of the Board of Directors is intended to reflect as closely as possible the geographic mix of the Group's business and to incorporate a wide range of nationalities.</td><td>The Board currently includes members from France, the United States, Canada and Spain. In addition, Sodexo's directors have significant international experience and/or exposure, as they hold, or have held, positions or directorships in international companies or exercise key roles outside France.</td></tr>
<tr><td>Directors representing employees</td><td>Appointment of directors representing employees.</td><td>Since 2015, the Company has had two directors representing employees. Philippe Besson is on the Compensation Committee and Cathy Martin is on the Audit Committee.</td></tr>
</table>

* In accordance with French law and the AFEP-MEDEF Code, directors representing employees are not included in the calculation of the representation of men and women on the Board or the percentage of independent directors.

## COMPETENCIES MATRIX

The diagram below shows the number of directors who have the competencies considered to be important for the Board:

| | EXECUTIVE MANAGEMENT OF INTERNATIONAL COMPANIES | FINANCE | SUSTAINABLE DEVELOPMENT, SOCIETAL COMMITMENT AND HUMAN RESOURCES | INNOVATION - DIGITAL | MARKETING AND SALES | STRATEGY - MERGERS AND ACQUISITIONS | KNOWLEDGE OF THE SERVICE SECTOR |
|---|---|---|---|---|---|---|---|
| **TOTAL** | **9** | **10** | **6** | **7** | **8** | **9** | **8** |

### Executive management of international companies

Experience as a Chief Executive Officer, Executive Committee member or other executive management position in a large international company or a group with a global operating presence.

### Finance

Extensive experience in business finance and financial reporting processes, risk management, accounting, cash management, tax, mergers and acquisitions, and the financial markets.

### Sustainable development, Societal Commitment and Human Resources

Experience in managing Environmental, Social and Governance (ESG) issues, as well as human resources management.

### Innovation – Digital

Expertise or recent experience in developing and implementing technological and/or digital strategies; experience in companies with a strong technological and/or digital focus.

### Marketing and Sales

Experience in marketing, sales, distribution, and BtoC brand management.

### Strategy – Mergers and Acquisitions

Experience in defining strategies and managing strategic issues; experience in mergers and acquisitions.

### Knowledge of the service sector

Experience in the services industry, knowledge of the Group's business areas and competitive environment.

## COMPETENCIES

The Board of Directors takes particular care in the selection of its members. Directors are chosen for their ability to act in the interest of all shareholders and for their expertise, experience and understanding of the strategic challenges in markets where the Group operates. The composition of the Board of Directors is intended to adhere closely to the principles of diversity and to reflect the geographic mix of the business (insofar as possible), to provide a range of technical skills, and to include individuals with in-depth knowledge of Sodexo's activities.

### INDEPENDENCE

**ANALYSIS BY THE BOARD OF DIRECTORS OF EACH DIRECTOR'S STATUS AS OF AUGUST 31, 2021 BASED ON THE INDEPENDENCE CRITERIA DEFINED IN ARTICLE 9 OF THE AFEP-MEDEF CODE**

| | AFEP-MEDEF CODE INDEPENDENCE CRITERION | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | EMPLOYEE/ CORPORATE OFFICER IN THE PAST 5 YEARS | CROSS-DIRECTORSHIPS | SIGNIFICANT BUSINESS RELATIONSHIPS | CLOSE FAMILY TIES | AUDITOR IN THE PAST 5 YEARS | PERIOD OF OFFICE EXCEEDING 12 YEARS | STATUS OF NON-EXECUTIVE CORPORATE OFFICER | STATUS OF MAJOR SHAREHOLDER |
| Sophie Bellon | | √ | √ | | √ | | √ | |
| Emmanuel Babeau | √ | √ | √ | √ | √ | √ | N/A | √ |
| François-Xavier Bellon | √ | √ | √ | | √ | | N/A | |
| Nathalie Bellon-Szabo | | √ | √ | | √ | | N/A | |
| Françoise Brougher | √ | √ | √ | √ | √ | √ | N/A | √ |
| Federico J. Gonzalez Tejera | √ | √ | √ | √ | √ | √ | N/A | √ |
| Véronique Laury | √ | √ | √ | √ | √ | √ | N/A | √ |
| Luc Messier | √ | √ | √ | √ | √ | √ | N/A | √ |
| Sophie Stabile | √ | √ | √ | √ | √ | √ | N/A | √ |
| Cécile Tandeau de Marsac | √ | √ | √ | √ | √ | √ | N/A | √ |

In this table, √ indicates an independence criterion that is met.

### SELECTION PROCEDURE FOR INDEPENDENT DIRECTORS

In the event of a vacancy in a director's post or when the decision was made to strengthen certain competencies within the Board of Directors, and in particular when appointing or co-opting an independent director, a procedure for selecting a new director is monitored by the Nominating Committee.

The Committee first identifies the specific needs of the Board of Directors while ensuring compliance with the diversity policy established by the Board (see section 6.2.1.5 of this Registration Document). With the support of internal resources and a firm specializing in the recruitment of directors, it draws up a list of potential candidates.

The Committee examines the situation of each of the potential candidates and makes an initial selection, then organizes interviews with some of the directors in place before retaining the candidate or candidates who seem to best meet the selection criteria that were identified.

Finally, the Nominating Committee makes a recommendation to the Board of Directors, which analyzes the profiles presented and, after having deliberated on the relevance of each candidate, proposes an appointment, if applicable, at the General Meeting of Shareholders.

## Business relationships

During Fiscal 2021, seven[1] Board members were deemed independent directors. No independent director, the Group or entity of which he or she is a member and in which he or she exercises executive powers, has any significant business ties with the Company, its group or its management.

When examining the independent status of its members, the Board of Directors paid particular attention to any business relations existing between the Sodexo Group and the entity or group of which each independent director is a member or director.

For Fiscal 2021, the Board carried out a quantitative and qualitative analysis of each directors' situation and the business relations that their respective groups or entities have with Sodexo. The Board of Directors determined that agreements are negotiated between the parties at arm's length. The Board also determined that the business flows between these groups (all activities combined and at the global level) are significantly lower than the 1% materiality threshold set by the Board of Directors. Altogether, business conducted between Sodexo and each of the relevant groups represents less than 0.1% of Sodexo's consolidated revenue.

## Management of conflicts of interest

From July 2014 to March 2021, Sophie Stabile was a member of the Board of Directors of SPIE, which, in a number of limited and clearly identified cases in the technical services field, could be considered to be a competitor of Sodexo in Europe. Sodexo's Board of Directors had therefore put measures in place to minimize this conflict of interest risk. In particular, no commercially sensitive information concerning activities in which Sodexo competes with SPIE were disclosed or discussed in her presence.

Accordingly, the Board of Directors considers that Sophie Stabile complied with the recommendations of the AFEP-MEDEF Code to which the Company refers and with the provisions of the Internal Rules of the Board concerning conflict of interest situations.

1 In accordance with the AFEP-MEDEF Code, Directors representing employees are not included in the calculation of the percentage of independent Directors on the Board.

The Board of Directors' Internal Rules state that directors are required to disclose to the Board any actual or potential conflicts of interest and must abstain from discussing and voting on any matters associated with such conflicts of interest.

### Directors representing employees

On January 21, 2014, the Shareholders Meeting decided on the conditions of appointment to the Board of Directors of one or more directors representing employees. Directors representing employees are appointed for a period of three years. Subject to the specific legal provisions applicable to them, directors representing employees are bound by the same legal and corporate rules and regulations (including the Company's bylaws and the Board of Directors' Internal Rules) and have the same rights and are subject to the same obligations as those applicable to the other Company's directors.

Initially, one director representing employees, Philippe Besson, was appointed by the trade union that obtained the most votes in the first round of the most recent elections in France of union representatives and joined the Board at its meeting on June 18, 2014. He was then reappointed in 2017 and again in 2020 for an additional three-year term effective from the Annual Shareholders Meeting held on January 21, 2020.

A second director representing employees, Cathy Martin, was appointed by the European Works Council and became a member of the Board at its meeting on September 10, 2015. She was reappointed in 2018 and again in 2020 for a further three-year term starting from the Annual Shareholders Meeting held on January 12, 2021.

In addition, in accordance with the applicable law, a member of the Social and Economic Committee *(Comité social et économique)* sits on the Board of Directors in an advisory capacity.

The Board does not have any directors representing employee shareholders, as the amount of the Company's capital held by employees does not exceed the 3% threshold that triggers the requirement for such a director, as set in article L.22-10-5 (formerly article L.225-23) of the French Commercial Code.

## 6.2.1.6 Organization, operating procedures and preparation of the work of the Board of Directors

Sodexo is governed by a Board of Directors, which has been chaired by Sophie Bellon since January 26, 2016.

### Role of the Chairwoman of the Board of Directors

The Chairwoman of the Board of Directors represents the Board, organizes and directs its work, and reports to the shareholders at the Shareholders Meeting. The Chairwoman also represents the Board of Directors in matters concerning third parties such as employee representatives and Statutory Auditors. In addition, she is responsible for shareholder relations, particularly concerning Corporate Governance matters, and reports to the Board of Directors on this role. The Chairwoman oversees the functioning of the Company's Corporate Governance structures and, in particular, ensures that the Board members are able to fulfill their duties. Moreover, in order to make the positions of the Chairwoman of the Board of Directors and the Chief Executive Officer more complementary, the Chairwoman assists the Chief Executive Officer in his strategic review by providing the right level of support and challenge to create a shared corporate vision and common goals. In addition, Sophie Bellon plays an important role as the Group's ambassador with respect to all of its stakeholders, including employees, customers, non-governmental organizations (NGOs) and public bodies in order to promote the Group's needs, capabilities and offerings.

Exceptionally, given that Denis Machuel's duties as Chief Executive Officer terminated on September 30, 2021 (see section 6.2.1), the Board of Directors asked Sophie Bellon to assume the duties of Chief Executive Officer as from that date, on an interim basis. Once a new Chief Executive Officer has been appointed, the roles of Chairwoman and Chief Executive Officer will once again be separated.

Given that the combining of the roles of Chairwoman of the Board of Directors and Chief Executive Officer is both exceptional and temporary, the Board of Directors, on the recommendation of the Nominating Committee, did not consider it necessary or timely to name a lead independent director.

### Operating procedures of the Board of Directors – Internal Rules

In addition to the Company's bylaws, the Board of Directors is governed by the Board's Internal Rules, which notably set out the Board's mission, the minimum and maximum number of Board members, the rules of the Directors' charter, the minimum number of Board meetings and the rules for allocating directors' compensation. The Internal Rules also set the criteria for assessing the performance of the Board, set the limits to the powers of the Chief Executive Officer, and define the policy for issuing guarantees.

The Internal Rules are regularly reviewed by the Board of Directors and comply with the AFEP-MEDEF Code as revised in January 2020.

The full version of the Board of Directors' Internal Rules is available on the Group's website (www.sodexo.com) and a summary of its principal components is provided below.

### The Directors' charter

The main components of the Directors' charter are described below.

Each director should be mindful of the corporate interest, exercise good judgment (particularly of situations, strategies and people), and look to the future in order to identify the risks and strategic challenges that lie ahead. Directors should also maintain their independence, be focused, active and engaged, and act with integrity.

Each director must personally own at least 400 Sodexo shares by the end of their first year of office (except for directors representing employees to whom no such requirement applies in accordance with French law).

To the extent possible, all Sodexo directors should attend Shareholders Meetings.

Any director of Sodexo who obtains undisclosed information during the course of his or her duties is subject to insider trading legislation. In accordance with the European Market Abuse Regulation, the Company may prepare specific insider lists if insider information has been identified and a decision has been made to postpone the publication of the relevant information.

Directors are prohibited from trading in Sodexo securities as follows:

- during the period commencing 30 calendar days prior to the date of publication of the half-year and annual consolidated financial statements and up to and including the date of their publication;
- during the period commencing 15 calendar days prior to the date of publication of the consolidated financial information for the first and third quarters up to and including the date of their publication.

Transactions in the Company's securities carried out by directors must be disclosed to the French securities regulator (Autorité des marchés financiers – AMF) within three trading days of the transaction date. Directors are required to inform the Group Legal Department of all transactions in Sodexo securities.

### Induction and training of directors

Upon joining the Board, all directors receive training adapted to their specific needs. They meet the Chairwoman of the Board of Directors, the Chief Executive Officer and Group executives. Meetings are also organized with certain executives and external advisors. Site visits are arranged to provide an overview of the Group's businesses and a better understanding of each activity. Directors may also receive additional training on corporate responsibility or other matters. Board member training is a continuous process, throughout the term of office.

In this respect, a two-day training course was organized in June 2021. Designed for directors recently appointed to the Board, the course was available to all directors, including directors representing employees.

Representatives from the central functions led this course, which focused on the following topics:

- the characteristics of the French Corporate Governance regulatory framework;
- the operating procedures of Sodexo's Board of Directors and its specialized Committees;
- investor relations;
- Sodexo's financial performance indicators;
- ethics within the Group;
- Corporate Social Responsibility within the Group;
- risk mapping and management;
- executive compensation;
- the investment review process;
- mergers and acquisitions;
- partnerships;
- digital solutions.

Each function involved in the course presented the relevant regulatory framework and the upcoming challenges for the Group.

In addition, the Board ensures that directors representing employees are given the necessary time to prepare their participation in each Board meeting and that they receive the number of training hours required under the applicable legal provisions. Since joining Sodexo's Board of Directors, Philippe Besson and Cathy Martin have participated in several training seminars organized by the French Institute of Directors (IFA) as well as in-house training courses delivered by several of the Company's corporate functions, which are open to all of Sodexo's directors. In addition, both Philippe Besson and Cathy Martin have undergone training that leads to certification as Board directors which includes modules on corporate responsibility and ethics. They began this training in Fiscal 2019 and were both certified during Fiscal 2020.

### Mission of the Board of Directors

The Board of Directors is a collegial body that acts in the Company's best interests, in line with the Group's corporate mission, and in the best interests of all of the Company's shareholders.

The Board defines Sodexo's strategy, long-term objectives and overall policies, in consideration of the social and environmental issues related to its activities, and ensures that they are properly implemented.

It regularly carries out the controls and verifications that it deems appropriate (particularly concerning progress made on the performance metrics set by the Board).

It appoints the Corporate Officers responsible for managing the Group's general policies.

The Board of Directors ensures the existence and effectiveness of the management of the Group's commitments, risks and internal control procedures, and oversees the quality of the information provided to shareholders and the financial markets in the financial statements and in connection with major financial transactions.

It ensures the implementation of a mechanism for the prevention and detection of corruption and influence peddling and receives all the information necessary for this purpose.

The Board of Directors also ensures that the Chief Executive Officer implements non-discrimination and diversity policies and a vigilance plan.

As required by law, the Board of Directors approves the financial statements for publication, decides on appropriation of net income, proposes dividends, and makes decisions on significant investments and the Group's financial policy.

At least five days ahead of Board meetings, each director is given briefing documents so that he or she can review and/or investigate the issues to be discussed.

The Group's senior executives make regular presentations to the Board of Directors, in particular at the meeting during which the budget is discussed:

- the Chief Executive Officer and the other operational executives, each in their area of responsibility, discuss the potential for growth, competitive positions, the ambition and the strategy for achieving it, and the principal components of their action plans;
- Group executives in each functional area (Human Resources, Finance and Group Growth Strategy) present their recommendations regarding strategy and policy developments, progress achieved and to be achieved and action plans for implementation within the Group.

The Board of Directors performs periodic in-depth reviews of the financial statements at meetings attended as necessary by members of the Group's operational and functional management teams as well as by the external auditors.

The Board of Directors meets at least once a year without the presence of executive management and employee representatives.

The Board of Directors is also kept regularly informed of questions, comments or criticism from shareholders, whether at meetings with shareholders or by mail, e-mail or conference call.

## Board meetings during the fiscal year

### BOARD MEETINGS

The Board of Directors met thirteen times during Fiscal 2021 (including by videoconference or audioconference), therefore more than fulfilling the minimum requirement of six meetings per year as stated in the Board of Directors' Internal Rules. The Board's work during the year mainly related to the following areas:

### CORPORATE GOVERNANCE

- approving the Management Report of the Board of Directors and the Corporate Governance Report for Fiscal 2020;
- reviewing the Fiscal 2020 Universal Registration Document;
- reviewing the operating procedures and membership structure of the Board of Directors and the specialized Committees;
- proposing the reappointment of three directors, including the Chairwoman of the Board of Directors, and the non-renewal of a term of office due to expire;
- proposing the appointment of a new independent director;
- proposing the reappointment of one of the Statutory Auditors;
- assessing directors' independence;
- reviewing the charters of the specialized Committees;
- the annual review of the related-party agreement, and more specifically the renewal of the service agreement between the Company and Bellon SA;
- calling the Annual Shareholders Meeting, preparing the Board of Directors' Report to the Annual Shareholders Meeting, and reviewing the resolutions to be put to the shareholders' vote;
- reviewing the results of the employee engagement survey;
- reviewing corporate responsibility issues;
- reviewing the Group's ethics and compliance programs;
- examining the work carried out and recommendations made by the Nominating Committee;
- deciding on the termination of the duties of the Chief Executive Officer, the temporary combination of the roles of Chairman of the Board of Directors and Chief Executive Officer and the appointment of the Chairwoman of the Board of Directors as Chief Executive Officer on an interim basis.

## Compensation

- reviewing the compensation of Board members;
- approving the compensation and benefits of the Chief Executive Officer;
- approving the compensation and benefits of the Chairwoman of the Board of Directors;
- defining the compensation policy of the Chairwoman of the Board and the Chief Executive Officer, as well as the compensation policy for directors to be submitted to the Annual Shareholders Meeting;
- reviewing gender pay equity;
- adopting the restricted and performance share plans;
- determining the achievement levels of the performance conditions for the 2017 performance share plan;
- more generally, examining the work carried out and recommendations made by the Compensation Committee.

## Financial statements and financial management

- reviewing and approving the financial statements of the Company and the Group for Fiscal 2020;
- appropriating net income for Fiscal 2020;
- examining the Group budget for Fiscal 2021;
- reviewing the preparation of the Investor Day;
- examining Sodexo's share performance and feedback from investors and analysts;
- regularly renewing the authorizations granted to the Chief Executive Officer for issuing guarantees up to a certain threshold;
- putting in place the share buyback program;
- reviewing and approving the consolidated financial statements for the first half of Fiscal 2021 and the Interim Financial Report;
- examining business trends for the end of Fiscal 2021;
- approving forecast documents;
- regularly reviewing the management and impact of the Covid-19 crisis, including its impacts on liquidity;
- more generally, examining the Statutory Auditors' Reports and analyzing the work of the Audit Committee and approving its recommendations.

## Group business and strategy

- regularly reviewing the Group's various business activities and segments, as well as their growth outlook and competitive environment;
- reviewing the portfolio;
- reviewing the food transformation;
- regularly reviewing strategic opportunities, especially in terms of external growth and divestments.

Each year, a whole day is devoted to strategy presentations by operational and support teams, in addition to the plans that are regularly presented during the year at other Board meetings. These annual presentations are an occasion for high-quality discussions between the directors and the Company's senior management team and are extremely appreciated by everyone involved.

### ASSESSMENT OF THE BOARD'S OPERATING PROCEDURES

At least once a year, the Board of Directors devotes an agenda item to discussing its operating procedures, and every three years it organizes a formal external assessment.

The most recent formal assessment was carried out in 2020, and its findings were presented and discussed at the Board meeting in June 2020. The assessment was performed by an external consulting firm and consisted of a questionnaire and individual meetings with all Board members. As well as appraising each director's actual contribution to the Board's work, the following six topics were covered in the assessment:

- the composition of the Board of Directors;
- the allocation of roles and Board dynamics;
- discussions on strategy;
- discussions on performance;
- logistics and administrative performance; and
- the Board's Committees.

The Board's membership structure has recently been strengthened with the arrival of new independent directors with solid competencies in finance, human resources and operations, and the overall age profile is gradually getting younger. Similarly, there has been a renewal of skills within the Board Committees.

In terms of the allocation of roles and Board dynamics, the general view of the Board's operating procedures is favorable and the directors particularly appreciate their freedom of expression and the Board's spirit of collective intelligence. They also consider that Board meetings are highly participative. The directors representing employees consider that they are fully integrated into the Board and that their contribution is valued.

Concerning strategy, the strategy days organized by Sodexo are very much appreciated and reinforce the choice to involve the whole Board in strategy decisions rather than creating a dedicated Strategy Committee.

Similarly, Corporate Social Responsibility issues are addressed directly by the Board as a whole instead of by a dedicated Committee. In addition to the yearly overall presentation, these issues are systematically raised when discussing other items on the Board's agenda.

The directors feel that they have a good understanding of the Group's operational challenges and goals, a good risk map, and detailed performance monitoring that provides information that is both accessible and high quality.

The Committees' roles and responsibilities are clear and appropriate. The quality of the work of the Nominating and Compensation Committees has improved since the last formal assessment.

In terms of Board's composition, identified areas for improvement included adding international profiles and CEOs with in-depth business transition/transformation experience, including in digital, increasing the representation of the service sector on the Board.

A discussion on the operating procedures of the Board and its Committees took place at the Board meeting held in June 2021.

## Specialized Committees of the Board

To support its decision-making process, the Board of Directors has three specialized Committees, each with its own charter approved by the Board of Directors setting out its role, responsibilities and operating procedures.

Broadly, the role of these specialized Committees is to examine specific issues ahead of Board meetings and to submit opinions, proposals and recommendations to the Board of Directors.

### AUDIT COMMITTEE

**COMPOSITION AS OF AUGUST 31, 2021**

| | |
|---|---|
| **Sophie Stabile**(1) | *Chairwoman, Independent director* |
| **Emmanuel Babeau**(1) | *Independent director* |
| **François-Xavier Bellon** | *Director* |
| **Véronique Laury**(2) | *Independent director* |
| **Cathy Martin** | *Director representing employees* |

(1) Deemed a "financial expert" as defined in article L.823-19 of the French Commercial Code.
(2) On October 28, 2020, Véronique Laury succeeded Soumitra Dutta as a member of the Audit Committee.

**75 %** Independent*

**90 %** attendance

**8** meetings

* Excluding directors representing employees.

All Audit Committee members have recognized competencies in finance and accounting, as confirmed by their professional background (see section 6.2.1.3). When Cathy Martin was appointed as a member of the Audit Committee, she was given specific in-house training on the Company's accounting, financial and operating procedures.

The Audit Committee is responsible for ensuring that the Group's accounting policies are appropriate and consistently applied, particularly with respect to material transactions. It also verifies that the procedures used for preparing and processing accounting information (both financial and extra-financial) are effective and it issues recommendations for ensuring the integrity of such information.

It examines the Company's fraud detection procedures and its whistleblowing system. It is notably in charge of ensuring that a procedure is in place for dealing with complaints from third parties or employees (which may be anonymous) about any irregularities concerning accounting or internal control practices or any other area.

It issues observations and recommendations to the Company's senior management team about risks, particularly the structure, scope and organization of risk management. Accordingly, it periodically reviews senior Management Reports on risk exposure (including social and environmental risks) and prevention and ensures that effective internal controls are applied. It also regularly reviews the Internal Audit Reports and is informed of the internal audit plan.

The Audit Committee performs an annual review of the fees paid to the Statutory Auditors of Sodexo and its subsidiaries, assesses auditor independence and pre-approves certain non-audit services. When necessary, it carries out the process for appointing and re-appointing the Statutory Auditors.

The Audit Committee also issues recommendations to the Board of Directors about the regular assessment of the conditions for entering into related-party agreements and other agreements within the Group. As part of its work in this area, it reviews the annual payment due under the service agreement signed between Sodexo and Bellon SA (described in section 6.3.2 of this Universal Registration Document), as well as any changes in its amount from one year to the next.

Lastly, the Audit Committee reviews and issues recommendations on requests made to the Board for guarantees.

To perform its role, the Audit Committee is assisted by the Chief Executive Officer, the Chief Financial Officer, the Senior Vice President Group internal audit and the Statutory Auditors, who present their work to the Committee and answer any questions that it may have. The Committee may also make inquiries of any Group employee, without any Company executives being present, and seek advice from outside experts. It meets at least once a year with the Statutory Auditors and without management.

The Audit Committee met eight times in Fiscal 2021 and the attendance rate was 90%.

In addition to the above matters, the Committee's work during the year concerned the following:

- reviewing the internal control process;
- reviewing the risk map, the audit plan and monitoring audit engagements;
- reviewing the Fiscal 2021 audit plan and the impact of Covid-19 on the annual audit plan;
- reviewing the Audit Committee's charter;
- monitoring the Group's financing;
- monitoring the guarantees issued by the Company and the related authorizations granted to the Chief Executive Officer by the Board of Directors, and, more generally, monitoring the Group's off balance-sheet commitments;
- reviewing the non-audit services performed by the Statutory Auditors;
- reviewing the amount owed to Bellon SA under the service agreement with the Company;
- renewing the service agreement between Bellon SA and the Company;
- reviewing the main disputes;
- organizing a bid proposal at the end of the term of office of one of the Statutory Auditors;
- reviewing the integration of newly acquired companies, and the accounting restatements carried out in relation to acquisitions.

The Audit Committee also reviewed the annual consolidated financial statements for Fiscal 2020 and the interim consolidated financial statements for the first half of Fiscal 2021. In addition, it examined the sections of the Fiscal 2020 Universal Registration Document relating to risk management and internal control procedures, as well as the content of the Half Year Financial Report, and reviewed the draft financial press releases before they were submitted to the Board of Directors.

Part of the meetings dedicated to reviewing the Group's annual and half-year results took place with the Statutory Auditors and without management.

In addition to formal Committee meetings, the Chairwoman of the Audit Committee also had meetings during the fiscal year with the Chief Executive Officer, the Senior Vice President Group internal audit, the Chief Financial Officer and the Statutory Auditors.

## NOMINATING COMMITTEE

**COMPOSITION AS OF AUGUST 31, 2021**

| | |
|---|---|
| **Cécile Tandeau de Marsac** | *Chairwoman, Independent director* |
| **Sophie Bellon** | *Chairwoman of the Board of Directors* |
| **Nathalie Bellon-Szabo** | *Director* |
| **Françoise Brougher** | *Independent director* |

**50**% Independent*

**100**% attendance

**5** meetings

* Excluding directors representing employees.

This Committee regularly assesses the competencies and experience that the Board of Directors needs, and more generally, the situation of directors in relation to the criteria concerning the composition of the Board of Directors specified in the relevant legislation, the AFEP-MEDEF Code and the Board's Internal Rules.

It examines proposals made by the Chairwoman of the Board of Directors in relation to director nominations. For this purpose, it may retain the services of external executive search firms to identify candidates, while ensuring that the backgrounds of short-listed candidates are adapted to its current needs.

It provides an opinion to the Board of Directors on the appointment of the Chief Executive Officer and, as appropriate, one or more Deputy Chief Executive Officers.

The Nominating Committee is also responsible for preparing a succession plan for the Group's key Corporate Officers and members of the Group Executive Committee. This plan is regularly reviewed to ensure that the Committee is always in a position to propose succession solutions in the event that a position falls vacant unexpectedly.

The Committee regularly reviews the training plans for directors, as well as the welcome and induction process for new directors.

The Nominating Committee met five times in Fiscal 2021 and the attendance rate was 100%.

In addition to the above matters, the Committee's work during the year included the following:

- reviewing the Nominating Committee's charter;
- reviewing the resolutions submitted to the Annual Shareholders Meeting;
- reviewing the relevant sections of the Corporate Governance Report published in the Fiscal 2020 Universal Registration Document;
- reviewing succession plans;
- reviewing the reappointment of a director representing employees;
- regularly discussing the recruitment of new directors;
- assessing directors' independence;
- reviewing the Board's diversity policy;
- reviewing the directors' competencies matrix to enhance understanding of the Board's skills requirements and define the profiles sought for future Board candidates;
- terminating the mandate of the Chief Executive Officer, temporarily combining the roles of Chairman of the Board of Directors and Chief Executive Officer, appointing the Chairwoman of the Board of Directors as Chief Executive Officer on an interim basis, and the launch of the search for a new Chief Executive Officer.

## COMPENSATION COMMITTEE

**COMPOSITION AS OF AUGUST 31, 2021**

| | |
|---|---|
| **Cécile Tandeau de Marsac** | *Chairwoman, Independent director* |
| **Philippe Besson** | *Director representing employees* |
| **Françoise Brougher** | *Independent director* |
| **Sophie Stabile** | *Independent director* |

**100%** Independent*

**100%** attendance

**7** meetings

* Excluding directors representing employees.

The Compensation Committee is responsible for making proposals to the Board of Directors relating to the compensation policy for the Company's Corporate Officers, and recommendations about the components of compensation paid during or awarded for the previous fiscal year to Corporate Officers.

It also examines the compensation policy proposed by the Chief Executive Officer for the key executives of the Company and the Group, notably the members of the Executive Committee (including long-term compensation plans).

The Compensation Committee validates the Group's general policies relating to compensation, including long-term compensation (restricted share plans), and post-employment benefits undertaken by the Company (termination benefits, non-compete agreement, supplemental pension plan, etc.).

The principles and rules applied by the Board of Directors in determining the compensation and benefits in kind provided to the Corporate Officers and members of the Executive Committee are described in section 6.5 of this Universal Registration Document.

In connection with its work, the Compensation Committee may use external specialists.

The Compensation Committee met seven times in Fiscal 2021 and the attendance rate was 100%.

The work carried out during the year included the following:

- reviewing the Compensation Committee's charter;
- examining recent developments and new regulations concerning executive compensation;
- reviewing the compensation packages of the Chairwoman of the Board and the Chief Executive Officer (*ex post* and *ex ante* say-on-pay votes), including the pay equity ratio;
- reviewing compensation policies for Executive Committee members and the Group's senior leaders;
- reviewing the budget for directors' compensation, which it kept unchanged, as well as drawing up a compensation policy for directors;
- reviewing the resolutions submitted to the Annual Shareholders Meeting;
- reviewing the relevant sections of the Corporate Governance Report published in the Fiscal 2020 Universal Registration Document;
- the Group's restricted and performance share plans;
- vesting of the Group's 2017 restricted and performance share plans;
- undertaking regulatory changes in supplemental retirement benefits;
- examining the departure conditions applicable to the Chief Executive Officer;
- more generally, making recommendations to the Board of Directors on Corporate Officers' compensation and the Group's long-term incentive plans.

## DIRECTORS' ATTENDANCE RATES AT BOARD AND COMMITTEE MEETINGS DURING FISCAL 2021

| | BOARD(1) | AUDIT COMMITTEE(2) | COMPENSATION COMMITTEE(3) | NOMINATING COMMITTEE(4) |
|---|---|---|---|---|
| Sophie Bellon | 100% | | | 100% |
| Emmanuel Babeau | 90% | 63% | | |
| François-Xavier Bellon | 100% | 88% | | |
| Nathalie Bellon-Szabo | 100% | | | 100% |
| Philippe Besson | 100% | | 100% | |
| Françoise Brougher | 92% | | 100% | 100% |
| Soumitra Dutta(5) | 83% | 100% | | |
| Federico J. Gonzalez Tejera(6) | 100% | | | |
| Véronique Laury(7) | 100% | 100% | | |
| Cathy Martin | 90% | 100% | | |
| Luc Messier | 100% | | | |
| Sophie Stabile | 100% | 100% | 100% | |
| Cécile Tandeau de Marsac | 100% | | 100% | 100% |
| *Average rate* | 95% | 90% | 100% | 100% |

(1) Number of Board meetings: 13.
(2) Number of Audit Committee meetings: 8.
(3) Number of Compensation Committee meetings: 7.
(4) Number of Nominating Committee meetings: 5.
(5) From September 1, 2020 to January 12, 2021, the date on which the Ordinary Shareholders Meeting acknowledged that Sumitra Dutta's term of office was due to expire. Soumitra Dutta was also a member of the Audit Committee until October 28, 2020.
(6) As from his appointment, on January 12, 2021.
(7) Member of the Audit Committee as from October 28, 2020.

## ROLE OF THE CHIEF EXECUTIVE OFFICER AND THE EXECUTIVE COMMITTEE

The Chief Executive Officer has the authority to manage the operations and functions of the Group. Limits are placed on the powers of the Chief Executive Officer. These limits are set by the Board of Directors based on the recommendations of the Chairwoman of the Board.

The Chief Executive Officer is required to obtain the prior consent of the Board to make any guarantee as follows:

- term greater than 15 years, regardless of the amount;
- term between 10 and 15 years and amount greater than 15 million euro;
- term between 5 and 10 years and amount greater than 30 million euro;
- term less than 5 years and amount greater than 50 million euro.

However, where the term is less than 25 years and the amount is less than or equal to 100 million euro, the prior consent of the Board is not required if it has been pre-approved by the Chairwoman of the Audit Committee.

The total amount for which the Chief Executive Officer may make any guarantee between Board meetings is limited to 150 million euro.

The Chief Executive Officer must also obtain prior consent from the Board of Directors to commit the Company beyond certain amounts as follows:

- for acquisitions of interests in companies for more than 100 million euro per transaction (enterprise value). The prior approval of the Chairwoman of the Board is sufficient for a transaction amounting to more than 50 million euro and less than 100 million euro;
- for disposals of shares in companies for more than 20 million euro (enterprise value) per transaction;
- for medium- and long-term new financing of more than 100 million euro.

The Chief Executive Officer must also obtain the prior consent of the Board for decisions relating to the startup of new activities.

Denis Machuel was appointed Chief Executive Officer on January 23, 2018 to replace Michel Landel, who had held the position since September 1, 2005. Following his appointment as Chief Executive Officer, Denis Machuel's employment contract with a Sodexo subsidiary was terminated.

On July 26, 2021, the Board of Directors decided to recruit a new Chief Executive Officer so that the Group could bolster its competitiveness and accelerate its transformation amid the challenges of a post-Covid world.

Denis Machuel's duties as Chief Executive Officer ended on September 30, 2021 (see section 6.2.1).

Since then, Sophie Bellon has also been acting as interim Chief Executive Officer until a new Chief Executive Officer is appointed.

## DENIS MACHUEL – CHIEF EXECUTIVE OFFICER

**Born April 19, 1964**
**French nationality**
**Graduate of the *École nationale supérieure d'informatique et de mathématiques appliquées de Grenoble* (ENSIMAG)**
**Holds a Master of Science degree in Computer Science from Texas A&M University**
**First appointed:** January 23, 2018
**Expiration of current term:** September 30, 2021
Number of Sodexo shares held: 35,330 as at September 30, 2021

**Business address:**
(until September 30, 2021)
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

***Main role:*** Chief Executive Officer, Sodexo

### Background

Denis began his career with Schneider Electric in Egypt, before taking on the role of consultant at Altran, with Dassault Électronique as client. He remained with Altran for 16 years, holding several management positions including Altran Technologies UK's Chief Executive Officer, where he created the subsidiary. He then became Chief Executive Officer of Altran Technologies France, before becoming Director of Strategy and Offshore Operations.

In 2007, he joined Sodexo as Benefits & Rewards Services Chief Executive Officer for Central and Eastern Europe. In 2010, Denis took the lead of the Benefits & Rewards Services activity in Europe and Asia, before being appointed as Benefits & Rewards Services Chief Executive Office worldwide in January 2012. Denis joined Sodexo's Executive Committee in January 2014. In January 2015, he also became Group Chief Digital Officer and, in September 2016, Denis was also appointed as Personal & Home Services Chief Executive Officer.

On January 23, 2018, Denis Machuel was appointed Chief Executive Officer of Sodexo and held this office until September 30, 2021.

### Other positions and corporate offices held

**Companies linked to Sodexo**

FRENCH COMPANIES
None

FOREIGN COMPANIES
None

**Sociétés non liées à Sodexo**

FRENCH COMPANIES
None

FOREIGN COMPANIES
- **Member of the Board of Directors:** Catalyst (USA)

### Other positions and corporate offices held within the past five years but no longer held

- **Member of the Board of Directors:** Sodexo, Inc. (USA)
- **Member of the Management Board:** Sodexho Pass Venezuela CA (Venezuela)

*Denis Machuel held numerous other corporate offices in Sodexo Group subsidiaries within the past five years. For ease of reference, not all of these offices are listed here.*

## Executive Committee

The Chief Executive Officer is assisted by an Executive Committee.

The role of the Executive Committee is to support Sodexo's growth and business development. This Committee – which has a diversified membership structure and includes key expertise, representing all of the Group's activities, segments and geographies in which the Group operates – drives Sodexo's consumer- and customer-centric approach and maximizes the efficiency of execution locally.

The Executive Committee meets regularly and is the linchpin of the Group's management structure. It is responsible not only for discussing and developing strategies to be recommended to the Board of Directors, but also for monitoring the implementation of these strategies once the Board of Directors has approved them. The Executive Committee tracks the implementation of action plans, monitors business unit performance, and assesses the potential benefits of growth opportunities and the risks inherent in its business operations.

During Fiscal 2021 the following changes took place in relation to the Executive Committee's members:

- following Damien Verdier's retirement on October 1, 2020:
  - Sean Haley was appointed Chairman of Entegra in parallel with his role as CEO Services Operations Worldwide,
  - Didier Sandoz, CEO Personal & Home Services, became the Group's Chief Corporate Responsibility Officer and took over responsibility for the Stop Hunger network,
  - Johnpaul Dimech – CEO Geographic Regions and Region Chair, Asia Pacific – and Anna Notarianni – Region Chair France, were given responsibility for issues concerning Group Institutional Relations. Anna Notarianni is also now responsible for matters related to Societal Innovation;
- Anne Bardot replaced Dianne Salt as Group Chief Communications Officer;
- Cathy Desquesses, Group Chief People Officer, left the Group and Annick de Vanssay was appointed Group Chief People Officer during the transition period until the appointment of a new Chief Executive Officer;
- Satya-Christophe Menard, CEO, Schools Worldwide & Universities (outside the US), left the Group.

As of August 31, 2021, Sodexo's Executive Committee had 18 members (including Denis Machuel), 33% women covering eight different nationalities. These members are as follows:

| | |
|---|---|
| **Denis Machuel** | Chief Executive Officer |
| **Anne Bardot** | Group Chief Communications Officer |
| **Nathalie Bellon-Szabo** | CEO, Sports and Leisure Worldwide, On-site Services |
| **Johnpaul Dimech** | CEO, Geographic Regions<br>Region Chair, Asia Pacific, On-site Services<br>Also responsible for Institutional Relations (together with Anna Notarianni) |
| **Sean Haley** | CEO, Service Operations Worldwide and Chairman of Entegra<br>Region Chair, UK & Ireland, On-site Services |
| **Tony Leech** | CEO, Government & Agencies Worldwide, On-site Services |
| **Sylvia Metayer** | Group Chief Growth Officer |
| **Sarosh Mistry** | Region Chair, North America, On-site Services<br>Chair, Universities North America, On-site Services<br>CEO, Home Care Services Worldwide |
| **Belen Moscoso Del Prado** | Group Chief Digital and Innovation Officer |
| **Sunil Nayak** | CEO, Corporate Services Worldwide, On-site Services |
| **Anna Notarianni** | Region Chair, France, On-site Services<br>Responsible for Societal Innovation<br>Also responsible for Institutional Relations (together with Johnpaul Dimech) |
| **Marc Plumart** | CEO, Healthcare & Seniors Worldwide, On-site Services |
| **Marc Rolland** | Group Chief Financial Officer |
| **Didier Sandoz** | CEO, Personal & Home Services<br>Director of Group Social Responsibility and Chairman of Stop Hunger Advisory Committee |
| **Simon Seaton** | CEO, Energy & Resources Worldwide |
| **Aurélien Sonet** | CEO, Benefits & Rewards Services |
| **Bruno Vanhaelst** | Group Chief Sales and Marketing Officer |
| **Annick de Vanssay** | Group Chief People Officer(1) |

(1) During the transition period.

In addition, at the beginning of Fiscal 2022, Sophie Bellon replaced Denis Machuel at the Executive Committee.

Accordingly, since then, the Executive Committee comprises 18 persons, of which 39% are women and eight nationalities are represented.

The Executive Committee is supported by **a Group Investment Committee** whose members comprise the Chief Executive Officer, the Chief Financial Officer and one or more CEOs, depending on the investment projects concerned. This Committee considers and approves:

- significant new contracts for the Group;
- any plan to invest in property, plant and equipment or intangible assets as well as cumulative overruns of any investment budget approved at the beginning of the fiscal year;
- any plan to invest in or acquire companies;
- disposals of shareholdings.

The Executive Committee meets regularly in plenary meetings, and *ad hoc* meetings are held when required.

## DIVERSITY POLICY WITHIN THE GOVERNING BODIES

With a ratio of women of 39%, the gender diversity within the Executive Committee complies with best market practices.

During Fiscal 2021, the Board of Directors examined gender diversity within the Group's governing bodies, current objectives related thereto and the action plan followed by the management. Two objectives were set by the Board:

- promoting women to top management positions, *i.e.*, positions reporting directly to a member of the Group Executive Committee. The objective set by the Board of Directors is to maintain the ratio of 40% women in this managerial group as of August 31, 2023;
- promoting women to *Global Senior Leaders* (GSL - top 1,600) of the Group. The objective set by the Board is to achieve a ratio of at least 38% women in this group as of August 31, 2023.

In line with this, performance shares granted to Executive Committee members and Global Senior Executives (top 200) are subject, among other criteria, to these specific diversity and inclusion vesting conditions.

Gender diversity within the governing bodies is described in detail in the Extra-Financial Performance Declaration, section 2.3.3 of this Registration Document.

## 6.2.2 Compliance with the AFEP-MEDEF Code

Sodexo adopted the AFEP-MEDEF Code as its Corporate Governance framework. The latest version of this Code, as revised in January 2020, is available on the websites of the AFEP (www.afep.com) and the MEDEF (www.medef.com). It is also available on the Group's website at www.sodexo.com. The Company has opted not to apply certain of the Code's recommendations, for the reasons set out in the table below.

| AFEP-MEDEF RECOMMENDATIONS | SODEXO PRACTICE |
|---|---|
| **Proportion of independent members on the Nominating Committee (section 17.1 of the Code)**<br>The Code recommends that the majority of the members of the Nominating Committee be independent directors. | Sodexo's Nominating Committee comprises four members, 50% of whom are independent directors. On October 26, 2021, Luc Messier joined the Nominating Committee. As a result this committee is now composed of a majority of independent directors. It is also important to note that, like the Board's other Committees, it is chaired by an independent director.[1] |

(1) Nathalie Bellon-Szabo is a member of the Executive Committee but is not an executive corporate officer.

The Board of Directors consulted with the High Committee of Corporate Governance, which issued a negative opinion on the changes made to Denis Machuel's non-compete agreement at the time of his departure, because the substantial modifications made to the agreement result in a new non-compete agreement. The Board of Directors considers that the amendment to the non-compete agreement concluded in 2018 does not constitute a new commitment and is in the interest of Sodexo and its stakeholders.

### Attendance of shareholders at the Annual Shareholders Meeting

Specific procedures pertaining to the participation of shareholders at the Shareholders Meeting are indicated in article 15 of Sodexo's bylaws (see chapter 7, section 7.4.12 of this Universal Registration Document).

### Factors that could have an impact in the event of a public tender offer

In accordance with article L.22-10-11 (formerly article L.225-37-5) of the French Commercial Code – which lists the factors that require disclosure if they could have an impact in the event of a public tender offer – the only relevant factor for Sodexo is Bellon SA's control over the Company's capital and voting rights. For further information about the Group's shareholding structure and voting rights, see chapter 7, section 7.3 of this Universal Registration Document.

# 6.3 OTHER INFORMATION

## 6.3.1 Other information concerning Corporate Officers and senior management of the Company

Family relationships within the Board of Directors are as follows:

- Nathalie Bellon-Szabo and François-Xavier Bellon (directors) are the sister and brother of Sophie Bellon, Chairwoman of the Board of Directors;
- Nathalie Bellon-Szabo (director) is a member of Sodexo's Executive Committee.

No loans or guarantees have been made or given to any members of the Board of Directors or senior management by Sodexo or by any Group company.

No assets necessary for the Group's operations are owned by any members of the Board of Directors or senior management or by their families.

There are no potential conflicts of interest between the duties to Sodexo of members of the Board of Directors or senior management and their private interests. In particular Mr. and Mrs. Pierre Bellon and their four children control 72.6% of the family holding company, which in turn holds 42.8% of the share capital of Sodexo and 57.2% of the exercisable voting rights as of August 31, 2021. Mr. and Mrs. Pierre Bellon and their children entered into an agreement in June 2015 to prevent their direct descendants from freely disposing of their Bellon SA shares for 50 years. Bellon SA's only asset is its holding in Sodexo; Bellon SA has no intention of selling this holding to a third party.

As far as the Company is aware, no member of the Board of Directors or of the senior management has during the past five years been:

- convicted of fraud;
- associated with a bankruptcy, receivership or liquidation;
- officially incriminated and/or subject to any official public sanction issued by a statutory or regulatory authority;
- prohibited by a court from acting as a Board member, a Supervisory Board member, or a member of senior management of an issuer, or from participating in the management or business affairs of an issuer.

### Transactions in Sodexo shares carried out by Corporate Officers, Board members, members of their family and related persons

As required under article 223-26 of the French securities regulator's (Autorité des marchés financiers – AMF) General Regulation, transactions in Company shares by Corporate Officers, directors and persons closely related to these officers and directors declared to the AMF pursuant to article L.621-18-2 of the French Monetary and Financial Code were as follows during Fiscal 2021:

| | TRANSACTION TYPE | TRANSACTION DATE | AVERAGE PRICE |
|---|---|---|---|
| Bellon SA (legal entity related to Sodexo) | Pledge of 1,600,853 shares | November 5, 2020 | €56.22 |
| Bellon SA (legal entity related to Sodexo) | Pledge of 821,020 shares | December 15, 2020 | €73.08 |
| Denis Machuel, Chief Executive Officer | Vesting of 5,600 restricted shares* | April 20, 2021 | N/A |

* On March 31, 2021, the Board of Directors determined that the performance conditions related to the 2017 restricted and performance share plan were not met. In accordance with the terms of the plan, only the 5,600 shares subjected only to the presence condition were acquired and delivered to Denis Machuel on April 20, 2021, representing an underlying value of 464,800 euro at the closing share price of 83 euro on April 20, 2021. Further information is available in section 6.5.2.2 of this Universal Registration Document.

### Measures to prevent control being exercised in an abusive manner

Sodexo has put in place a series of measures in order to ensure that the control over the Company is not exercised in an abusive manner. Examples of these measures include:

**(a)** the presence of seven independent directors among the twelve members of the Board of Directors (including two directors representing employees) as of August 31, 2021;

**(b)** the fact that the Company has put in place three specialized Committees, which are all chaired by independent directors and whose members include independent directors, as recommended by the AFEP-MEDEF Code;

**(c)** the separation of the roles of Chairwoman of the Board and Chief Executive Officer; in this regard, the recent combining of the roles of Chairwoman of the Board of Directors and Chief Executive Officer for an interim period is not expected to continue and the roles will once again be separated as soon as a new Chief Executive Officer is appointed;

**(d)** the disclosures within this document of the relationship between Sodexo and Bellon SA:

- these include the ownership interest of Bellon SA in Sodexo (disclosed in section 7.3 of this document),
- the Sodexo shares are the only assets held by Bellon SA; consequently, the interests of Sodexo's shareholders are aligned with those of Bellon SA's shareholders and the capital ties between the two companies do not generate any conflict of interest,

- since 1991, a service agreement between Bellon SA and Sodexo has been in operation (described below in the paragraph concerning related-party agreements). The fees payable under this agreement and changes in these fees are reviewed annually by the Audit Committee.

## 6.3.2 Related-party agreements

The agreement between Bellon SA and Sodexo is the only regulated agreement in force. No regulated agreements were entered into during Fiscal 2021.

Bellon SA is the animation holding company of the Bellon family which, with 42.8% of the shares and 57.2% of the voting rights, controls Sodexo within the meaning of article L.233-3 of the French Commercial Code. Sophie Bellon, Nathalie Bellon-Szabo and François-Xavier Bellon are members of the Management Board of Bellon SA and directors of Sodexo.

### History of the Convention

In 1991, Bellon SA and Sodexo entered into a service agreement, the terms of which (in particular the duration of the agreement) were revised for the first time in April 2013. Subsequently, during its meetings of November 15, 2016 and July 10, 2017, the Board of Directors, on the recommendation of the Audit Committee, decided to amend this agreement in order to:

- replace the Chief Executive Officer with the Group Chief Growth Officer as one of the three managers made available by Bellon SA; and
- remove the 5% margin on all related expenses.

This amended agreement took effect on November 17, 2016 and was approved by the Shareholders Meeting of January 23, 2018 by a large majority (approval rate of 93%, excluding the vote of Bellon SA).

As this agreement ends on November 17, 2021, on June 23, 2021, on the recommendation of the Audit Committee, the Board of Directors unanimously decided, to renew this agreement. Sophie Bellon, Nathalie Bellon-Szabo and François-Xavier Bellon did not participate in the debate or vote on this agreement.

The agreement was signed on October 26, 2021 and will take effect on November 17, 2021 for another five-year period, it will be submitted for approval to the Shareholders Meeting on December 14, 2021.

### Purpose of the agreement

Under this agreement, Bellon SA provides Sodexo with assistance and consulting services in various areas: strategic planning, finance and human resources.

In this context, Bellon SA provides Sodexo with three of its managers who hold the positions of Group Chief Financial Officer, Group Chief People Officer and Group Chief Growth Officer respectively.

Thus, Sodexo benefits from the experience and competence of three Bellon SA managers who hold key functional positions in the implementation of Sodexo's strategy, ensuring that the values, culture and ambitions initially defined by Mr. Pierre Bellon are shared throughout Sodexo.

Each of these three managers has indisputable skills and strong experience in his/her field, as evidenced by their detailed biographies, available on the Sodexo website. They also have a deep knowledge of the Group:

- Sylvia Metayer has been Chief Growth Officer since September 2019 and a member of Sodexo's Executive Committee since 2015. She joined Sodexo as Financial Controller in 2006, before being appointed Chief Financial Officer for Sodexo's On-site Services in Europe. In 2010, she took responsibility for the Group's key international accounts, then became Chief Executive Officer of Sodexo's Corporate Services segment;
- Marc Rolland has been Chief Financial Officer and member of the Executive Committee since December 2015. He joined Sodexo in 1997 as Chief Financial Officer for Africa in the Energy and Resources segment, he successively became Chief Financial Officer of Universal Sodexo for Africa, Europe and Eurasia, Chief Financial Officer of the Corporate Services client segment in the United Kingdom. In 2004, he became Chief Financial Officer of the Benefits & Rewards Services business, in 2007 also that of Personal & Home Services and On-site Services for South America, then in 2009 that of On-site Services for continental Europe. In 2012, Marc was appointed Managing Director of Benefits & Rewards Services for Asia;
- Cathy Desquesses was Group Chief People Officer until May 2021. The recruitment of her successor is ongoing.

Although these managers are employees of Bellon SA, as members of Sodexo's Executive Committee, they remain under the authority of Sodexo's Chief Executive Officer and are included in the succession plans of the members of the Executive Committee regularly reviewed by the Nominating Committee of Sodexo's Board. Similarly, like the other members of the Executive Committee, their compens is in line with market practice, determined by the Chief Executive Officer and reviewed by Sodexo's Compensation Committee. Like the other members of the Executive Committee, they are also beneficiaries of Sodexo restricted share plans subject to performance conditions, thus aligning their interests with those of Sodexo shareholders.

These three managers do not receive any other form of compens from Bellon SA.

### Financial conditions attached to the agreement

- As in the previous agreement, this agreement provides for the invoicing by Bellon SA to Sodexo of the compensation of the Group Chief Financial Officer, the Group Chief People Officer and the Group Chief Growth Officer, for the duration of their tenure. This invoicing includes fixed and variable compensation and benefits in kind as well as all related social security contributions and payroll taxes.
- As there is no margin in invoicing, this agreement does not generate any additional cost for Sodexo.

6

- Bonus performance criteria are based on demanding performance criteria related to Sodexo's results and strategy, as for all members of the Executive Committee.
- Total amounts due under this agreement, as well as its evolution, are reviewed annually by Sodexo's Audit Committee (composed of 75% independent directors and chaired by an independent director).
- In addition, and in accordance with legal requirements, the agreement is reviewed annually by Sodexo's Board of Directors.
- In accordance with the AFEP-MEDEF Code, Sophie Bellon and Nathalie Bellon-Szabo as well as François-Xavier Bellon, common Corporate Officers of Bellon SA and Sodexo, refrain from attending the debates and participating in the vote of the corresponding deliberations.

The amount invoiced for Fiscal 2021 is 1,88 million euro, compared to 1.46 million euro the previous year. The increase is explained by the low comparable base in Fiscal 2020 when, due to the pandemic, no bonuses were granted, partially offset by the departure of the Group Chief People Officer in March 2021.

### Interest of the agreement for Sodexo and its stakeholders

The Board considered that this agreement was in line with the interests of all shareholders given:

- the strategic advantage for Sodexo of a business model based on the strong values inherent in family controlled companies;
- the quality of the profiles of the managers with in-depth knowledge of the Group and significant experience in similar functions;
- the existence of governance mechanisms that guarantee a good balance of power and avoid abusive control;
- the absence of any additional cost ensuring that the agreement is financially neutral for the Company.

Indeed, this agreement guarantees that the values, culture and ambitions initially defined by the founder Pierre Bellon, are shared throughout Sodexo. From its creation more than fifty years ago, Pierre Bellon wanted Sodexo to be the community of customers, consumers, employees and shareholders. His vision of a company, precursor to the current rise of social and environmental concerns, is one of the fundamental principles behind Sodexo's development and guarantees a business model that creates value for all stakeholders. It is through these three key managers that Sodexo ensures that this business model remains the foundation of all decisions. This agreement is fully aligned with the interests of all Sodexo shareholders and stakeholders due to:

- the presence of a very long-term family shareholder, embodied by a commitment by Mr. and Mrs. Pierre Bellon and their children not to sell the shares to third parties for 50 years;
- the sole asset of Bellon SA's being its 42.8% holding in Sodexo shares, which it has no intention of selling to third parties;
- the independence provided by Bellon SA's holding in the Group's capital guarantees the values, dual mission, and long-term strategy, of sustainable and profitable growth;
- the attachment Sodexo's teams have to this independence, confirmed by the very high by the engagement rate of 78% even during the pandemic.

This independence has largely contributed to the Group's growth and is crucial in the current context of unprecedented crisis. Sodexo is able to seize development opportunities, accelerate its transformation and focus on its objective of returning to sustainable and profitable growth, without being influenced by short-term pressures.

Finally, in order to ensure that this agreement does not unduly favor Bellon SA, the Board of Directors is committed to ensuring that the rights of all shareholders are effectively protected, through various governance mechanisms:

- a high rate of independence within the Board (70%, well beyond the recommendation of the AFEP-MEDEF Code for a controlled company) and continuously increasing during the last few years;
- majority independent committees, each chaired by an independent director;
- internal rule and a policy for managing conflicts of interest.

More generally, the Board of Directors' consideration of the interests of all stakeholders is illustrated by its desire to evolve its governance practices, in line with the highest market standards. Thus, the above-mentioned governance mechanisms are intended to be frequently reviewed or even strengthened, as the Board wishes to continue to be part of a dynamic of progress. The consideration of stakeholders is also illustrated through the sustained efforts of the Board, supported by Group management, to be recognized internationally for its responsible practices and sustainable development. These efforts have enabled Sodexo to be a member of the ESG 80, FTSE4Good and Dow Jones Sustainability Indexes, for which it is, for the 16th consecutive year, at the top of its sector rankings. The Group is also ranked 1st among companies in its sector in the SAM Sustainability Yearbook and for the 12th consecutive year among the best companies in the DiversityInc ranking for its LGBTQ+ employees, for the recruitment of women of color and for its women executives. Sodexo also holds Ecovadis Gold certification.

The Statutory Auditors' Special Report on related-party agreements is provided in section 5.4.2 of this Registration Document.

## Assessment procedure for related-party agreements and other agreements

On November 6, 2019, on the recommendation of the Audit Committee, the Board of Directors adopted an internal charter for the Group to be used for identifying those agreements that need to undergo the procedure for related-party agreements, and distinguishing them from other agreements entered into in the ordinary course of business. This charter helps ensure that Sodexo complies with French legislation on these agreements, which requires companies to regularly assess the conditions under which such agreements are entered into and to analyze their classification.

In addition to describing the regulatory framework applicable to the various types of agreements that may be entered into by the Group, the charter provides for a regular assessment to be carried out by the Audit Committee of the conditions under which agreements are entered into in the ordinary course of business, with any parties that have a direct or indirect interest in an agreement being prohibited from taking part in the corresponding assessment.

A summary of how the charter has been applied is presented once a year to the Audit Committee, which then reports to the Board of Directors on the work it has carried out.

## 6.3.3 Ethics and Compliance

Conducting business with integrity is critical to Sodexo's success and constitutes a fundamental pillar of the Group's responsible business conduct commitments.

In line with this, Sodexo has chosen to appoint a Group Chief Ethics Officer, who reports directly to the Chief Executive Officer and is responsible for promoting ethical principles.

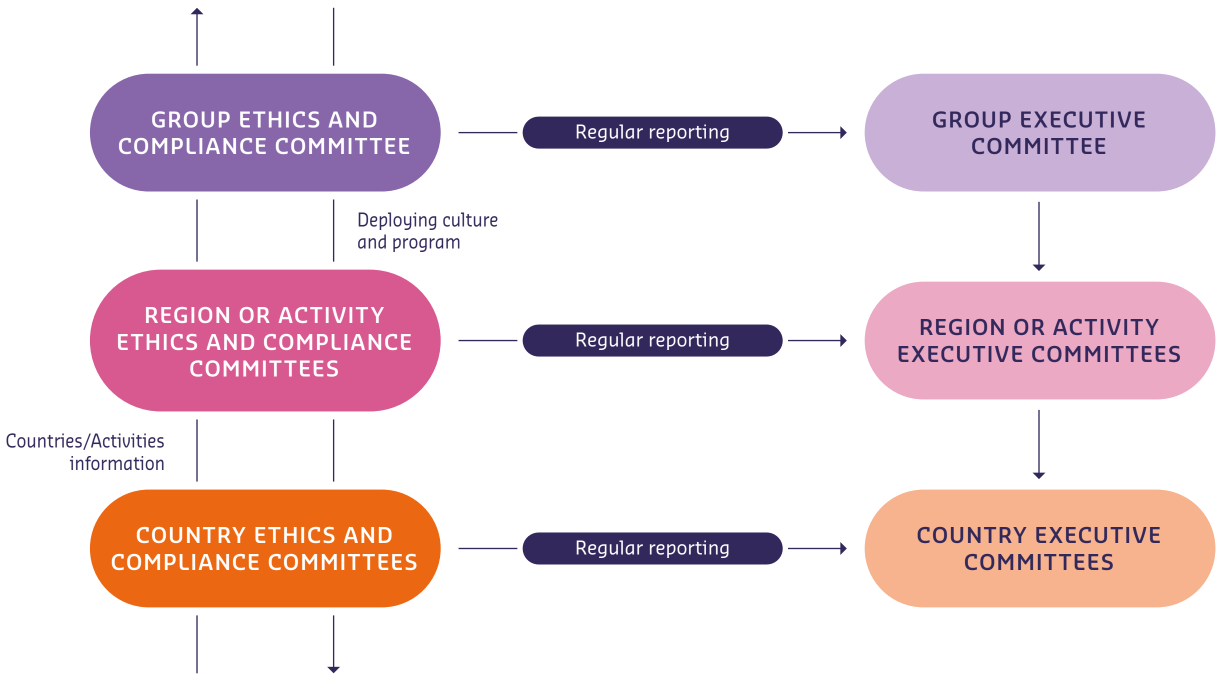
### 6.3.3.1 Ethics and Compliance governance

Since 2011, the Sodexo Group Ethics and Compliance Committee ensures that business is conducted responsibly, by:

- deploying an ethics and compliance culture, and related programs and policies across the Group;
- addressing a range of issues relating to anti-corruption, the duty of vigilance, and preventing conflicts of interests;
- supporting all of the Group's Ethics and Compliance Committees worldwide;
- examining all specific issues brought to its attention.

This Committee is co-chaired by the Group General Counsel and the Group Chief Ethics Officer and comprises representatives from the various support functions: Ethics, Legal, Internal Control, Internal Audit, Human Resources, Supply Management, Corporate Responsibility, and Communications, as well as heads of certain activities (some of whom are also members of the Group Executive Committee). Two other Group Executive Committee members take part in the work of the Ethics and Compliance Committee (a region Chair and a worldwide segment CEO). These two members change every year so that all of the Group's functions can be represented. The Ethics and Compliance Committee submits quarterly reports on its work to the Group Executive Committee. During Fiscal 2021, this Committee met seven times, either in plenary sessions or in expert meetings (to address technical issues and prepare related presentations for the members of the Group Executive Committee).

A local network dedicated to ethics and compliance issues has also been deployed throughout the Group, in particular to (i) draw up the local risk mapping, (ii) adapt the Group's overall ethics and compliance program to the specific requirements of the country and activity concerned, (iii) report to the Group all information relating to local deployment of the program so it can be adapted where necessary, (iv) assist operations teams on a daily basis, and (v) help local executives promote a culture of integrity. This compliance community has been given dedicated systems and processes so it can access the resources needed to deploy the program globally and consistently. In this respect, each region and/or country has a local Ethics and Compliance Committee.



### 6.3.3.2 Ethics and Compliance program

In order to make its strategy tangible as well as meeting the applicable legal requirements, Sodexo has structured its Ethics and Compliance program around the following pillars:

1. A committed management team: Sodexo's management team embodies the Group's culture of integrity and has a zero-tolerance policy for any form of unethical practice, such as bribery, corruption, influence peddling or breaches of human rights. This commitment is shown, for example, by the regular speeches made by the Chief Executive Officer and senior managers, particularly during the United Nations International Anti-Corruption Day on December 9, 2020. In addition, specific awareness-raising actions have been introduced for managers, as well as regional and country directors, regarding the increased risks of breaches of ethical principles in the context of the Covid-19 pandemic;
2. Risk assessment: risks specific to responsible business conduct have been assessed for each country and aggregated within the global risk mapping. These risks cover major issues such as bribery, corruption, breaches of human rights, anti-trust practices and environmental damage. During FY21, a strengthened corruption risk scenario matrix was put in place. A series of 30 workshops with both operational and functional participants was run across the world by the internal control and legal communities as a joint exercise to identify possible Sodexo scenarios. The scenarios identified during the workshops were consolidated and used to build a corruption risk scenario catalogue. This catalogue was then used to carry out a full country risk assessment. Each country identified its own specific scenarios and assessed them using Sodexo's global risk criteria of impact, likelihood and level of control (see 6.4.2.4 Risk Assessment Methodology). Local scenarios could be included, as well as scenarios from the catalogue. Separate risk assessments were run for each Sodexo activity in the country – On-site Services, Benefits & Rewards Services and Personal and Home Services. The assessments from the main entities were then aggregated to build a global corruption risk scenario matrix;
3. Policies and procedures: Sodexo put in place its first Group-wide ethics charter in 2007 and subsequently drew up its Code of conduct. This Code – which sets out the Group's ethical principles – is reviewed each year. The Code of conduct provides practical examples showing employees how to do the right thing when faced with a dilemma. It is available in 30 languages and can be consulted on the Sodexo website. It is rounded out by policies and procedures, which give employees practical tools for guiding them in their daily work and projects, notably in relation to gifts, invitations, donations, corporate sponsorship, public affairs (a "public affairs guide" has also been published for stakeholders on the Group's website), international sanctions and "high-risk third parties";
4. Training and awareness-raising: specific training courses on responsible business conduct are developed and delivered within the Group to the staff categories with the highest level of exposure. E-learning modules on Responsible Business Conduct (combating sexual harassment, data protection, public affairs, human rights in the workplace, and preventing corruption and conflicts of interest) have been put in place for all of the Group's leaders and managers. At August 31, 2021, over 168,000 sessions of these modules had been recorded. These training modules are the subject of regular in-house communication campaigns. In addition, face-to-face training is provided to Executive Committee members and some other categories of employees who are particularly exposed to the different corruption risks. 100% of the Senior Leaders have been trained on corruption prevention;
5. Third-party assessment: since 2008, Sodexo has had a Supplier Code of conduct, which is translated into 23 languages and is regularly updated. The Group's suppliers are required to respect this Code, which is included as an appendix to all commercial contracts, and also to pass on its terms and conditions to all of the players in their own supply chains.

   Sodexo is continuing the deployment of its online registration tool in order to centralize information about its suppliers. This tool incorporates all of Sodexo's requirements relating to capacity, certification, geographical coverage, and regulation. It is also used to collect data on social responsibility. Suppliers benefit from a simple interface, which enables them to provide all the required information easily. The advantage for Sodexo is that the tool provides a "gateway" for the collection of information adapted to the Group's social responsibility requirements. Suppliers are invited to respond to various questions linked to the Group's social responsibility commitments and are required to update them throughout their relationship with Sodexo.

   On more specific CSR issues, Sodexo works with an external partner, an expert in CSR performance assessment, to overhaul its management of high-risk suppliers. The first step will identify and prioritize the risk categories, based on CSR and purchasing criteria. Then, the methodology will be progressively rolled out to the suppliers included in these categories. Suppliers in purchasing categories that have historically been identified as being high-risk will also be invited to participate in a detailed document audit.

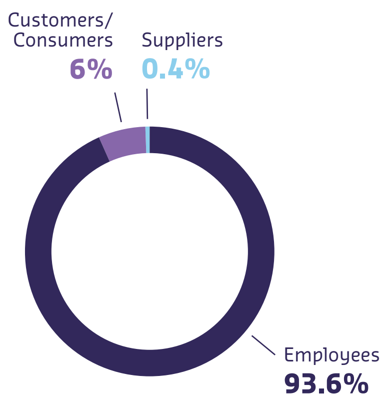
   In Fiscal 2021, the Group published a policy entitled "How to work with high-risk third parties" indicating the guidelines to be followed regarding procedures for evaluating, contracting and monitoring relationships with third parties presenting a high level of corruption risk. Each country is responsible for developing an appropriate procedure to enable these guidelines to be implemented at a local level.

   The Group also extended its due diligence procedures for mergers and acquisitions to include specific ethics and compliance issues;
6. Whistleblowing system – Speak Up: the Sodexo Speak Up Ethics Line – available in over 30 languages, online or by phone in each country – enables (subject to local legislation) all Sodexo employees and partners (in particular suppliers, customers and consumers) to report anything that they suspect to be unethical, particularly harassment, theft, fraud, corruption,

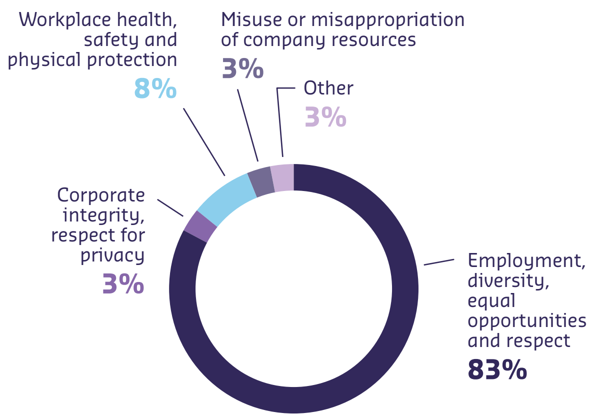
conflicts of interest, environmental damage, document forgery or insider trading. In compliance with local laws and regulations, this system is hosted by a third-party company. All of the managers concerned have been informed of the case management and responsible investigation procedures through two online training sessions. More than 92% of case managers have been trained according to these procedures.

1,581 cases were lodged via Sodexo Speak Up during Fiscal 2021.

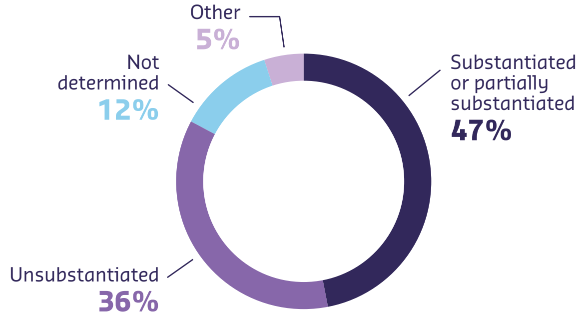
**BREAKDOWN OF SPEAK UP CASES BY SOURCE**




**BREAKDOWN OF SPEAK UP CASES BY CATEGORY**




**BREAKDOWN OF SPEAK-UP CASES BY RESOLUTION**




7. Controls: the internal control and risk management procedures relating to the preparation and processing of financial and accounting information form an integral part of the Group's anti-corruption measures. Specific controls relating to Ethics, Anti-Corruption and Speak-Up are part of the annual Company Level Controls assessment, which is carried out by a very large number of Sodexo's entities (refer to section 6.4.3.4). If an entity fails these controls, then a compulsory action plan is put in place to remedy the control deficiency. These plans are monitored by the local and regional internal control managers. Internal and external audits are performed on a regular basis, notably covering the following topics: anti-corruption, anti-money laundering, environmental protection, respect of human rights and fundamental labor rights, and occupational health and safety. In Fiscal 2021, Group internal audit continued its audit of entities using a risk-based approach, resulting in recommendations related to improvements in Sodexo's Ethics & Compliance program.

### 6.3.3.3 Sodexo Group tax policy

The Sodexo Group has established a tax policy that has been published on its website. This policy mainly states that the Sodexo Group undertakes to respect local tax laws and regulations that apply and pay its fair share of taxes in all countries where it operates, in line with the substance of the economic activity of the business locally. Sodexo is not using intended tax structures for tax avoidance nor investing in tax structures located in so-called "tax havens" in order to avoid taxes. The tax policy complies with principles of Business Integrity and the Code of ethics of the Sodexo Group. Therefore, the Group considers that it complies with the requirements of the new article L.225-102-1 of the French Commercial Code on combatting tax evasion.

Sodexo will always:

- perform risk management assessments before adopting a tax position;
- ensure that each controlled entity has a sound commercial, business or financial justification and has the sufficient level of substance;
- establish and document a transfer pricing policy for intra-Group exchanges of goods and services on an arm's length basis, in line with international standards (*e.g.* OECD Guidelines);
- monitor tax compliance in jurisdictions where Sodexo operates.

All significant tax positions are regularly reported to the Group Audit Committee.

## 6.3.4 Vigilance Plan

Sodexo has been actively managing its risks for a long time. The new legal requirements regarding the duty of vigilance therefore reflect the values and actions long championed by the Group and its founder, Mr. Pierre Bellon.

In accordance with French law, the Vigilance Plan presents the measures put in place within the Group to identify risks and prevent serious impacts in terms of (i) human rights and fundamental freedoms, (ii) individual health and safety, and (iii) environmental damage that may result from the Group's activities and those of its subcontractors and suppliers.

As Sodexo operates in 56 countries in a variety of complex economic and socio-cultural contexts, it adapts its approach to the above issues in accordance with its different businesses and host countries. The Vigilance Plan covers Sodexo and its subsidiaries' activities and is perfectly in line with its corporate responsibility roadmap.

In addition, the Group has put in place a dedicated governance system relating to ethics and compliance issues, as described in section 6.3.3 above.

Issues that fall within the scope of the Duty of Vigilance cover all businesses and involve numerous teams, including corporate responsibility, supply management, legal affairs, internal control, internal audit, human resources, ethics and operations. The Group's work on these issues also involves its customers, suppliers and subcontractors.

The Group's vigilance approach has been built around human rights, health and safety and environmental issues. No one can be exemplary if they are not exemplary within their own organization. This is why Sodexo is committed to ensuring common standards for all. This commitment is set out in our Better Tomorrow 2025 plan, in line with the recommendations of the United Nations Sustainable Development Goals (SDGs) and our declaration on fundamental labor rights.

The diagram below details the measures implemented by the Group in accordance with the five obligations concerning the three categories of issues. These measures are described in more detail in chapter 2 of this Universal Registration Document.

### THE MAIN MEASURES CONTAINED IN THE VIGILANCE PLAN ARE PRESENTED BELOW:

| | HUMAN RIGHTS |
|---|---|
| **RISK MAPPING** | • Risk mapping including risks related to human rights, prepared by all countries<br>• Consideration of the sexual harassment risk as part of the social dialogue (Sodexo employee)<br>• Materiality assessment (cf. section "Materiality assessment", chapter 1)<br>• Identification of three supply chain risk categories and specific monitoring of the supply chain:<br>  • Textile: Uniforms<br>  • Seafood: Tuna<br>  • Agricultural product: Beef |
| **REGULAR EVALUATION PROCEDURES COMPANY-WIDE** | • Implementation of the Responsible Business Conduct program<br>• Supplier Code of conduct<br>• Global HR survey on fundamental labor rights conducted in each country<br>• Matrix audit for textile supplier (uniforms)<br>• Assessment* using the Supplier Information Management (SIM) system |
| **APPROPRIATE ACTIONS TO MITIGATE RISKS OR TO PREVENT SERIOUS HARM** | • Specific clauses in customer and employee contracts<br>• Sodexo declaration on fundamental labor law rights<br>• Sodexo Code of conduct (integrity statements)<br>• Supplier and Subcontractor Contrat Management (Contractual clauses; Right Supplier, Right Terms)<br>• Training for managers on fundamental labor rights and preventing sexual harassment |
| **WHISTLEBLOWING AND REPORTING MECHANISM** | • Speak Up Ethics Line, whistleblowing system accessible to everyone impacted by Sodexo business activities |
| **FOLLOW-UP ON IMPLEMENTED MEASURES AND EVALUATION OF THEIR EFFECTIVENESS** | • Independent third-party audit (KPMG)<br>• Annual Engagement Survey<br>• Regular supplier review process (external certification, mitigation and prevention) |
| **INDICATORS AND EXAMPLES OF EFFECTIVENESS** | • 96% of Sodexo's Senior Leaders received training on sexual harassment<br>• 100% of Sodexo's textile suppliers are evaluated by an independent organization.<br>• More than 9,112 managers received training on fundamental rights at work |
| **OPPORTUNITIES CREATED** | • Strengthening social dialogue through a global framework agreement on preventing sexual harassment<br>• Strengthening the relationship with suppliers through the Global Sustainable Seafood Initiative<br>• Multi-sector and multiplayer (NGOs, trade unions, businesses, etc.) cooperation through the OECD's Business for Inclusive Growth |

* Self-assessments.

| | HEALTH AND SAFETY |
|---|---|
| **RISK MAPPING** | • Risk mapping including risks related to health and security, prepared by all countries (cf. section 6.4 Risk Management)<br>• Materiality assessment (cf. section "Materiality assessment", chapter 1)<br>• "Zero harm" Culture<br>• Covid-19 related risk governance, including the Medical Advisory Committee (MAC)<br>• Consideration of health and safety as part of the social dialogue (Sodexo employees) |
| **REGULAR EVALUATION PROCEDURES COMPANY-WIDE** | • Standard operating procedure review process, including modifications due to Covid-19 in coordination with the MAC<br>• Implementation of the Responsible Business Conduct program<br>• Supplier Code of conduct<br>• Assessment* using the Supplier Information Management (SIM) system |
| **APPROPRIATE ACTIONS TO MITIGATE RISKS OR TO PREVENT SERIOUS HARM** | • Deployment of Global Health Policies – Workplace Safety<br>• "Zero harm" Culture<br>• Clauses in customers and employees' contracts<br>• Annual plans of health and safety improvement<br>• Roll-out of e-learning and micro-learning courses on health and safety<br>• Sodexo Safety Net Program (focused on high-risk sites and activities)<br>• Sodexo's Code of conduct (integrity statements)<br>• Supplier and Subcontractor Contract Management (Contract clauses, Right Supplier, Right Terms) |
| **WHISTLEBLOWING AND REPORTING MECHANISM** | • Speak Up whistleblowing system accessible to everyone impacted by Sodexo's business activities<br>• Sodexo Life Safety program to report potential serious incidents<br>• Health and safety reporting tool (Salus) for all injuries and recordable injuries |
| **FOLLOW-UP ON IMPLEMENTED MEASURES AND EVALUATION OF THEIR EFFECTIVENESS** | • Independent third-party audit (KPMG)<br>• Annual Engagement Survey<br>• Regular supplier review process (external certification, mitigation and prevention)<br>• External certifications and compliance with standards (ex: OHSAS 18001/ISO 45001) |
| **INDICATORS AND EXAMPLES OF EFFECTIVENESS** | • Lost Time Injury Rate (LTIR): 0.71 (improved by 8%)<br>• 87% of Group revenues from countries having one or more OHSAS 18001 or ISO 45001<br>• 5% Speak Up cases related to health and safety |
| **OPPORTUNITIES CREATED** | • Appeal to customers and to their loyalty<br>• Reduction in insurance costs<br>• Increase Better employee engagement<br>• Reduction in absenteeism rate<br>• Strengthening social dialogue through a global framework agreement in workplace health and safety |

* Self-assessments.

| | ENVIRONMENT |
|---|---|
| **RISK MAPPING** | • Risk mapping including environmental risks, prepared by all countries (*cf.* section 6.4 Risk Management)<br>• Materiality assessment (*cf.* section "Materiality assessment", chapter 1) |
| **REGULAR EVALUATION PROCEDURES COMPANY-WIDE** | • Standard operating procedure review process, including modifications due to Covid-19 in coordination with the MAC<br>• Implementation of the Responsible Business Conduct program<br>• Supplier Code of conduct<br>• Assessment* using the Supplier Information Management (SIM) system |
| **APPROPRIATE ACTIONS TO MITIGATE RISKS OR TO PREVENT SERIOUS HARM** | • Sales Academy (special session dedicated to the Environment)<br>• Site Manager Academy (special session dedicated to the Environment)<br>• Implementation of Group policies: Palm Oil, Seafood, Eggs, Animal Welfare<br>• Customer and employee contractual clauses<br>• Sodexo's Code of conduct (integrity statements)<br>• Supplier and Subcontractor Contract Management (Contract clauses, Right Supplier, Right Terms) |
| **WHISTLEBLOWING AND REPORTING MECHANISM** | • Speak Up whistleblowing system accessible to everyone impacted by Sodexo's business activities |
| **FOLLOW-UP ON IMPLEMENTED MEASURES AND EVALUATION OF THEIR EFFECTIVENESS** | • Independent third-party audit (KPMG)<br>• Annual Engagement Survey<br>• Regular supplier review process (external certification, mitigation and prevention) |
| **INDICATORS AND EXAMPLES OF EFFECTIVENESS** | • 23.2% reduction in absolute Scope 3 Supply Chain carbon emissions (compared to 2017 baseline)<br>• 86% of seafood purchased are from sustainable sources (in kg)<br>• 41.1% of all shell eggs purchased by Sodexo are from cage-free sources (in volume) |
| **OPPORTUNITIES CREATED** | • Development of offers and services having a positive impact on the environment<br>• Participation in global initiatives to fight against climate change<br>• Contribution to the achievement of our customers' environmental objectives<br>• Positive impact on Sodexo's employer brand |

* Self-assessments.

6

## 6.3.5 Data protection

Respecting privacy and protecting personal data are the responsibility of everyone at Sodexo and form one of the pillars of the Group's Responsible Business Conduct program.

The Group has been able to strengthen the trust built up with its employees, customers, consumers and shareholders about data protection by appointing a Group Data Protection Officer in Fiscal 2017, reporting directly to the Group General Counsel, setting up a dedicated data protection team, and rolling out a global data protection program that complies with the General Data Protection Regulation ("GDPR")[1] and the other applicable data protection laws.

During Fiscal 2021, new actions were taken in each of the program's six pillars. These new actions are detailed below.

### 6.3.5.1 Data protection Governance

#### A hybrid governance model

The hybrid governance model put in place by Sodexo consists of combining centralized and local governance.

Centralized governance relies on the Group Data Protection Officer – who is in charge of ensuring compliance with the applicable laws and the Group's data protection policies and procedures – as well as a team of experts, with the support of a project management specialist.

Local governance relies on a network of points of contact or local data protection officers dedicated to data protection in each of the entities concerned, who are in charge of implementing the global data protection program through regional or local governance committees.

In Fiscal 2021, the system of monthly reporting by the local points of contact or data protection officers to the Group Data Protection Officer was strengthened with a larger number of metrics (for example: number of requests to exercise data subjects' rights, number of data protection impact assessments, number of data protection trainings conducted locally, number of personal data breaches, number of complaints from supervisory authorities, etc.). The reported information gives the Group Data Protection Officer an overall view of the situation Group-wide, which she uses as a basis for her quarterly reports to the Group Chief Executive Officer.

#### A shared governance system

The Group-wide system set up over previous years to share data protection governance with the teams in charge of information systems security was continued in Fiscal 2021 through the following Committees:

- **Global Cyber-Security and Data Protection Review Committee,** comprising the Global Chief Information Security Officer, the Group Data Protection Officer, the Group General Counsel, the Group Internal Control Officer and seven members of the Executive Committee.

  The role of this Review Committee, which meets around three times a year, is to (i) approve the strategies and programs drawn up by the Global Chief Information Security Officer and the Group Data Protection Officer, and monitor the implementation of their respective roadmaps, (ii) draw lessons from any major security incidents and personal data breaches and adjust the corresponding programs where necessary, (iii) review the reports of the internal and external auditors and the responses to be put in place for any identified weaknesses, and (iv) identify any major residual risks for the Group and decide on the appropriate remedial actions. During Fiscal 2021, the Review Committee met three times. In addition to the review of the main projects and initiatives in the area of cybersecurity and data protection, the work carried out within the framework of domain name governance was presented to the Committee;
- **Group Compliance Management Committee,** comprising the Group Data Protection Officer, the Global IT Compliance & Control Director and members of their respective teams at Group level.

  This Committee meets on a regular basis and is assisted, when required, by representatives of the Group's business activities, segments and support functions. Its role is to ensure that the IT-related technical and organizational measures implemented to guarantee security and confidentiality adequately cover data protection risks. The Committee focused on the following topics in particular in Fiscal 2021: monitoring the awareness campaign and recommendations designed to ensure effective application of personal data retention policies, ensuring compliance of personal data processing at Group level and managing personal data transfers outside the European Economic Area following the decision of the Court of Justice of the European Union invalidating the EU-US Privacy Shield[2]. This Committee met nine times in Fiscal 2021.

1 Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

2 Judgment of the Court of Justice of the European Union of July 16, 2020 in case C-311/18 Data Protection Commissioner/Maximillian Schrems and Facebook Ireland.

## 6.3.5.2 Accountability

In conjunction with the information systems teams, in Fiscal 2018 an inventory was performed of IT applications and personal data processing, by purpose, within the Group entities operating in all the European Economic Area. This inventory was also performed in the other regions of the world where Sodexo operates. In Fiscal 2021, the central and local data protection teams focused on maintaining the processing records.

Sodexo has also decided to submit Binding Corporate Rules to the French supervisory authority for data protection, the National Commission for Information Technology and Civil Liberties (**"CNIL"**), which Sodexo considers as its competent lead supervisory authority. This is a legal framework proposed in the GDPR that allows multinational companies to submit a binding Code of conduct for data protection. Once approved by the CNIL, this Code will enable Sodexo to even more effectively share common data protection compliance management rules with all Group entities and have a Group-wide data sharing framework. In Fiscal 2021, Sodexo's draft Binding Corporate Rules reached another milestone in the European data protection authorities' review and approval process. Now that the CNIL has completed its investigation of the draft Rules, they have been sent by the CNIL to the co-examining authorities (Belgium and Spain) for comment. Following this stage, the project will be officially submitted to the European Data Protection Board.

## 6.3.5.3 Data sharing

The Group Data Protection Officer has drawn up a Best Practice Code for sharing data as well as template data protection clauses for supplier agreements on processing personal data. Since Fiscal 2018, these documents have allowed all Group entities to apply the same practices where data processing operations are either fully or partially outsourced.

Furthermore, a mapping of the applicable data protection laws was drawn up in Fiscal 2020 with the aim of providing a clear overall view of the formalities that need to be carried out in each of the countries where Sodexo entities operate, and therefore to prepare for implementing the Group's Binding Corporate Rules.

Fiscal 2021 was marked by the roll-out of an action plan to review and monitor transfers of personal data to countries outside the European Union and the European Economic Area that do not provide an adequate level of protection, following the invalidation by the European Court of Justice of the EU-US Privacy Shield[1] and the publication of recommendations by the European Data Protection Board. In particular, the following actions have been launched: a mapping of intragroup and extragroup personal data flows, awareness-raising among the Group teams in charge of information systems and the security of these systems, the introduction of a questionnaire to analyze the impact of transfers to countries outside the European Economic Area, and the strengthening of standard clauses in agreements with suppliers concerning the processing of personal data.

## 6.3.5.4 Risk management and control

### Privacy by design

In Fiscal 2021, procedures to incorporate the review of risks related to privacy and fundamental human rights continued to be rolled out, based on an automated questionnaire that had to be completed by the internal parties concerned prior to launching any IT or digital project involving personal data processing. This "Privacy Risk Assessment Questionnaire" enables each data protection team to more efficiently identify the level of risk raised by projects and to decide whether they need to take any compliance measures. To better support the teams in charge of data protection, using a guide, the Group's Data Protection Officer and her team have raised awareness among their dedicated local points of contact as to the methodology to be applied to analyze risks and ensure that projects comply with GDPR and applicable data protection laws.

If a high level of risk is identified and certain criteria are met, a full impact assessment is performed through an automated process.

### Privacy by default

A risk assessment is also carried out on Group suppliers before any contracts are signed with them and this process has been automated for global suppliers.

### Continuous risk management and regular, targeted controls

A regular monitoring plan has been put in place for the local data protection single points of contact in order to assist them with ongoing compliance management. This monitoring now includes a "project management" aspect, which provides a full and up-to-date view of the risks related to any non-compliance with applicable data protection laws and the Group's policies and procedures concerning data protection.



1 Judgment of the Court of Justice of the European Union of July 16, 2020 in case C-311/18 Data Protection Commissioner/Maximillian Schrems and Facebook Ireland.

Fiscal 2021 saw the creation of a self-assessment questionnaire for dedicated data protection points of contact to assess the level of effective implementation of the overall compliance program. This questionnaire is now also used by the internal control teams for the purposes of an annual audit on data protection with a focus on the processing of personal data relating to human resources management for Fiscal 2021. In this context, the internal control and internal audit teams have received comprehensive training on the compliance points to be verified.

The central data protection team has also worked to ensure consistency in the Group's practices regarding the processing of its employees' personal data related to occupational health and safety management in the context of the pandemic. The team also performed several compliance audits of certain Group entities.

## 6.3.5.5 Response protocols and execution measures

### Response to requests concerning rights regarding data protection

The roll-out of the digitized procedures for managing the exercise of data protection rights (online form, tracking tool to improve the processing of requests, etc.) continued in Fiscal 2021. This process has allowed Sodexo entities that receive a large volume of requests from data subjects (requests for access, rectification, deletion of data, etc.) to better manage and track the requests.

### Response to security incidents and personal data breaches

To ensure that any security incidents resulting from personal data breaches are properly managed, the Group Data Protection Officer and the Global Chief Information Systems Security Officer have jointly drafted a Group directive to be adapted locally by all of the Sodexo entities. A dedicated system has also been deployed in order to deal with any such security incidents even more efficiently and to enable a register of the incidents to be kept.

The Group Data Protection Officer keeps an overall register of personal data breaches, into which incidents can now be entered thanks to a simplified, automated reporting system through which the local data protection single points of contact can easily report any personal data breaches.

### Cooperation with the data protection authorities

The overall policy and procedure for dealing with the management of data subjects' rights were amended in Fiscal 2021 in order to better manage any data subject complaints filed with the relevant supervisory authorities or internal data protection teams.

## 6.3.5.6 Transparency and awareness-raising

The Group's work on transparency during Fiscal 2021 included updating its notification templates and confidentiality policies, especially those intended for Group employees but also those including necessary information related to cookies.

A system designed to record user consent and preferences prior to the installation of cookies was deployed during Fiscal 2021 on the majority of the websites of the Sodexo entities (institutional sites and sites offering services to clients or consumers).


Take care, don't share! Your computer password is like your toothbrush, **do not share it**.

Friend or foe? Think twice before **clicking on suspicious links** or opening attached files. Make sure you report spam emails using the function in outlook.

Lock and leave! Always **lock your computer** when it's not in use. Would you risk leaving your front door unlocked?

Seize the keys! **Avoid using USB keys** and never plug a device into your workstation.

Scan then send! **Review your recipient list** to make sure your correspondence goes to the right people.

Tidy data is safe data! Sort your documents to be more organized and data compliant. A **spring clean** is always beneficial!

Re-use responsibly! Be cautious **when re-using documents** or forwarding emails containing personal data.

Select and protect! **Never use your @sodexo.com** email address for personal activities or "free" services on the Internet.

**Stay on data-watch!** Never leave your computer or important confidential information unattended.

Act fast and report it! If personal data has been lost, accidentally disclosed or compromised, **a data breach** has occurred. Act fast and report it!

RESPONSIBLE BUSINESS CONDUCT

We are **ALL** responsible

As part of the overall training program on GDPR principles for Sodexo employees, a reminder campaign was launched for the Top 1,600. The 10 golden rules to ensure data confidentiality and protection, which were already widely communicated during previous years around a logo, a visual identity and the slogan “We believe in privacy” were shared once again.

In order to enhance the integration of the dedicated local data protection points of contact and strengthen their level of expertise, a remote “Data Protection Academy” event was organized by the Group's Data Protection Officer and her central team on two occasions during Fiscal 2021 for the Latin American and Asia-Pacific teams. Additionally, with a view to ensuring that the personal data protection network stays ahead of the learning curve and that best practices are harmonized and the Group’s data protection policies and procedures are consistently implemented, the Group Data Protection Officer and her central team exercise a continuous oversight role (with quarterly meetings in groups and meetings with the whole network twice a year).

# 6.4 RISK MANAGEMENT

## 6.4.1 Group policies

Sodexo faces a number of internal and external risks and uncertainties in the conduct of its business and in the implementation of its strategy. To confront these risks and uncertainties, the Group has established an organization and policies intended to identify, evaluate, and manage them in order to limit any adverse impacts.

Sodexo has established and implemented internal control procedures that are intended to ensure:

- compliance with laws and regulations and application of Group policies;
- the effectiveness of its internal processes, notably those relating to the safeguarding of its assets;
- the reliability and integrity of financial and non-financial information.

Internal control procedures play a major role in the conduct of the Group's business, by contributing to the management of risks.

### Strategy, long-term objectives and general policies of the Group

The Group's strategy, long-term objectives and general policies were initially defined by Mr. Pierre Bellon and have been subsequently adjusted over the years by the Board of Directors, with support from the Chief Executive Officer and the Executive Committee. They are set out in the first chapter of this document and are presented each year during the Shareholders Meeting.

The Group's internal control procedures are based on these principles.

### General policies of the Group

Group policies cover such areas as strategic planning, human resources development, finance, procurement, consumer and customer focus, health safety and environment, sustainable development, data protection and internal audit. Each policy has four parts: goals, procedures, improvement metrics, and research and innovation. Sodexo continues to develop its policies to make them easier to understand and apply.

In light of the Group's changing environment and its expanding portfolio of services and solutions, these policies are regularly updated and approved by the Board of Directors.

#### Strategic planning process

The Board of Directors and senior management work together to constantly improve the strategic planning process and promote buy-in at all levels of the organization.

The Group's fundamental principles demonstrate how Sodexo was able to start from scratch in 1966 and become a major international group with 412,000 employees, in 56 different countries, and world leader in Quality of Life services. In a profoundly changing world, Sodexo has defined priorities to enable it to continue to grow its revenues and underlying operating profit in the future.

Periodically, and particularly during the September Board meeting, the Group Chief Executive Officer, the heads of the Group corporate functions and of the main segments and activities present their strategic plans. Through this process, directors and senior executives all contribute to evolving the strategy and policies of the Group.

#### Human resources development policy

The Group's four overriding human resources priorities are:

- anticipate and adapt the staffing requirements of operations in terms of numbers, skills and competencies to enhance operational efficiency;
- continue to develop a performance-based culture based on shared priorities and indicators, by offering training and learning for individual development;
- promote an inclusive work environment and embrace diversity in all its dimensions;
- in a particularly challenging and uncertain economic context, limit the social impact of the crisis as much as possible and maintain individual motivation.

The main human resources policies are focused on: the profile of a Sodexo leader and senior manager, Group organizational rules, succession planning for senior managers, senior managers' training and skills enhancement, employee engagement, compensation, and innovation and research in the area of human resources administration.

Finally, annual tracking of improvement metrics by the Executive Committee and Board of Directors serves to validate action plans aimed at advancing these policies. These metrics include engagement surveys, employee retention, internal promotion, and the representation of women in senior management.

Sodexo is making significant advances in the area of diversity, particularly in relation to gender balance at all levels of the organization and is also establishing partnerships with organizations for people with disabilities.

## Financial policies

Sodexo's financial objectives are twofold, namely:

### TO PRESERVE ITS FINANCIAL INDEPENDENCE

Financial independence is a fundamental principle, because it enables the Group to hold firm to its values, pursue a long-term strategic vision, ensure management continuity and guarantee the business's lasting success.

Sodexo's financial independence is guaranteed by the family shareholding. As of August 31, 2021, Sodexo's family holding company, Bellon SA, held 42.8% of the shares and 57.2% of the exercisable voting rights. This financial independence is based on three simple principles:

- choosing low capital-intensive activities;
- continuously maintaining sufficient liquidity to fund growth, reimburse medium-term debt, and pay dividends to shareholders;
- preserving a strong balance sheet and sound financial ratios.

### TO ENHANCE THE ATTRACTIVENESS OF ITS SHARES TO LOYAL, LONG-TERM SHAREHOLDERS

Financial policies establish rules applicable to areas such as investment approvals, and the management of working capital, cash and debt.

Sodexo's financial policies require all decisions involving external financing to be made by the Group Chief Financial Officer, the Chief Executive Officer or the Board of Directors, depending on the amount and type of the transaction.

The Group Finance Department prepares a ten-year financing plan for the Group each year.

Financial policies are designed to prevent any speculative positions being taken and to avoid risk in connection with financing and cash management activities.

## Procurement policy

The objectives of the procurement function are documented in the Group's procurement policies and processes. The performance of Sodexo's procurement teams in the main countries where it does business is measured through savings metrics, which enable the Group to gauge the impacts of procurement initiatives and demonstrate the savings achieved.

Sodexo's priority is to ensure that suppliers and subcontractors that deliver Sodexo products and services have the right skills, capabilities and potential to carry out the tasks assigned to them. Our risk management guidelines set out the procurement procedures that our teams are required to follow in terms of working with and managing suppliers and subcontractors. The level of the initial evaluation and the management procedures for suppliers and sub-contractors directly depend on the product supplied or service rendered. It includes verifying issues such as food safety and traceability, certification to conduct work particularly in the Facilities Management area, along with financial due diligence checks.

In line with the procurement policy, suppliers and subcontractors must sign the Sodexo Supplier Code of conduct which sets out Sodexo's requirements for adopting responsible best practices concerning ethical, social and environmental issues.

## Business Integrity Guide

The Business Integrity Guide sets out the Group's standards for achieving business integrity. Adherence to these uncompromising standards is part of what it means to be an employee of an industry-leading, best-in-class company. Sodexo employees must never compromise adherence to this guide for financial or other business objectives or personal gain. Sodexo does not tolerate any practice that is not born of honesty, integrity and fairness, anywhere in the world where it does business.

## Corporate Responsibility

Since its creation in 1966, Sodexo's vocation has been to improve the Quality of Life for its employees and all whom it serves and contribute to the economic, social and environmental development of the communities, regions and countries in which it operates. We have formalized this commitment in our Corporate Responsibility roadmap, Better Tomorrow 2025.

Better Tomorrow 2025 focuses on Sodexo's role as an employer, as a service provider and as a corporate citizen as well as on the impacts that it has on individuals, on communities and on the environment. It has 9 measurable commitments to action by 2025 with interim targets.

Sodexo's **commitment to the environment** as a service provider is to source responsibly and provide management services that reduce carbon emissions. Since 2009, Sodexo has implemented a low carbon strategy which is motivated by our desire to improve Quality of Life. Our strategy takes into account the business opportunities, risks and their financial implications.

In particular, these commitments are demonstrated through the following actions:

- long-term technical partnership agreement with World Wildlife Fund (WWF) to work on carbon reduction throughout Sodexo's supply chain;
- tackling waste by engaging with clients and supply partners to provide innovative solutions on food waste through the deployment of the program WasteWatch;
- partnering with the Future 50 Foods Initiative. The Future 50 Foods Report identifies under-utilized plant-based foods that optimize nutrient density and reduce environmental impact. Sodexo has rolled out plant-based recipes containing the Future 50 foods in kitchens in Belgium, the United States, France and the United Kingdom;
- combined management focus on achievement of the 34% carbon emissions reduction target, compared to 2017 baseline year.

In the **area of nutrition** for the health and wellness of consumers, Sodexo is committed to food safety and encouraging our guests to develop good eating habits and healthy lifestyles. With the help of our nutritionists, we create balanced, nourishing meals adapted to the lifestyles and the diversity of the tastes of our consumers around the world.

In the **area of social, economic and environmental development in the cities, regions or countries where Sodexo is present**, we focus on the following actions:

- supporting the fight against hunger through Stop Hunger a global network created 25 years ago;
- working with local and small businesses and contributing to local economies through the Partner Inclusion program which allows thousands of local businesses to integrate Sodexo's value chain;
- promoting gender balance with a target of having at least 40% woman among Sodexo's senior leaders by 2025 (during Fiscal 2020-2021 we reached 43% for this indicator and we are committed to ensuring that the Group maintains its lead on the subject of gender diversity and does not fall below 40%), and 100% of employees working within entities having gender-balanced management teams.

Sodexo is committed to respecting human rights wherever it does business. This commitment, with its core policies and procedures are based on international texts such as the Universal Declaration of Human Rights, the International Labour Organization's Declaration of Fundamental Principles and Rights at Work; it is also based on the principles set forth in the OECD Guidelines for Multinational Enterprises and the United Nations' Guiding Principles on Business and Human Rights.

## Health, safety and environment policy

Sodexo's ambition is to be the safest place to work for our employees. This ambition is reflected in our commitment to reach zero harm and a culture of care, for the people who work for us, for our clients, and for the consumers we serve every day.

Sodexo's global Health, Safety and Environment policy describes the Company's commitments, including working in partnership with our clients, consumers, suppliers and local communities, towards a zero harm culture where injuries and health issues are prevented and the environment is protected.

## Information systems policies

The Group Information Systems and Technologies Department has defined three core objectives:

- provide a first-class experience to our customers and consumers as well as to our own employees by making the best use of available technologies;
- continuously improve Sodexo's performance through productivity gains, extensive data analysis, respecting obligations of compliance and strong relationships with our partners (solution and cloud providers, integrators);
- protect Sodexo's digital assets in a context where cyber risk is increasingly pervasive and complex.

To meet these three core objectives, the Information Systems and Technologies Department has put in place numerous procedures, notably in the following areas:

- Group Information Systems Governance;
- Information and Systems Security;
- Mobile Terminal Allocation and Security;
- IS&T Capital Expenditure Programs;
- Third Party Security.

## Data Protection policy

Sodexo's Global Data Protection Policy describes how Sodexo entities collect, use, store, share, delete or otherwise process personal data and how data subjects can exercise their rights. This policy applies to the global organization of Sodexo entities when the European data protection law, namely, the General Data Protection Regulation (or "GDPR") is applicable. This policy applies to the processing of personal data collected by Sodexo, directly or indirectly, from all individuals including, but not limited to Sodexo's job applicants, our employees, clients, consumers, suppliers or subcontractors, our shareholders or any third parties (for further details of the compliance program relating to GDPR and other data protection laws, please refer to section 6.3.5).

## Internal audit policy

Internal audit activities include reviewing and assessing the adequacy and effectiveness of governance, risk management and internal control systems and processes. This includes assessing:

- the reliability of financial and non-financial information;
- compliance with existing policies, procedures, laws and regulations;
- the methods used to safeguard assets;
- the effectiveness of governance, operations and the resources used.

The internal audit team is also responsible for alerting the Chairwoman of the Board of Directors, the Audit Committee and the Executive Committee to any material risks and informing them of the causes of identified weaknesses.

The internal audit team has defined several procedures, primarily covering the identification of internal audit priorities for the coming fiscal year, the planning and execution of internal audits, the drafting of Internal Audit Reports and the follow up of action plans to implement the team's recommendations.

A series of internal audit performance indicators has been developed. These include such issues as the percentage of internal audit recommendations that have been implemented, the average time required to issue Internal Audit Reports, the annual audit plan completion rate, internal auditor rotation rates, the satisfaction rate among audited units.

## Delegations of authority

Principles and policies in this area are supplemented by job descriptions, annual targets and, for senior executives, clearly defined delegations, which are reviewed annually and formally communicated to each executive by his or her superior.

The Chief Executive Officer delegates certain authority to the members of the Group Executive Committee, who themselves delegate to members of their executive teams in regions and countries.

Delegations of authority cover business areas throughout the Group, and notably business development, human resources, procurement, investments and finance.

Delegations of authority must comply with the Group's policies.

## Improvement metrics

All progress can be measured. Accordingly, Sodexo has developed improvement metrics allowing for progress to be measured in five main areas: Business Development, Management, Procurement, Human Resources and Corporate Responsibility.

The Group Finance Department coordinates the process and monitors operational improvement metrics for activities and entities using a Group dashboard.

Making progress in these areas is critical for future growth in underlying operating profit, operating cash flow and revenue.

The improvement metrics are presented each year to the Board of Directors and the Group Executive Committee in order to track progress in the areas concerned.

**Development metrics:**

- client retention rate;
- client and consumer satisfaction rates;
- comparable unit growth;
- new business development rate.

**Management metrics:**

- contract profitability;
- profitability of the different activities and client segments;
- gross operating margin and on-site costs;
- general and administrative expenses by subsidiary, by client segment and by function.

**Procurement metrics:**

- percentage of purchases made from referenced suppliers;
- number of referenced products, reduction in the number of deliveries on a site, etc.;
- pricing and product inflation management.

## Corporate Responsibility metrics

**Employer metrics, including:**

- employee engagement rate for which Sodexo has targeted a level comparable to that of firms ranked as the best employers worldwide. This indicator is measured annually by an engagement survey;
- employee retention for total workforce and for site managers;
- internal promotion, which is measured by the number of employees promoted to site manager, to a middle manager or a senior management position;
- representation of women in senior management;
- percentage reduction in LTIR;
- percentage of workforce working in countries implementing action plans to integrate people with disabilities into the workplace.

**Nutrition, health and wellness metrics, including:**

- percentage of client sites implementing actions that proactively address the Sodexo 10 Golden Rules of Nutrition, Health and Wellness.

**Economic, social and environmental development metrics, including:**

- percentage of spend with contracted suppliers having signed the Sodexo Supplier Code of conduct;
- business value benefiting SMEs (in euro).

**Environmental protection metrics, including:**

- measure of the consumption of products, identified as having an impact on the environment (for example palm oil);
- percentage of sustainable fish and seafood;
- percentage reduction in carbon emissions intensity (compared to 2017 baseline).

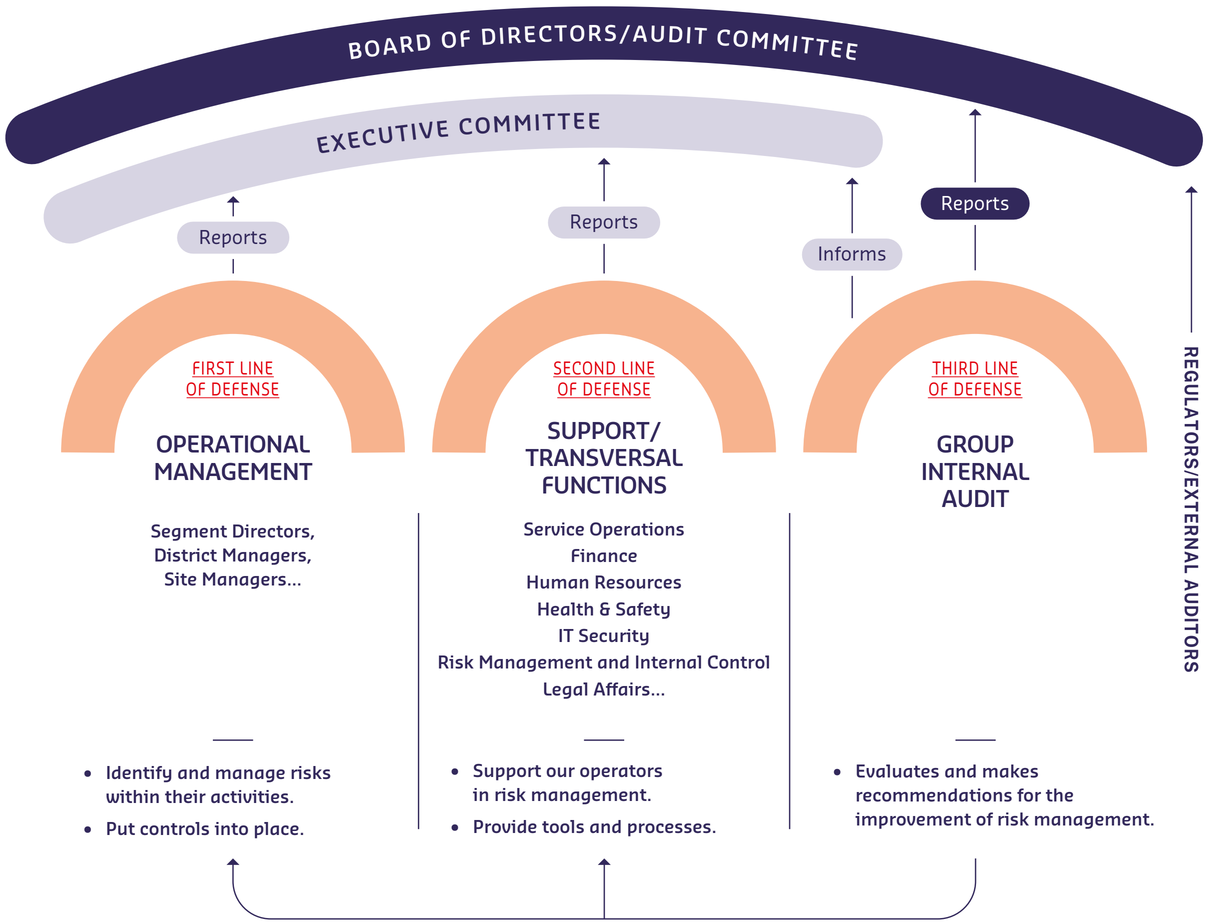
Sodexo selected an independent firm to audit a representative selection of social, environmental and societal data demonstrating the progress made in the area of Corporate Social Responsibility. The conclusions of this audit are presented in section 2.8 of this document.

# 6.4.2 Risk management and internal control organization

## 6.4.2.1 Key participants and roles

The key participants in the risk management and internal control system are organized using the 3 Lines of Defense model, as shown below:

**SODEXO'S RISK MANAGEMENT AND INTERNAL CONTROL MODEL**




### Operational management

The first line of defense mainly consists of operational directors and managers who identify and manage risks within their activities. They put controls and action plans in place for the risks identified.

### Support and transversal functions

The second line of defense consists of global support functions who are there to support operators in their risk management. They define the procedures and standards and provide standardized tools and processes to enable operational staff to put in place the appropriate controls.

### Internal audit

The third line of defense is internal audit, which gives an independent evaluation of the risk management and internal control system to the Executive Committee and Board of Directors. It makes recommendations to the first and second lines of defense for the improvement of risk management and internal control and monitors action plans (see 6.4.4).

## 6.4.2.2 Risk Management Governing Bodies

### Executive Committee

Sodexo's Executive Committee has overall responsibility for establishing procedures to manage risk. Its role includes designing and leading on the internal control system, with support from senior leaders and the second line of defense functions in their own area of expertise.

### Board of Directors and Audit Committee

Sodexo's Board of Directors role is to provide oversight of the risk management and internal control system, and ensure that it is functioning effectively. As a specialized Board Committee, the Audit Committee follows up in detail on Sodexo's principal risks and the efficacy of the controls used to mitigate them (see 6.2.1.6) and reports back to the main Board.

Sodexo has put in place a robust procedure for the identification and assessment of major risks, designed to ensure that risks are evaluated and managed at the appropriate level within the organization. Measures to manage risks are implemented either at the site, country, regional or global level, depending on their nature.

The Group's internal control procedures rely on the fundamental principles defined by the Board of Directors.

### 6.4.2.3 Approach to Risk Assessment

Sodexo uses a hybrid risk assessment approach, both "bottom-up" from operators and "top-down" from senior management.

On an operational level, the leadership Committees of each of Sodexo's main entities carry out an annual risk assessment, facilitated by risk and internal control managers. The results of these assessments are recorded in a global risk management tool. Risks thus identified are owned and managed at the local level.

Additionally, a series of interviews with Sodexo's senior leaders across the world is carried out by Group internal audit on an annual basis to identify key risks impacting Sodexo's business and the achievement of its objectives.

The results of all the risk assessments and the senior leader interviews are evaluated in the development of the Group risk profile which comprises the principal risks that might impact Sodexo's Strategic Agenda. The profile is shared with Sodexo's Executive Committee for comment, before being submitted to the Audit Committee and the Board of Directors.

### 6.4.2.4 Risk Assessment Methodology

Sodexo assesses its risks in 3 stages using a standard global methodology:

- **risk Identification:** the first step is the identification of risks that may impact Sodexo's ability to achieve its objectives, whether it be at site, country, regional or global level. Several risk identification methods are used, including surveys and risk registers, but the recommended and most widely used method for both bottom-up and top down assessments is by individual interview with key stakeholders;
- **risk evaluation**: risks identified in the previous step are then evaluated using three risk criteria:
  - impact – the effect or consequence the risk will have,
  - likelihood – the frequency or probability of the risk occurring,
  - level of control – the level of control already in place to reduce the risk;
- **risk prioritization**: following evaluation, risks are then prioritized for further actions to treat them.

The main risk factors to which the Group is exposed are described in section 6.4.3 of this Universal Registration Document.

### 6.4.2.5 Link between internal control and risk assessment

As described above, risk assessment is used to identify, evaluate and prioritize risks. Once they have been assessed, risks are treated to reduce their effect. Ways of treating risks include putting in place action plans and implementing controls. Controls therefore form an important part of the range of measures that can be used to mitigate risks, and Sodexo's internal control procedures are part of an ongoing process of managing the Group's risk exposure.

Sodexo's risk management and internal control system is based on the internal control reference framework recommended by the French securities regulator (Autorité des marchés financiers – AMF). The five components of the reference framework are the control environment (integrity, ethics, competencies, etc.), evaluation of risks (identification, analysis and management of risks), control activities (methods and procedures), information and communication (collection and sharing of information) and monitoring (follow-up and eventual updating of processes).

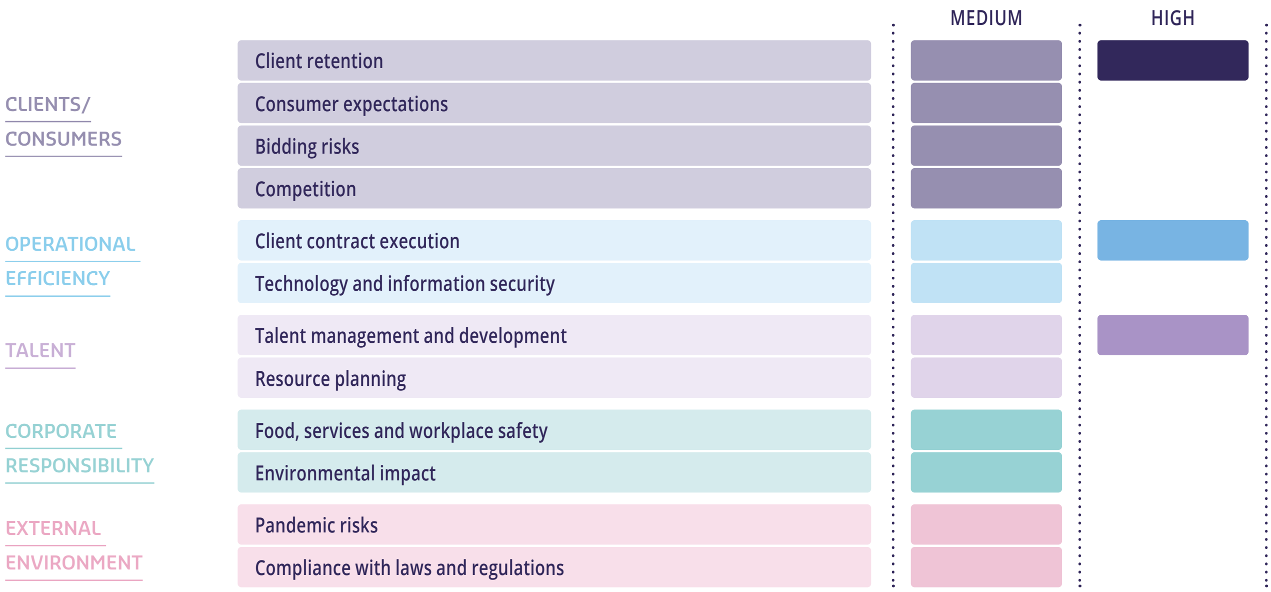
# 6.4.3 Risk factors

## 6.4.3.1 Principal Risks & Risk Management Measures

### Summary of Sodexo's Principal Risk Factors

The summary table of Sodexo's principal risks shows a classification of the risks by reference to the pillars of Sodexo's Strategic Agenda, as well as risks from the external environment. As outlined in 6.4.2.4, each risk is assessed using impact and probability to give an evaluation of the inherent risk, and then a third criteria "level of control" is used to evaluate the overall net risk. The table below shows the net risk assessment. The most significant risks are presented at the top of each category, and the materiality of each risk shown is using a two-level rating scale, as follows:

**RISK MANAGEMENT AND MAIN RISKS**

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## Description of Principal Risk Factors

The tables describing Sodexo's principal risk factors (see below) give an estimate of their timeframe (short-term, medium-term or long-term), their possible impact and examples of measures implemented to reduce these risks.

The risk timeframe is shown as follows:

Short-term (less than a year) ▬

Medium-term (1 to 3 years) ▬ ▬

Long-term (over 3 years) ▬ ▬ ▬

### CLIENT RETENTION

**Risk of not keeping and renewing contracts with Sodexo's existing clients.**

**Risk Timeframe: Medium-term ▬ ▬ Category: Client & Consumer Centric**

**Impact**

Client needs have significantly changed over the course of the Covid-19 pandemic. Many clients are allowing their employees to return to the workplace on a hybrid model, working both at home and in the office on a regular basis. This means that Sodexo's food offer has to be more flexible to be able to reach consumers in both places and that the traditional workplace food offering – an on-site kitchen providing food to on-site employees at set hours – is evolving.

Sodexo needs to work with its clients pro-actively as a partner to adapt to changing circumstances and continue to meet evolving client needs.

A lack of ability to adapt to the client's current circumstances, an inability to transform our services to remain attractive to meet client/consumer demand, or any changes in client outsourcing strategy could mean that the client is not retained, possibly leading to:

- less growth;
- decrease in profitability;
- loss of credibility in the market place.

**Examples of Mitigating Activities**

- On-site teams continually listening to the client and the consumer.
- Strengthening of the client relationship management process to ensure alignment with client expectations on an on-going basis.
- Rise with Sodexo, a combined On-site Services and Benefits & Rewards Services global program dedicated to the re-opening of client offices and sites, and any changes in their daily operations.
- Ability to offer new services to respond to client challenges (disinfection cleaning, digital retail, virtual concierge).
- Client relationship management tool to track and monitor retention related activity.
- Risk reviews carried out with key accounts every six months to review retention risks.
- Monitoring at global level of retention in the client portfolio.

### CONSUMER EXPECTATIONS

**Increasing consumer expectations around personalized and innovative services, healthy food choices and a comfortable environment; increasing consumer expectations in relation to Company business conduct and environmental impact.**

**Risk Timeframe: Short/Medium-term ▬ ▬ Category: Client & Consumer Centric**

**Impact**

"Empowered consumers" is one of 11 megatrends that Sodexo has identified in its markets. Consumers are increasingly voicing their opinions and clients are taking their opinions into account. Moreover the Covid-19 pandemic has accelerated both the empowerment trend and new consumer behaviors. Consumers expect to be able to consume food in different ways and at a time of their choosing. They expect more choice, more convenience, healthier options and socially responsible behavior from the companies from which they receive service. Specific examples that Sodexo has had to take into account include:

- increased use of digital platforms for delivery of meals;
- rise of demand from our consumers for plant-based food that is less carbon intensive;
- reduction of single use plastics to reduce marine pollution.

If Sodexo cannot adapt its consumer offer or cannot anticipate and meet consumer expectations for innovation and in relation to environmental impact or business conduct, its revenues, as well as its reputation, could be affected.

**Examples of Mitigating Activities**

- Digitally enabled food services with apps that offer mobile ordering, cashless services, rewards programs and digital management of meal benefits (*e.g.* Bite+, Zeta in India).
- Partnership with meal delivery platforms including Uber Eats and Deliveroo.
- Roll-out of 10 Golden rules of nutrition, health and well-being.
- Sodexo employs more than 5,400 dieticians worldwide.
- MIndful by Sodexo menus that concentrate on ingredient transparency and high quality nutrition.
- Removal of key single use plastic food service items at all sites in Europe: takeaway bags, straws, plates, cutlery and stirrers.
- Sodexo's Code of conduct, the "Business Integrity Guide" sets out Sodexo's standards for business integrity.
- Global Ethics & Compliance Committee supports programs throughout the Company.

### BIDDING RISKS

**Risks relating to the commercial and contractual model and the scope of services included in a client contract.**

**Risk Timeframe: Long-term Category:** **Category: Client & Consumer Centric**

**Impact**

Some of Sodexo's client contracts are long-term and may run between five and ten years. This is particularly relevant for the Business & Administrations segment.

Inaccurate pricing assumptions, a lack of definition or detail in the scope of services and inadequate contractual clauses during a bid proposal can lead to low margins or even losses on the contract, either in the startup phase or at a later date. In particular, new types of services such as on-site health checks and wellness services need to be appropriately charged and contractually documented, and meet all local medical and data protection regulations.

**Examples of Mitigating Activities**

- Benchmark exercises, site visits, full due diligence and the use of technical expertise are all part of the process to establish unit costs, seasonality of services and base-line estimates (monitoring of cost and performance indicators to verify the relevance and competitiveness of our offer).
- Identification of the main contractual risks (from the analysis) and the deployment of measures to compensate these risks.
- System of review of projects by different stakeholders according to their size, stake and scope.
- Strict execution of Sodexo's key processes for contract design & solution and mobilization.
- Existance of a Medical Advisory Council, a team of external experts to advise on the development of new protocols and standards.
- Early involvement of data privacy specialists in any new project or service.

### COMPETITION

**Sodexo faces both established competitors and new digital entrants at the local, national and international levels: risk of market share loss and loss of growth momentum.**

**Risk Timeframe: Long-term** **Category: Client & Consumer Centric**

**Impact**

Losing ground to competitors reflects a lack of understanding of the evolution of client needs and entails a lack of growth in revenues and lower profitability.

**Examples of Mitigating Activities**

- Combined On-site Services and Benefits & Rewards Services programs such as Rise with Sodexo, widens the choice that can be offered to consumers in both activities.
- Creation of new multichannel offers to better respond to consumer expectations.
- Investment in digital technology including digital applications, innovative food solutions such as restaurant delivery and digital retail services, robotics to enhance cleaning and the use of artificial intelligence to improve services help Sodexo enhance the consumer experience and take advantage of the opportunities created.
- Strategic acquisitions to expand Sodexo's offers.
- STEP: Sodexo's performance management framework designed to drive operational performance through common operational indicators.
- Identification of savings to be redeployed in investment for growth.
- Strengthening of commercial teams on the ground.

### CLIENT CONTRACT EXECUTION

**Risks relating to the execution of a client contract: poor service delivery, non-fulfilment of contractual and performance obligations, over delivery of additional services not defined in the contract, poor management of food and labor costs, inability to pass through inflation.**

**Risk Timeframe: Short/Medium-term** **Category: Operational Efficiency**

**Impact**

Poor service delivery to clients or non-fulfilment of contract obligations could lead to client dissatisfaction, possible contractual penalties and ultimately the loss of the client.

Over-delivery of additional services not defined in the contracts and without related invoicing could lead to a shortfall in revenues and loss of profitability on the contract.

Poor management of food and labor costs could result in reduced profitability on the contract.

Increases in food inflation driven by rising commodity, transport and packaging costs, and labour inflation driven by a labour shortage in the food services sector could mean increased costs for Sodexo. If Sodexo is not able to pass the inflation through to the client via indexation clauses, or is able to do it, but not quickly enough, then it could result in loss of profitability on the contract.

**Examples of Mitigating Activities**

- Strict execution of Sodexo key processes defined for contract mobilization.
- "I Promise": tools and techniques to help site managers manage their contracts and improve the services they deliver.
- Definition of operational standards and best practices that are shared to improve performance (e.g. Innovhub).
- Tools such as the Site Management System to ensure proper training of employees and the execution of quality inspections.
- DRIVE: integrated food management process.
- STEP: Sodexo's performance management framework.
- Robust price revision process to manage contractual inflation with our clients.
- Strict monitoring of loss-making contracts.

### TECHNOLOGY & INFORMATION SECURITY

**Risks around managing the confidentiality, availability and integrity of Sodexo's information technology assets; managing cloud systems and third-party suppliers, managing Sodexo and client data; risks from external cyber threats.**

**Risk Timeframe: Short/Medium-term** **Category: Operational Efficiency**

**Impact**

On a daily basis, Sodexo IT systems across 56 countries process the data of 412,000 Sodexo employees and 100 million consumers; including patients in hospitals and children in Childcare.

In addition, the demand for new innovative and efficient services creates a fast changing and highly interconnected architecture, while the scale of operations also makes Sodexo a target for cyber criminals who want to exploit its weaknesses and gain access to the data of the thousands of clients and suppliers, to whom Sodexo is connected. In the last year, there has been a surge in the number of international companies being targeted by sophisticated phishing and ransomware attacks.

Within this challenging environment, information security issues such as poor data integrity, loss of data confidentiality and lack of availability of key systems, or collaboration services, could result in high cost and/or high-volume impacts such as:

- inaccurate financial reporting;
- contractual penalties;
- regulatory fines (e.g. GDPR, Brazilian data protection law LGPD, card payment information standard PCI-DSS);
- reputational damage with shareholders, clients, consumers, suppliers and employees.

**Examples of Mitigating Activities**

- Group Information & Systems Security Policy aligned to ISO 27001 framework, with detailed security directives on key topics (*e.g.* security by design, cloud services, incident management).
- Investment in security infrastructure, tools and services such as multi-factor authentication, laptop encryption, security risk assessments, security operations center and email monitoring.
- Global Data Center consolidation strategy focused on using trusted hosting partners (e.g. Microsoft Azure) to provide secure and efficient services.
- Company-wide collaboration on security and compliance topics such as data privacy, cyber threats, new technologies and IT internal controls facilitated by formal Governance Committees and cross entity network groups.
- Globally coordinated cyber security initiatives to specifically address and strengthen the resilience of remote working facilities.

### TALENT MANAGEMENT AND DEVELOPMENT

**Risk of not having the right people in the right place at the right time.**

**Risk Timeframe: Short/Medium-term** **Category: Talent**

**Impact**

Sodexo is a company of people serving people. Sodexo's 412,000 employees are central to its long-term growth objectives.

A lack of attention to employee performance management and development could lead to:

- a decrease in service quality jeopardizing retention and therefore long-term profitable growth;
- reactive *vs.* proactive talent management, leading to loss of top talent.

In addition, the extended duration of the Covid-19 pandemic increases the risk that both front-line and back-office staff suffer from mental and physical fatigue. This could lead to Sodexo losing talented people to other job sectors.

**Examples of Mitigating Activities**

- Training and development programs to reskill and upskill Sodexo employees..
- Design of a new performance and reward framework to help retain, develop and motivate people.
- Annual talent reviews at management level.
- Global Next Generation Leader program designed to strengthen leadership bench.
- Succession plans are included in executives' individual objectives.
- Sodexo Supports Me: Employee Assistance Program that provides counseling to help employees across the world meet the challenges of everyday life, both at work and outside.

### RESOURCE PLANNING

**Inability to anticipate client needs in terms of skills and workforce.**

**Risk Timeframe: Short/Medium-term** **Category: Talent**

**Impact**

In the context of the Covid-19 pandemic, client needs change on a regular basis in terms of services and volume. Sodexo must know how to adapt its resources in the short and medium term. Globally, Sodexo's ability to develop the skills of its employees and adjust its workforce to adapt to client needs is influenced by:

demographic issues;

- the constantly changing needs of our clients;
- a volatile regulatory environment;
- the availability of the required skills.

Any inability to adjust the resources, skills and workforce could lead to client contracts not being served properly.

In particular, as the food services, hospitality and events sectors re-open, there is intense competition to recruit staff, leading to a global staff shortage in the short term.

**Examples of Mitigating Activities**

- Development of local training centers to skill current and future employees (*e.g.;* CEDEX in Latam, Food Services Apprenticeship Training Center in France).
- Design of competency models and career paths to help employees develop within the Company.
- Development and trialing of Strategic Workforce Planning in some segments (Energy & Resources) and regions (China) to better anticipate labor needs.
- Development of operational and strategic plans including a skills and workforce dimension.

### FOOD SERVICES AND WORKPLACE SAFETY

**Consumer illness or injury caused by technical services, consumer illness caused by food services, work-related Injury/illness of Sodexo employee or contractor.**

**Risk Timeframe: Short/Medium-term** **Category: Corporate Responsibility**

**Impact**

Ensuring the safety of consumers, clients and Sodexo employees is a critical priority (and particularly as the pandemic continues to make its presence felt in many countries).

Potential illness, injury or loss of life of consumers, clients or Sodexo employees could mean:

- loss of client confidence in Sodexo;
- significant lost time due to injury and illness;
- fines and potential litigation;
- impact on Company reputation.

**Examples of Mitigating Activities**

- Appropriate use of Personal Protective Equipment.
- Reinforcement of existing global HSE safety policy and standards for food safety, personal hygiene and infection control.
- Existance of a Medical Advisory Council, a multi-disciplinary team that advises on measures to ensure safe procedures that adhere to all local regulations.
- Partnership with Bureau Veritas to establish the Rise Safe hygiene verification label for the health and safety services used by our clients.
- Sodexo Safety Nets – 7 measures for accident prevention.
- Employee training.
- Leadership Safety Walks.
- Incident and accident reporting.
- Quick Share process to share lessons learned from investigations.
- Global HSE Committee that reviews incidents and the effectiveness of processes on a quarterly basis.

## ENVIRONMENTAL IMPACT

**Adverse environmental impact from Sodexo's activities: poor management of food waste, ineffective actions to mitigate climate change.**

**Risk Timeframe: Long-term** **Category: Corporate Responsibility**

**Impact**

- Poor food waste management could result in a loss of client and consumer confidence and a decreased ability to attract new clients.
- Ineffective climate change actions could result in Sodexo's carbon emissions staying the same or even increasing.

**Examples of Mitigating Activities**

- WasteWatch global program to reduce food waste.
- Renewed partnership with WWF in Fiscal 2020 focused on reducing the Company's environmental impact and achieving its carbon reduction target.
- Connecting financing costs of the Group to action on food waste performance.
- Environmental awareness campaigns – WasteLess week.
- Founder member and participation in the International Food Waste Coalition.
- Local and responsible sourcing.
- Roll-out of plant-based recipes in units using ingredients selected for their lower environmental impact and higher nutritional value.
- Measurement and tracking of carbon footprint of Sodexo's food purchases.
- Member of the Climate Group's RE100 initiative with a commitment to switching to 100% renewable electricity by 2025 at directly operated sites.

## PANDEMIC RISKS

**Risks associated with the uncertainty surrounding the global pandemic**

**Risk Timeframe: Short/Medium-term** **Category: External Risk**

**Impact**

Undoubtedly the uncertainty surrounding this risk has decreased in the last year. The large-scale roll-out of Covid-19 vaccinations has meant that the transmission rate of the virus, the number of serious infections and deaths has decreased significantly. This has led to a staged reduction of government restrictions in many countries. However, the rapid spread of the Delta variant, which is more contagious, and the risk in breakthrough infections in fully vaccinated individuals as well as emerging evidence that vaccine effectiveness reduces after a number of months means that clients and consumers remain cautious.

Clients are re-opening sites, but often on a staged basis, so that employees return to work on a rotation basis where they are in the workplace one or two days a week. Some national governments still have a work at home regulation in place.

It is possible that targeted national or local lockdowns will continue in FY22 as countries continue to manage their virus response.

Any delay in re-opening sites by clients or new closures as a result of a another increase in infection rates would result in less revenue generation on those sites and reduced profitability for Sodexo.

**Examples of Mitigating Activities**

- Rise with Sodexo: a global multi-activity program for client sites, that includes workspace optimization, safety guidance, disinfection cleaning and employee well-being services.
- Precise and pro-active management of our workforce to adapt to changing environments.
- Rigorous follow-up on the execution of our services with strong contract management including renegotiation of some terms and conditions.
- Continued focus on management of cash and client receivables.
- GET restructuring program to simplify the organization and reduce costs.
- Continued focus on strict control of selling, general and administrative costs.

**COMPLIANCE WITH LAWS AND REGULATIONS**

**The nature of Sodexo's business and its worldwide presence mean that it is subject to a wide variety of laws, including labor law, anti-trust law, anti-corruption law, data protection and privacy, and health, safety and environmental law.**

**Risk Timeframe: Medium-term** **Category: External Risk**

**Impact**

The wide range of services that Sodexo proposes means that it is subject to very specific laws and regulations for each activity at both the global and local level. As examples:

- as a food operator, Sodexo has a legal requirement to provide accurate allergen information about the food and drinks it serves;
- the emission of vouchers and cards in Benefits & Rewards Services requires compliance with anti-money-laundering laws in some countries;
- working with sensitive populations like children and seniors in Personal & Home Services requires back-ground checks of our employees.

Any non-compliance of Sodexo with laws and regulations or a lack of knowledge and awareness of laws and regulations either at a country level or a global level could mean:

- harm to employees, clients and consumers;
- damage to Sodexo's reputation;
- potential financial penalties;
- criminal action being brought against the Company and its directors.

**Examples of Mitigating Activities**

- Legal teams deployed at the central and local levels, who provide advice to operational staff.
- Legal teams specialized by area of expertise, having recourse to external experts.
- Awareness training sessions for our employees.
- Global Ethics and Compliance Committee ensures coordination and coherence of deployment of compliance programs amongst countries.
- Sodexo Speak Up offers Sodexo employees and partners a confidential way to report activities or behaviors that are contrary to the Code of conduct or simply illegal.

## 6.4.3.2 Emerging Risks

In carrying out its risk assessment, Sodexo also considers risks arising from changes in the external environment. This includes a consideration of emerging risks that are new external risks or existing external risks that have evolved with time, or have been triggered by changed circumstances. They may be perceived to be potentially significant, but might not yet be fully understood, and/or the consequences may be difficult to quantify.

For Sodexo, the change in consumer behaviors arising from the Covid-19 pandemic is an emerging risk. The Covid-19 pandemic has triggered a change in daily working patterns that appears to be becoming permanent in many countries. This means that there are fewer people in the workplace and more consumers working from home for significant periods of the working week, thus reducing the number of consumers for whom we can provide services on-site. The crisis has also accelerated the acceptance of digital technology for food services. During the pandemic, consumers became used to ordering food digitally and getting it delivered, and now expect the same ease and flexibility of choice across all food service providers. To mitigate this risk, Sodexo is evolving its strategy and developing new client and consumer food offers.

We also identify the effects of climate change as an increasingly important emerging risk. Climate change events such as extreme weather or natural resource crises could create food product shortages in certain countries, which could impact Sodexo's ability to source them. To mitigate this risk, Sodexo uses a broad range of suppliers and continually adapts its menus to take account of availability of products.

For possible adverse effects from Sodexo's activities on the environment, which are already identified as part of the main risk profile, please refer to 6.4.3.1 Environmental impact risk.

## 6.4.3.3 Risk coverage

### 6.4.3.3.1 Insurance coverage

Sodexo's general policy is to transfer non-retained risks, especially intensity risks, to the insurance market. Insurance programs are contracted with world class insurers.

The main insurance programs are as follows:

- liability insurance, which covers personal injury, property damage or consequential loss caused to third parties. This category notably includes operational, product, after-delivery and professional liability insurance. Since June 1, 2016, Sodexo has implemented a worldwide liability insurance program benefiting all countries in which the Group operates, including the United States and Canada;
- property insurance, which mainly covers the risk of fire and explosion, water damage, natural disasters, and (in some countries) acts of terrorism. As a general rule, the sum insured is equal to the value of the insured property; however, some insurance contracts cap the amount paid out under the policy;
- workers' compensation. In countries with no government-provided coverage (primarily the United States, Canada and Australia), Sodexo has contracted workers' compensation programs;

- crime insurance specifically for to Benefits & Rewards Services, to partially transfer the risks of fraud, falsification and theft to the insurance market;
- marine cargo insurance for covering loss or theft of goods during shipment;
- employment practices liability which provides coverage for wrongful termination, sexual harassment, discrimination and workplace torts. This program was originally implemented in the USA and Canada, but has been expanded globally from June 1, 2017;
- cyber risk insurance, which responds to cyber events such as intrusion, denial of service attacks, data breach. It covers the forensics, privacy breach and data restoration costs as well as any business interruption arising out of a cyber event. In a very tough market, the cyber risk insurance is reviewed regularly and implemented according to the best possible conditions.

In addition, Sodexo maintains compulsory insurance as legally required in the countries where it operates.

#### 6.4.3.3.2 Self-Insured Risks

Retained or self-insured risks correspond to the deductibles specified in the insurance programs contracted by Sodexo. They consist for the most part of frequency risks (*i.e.*, risks that recur regularly) but from time to time may also include intensity risks (*i.e.,* risks representing substantial amounts). In some countries, these retained risks correspond to deductibles under employer's liability, workers compensation, third-party automobile and property insurance. Deductibles range from 5,000 U.S. dollars to 5 million U.S. dollars per occurrence. Sodexo also self-insures frequency risks and low amplitude risks through two captive insurance companies. The American company, incorporated in the State of Hawaii, manages the deductibles of the Workers' Compensation, Automobile Liability and General Liability insurance program as well as reinsurance on the General Liability. The Irish company, based in Dublin, provides:

- direct insurance and re-insurance for motor own damage and third party liability risks;
- reinsurance on the property, marine, general liability and cyber insurance program.

The maximum exposure of our captives on a single risk amounts to 7.5 million U.S. dollars per claim and in aggregate per year.

#### 6.4.3.3.3 Placing of risk and total cost

On the occasion of its most recent policy renewals, Sodexo maintained the scope and level of its coverage, as regards in particular, general liability insurance and professional liability insurance, especially for risks associated with Facilities Management activities.

The total cost of the main insurance programs and self-insured risks (excluding workers' compensation) of fully-consolidated Group companies, represents around 0.25% of consolidated revenue.

### 6.4.3.4 Description of internal control process, including controls relating to the preparation and accounting disclosure

The risk management and internal control approach applied within the Group consists of:

- the identification and assessment of risks;
- the description of the control environment, both at Group and subsidiary levels;
- documentation and self-assessment of these controls, both at local and Group level;
- independent testing of the effectiveness of these controls, by independent persons.

The internal control process is facilitated by a network of local internal control managers and coordinators embedded in the business, supported by a small central internal control team. Their role is to:

- facilitate entity risk assessments by carrying out risk interviews;
- assist in the documentation of controls with control owners;
- support the implementation of new controls;
- carry out entity testing of strategic controls relating to the control environment and process controls;
- support Group internal audit in the follow-up of the implementation of its recommendations.

A very large number of Group entities prepare a detailed report (Company Level Control Report) on their control environment based on the five components of the reference framework and which includes an evaluation of the subsidiary's principal risks, a description of risk management measures and an assessment of their effectiveness.

The most significant Group entities go beyond this initial phase, and evaluate the effectiveness of additional controls determined by their own risk assessment (Process Level Controls). Some of these controls are also subject to effectiveness tests performed by independent persons (Group Internal Auditors).

An executive summary of the status of internal controls and the progress achieved is submitted to the Audit Committee at the end of the fiscal year.

### 6.4.3.5 Description of internal controls relating to the preparation of accounting and financial disclosure

Group Finance is responsible for ensuring the reliability of financial and accounting information.

A process is in place to produce and analyze financial information at both operational sites and in the Group and local Finance teams.

Local Finance teams produce a monthly cumulative income statement starting at the beginning of the fiscal year, a balance sheet, and a statement of cash flows. They also regularly produce projections for the full year. Financial statements are consolidated on a monthly basis by Group Finance.

At the half-year, the external auditors conduct a limited review of the interim financial statements.

At the end of the fiscal year, the Chief Executive Officers and Chief Financial Officers of the segments and regions certify the reliability of their financial statements, prepared in accordance with IFRS standards. The external auditors of the main entities express a view on these financial statements in accordance with their mandate from Sodexo's shareholders. Group Finance monitors changes to IFRS standards and interpretations and ensures that the accounting treatments applied by all entities are compliant with Group rules.

Twice a year, Group Finance identifies the events that may have led to one or several assets being impaired, notably goodwill and intangible assets (in accordance with IFRS). Where appropriate, the carrying amount of the asset concerned is written down in the financial statements.

Segment Chief Executive Officers and their Executive Committees, as well as Region Chairs and Chief Financial Officers review operational and financial reporting (comprising improvement metrics for client retention, sales development and comparable unit revenue growth) before presenting it to the Group Executive Committee, and then to the Chairwoman of the Board of Directors. In addition, quarterly reviews with each of the Group's activities, segments and regions give the Group Chief Executive Officer and Group Chief Financial Officer insight into performance trends for the segments and regions based on the financial reporting and operational information.

Procedures are in place to identify off-balance sheet commitments. This term covers all rights and obligations that may have an immediate or future impact on Sodexo's financial position but are not recognized (or are only partially recognized) in the balance sheet or income statement. These include items such as assets pledged as security; guarantees relating to operating contracts (for example bid bonds or performance bonds), to borrowings, or to claims and litigation; lease obligations not recognized in the balance sheet; commitments under call or put options. Off-balance sheet commitments are presented regularly to the Board of Directors.

Group Insurance works closely with the relevant executives in the entities to:

- implement global insurance programs, negotiated at the Group level, available for all entities and supported by insurance companies recognized within the Insurance Industry for their financial solidity;
- put in place insurance coverage to protect the interests of employees, clients, shareholders and the Group;
- identify and evaluate the key insurable risks faced by Sodexo, with particular attention to the emergence of new risk factors associated with changes in our activities;
- reduce contractual risk, in particular by means of limitation of liability clauses or hold-harmless agreements;
- achieve the appropriate balance between risk retention (self-insurance) and the insurance market in covering the potential financial consequences of Sodexo's risk exposure; and
- achieve optimization by financing some of the Group's risks through the use of captive insurance companies.

The Sodexo Legal Department (comprised of a Group team and regional and local teams) works pro-actively with business development and operational teams to ensure legal compliance and support contract negotiations, so that risks pertain solely to contractual obligations for services and are limited in value and duration.

Lastly, using the financial information reported and consolidated, the Chief Executive Officer, assisted by Group Finance, prepares the Group's financial communication. The Chief Executive Officer also relies on the operating data required to prepare the Universal Registration Document. The interim and annual results press releases are submitted to the Board of Directors for approval.

To enable the Chief Executive Officer to provide reliable information on the Group's financial situation, a Disclosure Committee comprising representatives from the Group's corporate functions reviews all financial information prior to publication. Members represent the following functions: Financial Control, Financial Communications, Legal, Human Resources, Sustainable Development, Communications and Board Secretary.

## 6.4.4 Group Internal Audit Department



The Senior Vice President Group internal audit reports directly to the Chairwoman of the Board, thus ensuring the independence of the Group Internal Audit Department within the organization. The Senior Vice President Group internal audit meets the Chairwoman of the Board on a monthly basis and works closely with the Chairwoman of the Audit Committee, holding informal meetings (approximately four times per year).

Sodexo's Group internal audit activities are certified by the French Internal Audit and Internal Control Institute (IFACI). This internationally recognized certification attests to Sodexo's compliance with and application of 30 general requirements of the Professional Internal Audit Standards (independence, objectiveness, competence, methodology, communication, supervision and continuous assurance program).

IFACI certification is a high-level confirmation of quality and performance that:

- powerfully conveys Sodexo's rigorous approach to evaluating its risk management and internal control processes;
- benchmarks Sodexo's processes against best market practices;
- enables the Group to sustainably strengthen its internal audit practices.

The Internal Audit Department performs internal audits of Group entities based on an internal audit plan established annually.

The audit plan is based on the Group Risk Profile (which is established using the approach described under 6.4.2.3 Approach to Risk Assessment) and input from the Chairwoman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and other key Sodexo stakeholders. The Audit Committee reviews and approves this annual audit plan.

The responsibilities of the Internal Audit Department include:

- ensuring, with the related functional teams, that employees throughout the organization are aware of and diligently apply Group policies;
- ensuring that delegations of authority and procedures have been established and communicated to the appropriate levels of management, and checking that they are properly implemented;
- helping to assess entities' internal controls, issuing action plans designed to remedy identified control weaknesses, and monitoring implementation of these action plans.

The Internal Audit Department may also conduct special assignments at the request of the Chairwoman of the Board, the Audit Committee, the Chief Executive Officer or the Executive Committee.

During Fiscal 2021, the Group Internal Audit Department, with an average of 23 staff, conducted 42 audits in 26 countries. The number of audits was still impacted by the Covid-19 crisis and travel restrictions. Most of the audit assignments were conducted remotely. In addition, the network of close to 85 internal control coordinators provides specific support to be given to internal audit engagements and to rectify weaknesses identified by the internal audit team.

The Internal Audit Department regularly tracks implementation of post-audit action plans by Group entities. An overall progress report is updated regularly and submitted on a quarterly basis to the Chief Executive Officer, the Group Chief Financial Officer, the Chairwoman of the Board and the Audit Committee. All audits are followed up within a maximum of 12 months.

In Fiscal 2021, the Internal Audit Department carried out a post-audit quality survey with all audited entities. All (100%) of them considered that the quality of audits was satisfactory.

The Group Internal Audit Department also conducts an independent evaluation of internal control.

Finally, the Internal Audit Department assesses the external auditors' independence and reviews the annual budgets for external auditors' fees (for both statutory audit work and other engagements) prior to their approval by the Audit Committee.

**Risk management and the reinforcement of internal control are a permanent strategic priority for the Group.**

Internal controls cannot provide an absolute guarantee that all risks have been eliminated. Sodexo nevertheless endeavors to ensure that the most effective internal control procedures feasible are in place in each of its entities.

In compliance with the July 2010 recommendation issued by the French securities regulator (*Autorité des marchés financiers* – AMF), this report is prepared on the basis notably of the "Reference Framework" produced by the French Market Advisory Group and published by the AMF.

# 6.5 COMPENSATION

The disclosures provided in this section comply with:

- the new requirements concerning Corporate Officers' compensation introduced by Ordonnance 2019-1234 of November 27, 2019 issued pursuant to France's Business Growth and Transformation Act dated May 22, 2019 (the "PACTE Act");
- the recommendations contained in the AFEP-MEDEF Code as revised in January 2020; and
- the recommendations issued by the French securities regulator (AMF) on November 24, 2020 concerning Corporate Governance and executive compensation in listed companies.

Established by the Board of Directors on the basis of recommendations made by the Compensation Committee, this section describes:

- the compensation policies for the Chairwoman of the Board of Directors, the Chief Executive Officer and the Company's directors;
- the components of the compensation paid or awarded to the Chairwoman of the Board of Directors, the Chief Executive Officer and the Company's directors;
- the compensation policy applicable to members of the Executive Committee; and
- the Group's long-term incentive plan.

## 6.5.1 Compensation policy for Corporate Officers

The compensation policy applicable to Corporate Officers (Chairwoman, Chief Executive Officer and members of the Board of Directors) sets out the principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of the total compensation and benefits payable for the duties performed under the terms of their corporate office.

This policy is reviewed annually by the Board of Directors, on the basis of recommendations made by the Compensation Committee. The policy is in Sodexo's best interests, and fully in line with Group strategy. Consequently, the principles and criteria used to determine the Chief Executive Officer's variable compensation align his/her interests with those of the Company's shareholders and other stakeholders by factoring in performance targets based on economic, financial, social and environmental indicators such as employee health & safety, talent management and corporate responsibility performance.

The Compensation Committee is entirely comprised of independent directors, except for one director representing employees in accordance with AFEP-MEDEF recommendations. It may use the services of external advisors specialized in Corporate Officer compensation and also takes into account feedback from discussion with institutional shareholders.

The principles and criteria in the compensation policy for Corporate Officers will apply in Fiscal 2022 to all persons who hold a Corporate Officer position within the Company.

However, in accordance with article L.22-10-8 III of the French Commercial Code, the Board of Directors, based on the recommendations of the Compensation Committee, may, under exceptional circumstances, waive the application of the compensation policy during the fiscal year, until an amended compensation policy is approved by the next Annual Shareholders Meeting, provided the waiver is temporary, in the Company's best interests and necessary to securing the Company's sustainability or viability. Examples of exceptional circumstances include a significant change in the Corporate Officers' scope of responsibility, a major event impacting Sodexo's markets and/or main competitors (market downturn, pandemic, etc.), a major change in the Group's scope of consolidation following a merger, acquisition or disposal, or the creation or termination of a significant business activity or a change in accounting principles. Any changes made to the policy must, however, be in the Company's best interests. If such a specific situation were to occur, the adjustments made to the compensation policy for Corporate Officers would be publicly disclosed.

Pursuant to article L.22-10-8 II of the French Commercial Code, the compensation policies for Sodexo's Corporate Officers will be submitted for approval at the Ordinary Annual Shareholders Meeting to be held on December 14, 2021.

### 6.5.1.1 General principles for Corporate Officers' compensation

The Board of Directors ensures that the compensation policy for Corporate Officers is adapted to the Company's strategy and operating context and that its purpose is to enhance Sodexo's medium- and long-term performance and competitiveness by attracting and retaining the best talents. The policy is based on the following principles:

| | |
|---|---|
| **COMPLIANCE** | The compensation policy for the Company's Corporate Officers is determined in accordance with the recommendations of the AFEP-MEDEF Code. |
| **COMPETITIVENESS** | Market studies are regularly conducted – including with the assistance of external consulting firms – in order to benchmark the Company's compensation packages against its peers (comparable companies in size and geographic scope), to form an overall vision of the challenges surrounding competitive compensation.<br>The Compensation Committee uses two peer groups to review and analyze its compensation practices, considering that it is important to examine large companies in the French market (CAC 40 companies excluding banks and insurance companies) as well as large companies operating in the Company's sector in international markets (main competitors). |
| **COMPLETENESS – BALANCE** | A comprehensive analysis of all of the components of Corporate Officers' compensation and benefits is conducted using a component-by-component approach. An overall consistency analysis is also performed to ensure that the best balance is achieved between fixed and variable, individual and collective, and short- and long-term. |
| **ALIGNMENT OF INTERESTS** | Aligning interests means both ensuring that the Company has the ability to attract, motivate and retain the talent that it needs, and at the same time, meeting the expectations of the Company's shareholders and other stakeholders, particularly in terms of Corporate Social Responsibility, transparency, and associating compensation with performance. |
| **PERFORMANCE** | The performance conditions applicable to Corporate Officers' compensation are stringent and are based on the key factors that contribute to the Company's profitable and sustainable growth. They are also in line with the Company's published targets.<br>Performance is assessed based on three factors, which are set out in the short- and long-term variable compensation plans applicable to the Group's senior executives: (i) core financial performance, (ii) performance relative to Group peers and (iii) sustainable and responsible performance. |
| **TRANSPARENCY** | The Corporate Officers' compensation policy is governed by clear, straightforward and transparent rules.<br>The Compensation Committee ensures that all of these principles are appropriately applied both in the work it performs and the recommendations it issues to the Board of Directors, as much in terms of determining the compensation policy as well as its implementation and the actual amounts of the compensation and benefits. |

### 6.5.1.2 Shareholder engagement

Sodexo actively engages with its institutional shareholders and proxy advisors *via* regular meetings held to discuss the specific characteristics of the Group's governance as well as best practices and developments concerning governance and compensation. During Fiscal 2021, a large number of meetings were held between the Chairwoman and the Secretary of the Board and Sodexo's institutional shareholders. In addition, the Investor Relations team frequently liaises with institutional shareholders teams responsible for ESG and proxy analysis. The discussions with shareholders in Fiscal 2021 focused notably on:

- the change of governance, with the departure of Denis Machuel and the search for his successor;
- the reasons for the regulated agreement between Sodexo and Bellon SA, to protect the status of a family-run holding company and defend the mission, values and ethical principles established by the founder, Mr. Pierre Bellon, and which are the basis of Sodexo's culture and service spirit;
- the new performance condition based on the CSR scorecard, combining performance indicators on responsible purchasing, food waste, energy management and sustainable food.

The Chairwoman participated in a series of meetings with the largest shareholders, representing approximately 20% of the Group's capital, and relayed more widely by the Investor Relations team.

Individual shareholders who are members of the Shareholders Club are also invited to share their areas of interest so that the Company can more effectively prepare the Annual Shareholders Meeting and answer any questions they may have.

Voting results in the Fiscal 2020 AGM were:

| | | | | |
|---|---|---|---|---|
| 99.9% | 99.8% | 99.0% | 97.7% | 96.6% |
| of shareholders voted in favor of the envelope for directors compensation | of shareholders voted in favor of the Chairwoman's compensation for Fiscal 2020 | of shareholders voted in favor of the Chief Executive Officer's compensation for Fiscal 2020 | of shareholders approved the compensation policy for the Chairwoman for Fiscal 2021 | of shareholders approved the compensation policy for the Chief Executive Officer for Fiscal 2021 |

### 6.5.1.3 Compensation policy for the Chairwoman of the Board of Directors for Fiscal 2022

#### Structure of the compensation

The compensation of the Chairwoman of the Board of Directors comprises fixed compensation, collective health and benefit plans as well as a car.

As the Chairwoman is a non-executive Corporate Officer, in line with market practices in France, she does not receive any short-term annual variable compensation or any multi-year variable compensation, or any long-term incentive plan.

#### Fixed compensation

The Chairwoman's fixed compensation is benchmarked and is awarded as payment for duties and responsibilities inherent to such position.

The following factors are taken into account:

- the duties specific to the role of chairing the Board of Directors, as provided for by Law and the Board of Directors' Internal Rules, which notably involve ensuring that the Company is properly governed and that its governance bodies (Board of Directors, specialized Committees of the Board and Shareholders Meeting) function effectively;
- the role as Sodexo's ambassador;
- the skills, experience, expertise and professional profile of the holder of the position;
- market analyses and benchmarks on the compensation awarded for comparable positions in peer companies.

The compensation policy may be modified during the term of the corporate office and prior to its renewal if there is a significant evolution in the scope of responsibility, which may be related to the Company's evolution, or if there is a major disparity with the market. In such specific situations, the nature of any adjustment to the fixed compensation and the related motives should be publicly disclosed.

The annual fixed compensation of Sophie Bellon, Chairwoman of the Board of Directors, is 675,000 euro, unchanged since the Annual Shareholders Meeting of January 23, 2018.

#### Change of governance

Following the termination of the term of office of Denis Machuel as Chief Executive Officer on September 30, 2021, and pending the appointment of a new Chief Executive Officer, the Board of Directors put in place an interim governance structure. Accordingly, the Chairwoman of the Board of Directors has also been acting as interim Chief Executive Officer since October 1, 2021 and receives additional fixed compensation of 18,750 euro per month for this office, raising her annual fixed compensation to 900,000 euro.

This additional compensation, will end on the appointment of a new Chief Executive Officer.

The Chairwoman's compensation structure remains unchanged over the interim period, without any variable compensation or free share awards. No other compensation or benefit tied to the Chief Executive Officer role will be granted during the interim governance.

#### Collective health and benefit plans

The Chairwoman of the Board of Directors is a member of the Company's collective health and benefit plans, subject to the same terms and conditions as those applicable to all employees of the Group's French entities. These plans are as follows:

- an "incapacity, disability or death" benefit plan, financed in part by Sodexo, which, in the event of an employee's death, provides for the payment of a death benefit equal to 215% of fixed compensation, up to a maximum amount of eight times the French Social Security Code's annual ceiling, and which is increased for dependent children;
- an additional "incapacity, disability or death" benefit plan, financed in full by Sodexo, which is reserved for employees whose annual gross compensation is greater than eight times the French Social Security Code's annual ceiling and which, in the event of death, provides for the payment of a death benefit equal to 200% of the portion of fixed compensation that is greater than eight times the French Social Security Code's annual ceiling;
- a supplementary health insurance plan, to which all employees of the Group’s French entities are entitled, financed in part by Sodexo.

#### Company car

The Chairwoman of the Board of Directors has the use of a Company car. The insurance, maintenance and fuel costs (related to professional use) are covered by Sodexo.

#### Other components of compensation

The Chairwoman of the Board of Directors does not receive any other compensation for her duties as a director or for attending specialized Committee meetings. Additionally, she would not receive a termination benefit if her corporate office were to be terminated.

### 6.5.1.4 Compensation policy for the Chief Executive Officer for Fiscal 2022

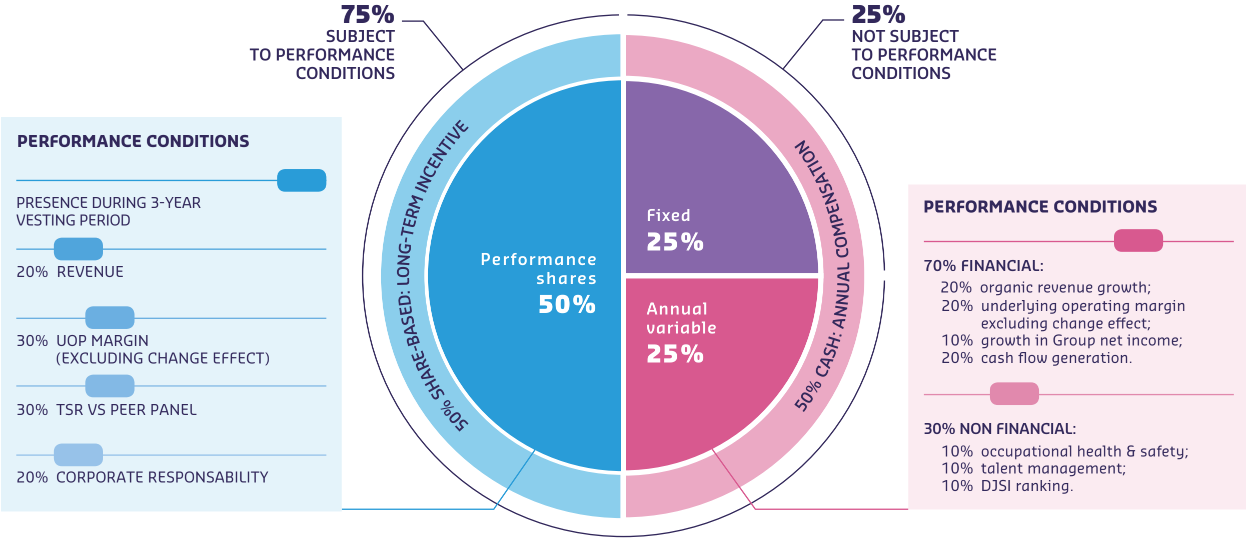
#### Structure of the compensation

The Chief Executive Officer's compensation includes annual fixed and variable compensation and long-term compensation. The Chief Executive Officer also receives other benefits, such as a supplemental pension plan, collective health and benefit plans, a termination benefit and/or a non-compete indemnity, as well as benefits in kind.

The aim of the compensation policy for the Chief Executive Officer is to achieve a balance between short- and long-term performance in order to promote the Group's development for the benefit of all of its stakeholders, in line with a sound risk management strategy.

To this end, and with a view to protecting stakeholders interests, the Company strives to ensure consistency between the Chief Executive Officer's compensation package and Sodexo's performance. In this respect, a correlation analysis between the change in the Chief Executive Officer's compensation and the change in the stock market performance compared with companies on the benchmark panel is presented every year to the Compensation Committee.

### STRUCTURE OF THE CHIEF EXECUTIVE OFFICER'S COMPENSATION FOR FISCAL 2022




## Fixed compensation

The fixed compensation of the Chief Executive Officer is awarded as payment for the duties and responsibilities inherent to such a position.

The following factors are considered:

- the level and complexity of the roles and responsibilities attributed to the Chief Executive Officer, who has the broadest powers to act on behalf of the Company in all circumstances and to represent the Company in its dealings with third parties;
- the skills, experience, expertise and professional profile of the holder of the position;
- market analyses and benchmarks on the compensation awarded for comparable positions in peer companies and their market reference.

The Chief Executive Officer's annual fixed compensation is the basis for determining his/her annual variable compensation and long-term compensation. The amount of this fixed compensation is not systematically reviewed each year.

The annual fixed compensation of Denis Machuel, Chief Executive Officer until September 30, 2021, amounted to 900,000 euro. This compensation is paid *prorata temporis* during Fiscal 2022, thus amounting to 75,000 euro from September 1 to September 30, 2021.

The fixed compensation of the new Chief Executive Officer will be determined by the Board of Directors in line with the aforementioned principles.

## Annual variable compensation

### CALCULATION METHODS

The Chief Executive Officer's annual variable compensation is intended to encourage the achievement of the annual performance targets determined by the Board of Directors in line with Sodexo's strategy.

The variable element amounts to 100% of his/her annual fixed compensation, on full achievement of targets.

It 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 cash flow generation;
- 30% is contingent upon non-financial, quantitative targets (including occupational health and safety, talent management, Sodexo's ranking in the Dow Jones Sustainability Index of environmental, social and governance performance).

The annual variable compensation is calculated and set by the Board of Directors following the close of the fiscal year to which it applies.

In the first quarter of each year, based on the Compensation Committee's recommendations, the Board of Directors reviews the various targets, their weightings, and the expected performance levels. It then sets:

- the trigger threshold below which no variable compensation is paid;
- the variable compensation target level, corresponding to the amount due when each target is reached; and
- the quantitative performance measure.

Consequently:

- 100% of the annual variable compensation is paid if the targets are achieved;
- 150% of the annual variable compensation is paid if the targets are exceeded.

The financial performance targets that are based on financial indicators are determined in a specific manner by reference to the budget pre-approved by the Board of Directors and are subject to the above-mentioned performance thresholds.

The achievement rates will be disclosed on a criteria by criteria basis once the Board of Directors has assessed whether the performance targets have been reached.

#### PAYMENT CONDITION

In accordance with French law, payment of the annual variable compensation is subject to shareholder approval during the Annual Shareholders Meeting.

#### APPOINTMENT TO OR TERMINATION OF OFFICE

If a new Chief Executive Officer is appointed or the existing Chief Executive Officer's term of office is terminated during the course of a fiscal year, the same principles as described above will apply, on a pro rata basis by reference to the period during which the Chief Executive Officer concerned actually holds office.

If a Chief Executive Officer is appointed during the second half of the fiscal year, the performance appraisal will be carried out on a discretionary basis by the Board of Directors, taking into account the recommendations of the Compensation Committee.

### Long-term compensation

#### OBJECTIVE

The Board of Directors considers that the long-term variable compensation plan – which also applies to other key positions within the Company – is particularly suited to the position of Chief Executive Officer in view of the direct contribution that he/she is expected to make to Sodexo's long-term performance. It is based on the performance criteria selected by the Board of Directors in direct alignment with the Company's strategic priorities. The system therefore helps to increase the Chief Executive Officer's motivation and loyalty while aligning his/her interests with those of the Company and its shareholders. These performance conditions comprise (i) organic revenue growth and underlying operating profit margins over a period of several years, in line with market guidance (ii) Sodexo's share performance compared with a peer group, and (iii) corporate responsibility criteria.

#### LONG-TERM COMPENSATION PROGRAM

Sodexo's long-term compensation program currently consists solely of performance share grants.

Performance share grants are decided by the Board of Directors, acting on the recommendation issued by the Compensation Committee, during the first half of each fiscal year, after the publication of the financial statements for the previous fiscal year.

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

The Board of Directors has capped the value of the performance shares granted to the Chief Executive Officer at 150% of his/her total annual compensation (comprising fixed compensation and annual variable compensation, assuming targets achieved). In addition, the performance shares granted to him/her may not represent more than 5% of the total shares granted annually.

#### PERFORMANCE CONDITIONS

The proportion of the performance shares that will vest depends on the achievement of both internal and external performance conditions, as measured over a three-year period. The achievement rates will be disclosed on a criterion-by-criterion basis once the Board of Directors has assessed whether the performance targets have been reached.

As the Group's medium-term objectives are not publicly disclosed, the organic growth revenue target and underlying operating margin target will remain confidential. The performance conditions reflect a good balance between operating performance, investor confidence and the Group's corporate responsibility performance. They are fully in line with Sodexo's business model of sustainable and profitable growth and meet the expectations of all of the Company's stakeholders.

The criteria used are intended to measure overall performance and are directly related to the Group's main strategic objectives, with the following weightings:

- financial performance: 50%;
- stock market performance: 30%;
- corporate responsibility performance, including diversity targets for the Group’s management bodies and an internal Corporate Responsibility target, as presented below: 20%.

### Sodexo Corporate Responsibility indicator

**Fostering a Culture of Environmental Responsibility through Long Term Incentives.**

↓

**Building an internal CSR performance index:**

- supporting our overall carbon reduction target;
- with quantitative and available figures.

↓

**Performance condition applying to 10% of all shares awarded to employees on the Fiscal 2021 plan.**





If it became necessary to change the related criteria, the Board of Directors would ensure consistent and stringent criteria over the long-term.

#### CONTINUED PRESENCE CONDITION

In order for his/her performance shares to be delivered, the Chief Executive Officer must be present within the Group at the vesting date. However, in accordance with the AFEP-MEDEF Code and the plan rules applicable to all beneficiaries of the Group's performance share plans, the Board of Directors, on the recommendation of the Compensation Committee, may authorize the Chief Executive Officer to retain his/her rights to any non-vested shares at the date of his/her departure.

In such a case, the number of shares that vest would be determined on a *pro rata* basis by reference to the actual time the Chief Executive Officer spent within the Group during the vesting period. The original vesting period would continue to run and the rules of the applicable plan – including the performance conditions – would still apply.

#### SHAREHOLDING AND WITHHOLDING OBLIGATIONS

In accordance with article L.225-197-1 of the French Commercial Code, the Chief Executive Officer is required to hold in registered form, for the duration of his/her term of office, a number of vested shares whose value is equivalent to 30% of his/her annual fixed compensation at the date the shares are delivered.

In addition, the Chief Executive Officer is required to hold shares with value equivalent to 200% of his/her gross annual fixed compensation, and these shares must be built up over a maximum period of three years. In light of the external recruitment process currently underway for a new Chief Executive Officer, compliance will be required as from the date the first share award vests, *i.e.*, three years following the initial grant by the Company.

In addition, as long as he/she remains in office, the Chief Executive Officer may not use hedging instruments on any granted performance shares.

### Multi-year compensation

The Board of Directors has decided not to create a multi-year compensation system, preferring instead to apply a share-based long-term compensation program, which it considers to be more closely aligned with the interests of the Company's shareholders.

However, the Board may envisage putting in place such a system if any regulatory changes or other changes in circumstances were to render it difficult or impossible to use shares. If a multi-year compensation plan were to be set up, it would be based on the same principles and criteria as those used for determining and allocating performance shares and the same grant cap would apply.

### Indemnity in the event of termination of office

If the Chief Executive Officer's term of office is terminated for any reason (other than resignation, retirement or gross or willful misconduct) then he/she may be entitled to an indemnity representing up to twice the amount of his/her annual gross compensation (fixed and variable) received over the 12 months preceding the termination.

This indemnity will be paid subject to an achievement rate for the Chief Executive Officer's annual variable compensation targets of at least 80% for each of the two fiscal years ended prior to the termination of the appointment. This condition was previously defined as the annual increase in the Sodexo Group's consolidated underlying operating profit, which must be equal to or higher than 5% for each of the three fiscal years ended prior to the termination of the appointment. It had been set in 2017 and has not been amended since. The Board of Directors deemed this condition no longer an appropriate measure of the Group's performance in a context of business recovery following a health crisis that heavily impacted Sodexo's earnings. The new performance condition ensures exacting standards regardless of the context.

In the event that the term of office is terminated in its first year, the indemnity will be calculated *prorata temporis* on the basis of a maximum amount equivalent to six months of total gross compensation (annual target fixed and variable), subject to the performance conditions relating to Sodexo's financial and operating performance, which will be assessed by the Board of Directors based on the period considered.

In addition, in the event that the term of office is terminated in its second year, the indemnity will be calculated *prorata temporis* on the basis of a maximum amount equivalent to twelve months of total gross compensation (annual fixed and variable effectively paid) in respect of the previous year, subject to an achievement rate for the Chief Executive Officer's annual variable compensation targets for the year ended of at least 80%.

Under no circumstances can the maximum overall indemnity payable to the Chief Executive Officer in respect of the non-compete agreement and/or his/her indemnity on termination of office exceed 24 months of his/her fixed and variable compensation.

Denis Machuel had expressly refused this indemnity and therefore did not benefit from any payment due on termination of office.

#### NON-COMPETE AGREEMENT

The Covid-19 health crisis has radically changed the competitive environment in which the Group's executives operate. The ramp-up in digitalization and the fundamental change in Sodexo's business sector, particularly resulting from the development of remote working arrangements, have meant that a wide variety of new players have entered and developed on the market.

For this reason, the Board of Directors considered that the non-compete clause in force, which had been drawn up when Denis Machuel took office in January 2018, no longer adequately protects Sodexo's interests. Its scope of application was reviewed and strengthened, particularly with the introduction of new restrictions in terms of targeted businesses and sectors and geographical coverage.

Consequently, in the event of the termination of the Chief Executive Officer's term of office, he/she will be subject to a non-compete obligation for a minimum term of 24 months, restricting his/her freedom to hold any position as an employee or Corporate Officer, or carry out any consulting work, either directly or through another legal entity, for any of Sodexo's competitors. As consideration for these restrictions, the Chief Executive Officer is paid an indemnity on a staggered basis, the amount of which has been raised to a maximum of 24 months of his/her fixed and variable compensation awarded for the fiscal year preceding the termination.

The Board of Directors has the option to decide to waive the Company's right to enforce this non-compete agreement when the Chief Executive Officer leaves the Group. In addition, the maximum aggregate amount paid to the Chief Executive Officer for (i) his/her non-compete agreement, and/or (ii) his/her indemnity on termination of office, may not exceed 24 months of his/her fixed and variable compensation.

This non-compete indemnity is excluded if the Chief Executive Officer should be retiring, and in any event will not be paid once he/she reaches the age of 65.

### Supplemental pension plan

The Chief Executive Officer is a beneficiary of a defined benefit pension plan governed by article L.137-11-2 of the French Social Security Code. This plan is also available to the Group's most senior executives holding an employment contract with one of its French subsidiaries.

This pension plan was introduced in 2021 in line with the following rules: subject to one year of seniority within the Group, pension rights of up to 0.5% per year are granted for the first five years of the plan, and then up to 1% beyond five years, not exceeding a total of 10%. The rights are determined based on the fixed and variable compensation received during the calendar year. The rights vest subject to an achievement rate for the Chief Executive Officer's annual variable compensation targets of at least 80%. The resulting pension will top up the pensions provided by the basic compulsory plans and will not generate any corresponding obligation on the Company's balance sheet.

This benefit was approved by the January 21, 2020 Annual Shareholders Meeting in the twelfth resolution on the supplemental pension plan for the Chief Executive Officer.

Until December 31, 2019, the Denis Machel was a beneficiary of a defined benefit pension plan governed by article 39 of the French General Tax Code and article L.137-11-1 of the French Social Security Code. Under this supplemental pension plan (subject to a minimum of five years of presence in the plan), as a member of the plan for at least 15 years, the pension paid could represent up to 15% of the average of his/her last three years' fixed compensation preceding his/her retirement. This pension complements the pensions due to him/her under compulsory pension plans, provided that he/she is a Corporate Officer or employee of the Company at the time of his/her retirement.

The entitlements under this plan would only accrue if the achievement rate for the Chief Executive Officer's annual variable compensation targets was at least 80%. If this rate were to be reached, the beneficiary would acquire 1% additional rights to the defined benefit plan for the year concerned. However, an achievement rate of less than 80% would not trigger additional rights under the supplemental pension plan for that year.

This plan has been closed to new members since February 28, 2018. In order to comply with the PACTE Act and with the *Ordonnance* of July 3, 2019 implementing the EU Pensions Portability Directive into French law, rights acquired as at December 31, 2019, were frozen at that date. As this plan is not portable, its members will only be eligible for it if they are still with Sodexo on the date they retire. However, pursuant to the requirements of French ministerial circular no. 105/2004 of March 8, 2004, the plan rules stipulate that, in the event of dismissal past the age of 55, the beneficiary retains the rights established at the date of his or her departure from the Company, provided that he or she does not resume his or her professional activity.

### Company car

The Chief Executive Officer has the use of a Company car, the insurance, maintenance and fuel costs (related to its professional use) are covered by Sodexo.

### Collective health and benefit plans

The Chief Executive Officer is a member of the Company's collective health and benefit plans, subject to the same terms and conditions as those applicable to all employees of the Group's French entities.

### Unemployment insurance

As the Chief Executive Officer does not have a French employment contract, the Company subscribes to a private unemployment insurance policy with the French association of unemployment insurance for Corporate Officers (*Association pour la garantie sociale des chefs et dirigeants d'entreprises* - GSC). Under this policy, if the Chief Executive Officer were to lose his/her office, he/she would receive benefits for a maximum period of 24 months.

### Exceptional compensation

The compensation policy does not permit the granting of exceptional compensation to the Chief Executive Officer.

### Potential change of governance

If one or more Deputy Chief Executive Officers were appointed, the principles and criteria for determining, allocating and awarding the compensation components provided for in the Chief Executive Officer's compensation policy would also apply to the Deputy Chief Executive Officer(s). In such a case, the Board of Directors, acting on the recommendation of the Compensation Committee, would adapt the principles and criteria to the person(s) concerned in order to determine the applicable targets, performance levels, conditions, compensation structures and maximum percentages of the fixed compensation that their variable compensation may represent (which may not be higher than those set for the Chief Executive Officer).

If the Chief Executive Officer were to become a member of the Company's Board of Directors, he/she would not receive any directors' compensation.

### Signing bonus

Pursuant to the recommendations of the AFEP-MEDEF Code, if a new Chief Executive Officer is recruited from outside Sodexo, the Board of Directors may decide to grant him or her an indemnity (in cash and/or shares) in order to compensate for any loss of previous compensation or benefits (excluding pension benefits).

This indemnity would be arranged so as to reflect the type, risk profile and the vesting horizon of the lost benefits.

In accordance with article L.22-10-8 of the French Commercial Code, the payment or implementation of any such compensation would be subject to shareholder approval.

## 6.5.1.5 Compensation policy for the Company's directors for Fiscal 2022

The compensation awarded to directors includes is made up of fixed and variable compensation components and a travel allowance for directors coming from the United States.

Directors are not eligible for any long-term compensation, supplemental pension plan or compensation or benefits that may result from any change in their duties, new duties, or a removal from office.

As previously mentioned, the Chairwoman of the Board of Directors does not receive any directors' compensation so this compensation policy does not apply to her.

The compensation policy for Sodexo's directors is intended to remunerate the work they perform at Board and Committee meetings, without however encouraging an excessive number of meetings.

Sodexo's policy has always been to regularly review the overall envelope for directors' compensation. This envelope was increased by 11% in 2015, 5% in 2017, and 22% in 2018.

The current total annual envelope for directors' compensation is 900,000 euro, unchanged since the Annual Shareholders Meeting of January 23, 2018 (eleventh resolution).

Following a market study on the compensation received by directors at comparable companies and on the recommendation of the Remuneration Committee the Board of Directors decided to raise the maximum amount to 1,000,000 euro, i.e., an increase of 11%. This increase seeks to provide greater flexibility in the organization of Board meetings, as well as factor in the specific responsibilities and the complexity of the matters handled by the Audit Committee. The amount spent for the previous Fiscal year was 85% of the maximum authorized.

The procedures for allocating directors' fixed and variable compensation have been decided by the Board of Directors for Fiscal 2022. However, these procedures may be reviewed by the Board of Directors in the event of a change in the Board of Directors' composition or a change to take into account an increase in the workload or responsibilities.

### Fixed compensation

The procedures for allocating the overall amount of compensation among the individual directors are set by the Board of Directors, based on the recommendation of the Compensation Committee. Currently, each director receives annual fixed compensation of 20,000 euro for their participation in Board meetings. Members of the Audit Committee receive 8,000 euro, while members of the Compensation and Nominating Committees receive 6,000 euro.

A further annual fixed amount of 22,500 euro is allocated to each Chair of the Nomination and Compensation Committees, while Chair of the Audit Committee will receive 25,000 euro.

The fixed portion of directors' compensation is calculated proportionately to the time served on the Board by each director during a given fiscal year.

### Variable compensation

Upon recommendation of the Compensation Committee, the Board increased the variable compensation for each Board meeting to 4,500 euro and for each Nomination and Compensation Committee meeting to 3,000 euro, and the Audit Committee to 3,500 euro.

This variable compensation is not, however, awarded for Board meetings that take place by way of written consultation in accordance with the conditions set in the applicable regulations, or for any *ad hoc* meetings.

### Travel allowance

A travel allowance of 1,500 euro per Board meeting will be paid to directors traveling from the United States.

**SUMMARY OF DIRECTORS' FIXED AND VARIABLE COMPENSATION**

| (in euro) | ANNUAL FIXED COMPENSATION | ADDITIONAL ANNUAL FIXED COMPENSATION FOR CHAIRING A COMMITTEE | VARIABLE COMPENSATION PER ATTENDANCE MEETING |
|---|---|---|---|
| Board of Directors | 20,000 | | 4,500 |
| Audit Committee | 8,000 | 25,000 | 3,500 |
| Nominating Committee | 6,000 | 22,500 | 3,000 |
| Compensation Committee | 6,000 | 22,500 | 3,000 |

## 6.5.2 Information on the components of compensation paid or awarded to Corporate Officers

### 6.5.2.1 Compensation of Sophie Bellon, Chairwoman of the Board of Directors

The following tables show a breakdown of the various components of Sophie Bellon's compensation during Fiscal 2021.

These components were determined in line with the compensation policy for the Chairwoman of the Board of Directors approved at the January 12, 2021 Ordinary Annual Shareholders Meeting (thirteenth resolution). This policy provides for fixed compensation, collective health and benefit plans as well as benefits in kind. It does not include any other variable or exceptional compensation, long-term compensation or directors' compensation.

At the Ordinary Annual Shareholders Meeting of December 14, 2021, shareholders will be given a "say-on-pay" vote on the total compensation and benefits paid during or awarded for Fiscal 2021 to Sophie Bellon for her duties as Chairwoman of the Board of Directors.

## Summary of compensation, stock options and performance shares awarded to the Chairwoman of the Board of Directors

### TABLE 1, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16

| SOPHIE BELLON<br>CHAIRWOMAN OF THE BOARD OF DIRECTORS<br>(in euro) | FISCAL 2021 | FISCAL 2020(1) |
|---|---|---|
| Compensation awarded for the fiscal year (gross, before tax) | 676,575 | 508,019 |
| Value of stock options granted | N/A | N/A |
| Value of performance shares granted | N/A | N/A |
| **TOTAL** | **676,575** | **508,019** |

(1) Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, the Board of Directors decided to reduce by 50% the fixed salary of the Chairwoman of the Board of Directors for the second half of Fiscal 2020. This decision received the full support of Sophie Bellon, who  demonstrating her solidarity with the Group's employees.

## Summary of compensation awarded/paid to the Chairwoman of the Board of Directors

### TABLE 2, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16

| | FISCAL 2021 | | FISCAL 2020(1) | |
|---|---|---|---|---|
| SOPHIE BELLON<br>CHAIRWOMAN OF THE BOARD OF DIRECTORS<br>(in euro) | GROSS AMOUNTS AWARDED (BEFORE TAX) | GROSS AMOUNTS PAID (BEFORE TAX) | GROSS AMOUNTS AWARDED (BEFORE TAX) | GROSS AMOUNTS PAID (BEFORE TAX) |
| Fixed compensation | 675,000 | 675,000 | 506,250 | 506,250 |
| Variable compensation | N/A | N/A | N/A | N/A |
| Exceptional compensation | N/A | N/A | N/A | N/A |
| Directors' compensation | N/A | N/A | N/A | N/A |
| Benefits in kind(2) | 1,575 | 1,575 | 1,769 | 1,769 |
| **TOTAL** | **676,575** | **676,575** | **508,019** | **508,019** |
| The following amounts were paid by Bellon SA to Sophie Bellon for her mandate as member of the Management Board of Bellon SA | | | | |
| Fixed compensation | 193,348 | 193,348 | 190,000 | 190,000 |

(1) Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, the Board of Directors decided to reduce by 50% the fixed salary of the Chairwoman of the Board of Directors for the second half of Fiscal 2020. This decision received the full support of Sophie Bellon, who demonstrated her solidarity with the Group's employees.
(2) Sophie Bellon has the use of a Company car.

## Summary of benefits – Chairwoman of the Board of Directors

**TABLE 11, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16**

| | EMPLOYMENT CONTRACT | | SUPPLEMENTAL PENSION PLAN | | COMPENSATION OR ENTITLEMENTS DUE OR LIKELY TO BECOME DUE AS A RESULT OF A CHANGE IN DUTIES OR LOSS OF OFFICE | | INDEMNITY RELATING TO A NON-COMPETE CLAUSE | |
|---|---|---|---|---|---|---|---|---|
| | YES | NO | YES | NO | YES | NO | YES | NO |
| **Sophie Bellon**<br>**Chairwoman of the Board of Directors** | | | | | | | | |
| Appointment date: January 26, 2016 | | X | | X | | X | | X |
| Expiration of current term: Annual Shareholders Meeting held to approve the financial statements for Fiscal 2023 | | | | | | | | |

### 6.5.2.2 Compensation of Denis Machuel, Chief Executive Officer

The following tables show a breakdown of the various components of Denis Machuel's compensation. In light of the termination of Denis Machuel's duties as Chief Executive Officer on September 30, 2021, the tables present information for Fiscal 2021 and Fiscal 2022.

The compensation components for Fiscal 2021 were determined in line with the compensation policy for the Chief Executive Officer and approved at the January 12, 2021 Combined Annual Shareholders Meeting (fourteenth resolution). The components for Fiscal 2022 were determined in line with the compensation policy for the Chief Executive Officer and have been submitted for approval at the December 14, 2021 Combined Annual Shareholders Meeting (fourteenth resolution). For Denis Machuel, his policy provides for fixed, variable and long-term compensation, as well as a non-compete agreement, a supplemental pension plan, collective health and benefit plans as well as benefits in kind. It does not include any multi-year variable compensation, exceptional compensation or a termination benefit.

At the Ordinary Annual Shareholders Meeting of December 14, 2021, shareholders will be asked to vote on the total compensation and benefits paid during or awarded for Fiscal 2021 and 2022 to Denis Machuel for his duties as Chief Executive Officer.

## Summary of compensation, stock options and performance shares awarded to the Chief Executive Officer

**TABLE 1, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16**

| DENIS MACHUEL<br>CHIEF EXECUTIVE OFFICER<br>(in euro) | FISCAL 2022 | FISCAL 2021 | FISCAL 2020 |
|---|---|---|---|
| Compensation awarded for the fiscal year (gross, before tax) | 2,034,448 | 1,723,394 | 688,463(1) |
| Value of stock options granted | N/A | N/A | N/A |
| Value of performance shares granted | N/A | 1,681,288 | N/A(2) |
| **TOTAL** | **2,034,448** | **3,404,682** | **688,463** |

(1) Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, the Board of Directors decided to reduce Denis Machuel's fixed salary by 50% for the second half of Fiscal 2020. This decision received the full support of Denis Machuel, who thereby demonstrated his solidarity with the Group's employees.
(2) No performance shares were granted during Fiscal 2020.

## Summary of the Chief Executive Officer's compensation

**TABLE 2, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16**

| | FISCAL 2022 | | FISCAL 2021 | | FISCAL 2020 | |
|---|---|---|---|---|---|---|
| **DENIS MACHUEL CHIEF EXECUTIVE OFFICER** (in euro) | **GROSS AMOUNTS AWARDED (BEFORE TAX)** | **GROSS AMOUNTS PAID (BEFORE TAX)** | **GROSS AMOUNTS AWARDED (BEFORE TAX)** | **GROSS AMOUNTS PAID (BEFORE TAX)** | **GROSS AMOUNTS AWARDED (BEFORE TAX)** | **GROSS AMOUNTS PAID (BEFORE TAX)** |
| Fixed compensation[(1)] | 75,000 | 75,000 | 900,000 | 900,000 | 675,000 | 675,000 |
| Variable compensation[(2)] | 75,000 | 885,000[(4)] | 810,000 | | — | 892,800 |
| Exceptional compensation | N/A | N/A | N/A | N/A | N/A | N/A |
| Directors' compensation | N/A | N/A | N/A | N/A | N/A | N/A |
| Non-compete | 1,045,000 | 1,045,000[(4)] | | | | |
| Benefits in kind[(3)] | 29,448 | 29,448 | 13,394 | 13,394 | 13,463 | 13,463 |
| **TOTAL** | **1,224,448** | **2,034,448** | **1,723,394** | **913,394** | **688,463** | **1,581,263** |

(1) Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, the Board of Directors decided to reduce Denis Machuel's fixed salary by 50% for the second half of Fiscal 2020. This decision received the full support of Denis Machuel, who thereby demonstrated his solidarity with the Group's employees.

(2) Denis Machuel's variable compensation for the year, to be paid the following year (see tables below for details). Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, the Board of Directors decided to suppress any variable compensation for Fiscal 2020. The Board of Directors decided to establish the budget for Fiscal 2021 for each of the first and second halves of the fiscal year. Thus, the financial performance targets were set in October 2020 for the first half and in March 2021 for the second half. This structure has been applied to all employees eligible for variable compensation.
The possibility of an outperformance payment was precluded for this year.

(3) Denis Machuel has the use of a Company car and is the beneficiary of an unemployment insurance policy. 28,350 euro was paid in September 2021 to finance the purchase of an individual insurance policy for the 12 months following the termination of his duties.

(4) Amounts paid in Fiscal 2022 and 2021 subject to approval at the Annual Shareholders Meeting.

### Variable compensation awarded for Fiscal 2022

The Board of Directors wanted to recognize Denis Machuel's work at the Group over the last 14 years, his leadership through the recent crisis, and his commitment up to his last day of service. The Board decided to set the amount of the annual variable portion for Fiscal 2022 on a *prorata temporis* basis to the amount of the target annual variable portion of the Chief Executive Officer, *i.e.*, 75,000 euro. This amount will be paid only if the shareholders vote in favor of the corresponding resolution at the Annual Shareholders Meeting on December 14, 2021.

### Variable compensation awarded for Fiscal 2021

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 fiscal year. Thus, the financial performance targets were set in October 2020 for the first half and in March 2021 for the second half. This structure has been applied to all employees eligible for variable compensation.

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

The achievement rate for the Chief Executive Officer's variable compensation is 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.

| | | WEIGHTING OF TARGETS | MAXIMUM IN% OF TARGET | ACHIEVEMENT RATE 1ST HALF | ACHIEVEMENT RATE 2ND HALF | CORRESPONDING AMOUNT (in euro) |
|---|---|---|---|---|---|---|
| 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 target | 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 FISCAL 2021** | | **100%** | **100%** | | **90%** | **810,000** |
| **VARIABLE COMPENSATION AWARDED FOR FISCAL 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, *i.e.* a reduction of 8%.

## Variable compensation awarded for Fiscal 2020

Financial performance in Fiscal 2020 was deeply impacted by the sanitary crisis. The level of attainment of the objectives was 27.5%, hence, variable compensation would have been 247,500 euro. However, given the unprecedented sanitary crisis caused by the Covid-19 pandemic, the Board of Directors decided to cancel his variable compensation for Fiscal 2020.

| | | WEIGHTING OF TARGETS | MAXIMUM IN% OF TARGET | ACHIEVEMENT RATE | CORRESPONDING AMOUNT (in euro) |
|---|---|---|---|---|---|
| 70% based on financial targets | Organic growth | 20% | 175% | 0% | — |
| | Underlying operating profit margin (excluding exchange rate impacts) | 20% | 175% | 0% | — |
| | Growth in Group net income | 10% | 175% | 0% | — |
| | Free cash flow | 20% | 175% | 0% | — |
| | **Total financial targets** | **70%** | **175%** | **0%** | **—** |
| 30% based on non-financial targets | Health and safety target | 10% | 100% | 100% | 90,000 |
| | Talent management | 10% | 100% | 75% | 67,500 |
| | Dow Jones Sustainability Index, in the top three for the industry | 10% | 100% | 100% | 90,000 |
| | **Total non-financial targets** | **30%** | **100%** | **91.6%** | **247,500** |
| **TOTAL VARIABLE COMPENSATION FOR FISCAL 2020** | | **100%** | **150%** | **27.5%** | **247,500** |
| **VARIABLE COMPENSATION AWARDED FOR FISCAL 2020** | | | | | **0** |

## Performance shares granted to the Chief Executive Officer during Fiscal 2022

No performance shares have been granted to Denis Machuel, Chief Executive Officer, during Fiscal 2022.

### Performance shares granted to the Chief Executive Officer during Fiscal 2021

In accordance with the compensation policy approved by the shareholders at the Combined Annual Shareholders Meeting of January 12, 2021, the vesting period for shares granted under restricted share plans was reduced from four years to three years in order to align the vesting period with the periods used to measure the achievement of the applicable performance conditions and in keeping with market practices. The timing of when the plans are usually set up was also changed (*i.e.*, during the first half of each fiscal year, after the publication of the financial statements for the previous fiscal year).

As a result, no shares were granted to the Chief Executive Officer in Fiscal 2020 in order to maintain a regular schedule for the vesting of shares.

**TABLE 6, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16**

| | PLAN DATE | NUMBER OF SHARES GRANTED DURING THE FISCAL YEAR | VALUE OF SHARES* (in euro) | VESTING DATE | AVAILABILITY DATE | PERFORMANCE CONDITION |
|---|---|---|---|---|---|---|
| Denis Machuel | 11/25/2020 | 28,000 | 1,681,288 | 01/25/2024 | 01/25/2024 | 100% |

* Valuation based on the IFRS rules on the grant date.

The applicable performance conditions under this plan are as follows:

- 20% of the shares are subject to a performance condition based on reaching a revenue target in Fiscal 2023;
- 30% of the shares are subject to a performance condition based on reaching Group profit margin targets in Fiscal 2021, 2022 and 2023;
- 30% of the shares will be subject to a Total Shareholder Return (TSR) target measured over three years and compared with a panel of eight companies (Aramark, Compass, Edenred, Elior, G4S, ISS, Rentokil and Securitas), according to the same procedures applied to previous plans;
- 10% of the shares are subject to a performance condition based on a diversity target geared towards encouraging the promotion of women to top management positions;
- 10% of the shares are subject to a performance condition based on an internal sustainable development scorecard for August 31, 2023, with a view to increasing purchases from SME providers, using renewable energy in Sodexo buildings, reducing food waste and increase the share of plant-base protein.

### Performance shares that became available during Fiscal 2021

**TABLE 7, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16**

| PLAN NO. AND DATE | NUMBER OF SHARES THAT BECAME AVAILABLE DURING FISCAL 2021 |
|---|---|
| Plan dated April 20, 2017 | 5,600 |

At its meeting on April 20, 2017, as part of the 2017 restricted share plan based on the authorization given at the Annual Shareholders Meeting of January 26, 2016, the Board of Directors decided to grant 14,000 restricted shares to Denis Machuel, who at the time was a member of Sodexo's Executive Committee.

These shares were subject to a four-year vesting period expiring on April 20, 2021 and the following vesting conditions:

- 40% of the shares granted were subject to a continued presence condition; and
- 60% of the shares (referred to as "performance shares") were subject to a continued presence condition and a performance condition.

The performance condition was 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 effects) 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 *(AVERAGE GROWTH PER YEAR FOR FISCAL 2017, FISCAL 2018, FISCAL 2019 AND FISCAL 2020)* | NUMBER* OF VESTED SHARES *(% OF THE INITIAL NUMBER OF SHARES SUBJECT TO THE CONDITION OF GROWTH IN OPERATING PROFIT)* |
|---|---|
| Less than 8% per year | 0% |
| Between 8% and 9% per year | 30%-60% |
| Between 9% and 10% per year | 60%-100% |
| 10% or higher per year | 100% |

* Roundown to the closest whole number.

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**(ii)** the vesting of the other 50% of the performance shares was subject to the achievement of the performance of Sodexo's TSR (Total Shareholder Return) compared to the CAC 40 GR index (dividends reinvested), as follows:

| SODEXO'S TSR *(BETWEEN JANUARY 27 , 2016 AND THE DATE OF THE ANNUAL SHAREHOLDERS MEETING CALLED TO APPROVE THE FISCAL 2020 FINANCIAL STATEMENTS)* | NUMBER* OF VESTED SHARES *(% OF THE INITIAL NUMBER OF SHARES SUBJECT TO THE CONDITION OF PERFORMANCE OF SODEXO'S TSR COMPARED TO THE CAC40 GR INDEX)* |
|---|---|
| Negative and/or underperformance with respect to the CAC 40 GR index | 0% |
| Outperformance with respect to the CAC 40 GR index of between 0% and 8% | 10%-50% |
| Outperformance with respect to the CAC 40 GR index of between 8% and 12% | 50%-100% |
| Outperformance with respect to the CAC 40 GR index of more than 12% | 100% |

* Roundown to the nearest whole number.

Based on the recommendation of the Compensation Committee, the Board of Directors at its meeting of April 8, 2021, recognized that:

- neither of the two performance conditions had been met as the annual average growth in operating profit (before exceptional items and excluding currency impacts) was a negative 10.95% and Sodexo's TSR was a negative 17.7% against a positive 29.6% for the CAC 40 GR index. Consequently, the 8,400 performance shares granted by the Board of Directors on April 20, 2017 did not vest;
- the continued presence condition was met. Consequently, the remaining 5,600 restricted shares (*i.e.*, not subject to performance conditions) vested and were delivered on April 27, 2020.

## Performance share grants to the Chief Executive Officer

**TABLE 9, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16**

| PLAN DATE | VALUE OF PERFORMANCE SHARES GRANTED (in euro) | NUMBER OF PERFORMANCE SHARES ORIGINALLY GRANTED | PERFORMANCE CONDITIONS | NUMBER OF VESTED PERFORMANCE SHARES | VESTING DATE | AVAILABILITY DATE |
|---|---|---|---|---|---|---|
| 04/27/2018 | 1,600,437 | 25,000 | 100% | N/A | 04/27/2022 | 04/27/2022 |
| 06/19/2019 | 1,836,252 | 22,000 | 100% | N/A | 06/19/2023 | 06/19/2023 |
| 11/20/2020 | 1,681,288 | 28,000 | 100% | N/A | 01/25/2024 | 01/25/2024 |

In recognition of Denis Machuel's contribution to the development of the Group, which he joined in 2007 and of which he has been the Chief Executive Officer since January 2018, and his actions during the Covid-19 crisis, and in accordance with the compensation policy approved by the Annual Shareholders Meeting of January 12, 2021 and recommendations 25.3.3 and 25.5.1 of the AFEP-MEDEF Code, the Board of Directors has decided to waive the presence condition applicable to the share plans in the process of vesting, and to maintain the share rights *pro rata* to his effective presence within the Group.

In accordance with the compensation policy approved by the Annual Shareholders Meeting of January 12, 2021, there will be no acceleration of the vesting period and the performance conditions of these plans will continue to apply.

Denis Machuel will therefore retain a portion of his rights to the plans granted in 2018, 2019 and 2020, *i.e.*, 41,514 of the 75,000 initially granted. These shares amounted to 2,872,221 euro at the grant date as measured in accordance with IFRS. However, this measurement does not take into account the achievement of performance conditions measured at the end of the vesting period provided under the plans. These performance conditions are particularly stringent, as evidenced by the failure to meet the performance conditions related to the 2016 and 2017 plans. In addition, the performance criteria of the non-vested plans, including those granted to Denis Machuel, will be severely affected by the impact of the Covid-19 crisis on the Group's performance. The current number of shares that could be obtained under each plan and their values cannot be known at this stage.

### Summary of benefits of the Chief Executive Officer

**TABLE 11, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16**

| | EMPLOYMENT CONTRACT | | SUPPLEMENTAL PENSION PLAN | | COMPENSATION OR ENTITLEMENTS DUE OR LIKELY TO BECOME DUE AS A RESULT OF A CHANGE IN DUTIES OR LOSS OF OFFICE | | INDEMNITY RELATING TO A NON-COMPETE CLAUSE | |
|---|---|---|---|---|---|---|---|---|
| | YES | NO | YES | NO | YES | NO | YES | NO |
| **Denis Machuel**<br>**Chief Executive Officer**<br>Appointment date: January 23, 2018<br>Term ended: September 30, 2021 | | X | X | | | X | X | |

## 6.5.2.3 Compensation and benefits paid during or awarded for Fiscal 2021 to Sophie Bellon and Denis Machuel – Say on Pay (*ex post* vote at the Ordinary Annual Shareholders Meeting of December 14, 2021)

### Compensation and benefits paid during or awarded for Fiscal 2021 to Sophie Bellon, Chairwoman of the Board of Directors

| TYPE OF COMPENSATION OR BENEFITS | AMOUNTS PAID DURING FISCAL 2021 | AMOUNTS AWARDED FOR FISCAL 2021 OR ACCOUNTING VALUE | COMMENTS |
|---|---|---|---|
| Fixed compensation | €675,000 | €675,000 | Pre-tax gross amount due for the fiscal year. |
| Benefits in kind | €1,575 | €1,575 | Sophie Bellon has the use of a Company car. |

Sophie Bellon is not eligible for any of the following types of compensation or benefits: directors' compensation, variable compensation, multi-year variable compensation, exceptional compensation, long-term compensation, termination benefit or the supplemental pension plan.

### Compensation and benefits paid during or awarded for Fiscal 2021 to Denis Machuel, Chief Executive Officer

| TYPE OF COMPENSATION OR BENEFITS | AMOUNTS PAID DURING FISCAL 2021 | AMOUNTS AWARDED FOR FISCAL 2021 OR ACCOUNTING VALUE | COMMENTS |
|---|---|---|---|
| Fixed compensation | €900,000 | €900,000 | Pre-tax gross amount due for the fiscal year. |
| Variable compensation | €0 | €810,000 | Financial performance in Fiscal 2020 was deeply impacted by the sanitary crisis. The achievement level of the objectives was 27.5%, *i.e.* a variable pay amount amount of 247,500 euro. However, given the unprecedented sanitary crisis caused by the Covid-19 pandemic, the Board of Directors decided to cancel his variable compensation for Fiscal 2020. No variable compensation was paid in Fiscal 2021.<br><br>Variable pay for Fiscal 2021 is set at 810,000 euro, based on a 90% achievement rate of his targets. |
| Stock options and performance shares | N/A | €1,681,288 | On November 25, 2020, the Chief Executive Officer was awarded 28,000 performance shares for an amount of 1,681,288 euro. This allocation is fully subject to performance conditions. The vesting period is 38 months. The Group no longer grants stock options. |
| Non-compete indemnity | No amounts paid | No amounts awarded | In the event of the termination of Denis Machuel's duties as Chief Executive Officer, he is subject to a non-compete obligation. This commitment was not executed during Fiscal 2021. |

| TYPE OF COMPENSATION OR BENEFITS | AMOUNTS PAID DURING FISCAL 2021 | AMOUNTS AWARDED FOR FISCAL 2021 OR ACCOUNTING VALUE | COMMENTS |
|---|---|---|---|
| Supplemental pension plan | No amounts paid | No amounts awarded | Since his appointment as member of the Group's Executive Committee in September 2014 and until December 31, 2019, Denis Machuel was a beneficiary of a defined benefit pension plan governed by article 39 of the French General Tax Code and article L.137-11-1 of the French Social Security Code, set up for the Group's senior executives holding an employment contract with one of its French companies.<br>In order to comply with the PACTE Act and the Ordonnance of July 3, 2019 implementing the EU Pensions Portability Directive into French law, rights acquired as at December 31, 2019, were frozen at that date. Denis Machuel's pension has been set at 38,141 euro per year.<br>In Fiscal 2021, the Company replaced the defined benefit supplemental pension plan governed by article 39 of the French General Tax Code and article L.137-11-1 of the French Social Security Code with a plan governed by article L.137-11-2 of the French Social Security Code, with similar characteristics. The new plan was approved at the Annual Shareholders Meeting of January 12, 2021.<br>This plan grants annual rights amounting to 0.5% of fixed and variable compensation for the first five years and to 1% of fixed and variable compensation paid to him beyond five years, up to a total of 10%. The vesting of rights remains subject to the same performance condition as the one set for the previous plan, *i.e.*, at least 80% achievement of the Chief Executive Officer's annual variable compensation targets. Provided this condition for Fiscal 2021 is met, the Chief Executive Officer acquires the right to a lifetime pension of 5,569 euro gross per year. The resulting pension will be added to the pensions due to him under compulsory pension plans. As per the Company's choice of financing, this pension will not generate any liability on the Company's balance sheet. |
| Benefits in kind | €13,394 | €13,394 | Denis Machuel has the use of a Company car and is the beneficiary of an unemployment insurance policy. |

Denis Machuel is not eligible for any of the following types of compensation or benefits: multi-year variable compensation, exceptional compensation or termination benefit.

### 6.5.2.4 Compensation and benefits paid during or awarded for Fiscal 2022 to Denis Machuel until his departure (*ex post* vote at the Ordinary Annual Shareholders Meeting of December 14, 2021)

#### Components of compensation paid during or awarded for Fiscal 2022 to Denis Machuel, Chief Executive Officer, before his departure from the Group for the period September 1 to September 30, 2021

| TYPE OF COMPENSATION OR BENEFITS | AMOUNTS PAID DURING FISCAL 2022 | AMOUNTS AWARDED FOR FISCAL 2022 OR ACCOUNTING VALUE | COMMENTS |
|---|---|---|---|
| Fixed compensation | €75,000 | €75,000 | Pre-tax gross amount due for the fiscal year.<br>The annual fixed compensation for Fiscal 2021 is calculated on a *prorata temporis* basis from September 1 to September 30, 2021, the date on which his duties as Chief Executive Officer ended. |
| Variable compensation | €75,000(1) | €75,000 | In view of the termination of Denis Machuel's duties on September 30, 2021, and to recognize his contribution throughout his term of office, and particularly during the management of the Covid-19 crisis, the Board of Directors has decided to set the amount of his variable compensation for Fiscal 2021 at its target level, *i.e.*, 100% of his fixed compensation.<br>The variable portion of compensation due to Denis Machuel for Fiscal 2022 is calculated on a *prorata temporis* basis from September 1 to September 30, 2021, the date at which his duties as Chief Executive Officer ended. |
| Stock options and performance shares | N/A | N/A | No stock shares or performance shares were granted to Denis Machuel during Fiscal 2022. |

| TYPE OF COMPENSATION OR BENEFITS | AMOUNTS PAID DURING FISCAL 2022 | AMOUNTS AWARDED FOR FISCAL 2022 OR ACCOUNTING VALUE | COMMENTS |
|---|---|---|---|
| Non-compete indemnity | €1,045,000* | €3,420,000 | The Covid-19 pandemic has forced Sodexo and traditional players to develop their business model to face the emergence of new sources of competition.<br>Therefore, the scope of the non-compete agreement initially entered into no longer reflects recent and unpredictable developments within Sodexo's sector of activity, massively impacted by the Covid-19 crisis. In this context, as the 2018 non-compete agreement was not sufficiently protective of the Company's interests, the Board of Directors decided to modify the scope of this non-compete agreement, as follows:<br>• an extension of the agreement term from two to three years;<br>• a more comprehensive list of competitors to take into account the changing competitive landscape;<br>• additional clauses including a non-solicitation clause for the Group's key managers and client; and<br>• financial consideration based on 24 months of the fixed and variable annual compensation attributed to Denis Machuel for Fiscal 2021, with payment staggered over the duration of the commitment. |
| Supplemental pension plan | No amounts paid | No amounts awarded | No rights to the supplementary defined benefit pension plan provided for in article 39 of the French General Tax Code and article L.137-11-2 of the French Social Security Code have been granted to Denis Machuel in respect of the Fiscal 2022. |
| Fringe benefits | €29,448 | €29,448 | Denis Machuel had the use of a Company car and is the beneficiary of an unemployment insurance policy.<br>In accordance with the remuneration policy approved at the Annual Shareholders Meeting, coverage under health and benefit plans has been extended for a period of 12 months. The plan was extended through the purchase of an individual insurance contract with an external insurer. The Group has thus awarded Denis Machuel the equivalent amount of the contribution, 13,635 euro. |

* Amounts paid in Fiscal 2022 subject to shareholder approval at the December 2021 Annual Shareholders Meeting.

Denis Machuel is not eligible for any of the following types of compensation or benefits: multi-year variable compensation, exceptional compensation or termination benefit.

### 6.5.2.5 Pay equity ratio between the compensation paid to the Company's executive Corporate Officers and the average and median compensation received by Sodexo employees

In accordance with article L.225-37-3 of the French Commercial Code, the table below shows the ratios between the level of compensation of the Chairman of the Board of Directors, of the Chief Executive Officer and the average and median compensation of Sodexo employees over the last five years on a full time equivalent basis.

These ratios were established by referring to the AFEP guidelines on compensation multiples published on January 28, 2021.

**Compensation elements**

The compensation of executive directors and employees retained includes all fixed and variable compensation components, and benefits of all kinds paid over the last five fiscal years. The method for determining and valuing the elements of compensation for executive directors and employees is therefore harmonized.

Performance share value has been taken into account at grant value under IFRS rules on the grant date.

**Perimeter**

The ratio below are proposed for two scopes: The listed company Sodexo S.A. including around 450 employees, and an extended scope including the holdings of the Sodexo Group in France as well as the On-site activity in France, for around 27,000 employees, *i.e.* 79% of the total workforce in France.

| | FISCAL 2017 | FISCAL 2018 | FISCAL 2019 | FISCAL 2020 | FISCAL 2021 |
|---|---|---|---|---|---|
| **Company Performance** | | | | | |
| Group Revenue (in millions of euro) | 20,698 | 20,407 | 21,954 | 19,321 | 17,428 |
| *(year to year variance)* | *+2.2%* | *-1.4%* | *+7.6%* | *-12.0%* | *-9.8%* |
| Group UOP (in millions of euro) | 1,340 | 1,128 | 1,200 | 569 | 578 |
| *(year to year variance)* | *+9.3%* | *-15.8%* | *+6.4%* | *-52.6%* | *+1.6%* |
| **Informations on extended scope** | | | | | |
| **Employee compensation (in euro)** | | | | | |
| Employee average compensation (full time equivalent) | 29,782 | 30,848 | 31,714 | 31,556 | 33,047 |
| *(year to year variance)* | *+0.3%* | *+3.6%* | *+2.8%* | *-0.5%* | *+4.7%* |
| Employee median compensation (full time equivalent) | 22,923 | 24,014 | 24,626 | 24,809 | 25,192 |
| *(year to year variance)* | *-1.3%* | *+4.8%* | *+2.5%* | *+0.7%* | *+1.5%* |
| **Chairwoman of the Board of Directors** | | | | | |
| Annual compensation (in euro) | 551,829 | 627,077 | 676,739 | 508,019 | 676,575 |
| *(year to year variance)* | *0.0%* | *+13.6%* | *+7.9%* | *-24.9%* | *+33.2%* |
| Ratio *versus* employee average compensation | 18,5 | 20,3 | 21,3 | 16 | 21 |
| *(year to year variance)* | *-0.3%* | *+9.7%* | *+5.0%* | *-24.6%* | *+27.2%* |
| Ratio *versus* employee median compensation | 24 | 26 | 28 | 21 | 27 |
| *(year to year variance)* | *+1.3%* | *+8.5%* | *+5.2%* | *-25.5%* | *+31.2%* |
| **Group Chief Executive Officer** | | | | | |
| Annual compensation (in euro) | 5,067,771 | 3,619,279 | 2,996,778 | 1,581,263 | 2,594,682 |
| *(year to year variance)* | *+8.2%* | *-28.6%* | *-17.2%* | *-47.2%* | *+64.1%* |
| Ratio *versus* employee average compensation | 170 | 117 | 95 | 50 | 79 |
| *(year to year variance)* | *+7.9%* | *-31.1%* | *-19.5%* | *-47.0%* | *+56.7%* |
| Ratio *versus* employee median compensation | 221 | 151 | 122 | 64 | 103 |
| *(year to year variance)* | *+9.6%* | *-31.8%* | *-19.3%* | *-47.6%* | *+61.6%* |
| **Informations on Sodexo S.A.** | | | | | |
| **Employee compensation (in euro) - Sodexo S.A.** | | | | | |
| Employee average compensation (full time equivalent) | 133,032 | 135,641 | 130,041 | 117,802 | 148,412 |
| *(year to year variance)* | *+2.4%* | *+2.0%* | *-4.1%* | *-9.4%* | *+26.0%* |
| Employee median compensation (full time equivalent) | 77,170 | 80,632 | 75,763 | 89,800 | 103,519 |
| *(year to year variance)* | *-0.3%* | *+4.5%* | *-6.0%* | *+18.5%* | *+15.3%* |
| **Chairwoman of the Board of Directors** | | | | | |
| Ratio *versus* employee average compensation | 4 | 5 | 5 | 4 | 5 |
| *(year to year variance)* | *-2.3%* | *+11.5%* | *+12.6%* | *-17.1%* | *+5.7%* |
| Ratio *versus* employee median compensation | 7 | 8 | 9 | 6 | 7 |
| *(year to year variance)* | *+0.3%* | *+8.8%* | *+14.9%* | *-36.7%* | *+15.5%* |

| | FISCAL 2017 | FISCAL 2018 | FISCAL 2019 | FISCAL 2020 | FISCAL 2021 |
|---|---|---|---|---|---|
| **Group Chief Executive Officer** | | | | | |
| Ratio *versus* employee average compensation | 38 | 27 | 23 | 13 | 18 |
| *(year to year variance)* | *+5.7%* | *-30.0%* | *-13.6%* | *-41.8%* | *+30.2%* |
| Ratio *versus* employee median compensation | 66 | 45 | 40 | 18 | 25 |
| *(year to year variance)* | *+8.5%* | *-31.6%* | *-11.9%* | *-55.5%* | *+42.3%* |

- **Fiscal 2017**

The compensation indicated for the Chief Executive Officer relates to Michel Landel.

- **Fiscal 2018**

The compensation indicated for the Chief Executive Officer is a combination of the compensation of Michel Landel and Denis Machuel *prorata temporis* during the fiscal year.

- **Fiscal 2019**

The compensation indicated for the Chief Executive Officer is that of Denis Machuel for a full year.

- **Fiscal 2020**

For the Chief Executive Officer, the fixed compensation was reduced by 50% over the second half of the year. In addition, no performance shares were allocated during this fiscal year.

For the Chairwoman of the Board of Directors, the fixed compensation was reduced by 50% over the second half of the year.

- **Fiscal 2021**

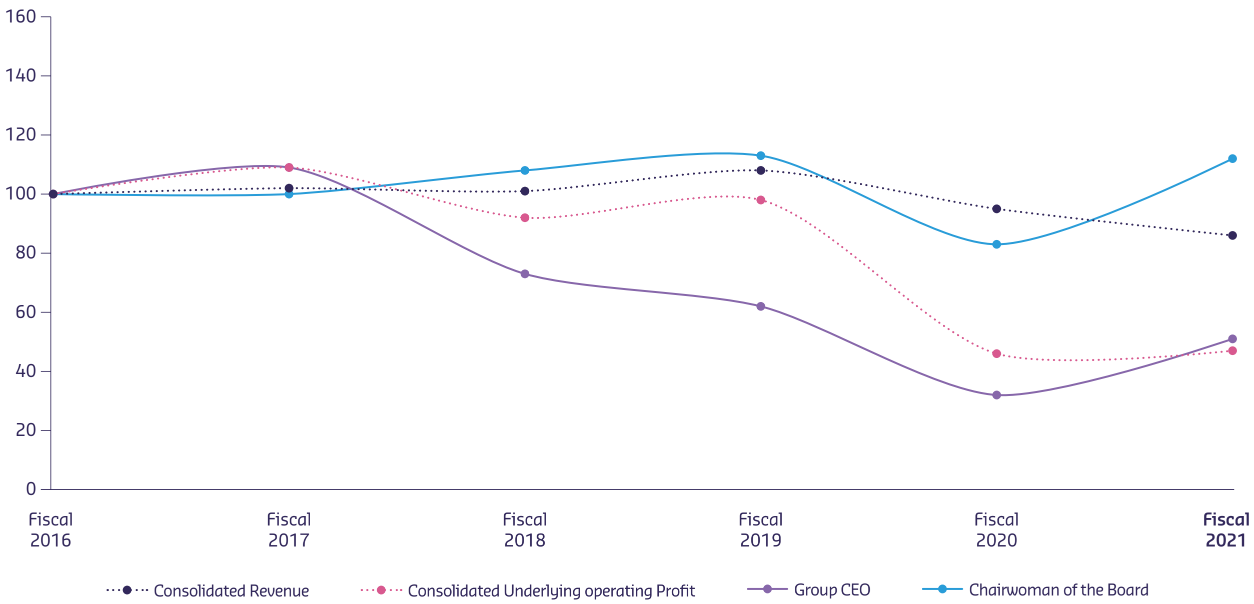
The fixed remuneration of the Chairwoman of the Board of Directors and of the Chief Executive Officer was fully restored and paid.

The Chief Executive Officer did not receive any variable compensation for Fiscal 2020 following the cancellation decided by the Board of Directors given the unprecedented health crisis linked to the Covid-19 pandemic. He received an attribution of performance shares during the fiscal year.

Given the health crisis, Sodexo employees did not receive any variable compensation either for Fiscal 2020. During Fiscal 2021 eligible Sodexo employees received variable compensation for the first half of the year.

The chart below illustrates the evolution of the ratios of the Chairwoman of the Board of Directors and the Chief Executive Officer on the median compensation of employees in the extended scope, in comparison with the Group's revenue and Operating profit.

**MEDIAN RATIOS COMPARED TO FINANCIAL RESULTS - BASED 100 IN FY16**




For ease of reading, the value of the different items are expressed in base 100 from the previous fiscal year.

## 6.5.3 Information on the components of compensation paid or awarded to the directors

The total annual amount of compensation available for payment to the directors of Sodexo was set at 900,000 euro at the Annual Shareholders Meeting of January 23, 2018 (eleventh resolution). The total amount actually paid to all directors (other than to the Chairwoman of the Board) during Fiscal 2021 was 767,350 euro (compared to 788,800 euro during Fiscal 2020), representing 85% of the total budget approved at the Annual Shareholders Meeting.

These amounts were calculated and paid in accordance with the Board of Directors' Internal Rules, based on the following criteria established for Fiscal 2021:

| (in euro) | ANNUAL FIXED COMPENSATION | ADDITIONAL ANNUAL FIXED COMPENSATION FOR CHAIRING A COMMITTEE | VARIABLE COMPENSATION PER ATTENDANCE AT EACH MEETING |
|---|---|---|---|
| Board of Directors | 20,000 | | 4,000 |
| Audit Committee | 5,500 | 20,000 | 2,400 |
| Nominating Committee | 5,500 | 20,000 | 2,400 |
| Compensation Committee | 5,500 | 20,000 | 2,400 |

A travel allowance of 1,250 euro per Board meeting attended was paid to directors travelling from the United States.

Directors are not eligible for any long-term compensation, supplemental pension plan or compensation or benefits that may result from any change in their duties, new duties taken on, or a loss of office.

As stated above, the Chairwoman of the Board of Directors does not receive any directors' compensation.

The two directors representing employees both hold an employment contract with the Group and therefore receive compensation that has no connection with their office as director. The amounts of their salaries are not disclosed for confidentiality reasons.

The compensation paid to the directors during Fiscal 2021 and Fiscal 2020 (both fixed and variable), calculated based on their attendance at Board and Committee meetings as indicated above, was as follows:

**TABLE 3, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16**

| DIRECTORS (in euro) | | FISCAL 2021 AMOUNT AWARDED | FISCAL 2021 AMOUNT PAID | FISCAL 2020 AMOUNT AWARDED | FISCAL 2020 AMOUNT PAID |
|---|---|---|---|---|---|
| Emmanuel Babeau | Directors' compensation | 52,700 | 52,700 | 65,500 | 65,500 |
| François-Xavier Bellon | Directors' compensation | 61,500 | 61,500 | 65,500 | 65,500 |
| | Bellon compensation | 400,000 | 400,000 | 390,000 | 390,000 |
| Nathalie Bellon-Szabo(1) | Directors' compensation | 63,100 | 63,100 | 63,100 | 63,100 |
| | Other compensation | 597,052 | 597,052 | 490,758 | 490,758 |
| Philippe Besson(2) | Directors' compensation | 59,100 | 59,100 | 65,500 | 65,500 |
| Françoise Brougher | Directors' compensation | 77,850 | 77,850 | 71,550 | 71,550 |
| Soumitra Dutta | Directors' compensation | 33,550 | 33,550 | 71,750 | 71,750 |
| Federico J. Gonzalez Tejera(3) | Directors' compensation | 26,000 | 26,000 | | |
| Véronique Laury(4) | Directors' compensation | 55,200 | 55,200 | 22,000 | 22,000 |

| DIRECTORS (in euro) | | FISCAL 2021 AMOUNT AWARDED | FISCAL 2021 AMOUNT PAID | FISCAL 2020 AMOUNT AWARDED | FISCAL 2020 AMOUNT PAID |
|---|---|---|---|---|---|
| Cathy Martin(2) | Directors' compensation | 65,500 | 65,500 | 57,500 | 57,500 |
| Luc Messier(4) | Directors' compensation | 49,250 | 49,250 | 23,250 | 23,250 |
| Sophie Stabile | Directors' compensation | 103,000 | 103,000 | 103,000 | 103,000 |
| Cécile Tandeau de Marsac | Directors' compensation | 120,600 | 120,600 | 120,600 | 120,600 |

(1) Nathalie Bellon-Szabo received other compensation during the fiscal year for her duties as a member of Bellon SA's Management Board (193,333 euro for Fiscal 2021 and 190,000 euro for Fiscal 2020) as well as for her duties as Chief Executive Officer of Sodexo Sports et Loisirs France and Chief Operating Officer of Sodexo Sports and Leisure worldwide (On-site Services) (403,719 euro for Fiscal 2021 and 300,758 euro for Fiscal 2020). She also has the use of a Company car.
(2) Philippe Besson and Cathy Martin are directors representing employees. The salaries they receive under their employment contracts are not disclosed for confidentiality reasons. At Philippe Besson's request, part of the compensation due to him for his role as director representing employees is paid to the trade union that appointed him (21,429 euro paid to Philippe Besson and 37,671 euro paid to his trade union during Fiscal 2021).
(3) Federico J. Gonzalez Tejera was appointed as new director at the Annual Shareholders Meeting of January 12, 2021.
(4) Véronique Laury and Luc Messier were appointed as new directors at the Annual Shareholders Meeting of January 21, 2020.

## 6.5.4 Compensation policy for members of the Executive Committee

The compensation policy applicable to members of the Executive Committee is reviewed each year by the Compensation Committee and the Board of Directors. It is fully aligned with that of the Chief Executive Officer.

The compensation of Executive Committee members is made up of the following:

- **a fixed salary;**
- **annual variable compensation**.

  The annual variable compensation represents between 55% and 90% of the fixed salary.

  The bonus is calculated and paid following the close of the fiscal year to which it applies and after the Board of Directors has approved the financial statements;
- **a long-term incentive plan**, consisting of restricted share grants. Shares are subject to continued presence and performance conditions.

The applicable performance conditions are equivalent to those set for the Chief Executive Officer and described in section 6.5.1.4 of this Universal Registration Document.

In addition to this compensation, Executive Committee members may receive benefits in kind (primarily a car and a travel allowance) and pension plan contributions (under defined contribution and, where applicable, defined benefit, plans).

Total compensation paid during Fiscal 2021 by the Group to members of the Executive Committee in office as of August 31, 2021 (including the Chief Executive Officer, details of whose compensation are provided in section 6.5.2.2 of this document), amounted to 11,586,805 euro.

This amount comprises:

- a fixed portion of 8,123,824 euro;
- a variable portion of 3,462,981 euro comprising variable compensation due for the First half of Fiscal 2021 to members of the Executive Committee with the exception of the Chief Executive Officer.



## 6.5.5 Description of the long-term incentive plan – Restricted share plans

Sodexo's long-term incentive policy has two objectives:

- to incentivize the Group's executives, managers and other employees by aligning their financial interests with those of Sodexo's shareholders;
- to attract and retain the intra-entrepreneurs needed to expand and strengthen Sodexo's market leadership.

Since Fiscal 2013, long-term incentive plans have consisted exclusively of restricted share plans.

In the eighteenth resolution adopted at the Combined Annual Shareholders Meeting on January 22, 2019, the Company's shareholders renewed the authorization given to the Board of Directors to grant, on one or more occasions, restricted shares – either in the form of existing or new Sodexo shares – to employees and Corporate Officers of the Group and propose the renewal of this authorization during the Combined Annual Shareholders Meeting on December 14, 2021.

The terms and conditions of the restricted share plans (including the related continued presence and performance conditions) and the list of beneficiaries are determined by the Board of Directors based on recommendations issued by the Compensation Committee.

As from the 2021 plans, the terms and conditions of the restricted share plans granted within the Group are as follows:

- the restricted share grants take place annually and are decided during the first half of each fiscal year, after the publication of the financial statements for the previous fiscal year;
- vesting of the shares is subject to a three-year continued presence condition for each beneficiary and to performance conditions assessed over a three-year period.

The restricted share grants have no dilutive impact for shareholders as the shares concerned are treasury shares held by the Company.

During Fiscal 2021, the vesting periods of the restricted share plans set up by the Board of Directors on September 30, 2016, November 30, 2016 and April 20, 2017 ended on September 30, 2020, November 30, 2020 and April 20, 2021, respectively.

The plans granted on September 30 and November 30, 2016 included the following two performance conditions:

- performance of the CAC 40 GR index of Sodexo's TSR by 12% over a four-year period;
- average growth in Sodexo’s operating profit at least 10% per year over four years.

These performance conditions were not met, as Sodexo's TSR increased by 25% *versus* 58% for the CAC 40 GR index, and average annual growth in operating profit was 3.5%.

As a result only 7,155 shares have vested under the September 2016 plan and 7,000 under the November 2016 plan out of a total of 21,950.

As a result , on April 20, 2021, only 397,690 shares had vested under the plan granted on April 20, 2017.

The plan granted on April 20, 2017 included the following two performance conditions:

- outperform the CAC 40 GR index of Sodexo's TSR by 12% over a four-year period;
- average growth in Sodexo’s operating profit at least 10% per year over four years.

These performance conditions were not met, as Sodexo's TSR decreased by 17.7% *versus* a 29.6% increase for the CAC 40 GR index, and average annual growth in operating profit was a negative 10.95%.

Further details of the plans in force are provided in the table below.

## Restricted shares granted to Group managers

**TABLE 9, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16**

| | 2016-2 PLAN | 2016-3 PLAN | 2017 PLAN | 2017-2 PLAN | 2018 PLAN | 2018-2 PLAN | 2019 PLAN | 2019-2 PLAN | 2020 PLAN |
|---|---|---|---|---|---|---|---|---|---|
| Date of Annual Shareholders Meeting | 01/26/2016 | 01/26/2016 | 01/26/2016 | 01/26/2016 | 01/26/2016 | 01/26/2016 | 01/22/2019 | 01/22/2019 | 01/22/2019 |
| Date of grant by the Board of Directors | 09/30/2016 | 11/30/2016 | 04/20/2017 | 09/14/2017 | 04/27/2018 | 09/13/2018 | 06/19/2019 | 11/06/2019 | 11/25/2020 |
| Total number of shares granted | 11,950 | 10,000 | 884,895 | 14,000 | 917,880 | 34,100 | 810,990 | 10,000 | 922,840 |
| Total number of beneficiaries | 16 | 2 | 1,357 | 5 | 1,671 | 20 | 2,144 | 11 | 2,145 |
| *% of share capital* | *0.01%* | *0.01%* | *0.58%* | *0.01%* | *0.62%* | *0.02%* | *0.55%* | *0.01%* | *0.63%* |
| **Performance conditions** | | | | | | | | | |
| Growth in Group net income | | | | | | | | | |
| Growth in operating profit | X | X | X | X | X | X | X | X | X |
| Organic growth | | | | | | | X | X | X |
| TSR | X | X | X | X | X | X | X | X | X |
| Corporate responsibility | | | | | X | X | X | X | X |

| | 2016-2 PLAN | 2016-3 PLAN | 2017 PLAN | 2017-2 PLAN | 2018 PLAN | 2018-2 PLAN | 2019 PLAN | 2019-2 PLAN | 2020 PLAN |
|---|---|---|---|---|---|---|---|---|---|
| **Plans** | | | | | | | | | |
| Vesting date | 09/30/2020 | 11/30/2020 | 04/20/2021 | 09/14/2021 | 04/27/2022 | 09/13/2022 | 06/19/2023 | 06/19/2023 | 01/25/2024 |
| Availability date | 09/30/2020 | 11/30/2020 | 04/20/2021 | 09/14/2021 | 04/27/2022 | 09/13/2022 | 06/19/2023 | 06/19/2023 | 01/25/2024 |
| Total number of shares granted | 11,950 | 10,000 | 884,895 | 14,000 | 917,880 | 34,100 | 810,990 | 10,000 | 922,840 |
| Number of shares granted to the Corporate Officer | | | 44,000 | | 25,000 | | 22,000 | | 28,000 |
| *% of share capital* | | | *0.03%* | *0.00%* | *0.02%* | *0.00%* | *0.01%* | *0.00%* | *0.02%* |
| Aggregate number of shares canceled | (2,785) | | (185,498) | (1,000) | (205,840) | (8,700) | (130,410) | (2,000) | (43,523) |
| Shares forfeited due to performance conditions not being met | (2,010) | (3,000) | (298,907) | | | | | | |
| **Vested shares** | **7,155** | **7,000** | **399,090** | | | | | | |
| **Accelerated vesting for death and disability** | **0** | **0** | **1,400** | **0** | **1,560** | | **840** | | **310** |
| **TOTAL OF THE PLANS AT AUGUST 31, 2021** | **0** | **0** | **0** | **13,000** | **710,480** | **25,400** | **679,740** | **8,000** | **879,007** |

As of August 31, 2021, a total of 7,047,560 restricted shares had been granted to Group managers since 2013 (representing approximately 4.77% of the Company's share capital since the adoption of the twelfth resolution at the January 21, 2013 Annual Shareholders Meeting), corresponding to an aggregate amount of 519,414,303 euro (as measured in accordance with IFRS at the grant date).

## Restricted shares granted to the ten Group employees (other than Corporate Officers) receiving the largest number of restricted shares, and shares vested for those employees

**INFORMATION DISCLOSED IN ACCORDANCE WITH ARTICLE L.225-197-4 OF THE FRENCH COMMERCIAL CODE**

| | TOTAL NUMBER OF SHARES | PLAN DATE |
|---|---|---|
| Shares granted during Fiscal 2021 to the ten Group employees receiving the largest number of restricted shares (aggregate information) | 127,000 | 11/20/2020 |
| Shares vested during Fiscal 2021 for the ten Group employees receiving the largest number of restricted shares (aggregate information) | 6,340<br>7,000<br>50,550 | 09/30/2016<br>11/30/2016<br>04/20/2017 |

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# SHAREHOLDERS AND SHARE CAPITAL

## Financial communications calendar

| | |
|---|---|
| **Fiscal 2021 Annual Shareholders Meeting** | **December 14, 2021** |
| **Dividend* - ex-date** | **December 17, 2021** |
| **Dividend* - payment date** | **December 21,2021** |
| **Fiscal 2022 first quarter revenues** | **January 6, 2022** |
| **Fiscal 2022 half-year results** | **April 1, 2022** |
| **Fiscal 2022 nine month revenues** | **July 1, 2022** |
| **Fiscal 2022 annual results** | **October 26, 2022** |
| **Fiscal 2022 Annual Shareholders Meeting** | **December 15, 2022** |

**These dates are purely indicative and are subject to change without notice. Regular updates to the calendar are available on our website www.sodexo.com.**

*To be approved by shareholders at the Annual Shareholders Meeting on December 14, 2021

## How to obtain information

**Investor relations**
E-mail: **communication.financiere@sodexo.com**
Shareholders club
E-mail: **clubactionnaires@sodexo.com**
Phone: **+33 (0) 1 57 75 80 54**
Address: Communication Financière/Club Actionnaires Sodexo – 255, quai de la Bataille-de-Stalingrad – 92866 Issy-les-Moulineaux Cedex 9
Further information available on the Sodexo website **www.sodexo.com**

# 7.1 SODEXO SHARE PERFORMANCE

Sodexo shares are listed on Euronext Paris (Euroclear code: FR0000121220) and are included in the SBF 120 index. In addition, Sodexo offers securities listed in U.S. dollars, in the form of American Depositary Receipts (ADRs) that are traded on the over-the-counter (OTC) market, ticker SDXAY, with five ADRs representing one Sodexo share.

## 7.1.1 Stock market performance

**ADJUSTED SODEXO SHARE PRICE TRENDS FROM INITIAL LISTING ON MARCH 2, 1983 THROUGH AUGUST 31, 2021, COMPARED TO THE CAC 40 INDEXED ON THE SODEXO SHARE**

The initial listing of the Sodexo share was on March 2, 1983 at an adjusted price of 1.55 euro. As of August 31, 2021 (the last trading day of Fiscal 2021), the closing share price was 70.02 euro.

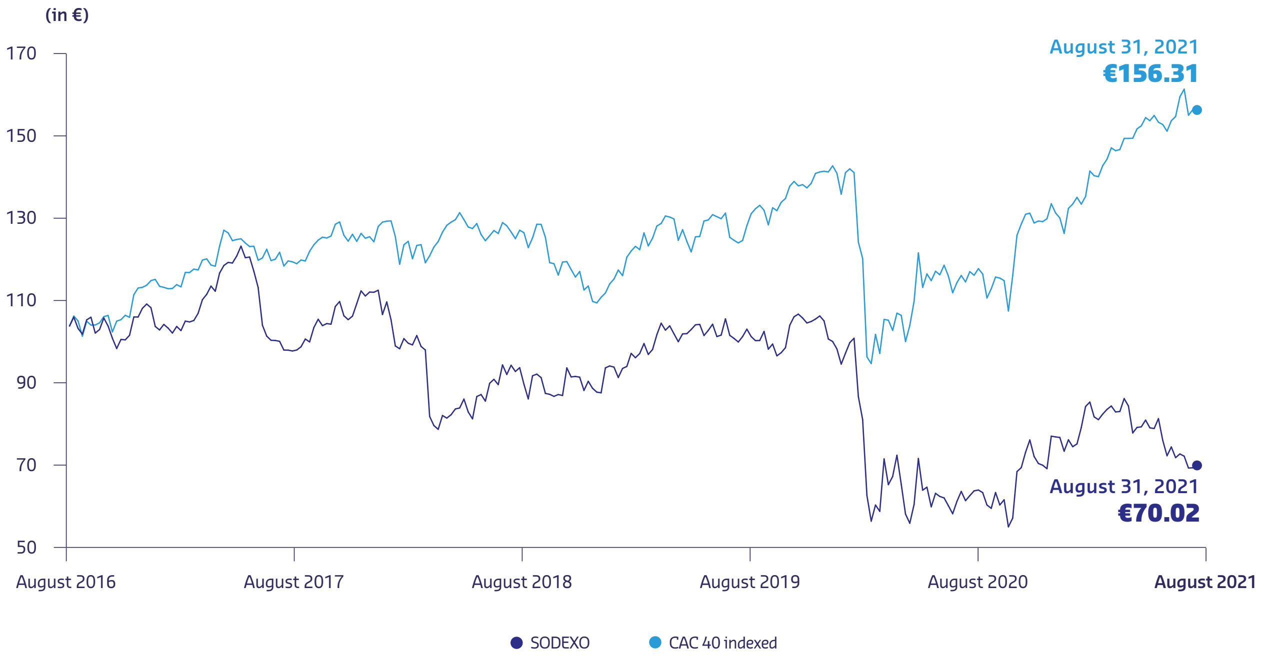
Since its first listing, the value of the Sodexo share has been multiplied by 45.2 whereas the CAC 40 index has been multiplied by only 18 over the same period, which means that Sodexo's shares have significantly outperformed the CAC 40[1].

Since 1983, Sodexo's share value has appreciated by an average of +10.4% *per annum*, excluding dividends.


1 CAC 40 recomposed between 1983 and 1987.

### SHARE PRICE FROM AUGUST 31, 2016 THROUGH TO AUGUST 31, 2021, COMPARED TO THE CAC 40 INDEXED ON THE SODEXO SHARE

Over the last five fiscal years, Sodexo's share price has decreased by -32.6%, whereas the CAC 40 index has increased by +50.5% during the same period. This significant under performance reflects the impact of the reset in profitability in March 2018 and the effects of the Covid crisis from February 2020 which has been particularly significant in the food services industry.




### SODEXO 1-YEAR SHARE PRICE FROM AUGUST 31, 2020 THROUGH AUGUST 31, 2021, COMPARED TO THE CAC 40 INDEXED ON THE SODEXO SHARE

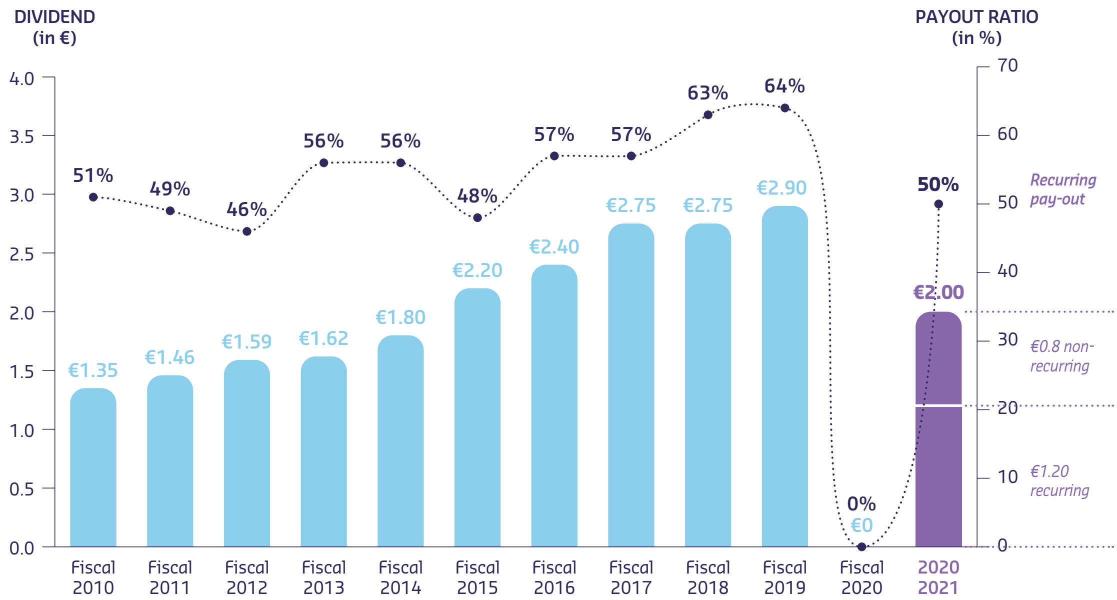
During Fiscal 2021, as the Covid crisis receded, the share price increased, up +16.8% during the year, against a +35% increase in the CAC 40 index, which was boosted by the more rapid recovery of most sectors relative to the food services and leisure sectors, which now weigh significantly less in the index.

As of August 31, 2021, the market capitalization of Sodexo was 10.3 billion euro.

## 7.1.2 Share and dividend performance

### Dividend policy

The Group's dividend policy is aimed at securing long-term shareholder loyalty by regularly increasing the dividend, a dividend payout ratio of around 50% and a dividend premium for shareholders who have held their shares in registered form for an unbroken period of at least four years. Below is a chart showing the dividend and pay-out ratio (Dividend/Underlying EPS) over the last 10 years.




This year, the Board has decided to propose a dividend of 2.00 euro, including a recurring part of 1.20 euro reflecting the return to a dividend policy of a pay-out of 50% of Underlying net profit, plus an exceptional non-recurring part of 0.80 euro reflecting the distribution of the cash related to the disposals program of about 120 million euro. For those shareholders who have held their shares in registered form from more than four years consecutively, the dividend premium will amount to 0.20 euro per share, for up to 0.5% of the shares of the Company. For Fiscal 2020, given the severity of the Covid-19 downturn in activity, and the uncertainty as to the timing of recovery, and in solidarity with the teams, the Board decided not to propose a dividend distribution.

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| | FISCAL 2021 | FISCAL 2020 | FISCAL 2019 | FISCAL 2018 | FISCAL 2017 |
|---|---|---|---|---|---|
| **SHARE PRICE (in euro)** | | | | | |
| Opening price as of September 1 | 60.06 | 104.05 | 89.74 | 98.26 | 104.75 |
| Closing price as of August 31 | 70.02 | 59.96 | 103.10 | 89.72 | 98.03 |
| **Market capitalization as of August 31** (in billions of euro) | 10.3 | 8.8 | 15.2 | 13.2 | 14.8 |
| 12-month low | 53.40 | 50.42 | 84.20 | 78.10 | 96.02 |
| 12-month high | 88.04 | 107.40 | 108.65 | 114.05 | 123.60 |
| **DAILY AVERAGE VOLUME OF SHARE TRADING** | | | | | |
| In number of shares | 305,017 | 338,666 | 253,895 | 361,046 | 241,150 |
| **In value** (in thousands of euro) | 22,531 | 29,058 | 26,839 | 34,221 | 25,607 |
| **DIVIDEND AND SHARE PERFORMANCE** | | | | | |
| **Total payout**[2] (in millions of euro) | 297[1] | — | 425 | 403 | 411 |
| Payout ratio including dividend premium (Total payout/Group net profit) | 213.7% | N/A | 64.7% | 62.6% | 57% |
| Dividend per share (DPS) (in euro) | 2.00[1] | — | 2.9 | 2.75 | 2.75 |
| 10% dividend premium (in euro) | 0.20[1] | — | 0.29 | 0.275 | 0.275 |
| **Earnings per share (EPS)**[3] (in euro) | 0.95 | (2.16) | 4.56 | 4.40 | 4.85 |
| Payout ratio (DPS/EPS) | 210.5% | N/A | 63.6% | 62.5% | 57% |
| TOTAL SHAREHOLDER RETURN (TSR)[4] | **+16.8%** | **-39.6%** | +18.0% | **-5.9%** | **-4.1%** |

(1) To be approved by shareholders at the Annual Shareholders Meeting on December 14, 2021.
(2) Theoretical payout for current fiscal year and actual figures for previous years. Includes dividend premium.
(3) Based on an average number of shares (quarterly average).
(4) Calculation of the Total Shareholder Return over a given period and calculated as follows: (market price at the end of the period – market price at the beginning of the period + dividends paid over the period, excluding the dividend premium)/market price at the beginning of the period.

## 7.1.3 Benefits of being a registered shareholder

Registered Sodexo shareholders are entitled to:

- double voting rights for registered shares held for at least four years;
- a dividend premium of 10% for registered shares held for at least four years (the number of shares eligible for this dividend premium may not exceed 0.5% of the share capital for any single shareholder);
- automatic invitation to Shareholders Meetings and personalized information on all financial transactions (capital increases, bond issues, etc.);
- an exemption from administration costs (for directly-registered shares only).

***Sodexo share codes***

Sodexo bearer shares are traded under the code FR0000121220.

The code for registered shares already eligible for the dividend premium is FR0011532431.

Different share codes have been introduced for registered shares in order to reflect the period in which the shares were acquired and to determine eligibility for the dividend premium.

The use of different codes does not affect trading of the shares. When selling shares, it is advisable to sell the most recently acquired first in order to maintain the dividend premium rights on the highest number of remaining shares.

| REFERENCE DATE FOR REGISTRATION OF SHARES TO QUALIFY FOR THE DIVIDEND PREMIUM | RIGHT TO DIVIDEND PREMIUM FOR FISCAL | NAME OF LOYALTY CODES | ISIN CODES FOR REGISTERED SHARES AS AT SEPTEMBER 1, 2021 |
|---|---|---|---|
| Before August 31, 2017 | 2021 | *Actions prime de fidelité* | **FR0011532431** |
| August 31, 2018 | 2022 | *Actions prime de fidélité 2022* | **FR0013353075** |
| August 31, 2019 | 2023 | *Actions prime de fidélité 2023* | **FR0013436029** |
| August 31, 2020 | 2024 | *Actions prime de fidélité 2024* | **FR0013447026** |
| August 31, 2021 | 2025 | *Actions prime de fidélité 2025* | **FR0013536729** |
| August 31, 2022 | 2026 | *Actions prime de fidléité 2026* | **FR0014004UW8** |

On September 1, 2021, Euroclear merged the shares held under the code FR0013270261 into the code FR0011532431.

On September 1, 2021 the names of the different codes changed to reflect the fact that the Annual Shareholders Meeting and payment of the dividend is now in the same year as the end of the fiscal year.

## Contacts for registered shareholders

Directly-registered shareholder accounts are managed by Société Générale, which also acts as transfer agent for all Sodexo shares.

**For further information call:**

Société Générale Nantes (France): +33 2 51 85 67 89

or visit the Société Générale website: www.sharinbox.societegenerale.com

## 7.1.4 ADR program

Since Sodexo's voluntary delisting from the New York Stock Exchange in 2007, Sodexo American Depositary Receipts (ADRs) are traded on the over-the-counter (OTC) market, ticker SDXAY, with five ADRs representing one Sodexo share.

Advantages for U.S. investors:

- U.S. brokers purchase, sell and settle the ADRs in the same way as they would for the shares of a U.S. company;
- the prices of the ADRs are quoted in U.S. dollars and the dividends are paid in U.S. dollars;
- ADRs are a straightforward and effective way of enabling U.S. investors to invest in international companies.

**KEY INFORMATION ON THE SODEXO ADRS**

| | |
|---|---|
| ADR ticker symbol | SDXAY |
| Platform | OTC |
| CUSIP | 833792104 |
| DR ISIN | US8337921048 |
| ISIN code | FR0000121220 |
| SEDOL | 7062713 |
| Custodian bank | Citibank Europe Plc (Dublin) |
| ADR ratio | 5 ADRs for 1 ordinary share |

**CONTACTS AT CITIBANK FOR ANY QUESTIONS CONCERNING THE ADRS**

| New York | London |
|---|---|
| Michael O'Leary | Michael Woods |
| michael.oleary@citi.com | michael.woods@citi.com |
| Tel: +1 212 723 4483 | Tel: +44 20 7500 2030 |

# 7.2 FINANCIAL COMMUNICATIONS POLICY

To respond more effectively to the expectations of its shareholders, Sodexo continuously works to improve its investor relations program by developing new information channels and the quality of its interactions during the different meetings with the financial community.

## 7.2.1 Listening to our shareholders and the financial community

In order to comply with all applicable regulations in connection with its listing on Euronext Paris (the French stock exchange), Sodexo and all the teams involved in preparing financial communications have committed to a set of transparency principles designed to ensure equal treatment of all shareholders.

**Sodexo's investor relations policy is based on four core principles:**

- **equal treatment when disclosing quarterly financial information**: all financial press releases are issued simultaneously in real time to all our stakeholders, both in French and English. These press releases are published on the Group's website (www.sodexo.com) and relayed through the press, e-mail and *via* an authorized provider;
- **regular reporting:** the financial community is informed of the financial publication schedule a year in advance, and updates are always available on the Group's website. In a process of acceleration of the publication of the Group's accounts, the Shareholders Meeting to approve the Fiscal 2021 accounts is advanced by about one month into the month of December of the same fiscal year;
- **ease of access to financial meetings:** Annual Shareholder Meetings and revenue and results presentations are broadcast *via* a live webcast and subsequently available on the Sodexo website. In addition, all financial communication is available and archived on the website;
- **transparency**: all information on the Group, including the Company's Bylaws, Universal Registration Document, Interim Report, press releases, presentations and share price trends, is also available on the website: www.sodexo.com.

### 7.2.1.1 Group spokesperson

Only the Chairwoman, the Chief Executive Officer and members of the Executive Committee are authorized to provide financial communications. The Chief Executive Officer appoints the Investor relations team to act as spokespeople for the Group, within specific delegated powers.

### 7.2.1.2 Preparation and publication of financial communications

All financial communication is reviewed prior to publication by a Group Disclosure Committee comprising representatives from Group Finance, Communications, Corporate Responsibility, Legal, Board secretary and Human Resources.

Barring exceptional circumstances, all information with the potential to influence the share price is published before Euronext Paris opens for trading.

After approval of this information by the Chief Executive Officer, the Chief Financial Officer or the Board of Directors (depending on its nature), it is communicated to the markets *via* a press release issued simultaneously to the entire financial community and to the stock market authorities.

**Sodexo does not communicate financial information during the following periods:**

- **30 calendar days preceding** the date of publication of the **annual and half-year consolidated financial statements;**
- **30 calendar days preceding** the date of publication of its **first and third quarter** consolidated financial information.

### 7.2.1.3 Code of conduct for senior managers

To ensure Sodexo's commitment to transparency and regulatory compliance, the Board of Directors adopted a Code of conduct with integrity principles for senior managers in 2003.

This Code of conduct sets out a core set of behaviors:

- to avoid actual or apparent conflicts of interest;
- to comply with all laws, rules and regulations;
- to protect the Group's confidential information;
- to conduct all business fairly;
- to hold managers accountable for their behavior and create an environment of trust where concerns can be reported without fear of retaliation or retribution.

The Group's ethical principle of transparency means efficient communication with the Group's shareholders, so that they are provided with full and accurate information on the Group's financial condition and profits. The Group is committed to timely communication and to complete, accurate, reliable and clear reporting.

## 7.2.2 Universal Registration Document

According to Regulation (EU) 2017/1129 in force since July 21, 2019 and its Delegated Regulation 2019/980, Sodexo publishes a Universal Registration Document. This Universal Registration Document aims to enhance shareholder and investor understanding of the activities, financial situation, risk factors, overall strategy and extra-financial aspects of the Group.

The Universal Registration Document is filed each year with the French securities regulator (Autorité des marchés financiers – AMF) in accordance with its General Regulation. The French-language document can be consulted on the AMF website (www.AMF-france.org). It is also available, along with the English version, at www.sodexo.com.

An interactive and accessible version of the Universal Registration Document in French and English is also available on the Group's website to facilitate reading, particularly for those that are visually impaired.

## 7.2.3 Annual Shareholders Meeting

The Annual Shareholders Meeting is announced in official notices published in the press, in the BALO *(Bulletin des annonces légales obligatoires)* in France and on the Group's website, at www.sodexo.com.

The notice of meeting is available in French and English at least 15 days before the meeting, and usually well before. It is sent to all registered shareholders, and to other shareholders upon request. It is also available at www.sodexo.com.

A live webcast of the Sodexo Annual Shareholders Meeting is broadcast on our website, enabling shareholders who cannot attend in person to ask questions and follow the voting on resolutions. The webcast of the last Annual Shareholders Meeting has been archived and is available on the Sodexo website.

Exceptionally, the Shareholders Meeting to approve the Fiscal 2020 accounts was held behind closed doors, to protect shareholders and collaborators in the midst of the Covid pandemic.

## 7.2.4 Regular meetings and ongoing dialogue

Sodexo is committed to genuine dialogue with its shareholders and with the broader financial community.

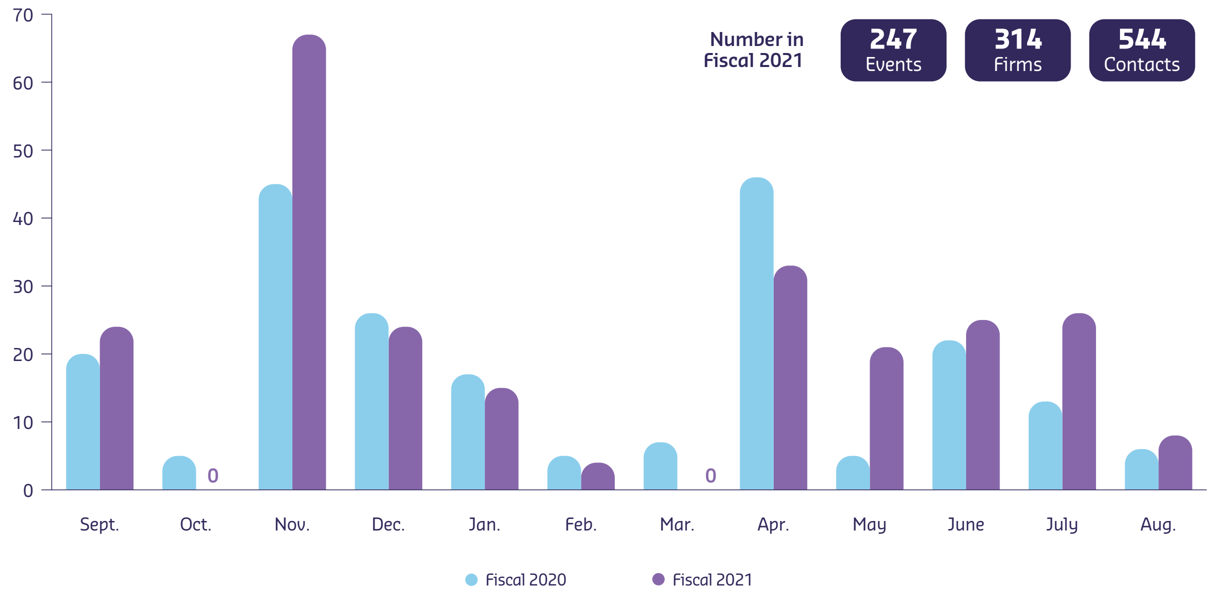
In order to ensure that the figures it releases each quarter are fully understood, the Group organizes conference calls led by the Chief Executive Officer and Chief Financial Officer. In addition, a program of regular meetings with investors and analysts is put in place each year, with the Chief Executive Officer and Chief Financial Officer holding sessions in Europe (in particular in Paris, London and Frankfurt) and also in the United States and Canada. These events create opportunities for more informal dialogue. For the last 18 months, these meetings have been held on line due to the Covid-19 pandemic.

Themed briefings are also held periodically to give investors and analysts insight into front-line operations.

Sodexo also regularly participates in industry presentations and conferences organized by brokerage firms in France and abroad.

The most recent Investor Day took place on November 2, 2020. It was completely virtual in the context of the sanitary restrictions. All plenary presentations, recordings and transcripts are available on the website: www.sodexo.com.

Lastly, the Investor Relations team is always available to answer questions from shareholders, analysts and institutional investors.

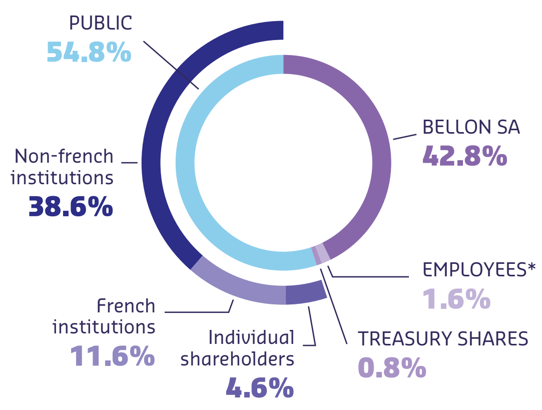



## 7.2.5 The Shareholders Club

Sodexo launched its Shareholders Club on October 3, 2019 with the objective to strengthen the personal link between the Company and its shareholders, provide a direct flow of information on Sodexo and its services and provide a dedicated forum for discussion. To become a member, simply fill out the form available on www.sodexo.com, in the shareholders section. The events that were planned for the year have been delayed due to the sanitary crisis.

# 7.3 SHAREHOLDERS

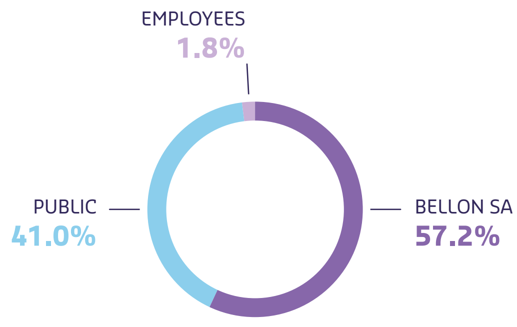
**SHAREHOLDER BREAKDOWN AS OF AUGUST 31, 2021**




Source: Nasdaq.

* Including shares resulting from restricted share plans held in registered form by employees and still subject to a lock-up period.

**VOTING RIGHTS BREAKDOWN AS OF AUGUST 31, 2021**



## 7.3.1 Evolution of the share capital in the last three fiscal years

As at August 31, 2021, the share capital of the Company was an aggregate nominal value of 589,819,548 euro divided into 147,454,887 shares of a nominal value of 4 euro each. There were no changes in the Company's share capital between August 31, 2021 and the date of publication of this document.

The table below provides the evolution of the share capital over the last three fiscal years:

| | DATE OF THE TRANSACTION | NATURE OF THE OPERATION | NUMBER OF SHARES CANCELLED | NUMBER OF SHARES COMPRISING THE SHARE CAPITAL FOLLOWING THE OPERATION | SHARE CAPITAL FOLLOWING THE OPERATION |
|---|---|---|---|---|---|
| Position for Fiscal 2019 | | | | 147,454,887 | €589,819,548 |
| Position for Fiscal 2020 | | | | 147,454,887 | €589,819,548 |
| Position for Fiscal 2021 | | | | 147,454,887 | €589,819,548 |

## 7.3.2 Changes in the breakdown of share capital and voting rights over the last three years

| | AUGUST 31, 2021 | | | | AUGUST 31, 2020 | | | | AUGUST 31, 2019 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SHAREHOLDERS | NUMBER OF SHARES | % OF CAPITAL | % OF THEORETICAL VOTING RIGHTS[1] | % OF EXERCISABLE VOTING RIGHTS[1] | NUMBER OF SHARES | % OF CAPITAL | % OF THEORETICAL VOTING RIGHTS | % OF EXERCISABLE VOTING RIGHTS | NUMBER OF SHARES | % OF CAPITAL | % OF THEORETICAL VOTING RIGHTS | % OF EXERCISABLE VOTING RIGHTS |
| Bellon SA | 63,040,363 | 42.8 | 56.9 | 57.2 | 63,040,363 | 42.8 | 56.8 | 57.1 | 62,250,485 | 42.2 | 56.2 | 56.6 |
| Artisan Partners[2] | 8,454,581 | 5.7 | 3.9 | 3.9 | 6,903,241 | 4.7 | 2.9 | 2.9 | 6,311,718 | 4.3 | 2.9 | 2.9 |
| First Eagle Investment Management[2] | 7,329,082 | 5.0 | 3.4 | 3.4 | 6,491,901 | 4.4 | 3.0 | 3.0 | 6,478,143 | 4.4 | 3.0 | 3.0 |
| Caisse des Dépôts et Consignations[2] | 6,013,276 | 4.1 | 3.5 | 3.5 | 4,392,104 | 3.0 | 2.2 | 2.2 | | | | |
| BlackRock Inc. | 4,484,325 | 3.0 | 2.1 | 2.1 | 4,356,910 | 3.0 | 2.0 | 2.0 | 6,586,640 | 4.5 | 3.0 | 3.1 |
| Employees[3] | 2,336,233 | 1.6 | 1.8 | 1.8 | 1,560,021 | 1.0 | 1.2 | 1.3 | 1,602,197 | 1.1 | 1.1 | 1.1 |
| Treasury shares | 1,166,593 | 0.8 | 0.5 | 0 | 1,442,351 | 1.0 | 0.7 | 0 | 1,448,566 | 1.0 | 0.7 | 0 |
| Public | 54,630,434 | 37.0 | 27.9 | 28.1 | 59,267,996 | 39.9 | 31.2 | 31.5 | 62,777,138 | 41.2 | 32.0 | 32.2 |
| **TOTAL** | **147,454,887** | **100%** | **100%** | **100%** | **147,454,887** | **100%** | **100%** | **100%** | **147,454,887** | **100%** | **100%** | **100%** |

(1) As at August 31, 2021, the 147,454,887 shares making up the Company's share capital carried 217,672,684 theoretical voting rights and 216,506,091 voting rights exercisable at General Meetings. Only treasury shares do not carry any voting rights, in accordance with article L.225-210 of the French Commercial Code.
(2) Acting on behalf of its managed funds.
(3) This figure includes the shares held by employees in an account with Société Générale as a result of restricted share awards, in accordance with French Act no. 2015-990 of August 6, 2015 on growth, business and equal economic opportunities.

As at August 31, 2021, the members of the Board of Directors together directly held less than 0.5% of the Company's share capital.



## 7.3.3 Shareholding held by Bellon SA

During Fiscal 2021, the equity stake of Bellon SA, the family holding company, remained stable at 42.8% of the share capital, with a total number of shares held of 63,040,363 as at August 31,  021.

Mr. & Mrs. Pierre Bellon and their four children, who control 72.6% of Bellon SA, signed a 50-year agreement in June 2015 which prevents their direct descendants from freely disposing of their Bellon SA shares. The only asset of Bellon SA is its stake in Sodexo and Bellon SA has no intention of selling its stake to a third-party.

## 7.3.4 Crossing of legal and statutory reporting thresholds in Fiscal 2021

In accordance with article L.233-7, I of the French Commercial Code, the following legal threshold crossings have been reported to the Company during Fiscal 2021:

| CROSSING DATE | SHAREHOLDER | INCREASE/ DECREASE | LEGAL THRESHOLD CROSSED (% capital) | % SHARE CAPITAL HELD | % VOTING RIGHTS HELD |
|---|---|---|---|---|---|
| October 12, 2020 | First Eagle Investment Management | Increase | 5% | 5.02% | 3.39% |
| April 27, 2021 | First Eagle Investment Management | Decrease | 5% | 4.99% | 3.40% |
| July 28, 2021 | Artisan Partners Limited Partnership | Increase | 5% | 5.18% | 3.53% |

In accordance with article 8.4 of the Company's Bylaws, any shareholder whose interest in the Company reaches or falls below 1% of the Company's voting rights or any multiple thereof, must inform the Company. The following statutory threshold crossings have been reported during Fiscal 2021:

| CROSSING DATE | SHAREHOLDER | INCREASE/ DECREASE | STATUTORY THRESHOLD CROSSED (% voting rights) | % VOTING RIGHTS HELD | % SHARE CAPITAL HELD |
|---|---|---|---|---|---|
| September 23, 2020 | Artisan Partners Limited Partnership | Increase | 3% | 3.02% | 4.40% |
| February 11, 2021 | Amundi | Decrease | 1% | 0.99% | 1.47% |
| March 5, 2021 | Amundi | Increase | 1% | 1.00% | 1.48% |
| July 12, 2021 | Caisse des Dépôts et Consignations | Increase | 3% | 3.00% | 3.65% |
| August 2, 2021 | Artisan Partners Limited Partnership | Increase | 4% | 4.00% | 5.88% |

As of the date of this Universal Registration Document and to the best of Sodexo's knowledge:

- since August 31, 2021 no crossing of statutory or legal thresholds were reported to the Company;
- only Bellon SA, Artisan Partners Limited Partnership, BlackRock Inc., Caisse des Dépôts et Consignations and First Eagle Investment Management hold 2% or more of the share capital or voting rights of Sodexo, directly or indirectly, individually, or in concert;
- there are no shareholder agreements in place and no agreements that, if implemented, could result in a change of control of Sodexo.

## 7.3.5 Share buy-back program

As a reminder:

- the Combined Annual Shareholders Meeting ofvauthorized the Board of Directors, in its 13th resolution, to purchase or arrange for the purchase of Company shares within the limit of 5% of the total number of shares comprising the share capital as of January 21, 2020 (*i.e.*, a total of 7,372,744 shares), for a period of 18 months. The maximum purchase price of shares pursuant to the authorization could not exceed 120 euro per share and the total amount allocated to the authorized share buy-back program could not exceed 885 million euro;
- the Ordinary Annual Shareholders Meeting of January 12, 2021, after having terminated the previous authorization, again authorized the Board of Directors, in its 15th resolution, to purchase or arrange for the purchase of Company shares for a further period of 18 months. The maximum purchase price pursuant to this authorization could not exceed 90 euro per share and the total amount allocated to the authorized share buy-back program could not exceed 663 million euro.

The above authorizations have been granted in order to cover restricted share plans, cancel treasury shares by reducing the share capital and/or facilitate the Sodexo liquidity contract. For more information about the objectives targeted by the two authorizations mentioned above, please refer to chapter 7 of the Fiscal 2019 and Fiscal 2020 Universal Registration Documents.

During Fiscal 2021, the Board of Directors implemented the above-mentioned authorizations as follows:

- Sodexo repurchased 150,000 shares (representing 0.1% of the share capital) at an average price of 74.06 euro per share plus trading fees of 38,660 euro excluding taxes;
- Sodexo transferred 414,045 shares for delivery under restricted share plans.

Further, under the liquidity contract concluded between Sodexo and Exane, the following transactions were carried out:

- purchase of 2,941,129 shares for a total amount of 885,672.64 euro, at an average price of 73.78 euro;
- sale of 2,952,842 shares for an aggregate amount of 893,907.05 euro, at an average price of 73.87 euro.

On June 22, 2021, the AMF renewed and updated the accepted market practice for liquidity contracts and reduced the maximum amount of liquidity contracts for Companies with liquid securities. As a result, Sodexo has reduced the resources allocated to the liquidity contract. As of August 31, 2021, the following amounts were booked to the account:

- 120,009 shares;
- 5,416,006 euro.

As at August 31, 2021:

- Sodexo directly held 1,166,593 of its own shares (representing 0.8% of the share capital) intended to hedge various restricted share plans set up for Group employees (for more information about restricted share plans, please refer to section 6.5 of this document);
- the total carrying amount of the treasury shares portfolio was 108 million euro;
- the Sodexo liquidity account was composed of 120,009 shares.

Since August 31, 2021, the Company has not purchased Sodexo shares other than through its liquidity contract.

Detailed information on these transactions may be found on the Sodexo website in the “Regulated information” section.

## 7.3.6 Description of the share buy-back program subject to the authorization of the Combined Annual Shareholders Meeting to be held on December 14, 2021

The Board of Directors proposes that the Annual Shareholders Meeting to be held on December 14, 2021, in its 15th resolution, renews the authorization granted to the Board to repurchase Sodexo shares pursuant to articles L.225-209 *et seq*. of the French Commercial Code, articles 241-1 *et seq*. of the General Regulation of the AMF and the European rules applicable to market abuses under European regulation (UE) no. 596/2014 of April 16, 2014.

The new share buy-back program would be in particular, intended to cover restricted share plans, to reduce the Company’s share capital through the cancellation of shares and to trade in the shares within the context of the existing liquidity contract.

The maximum number of shares that may be purchased under this new share buy-back program would be set at 5% of the total number of shares comprising the Company’s capital as of the date of the Annual Shareholders Meeting on December 14, 2021, *i.e.*, as of August 31, 2021, a maximum number of 7,372,744 shares.

The maximum share purchase price under this share buy-back program may not exceed 95 euro per share and the total amount allocated to the program may not exceed 700 million euro.

This authorization would be valid for a period of 18 months, replacing the authorization given for the same purpose by the Annual Shareholders Meeting on January 12, 2021, in its 15th resolution.

For further information about this authorization submitted to a vote at the Annual Shareholders Meeting on December 14, 2021, please refer to the draft resolutions presented in chapter 8 of this Universal Registration Document.

## 7.3.7 Employee share ownership

As at August 31, 2021, Group employees held 1.6% of the Company's share capital, representing 2,336,233 shares, 34.6% of which was held in an employee mutual fund (FCPE).

As at August 31, 2021, the number of Group employee shareholders was estimated at 31,794.

The various profit-sharing agreements in force allow employees of the Group's French subsidiaries to invest the amounts they receive in respect of these profit-sharing agreements into an employees' mutual fund invested in Sodexo shares, or into a restricted savings account. To qualify for favorable tax and social security treatment, amounts due to employees are subject to a five-year lock-up period.

## 7.3.8 Capital authorized but not issued – Delegations and valid financial authorizations

As at the date of this Universal Registration Document, the Board of Directors of the Company had the following delegations and financial authorizations conferred to it by the decisions of the Annual General Meetings.

| CURRENTLY VALID AUTHORIZATIONS | MAXIMUM AGGREGATE NOMINAL VALUE OF CAPITAL INCREASE(S)(1) (in millions of euro) | MAXIMUM AMOUNT OF CAPITAL INCREASE(S)(1) (% of share capital) | DATE OF AUTHORIZATION (NO OF THE RESOLUTION) | DATE OF EXPIRATION | USAGE |
|---|---|---|---|---|---|
| **Authorizations with preferential rights** | | | | | |
| • Issuance of ordinary shares and/or any other securities carrying rights to Sodexo shares | 85(2) | 14% | January 21, 2020 (20th) | March 20, 2022 | Unused |
| • Issuance of debt securities carrying rights to Sodexo shares | 1,000 | N/A | January 21, 2020 (20th) | March 20, 2022 | Unused |
| **Authorizations to issue shares to employees and managers** | | | | | |
| • Issuance of ordinary shares and/or any other securities reserved for members of Employee Savings Plans | About 9(3) | 1.5% | January 21, 2020 (22nd) | March 20, 2022 | Unused |
| • Grant of restricted shares and performance shares | About 15 | 2.5% | January 22, 2019 (18th) | March 21, 2022 | See section 6.5 |
| **Issuance of shares by capitalizing profit, reserves or premiums** | 85(3) | N/A | January 21, 2020 (21st) | March 20, 2022 | Unused |
| **Share capital reduction through cancellation of shares** | N/A | 5% of number of shares | January 21, 2020 (23rd) | March 20, 2022 | Unused |

(1) Adjusted amounts of share capital as at August 31, 2021.
(2) The 85 million euro ceiling includes the amounts of any capital increases carried out pursuant to the 21st and 22nd resolutions of the Combined Shareholders Meeting held on January 21, 2020.
(3) This aggregate amount will be included in the 85 million euro ceiling set in the 20th resolution of the Combined Shareholders Meeting held on January 21, 2020.

As most of the above authorizations are due to expire shortly, shareholders are invited to renew them under similar conditions at the Annual Shareholders Meeting on December 14, 2021. More information on the resolutions to be submitted to this Combined Annual Shareholders Meeting is presented in Chapter 8 of this Universal Registration Document.

## 7.3.9 Potential share capital

As of the date of this document, there are no securities outstanding, other than existing equity securities and the restricted shares allocated to Group employees and Corporate Officers, as described in section 6.5 of the present document, which carry immediate or future rights to the Company's share capital.

# 7.4 ADDITIONAL GENERAL INFORMATION AND THE BYLAWS OF THE COMPANY

## 7.4.1 Corporate name, registered office, website

Corporate name: Sodexo.

Registered office: 255, quai de la Bataille-de-Stalingrad, 92130 Issy-les-Moulineaux, France.

Telephone: +33 (0)1 30 85 75 00.

Website: www.sodexo.com

Information that can be found on the Company's website is not an integral part of this document, except if incorporated by reference into said document.

## 7.4.2 Legal form

Sodexo is a French public limited company *(société anonyme)*, subject to all laws and regulations governing commercial corporations in France, and in particular to the provisions of the French Commercial Code.

## 7.4.3 Date of incorporation and duration

The Company has a duration of 99 years from December 31, 1974, save earlier termination or winding up.

The date of expiration of the Company is December 30, 2073.

## 7.4.4 Corporate purpose

The objectives of the Company shall be, in France, the French overseas departments and territories or abroad, directly or indirectly, on behalf of third parties or on its own account or in association with third parties, as follows:

- the development and provision of all services related to the organization of Foodservices and other essential services for corporations and public bodies;
- the operation of all restaurants, bars, hotels and more generally all establishments connected with Foodservices, the hotel industry, tourism, leisure and other services, and the ownership and financing thereof;
- the provision of some or all of the services required for the operation, maintenance and management of establishments or buildings used for office, commercial, industrial, leisure, healthcare or educational purposes, and for the operation and maintenance of some or all of the equipment installed therein;
- the execution of all installation, repair, refurbishment and replacement works on installed equipment;
- the provision of advice and of economic, financial and technical surveys relating to all projects and to all services associated with the development, organization and operation of the establishments defined above, and in particular all acts in furtherance of the construction of such establishments and all related consultations and assistance;
- the formation of all new companies and the acquisition by whatever means of equity interests in all companies irrespective of their corporate purposes;
- and more generally all civil, commercial, industrial and financial transactions, and transactions involving movable property or real estate, that are directly or indirectly associated with the aforementioned purposes or with all similar or related purposes.

## 7.4.5 Company registration and LEI

Sodexo is registered in the Trade and Companies Register of Nanterre under no. 301 940 219.

Business identifier code (APE code): 5629B

LEI code: 969500LCBOG12HXPYM84.

## 7.4.6 Material contracts

During the last two years, the Company has not entered into any material contract, other than those signed in the ordinary course of business, that create a material obligation or commitment for the entire Group.

## 7.4.7 Fiscal year

The fiscal year commences on September 1 of each year and ends on August 31 of the following year.

## 7.4.8 Form of shares and transfer of shares

The Company's shares may be held in either registered or bearer form. They are freely negotiable.

Transfer of shares occurs by transfer from one account to another in accordance with the conditions laid down by laws and regulations.

## 7.4.9 Statutory disclosure thresholds

In accordance with article 8 of the Company's Bylaws, any shareholder whose interest in the Company, held in any form and taking into account the forms of ownership provided for in the legislation applicable to statutory disclosure requirements, reaches or falls below 1% of the Company's voting rights or any multiple thereof, including percentages that are higher than the disclosure thresholds provided for in the applicable laws and regulations, must inform the Company by registered mail with request for acknowledgement of receipt within five trading days of the threshold being crossed. When a disclosure threshold is crossed due to a purchase or sale of shares on the open market, the five trading-day timeframe will begin on the trade of the shares rather than their delivery date.

The above disclosure requirements will also apply to intermediaries that are registered with the Company or its share registrar as acting on behalf of shareholders who are not domiciled in France.

If a shareholder fails to comply with the above disclosure rules, the shares not disclosed may be stripped of voting rights at General Meetings.

## 7.4.10 Identification of shareholders

The Company may make use of the legal framework available for identifying the holders of shares which have, either immediately or in the future, voting rights at General Shareholders Meetings.

## 7.4.11 Appropriation of earnings and dividend premium

Each share entitles its holder to a proportion of the Company's profits and net assets equal to the proportion of capital represented by the share.

The first appropriation of net income, net of any accumulated losses from prior periods, must be an amount of at least 5% of net income to establish the reserve fund required by law. This appropriation ceases to be compulsory once this reserve fund is equal to one-tenth of the issued capital but must be resumed if for any reason the reserve falls below one-tenth of the issued capital.

Distributable earnings comprise net income for the fiscal year, minus any accumulated losses brought forward and any transfer to the legal reserve, plus any retained earnings brought forward.

Distributable earnings are appropriated in the following order (i) any sum that the Ordinary Shareholders Meeting, on the proposal of the Board of Directors, decides to carry forward as retained earnings or to appropriate to the creation of an extraordinary reserve fund, contingency fund or other fund, whether or not created for a specific purpose and (ii) the surplus is distributed among all of the shareholders, each share entitling its holder to an equal share of the profit.

However, shareholders able to show that they have been a registered shareholder for at least four years as of the end of a given fiscal year, and who remain registered at the dividend payment date related to the said fiscal year, are entitled to a dividend premium on the shares so registered, equal to 10% of the dividend paid on the other shares, the resulting dividend premium being rounded down to the nearest euro cent where appropriate.

Similarly, shareholders able to show that they have been a registered shareholder for at least four years as of the end of a given fiscal year, and who remain registered at the date of a capital increase by capitalization of reserves, income or share premiums, by distribution of bonus shares, are entitled to supplementary bonus shares equal to 10% of those to be distributed. In the case of odd lots, the number of supplementary shares will be rounded down to the nearest unit. The resulting new shares will qualify for the same treatment as the old shares from which they are derived for the purposes of calculating rights to the dividend premium and to receive supplementary bonus shares.

The number of shares upon which a single shareholder shall be eligible for these dividend premiums or supplementary bonus shares may not exceed 0.5% of the share capital.

The above-mentioned right to a dividend premium has been applicable since the payment of the dividend for the fiscal year ended August 31, 2013.

## 7.4.12 Shareholder Meetings

General Shareholders Meetings are called and deliberate on the terms stipulated by the law. They are held at the registered office or at any other place specified in the notice of meeting.

For the purposes of calculating quorum and majority at General Shareholders Meetings, shareholders taking part in said meetings *via* video-conferencing or electronic links allowing them to be identified in accordance with the definitions and conditions relating to such links as stipulated in the relevant laws or regulations are deemed to have attended the meeting.

General Shareholders Meetings are made up of all shareholders whose shares are paid up to the extent called and whose right to participate in the Shareholders Meeting is evidenced by an entry recorded, by the date and according to the procedure required by applicable laws and regulations, in a share register or securities account in the name of the shareholder or, for shareholders who are not resident in France, the shareholder's accredited financial intermediary, showing the number of shares held.

Shares must be registered within the above-stipulated deadline either in share accounts in the shareholder's name held by the Company or *via* the approved intermediary, or in bearer share accounts held by the approved intermediary.

Members are entitled to attend General Shareholders Meetings upon simple proof of identity and entitlement. The Board of Directors may, at its discretion, issue personal admission cards to shareholders in their names and demand presentation thereof.

All shareholders may vote remotely as provided by applicable laws and regulations.

Equally, all shareholders may take part in discussions when meetings are in session and vote *via* electronic data.

General Shareholders Meetings are chaired by the Chairman of the Board of Directors, or in his absence by the Vice Chairman if one has been appointed or failing that by the longest-serving director present. If there is no director present, the meeting elects its own Chairman.



## 7.4.13 Double voting rights

No shareholder holds any special voting rights and all shares in the Company carry one voting right, except for registered shares carrying double voting rights.

The Annual Shareholders Meeting held on February 23, 1999 introduced double voting rights conferred on all fully paid-up shares registered in the name of the same shareholder for at least four years as well as on registered shares allotted free of charge to a shareholder for the existing shares held by that shareholder that carry double voting rights, in the event of a bonus share issue carried out by capitalizing profit, reserves or premiums.

As at August 31, 2021, the 147,454,887 shares making up the Company's capital carried 217,672,684 theoretical voting rights and 216,506,091 voting rights exercisable at General Meetings. 70,217,797 of the shares have double voting rights, representing 47.6% of the capital and 64.9% of the voting rights, which could be exercisable at that date.

Only treasury shares do not carry any voting rights, in accordance with article L.225-210 of the French Commercial Code (which accounts for differences between the theoretical number of voting rights and the number of exercisable voting rights).

## 7.4.14 Modification of shareholder rights

All modifications to share capital or voting rights attached to the shares therein are subject to legal requirements, as the Company's Bylaws do not contain specific provisions.

A full version of the Company's Bylaws is available on the Group's website at www.sodexo.com.

## 7.4.15 Consultation of legal documents

Documents relating to the Company which are required to be made available to the public (Bylaws, reports and other documents, historical individual company and consolidated financial information for at least each of the two fiscal years preceding the date of this Fiscal 2021 Universal Registration Document) are available on the Company's website (www.sodexo.com) and may also be consulted at its registered office at 255, quai de la Bataille de Stalingrad – 92130 Issy-les-Moulineaux, France, preferably by appointment.

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# COMBINED SHAREHOLDERS' MEETING OF DECEMBER 14, 2021

# 8.1 AGENDA

## Ordinary business

1. Adoption of the individual company financial statements for Fiscal 2021.
2. Adoption of the consolidated financial statements for Fiscal 2021.
3. Appropriation of net income for Fiscal 2021; determination of the dividend amount and payment date.
4. Approval of a related-party agreement for the provision of services by Bellon SA to Sodexo.
5. Reappointment of François-Xavier Bellon as a director for a three-year term.
6. Appointment of Jean-Baptiste Chasseloup de Chatillon as a new director for a three-year term.
7. Approval of the information related to the compensation of Corporate Officers and directors, as referred to in article L.22-10-9 I of the French Commercial Code.
8. Approval of the components of compensation paid during or awarded for Fiscal 2021 to Sophie Bellon, Chairwoman of the Board of Directors.
9. Approval of the components of compensation paid during or awarded for Fiscal 2021 to Denis Machuel, Chief Executive Officer.
10. Determination of the total annual envelope for directors' compensation.
11. Approval of the compensation policy applicable to the directors.
12. Approval of the compensation policy applicable to the Chairwoman of the Board of Directors.
13. Approval of the compensation policy applicable to the Chief Executive Officer.
14. Approval of the components of compensation paid during or awarded for Fiscal 2022 to Denis Machuel, Chief Executive Officer until September 30, 2021.
15. Authorization for the Board of Directors to purchase shares of the Company.

## Extraordinary business

16. Authorization for the Board of Directors to reduce the Company's share capital by canceling treasury shares.
17. Delegation of powers to the Board of Directors to increase the Company's share capital by issuing ordinary shares and/or other securities carrying immediate or deferred rights to the Company's capital, with preferential subscription rights for shareholders.
18. Delegation of powers to the Board of Directors to increase the Company's share capital by capitalizing premiums, reserves or profit.
19. Delegation of powers for the Board of Directors to increase the Company's share capital by issuing ordinary shares and/or securities carrying immediate or deferred rights to the Company's capital, with such issue(s) reserved for members of employee share purchase plans, without preferential rights for existing shareholders.
20. Authorization to the Board of Directors to grant existing and/or newly issued restricted shares of the Company to all or certain employees and/or Corporate Officers of the Group.
21. Powers to carry out formalities.

# 8.2 RESOLUTIONS SUBMITTED TO THE COMBINED SHAREHOLDERS MEETING OF DECEMBER 14, 2021

## Ordinary business

### First and second resolutions: Adoption of the individual company and consolidated financial statements for Fiscal 2021

**Purpose**

In the first and second resolutions, shareholders are invited to adopt the individual company financial statements of Sodexo for Fiscal 2021, showing net income of 136,404,453 euro, and the consolidated financial statements of the Group, showing profit attributable to equity holders of the parent amounting to 139 million euro.

The individual company financial statements have been prepared in accordance with French legal and regulatory provisions and the consolidated financial statements in accordance with the applicable regulations in force, including International Financial Reporting Standards (IFRS) as endorsed by the European Union.

In compliance with article 223 *quater* of the French General Tax Code *(Code général des impôts)*, no expenses falling within the scope of said Code were incurred during Fiscal 2021.

### First resolution

*(ADOPTION OF THE INDIVIDUAL COMPANY FINANCIAL STATEMENTS FOR FISCAL 2021)*

Having considered the Board of Directors' Report and the Statutory Auditors' Report on the individual company financial statements for Fiscal 2021, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, adopts the individual company financial statements for the fiscal year ended August 31, 2021 as presented, whith net income of 136,404,453 euro.

The Shareholders Meeting also approves the transactions reflected in these financial statements and/or described in these reports.

In application of article 223 *quater* of the French General Tax Code, the Shareholders Meeting notes that no expenses within the scope of article 39-4 of said Code were incurred in Fiscal 2021.

### Second resolution

*(ADOPTION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL 2021)*

Having considered the Board of Directors' Report and the Statutory Auditors' Report on the consolidated financial statements for Fiscal 2021, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, adopts the consolidated financial statements for the fiscal year ended August 31, 2021, which show profit attributable to equity holders of the parent of 139 million euro.

The Shareholders Meeting also approves the transactions reflected in these financial statements and/or described in these reports.

## Third resolution: Appropriation of net income; determination of the dividend amount and payment date

**Purpose**

In the third resolution, shareholders are invited to approve the Board's recommended appropriation of net income and the payment of a dividend of 2.00 euro per share for Fiscal 2021. This includes a recurring 1.20 euro, reflecting the dividend policy of a pay-out ratio of 50% of Underlying net profit, and a very exceptional non-recurring element of 0.80 euro, reflecting the distribution of the cash related to the disposals program of about 120 million euro.

In accordance with the Company's bylaws, shares held in registered form for at least four (4) years, *i.e.*, since at least August 31, 2017, and which are still held in such form when the dividend for Fiscal 2021 is paid, will automatically be entitled to a 10% dividend premium, representing an additional 0.20 euro per share. Where necessary, the amount of the dividend plus the premium will be rounded down to the nearest euro cent. The number of shares eligible for the dividend premium may not represent over 0.5% of the share capital for any single shareholder (corresponding to a maximum of 737,274 shares per shareholder based on the Company's share capital as of August 31, 2021).

The dividend payment schedule is as follows:

Friday December 17, 2021: **Ex-dividend date**, *i.e.*, date on which the shares are traded without rights to the Fiscal 2021 dividend.

Tuesday December 21, 2021: **Payment date** of dividend and, as applicable, the dividend premium.

### Third resolution

*(APPROPRIATION OF NET INCOME FOR FISCAL 2021, DETERMINATION OF THE DIVIDEND AMOUNT AND PAYMENT DATE)*

In accordance with the proposal made by the Board of Directors, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, resolves:

| | |
|---|---|
| to allocate net income for Fiscal 2021 of | €136,404,453 |
| plus retained earnings as of the close of Fiscal 2021 of | €1,691,767,004 |
| Making a total available for distribution of | €1,828,171,457 |
| In the following manner: | |
| • dividend (on the basis of 147,454,887 shares comprising the share capital as of August 31, 2021) | €294,909,774 |
| • a 10% dividend premium (on the basis of 8,963,835 shares held in registered form as of August 31, 2021 that are eligible for the dividend premium after application of the limit of 0.5% of capital per shareholder) | €1,792,767 |
| • retained earnings | €1,531,468,916 |
| **Total** | **€1,828,171,457** |

Accordingly, the Shareholders Meeting resolves that a dividend of 2.00 euro will be paid for Fiscal 2021 on each share eligible for the dividend.

In accordance with article 18 of the Company's bylaws, shares held in registered form since at least August 31, 2017 and which are still in such form when the dividend for Fiscal 2021 is paid, *i.e.*, on December 21, 2021, will automatically be entitled to a 10% dividend premium, representing an additional 0.20 euro. The number of shares eligible for this dividend premium may not represent over 0.5% of Sodexo's share capital for any single shareholder (corresponding to a maximum of 737,274 shares per shareholder based on the Company's share capital as of August 31, 2021).

The ex-dividend date for the dividend and the dividend premium (for eligible shares) will be December 17, 2021 at midnight (Paris time) and they will be paid on December 21, 2021.

In the event that the Company holds any of its own shares on the payment date, the dividend due on these shares will not be paid and will be transferred to retained earnings.

Similarly, if any of the 8,963,835 shares held in registered form that are eligible for the dividend premium as of August 31, 2021 cease to be recorded in registered form between September 1, 2021 and December 21, 2021 (the dividend payment date), the amount of the dividend premium due on such shares will not be paid and instead will be transferred to retained earnings.

In accordance with article 243 *bis* of the French General Tax Code, the full amount of the recommended dividend (including the premium) will be eligible for the allowance provided for in article 158-3 2º of said Code to individuals domiciled for tax purposes in France, if they have opted for their overall income to be taxed based on the sliding income tax scale provided for in paragraph 2 of article 200 A of the French General Tax Code.

The Shareholders Meeting notes that dividends paid for the last three fiscal years were as follows:

| | FISCAL 2020 (PAID IN 2021) | FISCAL 2019 (PAID IN 2020) | FISCAL 2018 (PAID IN 2019) |
|---|---|---|---|
| Dividend per share* | €0.00 | €2.90 | €2.75 |
| Total payout | €0 | €425,069,235 | €402,512,000 |

* Dividend fully eligible for the 40% allowance applicable to individuals who are tax resident in France, as provided for in article 158-3 2º of the French General Tax Code (if the sliding income tax scale option is exercised).

## Fourth resolution: Approval of a related-party agreement

**Purpose**

In the fourth resolution, shareholders are invited to approve the agreement for the provision of services by Bellon SA to Sodexo, which was authorized by the Board of Directors on June 23, 2021.

The agreement concluded in 2016 between Bellon SA and Sodexo ending on November 17, 2021, the Board of Directors decided to renew it for another five-year period as from this date.

Under this agreement, Bellon SA provides Sodexo with assistance and consulting services in various areas: strategic planning, finance and human resources. Bellon SA provides Sodexo with three of its managers who hold the positions of Group Chief Financial Officer, Group Chief People Officer and Group Chief Growth Officer, and for which Bellon SA invoices Sodexo of their compensation, without any margin, generating no additional cost for Sodexo.

The Board of Directors considered that this agreement was in line with the interests of all shareholders given:

- the strategic advantage for Sodexo of a business model based on values specific to family-owned companies;
- the quality of the profiles of the managers concerned;
- the existence of governance mechanisms that guarantee a good balance of power and avoid any abusive control;
- the lack of economic impact for the Company.

Indeed, this agreement guarantees the promotion and sharing, at all Group's levels, of the values, culture and ambitions initially defined by Mr. Pierre Bellon. Since the creation of Sodexo more than fifty years ago, Mr. Pierre Bellon has aspired Sodexo to being the community of its customers and consumers, its staff and its stakeholders. This conception of the company, a precursor to the current rise of social and environmental concerns, is one of the fundamental principles of Sodexo's development and guarantees a business model that creates value for all stakeholders. Through these three key managers who guarantee this model, Sodexo ensures that it is disseminated in the implementation of the Group's strategy. This is fully in line with the interests of all Sodexo shareholders and stakeholders.

The purpose of the agreement, its financial conditions and its interest for Sodexo and its stakeholders are described in detail in section 6.3.2 of the Fiscal 2021 Universal Registration Document.

## Fourth resolution

*(APPROVAL OF A RELATED-PARTY AGREEMENT FOR THE PROVISION OF SERVICES BY BELLON SA TO SODEXO)*

Having considered the Board of Directors' Report and the Statutory Auditors' Special Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with article L.225-38 *et seq*. of the French Commercial Code, approves the agreement authorized by the Board of Directors and entered into between the Company and Bellon SA on October 26, 2021, as referred to in this special report.

## Fifth and sixth resolutions: Composition of the Board of Directors

The Board of Directors is currently composed of twelve members, including two directors representing employees, seven independent directors and seven women (including one female director representing employees).

### Reappointment of François-Xavier Bellon as a director

**Purpose**

The purpose of the fifth resolution is to reappoint François-Xavier Bellon whose term as director expires at the close of the December 14, 2021 Annual Shareholders Meeting. Consequently, shareholders are invited to reappoint François-Xavier Bellon for a three-year term expiring at the close of the Annual Shareholders Meeting to be held to adopt the financial statements for Fiscal 2024.

François-Xavier Bellon has been a non-independent director on Sodexo's Board of Directors since July 26, 1989. He brings to the Board his in-depth knowledge of Sodexo, as well as his operational and financial expertise and long-term strategic vision.

If he is reappointed as a director at the Annual Shareholders Meeting, François-Xavier Bellon will continue to serve as a member of the Audit Committee.

### Appointment of a new independent director

**Purpose**

Emmanuel Babeau, who has been a director of Sodexo for six years and whose term of office expires at the close of the December 14, 2021 Annual Shareholders Meeting, has stated that he does not wish to stand for reappointment. Sophie Bellon would like to thank Emmanuel Babeau, both personally and on behalf of the Board of Directors and all of the shareholders, for his contribution to the work of the Board and the Audit Committee.

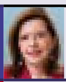
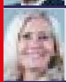
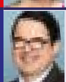
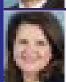
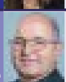
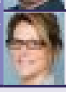
Consequently, in the sixth resolution, shareholders are invited to appoint Jean-Baptiste Chasseloup de Chatillon as independent director for a three-year term expiring at the close of the Annual Shareholders Meeting to be held to adopt the financial statements for Fiscal 2024.

Executive Vice President and Chief Financial Officer of Sanofi since 2018, Jean-Baptiste Chasseloup de Chatillon spent nearly 30 years at PSA Peugeot-Citroën, of which the last 6 years as Group Chief Financial Officer. Prior to that, he held finance and other roles both in France and internationally. He would bring the Board significant experience in mergers and acquisitions, turnaround situations, financing and information technology.

If his appointment is approved by the shareholders, Jean-Baptiste Chasseloup de Chatillon will join the Audit Committee.

If the two resolutions above are adopted, at the close of the December 14, 2021 Annual Shareholders Meeting, the Board of Directors will still comprise a total of twelve members, including seven independent directors and seven women, as follows.

## COMPOSITION OF THE BOARD OF DIRECTORS AFTER THE SHAREHOLDERS MEETING OF DECEMBER 14, 2021

| | | | DATE OF BIRTH | NATIONALITY | NUMBER OF DIRECTOR/OFFICER POSITIONS HELD IN OTHER LISTED COMPANIES | FIRST APPOINTMENT TO THE BOARD | TERM EXPIRES (AT THE ANNUAL SHAREHOLDERS MEETING CALLED TO ADOPT THE FINANCIAL STATEMENTS FOR THE YEAR INDICATED) | SENIORITY (YEARS) | NUMBER OF SODEXO SHARES HELD | INDEPENDENT DIRECTORS[1] | BOARD COMMITTEES | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | AUDIT | NOMINATING | COMPENSATION |
| Chairwoman |  | Sophie Bellon | 08/19/1961 | | 1 | 07/26/1989 | Fiscal 2023 | 32 | 7,964 | | | • | |
| Independent directors |  | Françoise Brougher | 09/02/1965 | | 0 | 01/23/2012 | Fiscal 2023 | 10 | 400 | X | | • | • |
| |  | Jean-Baptiste Chasseloup de Chatillon[2] | 03/19/1965 | | 0 | 12/14/2021 | Fiscal 2024 | 0 | 400 | X | • | | |
| |  | Federico J. González Tejera | 04/12/1964 | | 0 | 12/01/2021 | Fiscal 2023 | 1 | 1,000 | X | | | |
| |  | Véronique Laury | 06/29/1965 | | 1 | 01/21/2020 | Fiscal 2022 | 2 | 400 | X | • | | |
| |  | Luc Messier | 04/21/1964 | | 1 | 01/21/2020 | Fiscal 2022 | 2 | 400 | X | | • | |
| |  | Sophie Stabile | 03/19/1970 | | 1 | 07/01/2018 | Fiscal 2022 | 3 | 400 | X | Chair | | • |
| |  | Cécile Tandeau de Marsac | 04/17/1963 | | 2 | 01/24/2017 | Fiscal 2022 | 5 | 400 | X | | Chair | Chair |
| Familly directors |  | François-Xavier Bellon[2] | 09/10/1965 | | 0 | 07/26/1989 | Fiscal 2024 | 32 | 36,383 | | • | | |
| |  | Nathalie Bellon-Szabo | 01/26/1964 | | 0 | 07/26/1989 | Fiscal 2023 | 32 | 3,052 | | | • | |
| Directors representing employees |  | Philippe Besson | 09/21/1956 | | 0 | 06/18/2014 | Fiscal 2022 | 7 | - | N/A[3] | | | • |
| |  | Cathy Martin | 06/05/1972 | | 0 | 09/10/2015 | Fiscal 2023 | 5 | - | N/A[3] | • | | |

(1) Independent directors based on the criteria provided in the AFEP-MEDEF Code.
(2) Subject to the approval of the December 14, 2021 Shareholders Meeting of the reappointment of François-Xavier Bellon as well as the appointment of Jean-Baptiste Chasseloup de Chatillon as a new independent director.
(3) In accordance with French law and the AFEP-MEDEF Code, directors representing employees are not included in the calculation of the representation of men and women on the Board or the percentage of independent directors.

**70%**
Independent directors (excluding directors representing employees)

**57**
Average age of directors

**60%**
Female directors (excluding directors representing employees)

Biographical information on these directors is provided in section 6.2.1 of this Fiscal 2021 Universal Registration Document.

### Fifth resolution

*(REAPPOINTMENT OF FRANCOIS-XAVIER BELLON AS DIRECTOR FOR A THREE-YEAR TERM)*

Having considered the Board of Directors' Report, and noting that François-Xavier Bellon's term of office expires at the close of this meeting, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, resolves to reappoint him as a director for a three-year term expiring at the close of the Annual Shareholders Meeting to be held to adopt the financial statements for the fiscal year ending August 31, 2024.

### Sixth resolution

*(APPOINTMENT OF JEAN-BAPTISTE CHASSELOUP DE CHATILLON AS A NEW DIRECTOR FOR A THREE-YEAR TERM)*

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, resolves to appoint Jean-Baptiste Chasseloup de Chatillon as a director for a three-year term expiring at the close of the Annual Shareholders Meeting to be held to adopt the financial statements for the fiscal year ending August 31, 2024.

## Seventh resolution: Approval of the information related to compensation paid during or awarded for Fiscal 2021 to Corporate Officers and directors

**Purpose**

In the seventh resolution, shareholders are invited to approve – in accordance with article L.22-10-34 I of the French Commercial Code – the information referred to in article L.22-10-9 I of the French Commercial Code relating to compensation paid during or awarded for Fiscal 2021 to the Chairwoman of the Board of Directors, the Chief Executive Officer and the members of the Board of Directors (together referred to as "Corporate Officers and Directors").

All of the components of the Corporate Officers' and Directors' compensation are proposed by the Board of Directors based on the recommendations of the Compensation Committee as detailed in the Board of Directors' Corporate Governance Report provided in chapter 6, section 6.5 of the Company's Fiscal 2021 Universal Registration Document.

### Seventh resolution

*(APPROVAL OF THE INFORMATION RELATED TO THE COMPENSATION OF CORPORATE OFFICERS AND DIRECTORS, AS REFERRED TO IN ARTICLE L.22-10-9 I OF THE FRENCH COMMERCIAL CODE)*

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with article L.22-10-34 I of the French Commercial Code, approves the information referred to in article L.22-10-9 I of said Code, as described in the Corporate Governance Report prepared in compliance with article L.225-37 of said Code and detailed in chapter 6, section 6.5 of the Company's Fiscal 2021 Universal Registration Document.

## Eighth and ninth resolutions: Approval of the components of compensation paid during or awarded for Fiscal 2021 to the Chairwoman of the Board and the Chief Executive Officer

**Purpose**

In accordance with article L.22-10-34 II of the French Commercial Code, in the eighth and ninth resolutions, shareholders are invited to approve the fixed and variable components of the total compensation and benefits paid during or awarded for the fiscal year ended August 31, 2021 to Sophie Bellon, Chairwoman of the Board of Directors, and Denis Machuel, Chief Executive Officer.

These components of the Chairwoman of the Board of Directors' and Chief Executive Officer's compensation are proposed by the Board of Directors based on the recommendations of the Compensation Committee as detailed in the Board of Directors' Corporate Governance Report detailed in chapter 6, section 6.5.2 of the Company's Fiscal 2021 Universal Registration Document.

### Eighth resolution

*(APPROVAL OF THE COMPONENTS OF COMPENSATION PAID DURING OR AWARDED FOR FISCAL 2021 TO SOPHIE BELLON, CHAIRWOMAN OF THE BOARD OF DIRECTORS)*

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with article L.22-10-34 II of the French Commercial Code, approves the components of the total compensation and benefits paid during or awarded for the fiscal year ended August 31, 2021 to Sophie Bellon, Chairwoman of the Board of Directors, as described in the Corporate Governance Report prepared in compliance with article L.225-37 of the French Commercial Code and detailed in chapter 6, section 6.5.2 of the Company's Fiscal 2021 Universal Registration Document.

### Ninth resolution

*(APPROVAL OF THE COMPONENTS OF COMPENSATION PAID DURING OR AWARDED FOR FISCAL 2021 TO DENIS MACHUEL, CHIEF EXECUTIVE OFFICER)*

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with article L.22-10-34 II of the French Commercial Code, approves the components of the total compensation and benefits paid during or awarded for the fiscal year ended August 31, 2021 to Denis Machuel, Chief Executive Officer, as described in the Corporate Governance Report prepared in compliance with article L.225-37 of the French Commercial Code and detailed in chapter 6, section 6.5.2 of the Company's Fiscal 2021 Universal Registration Document.

## Tenth resolution: Determination of the total annual envelope for directors' compensation

**Purpose**

In the tenth resolution, shareholders are invited to increase the maximum total annual envelope for directors' compensation. Set at 900,000 euro at the Combined Annual Shareholders Meeting of January 23, 2018, and unchanged since that date, it is proposed to increase this amount to 1,000,000 euro. This new maximum annual amount would be effective from Fiscal 2022, and until such time as the Shareholders Meeting makes a new decision on the matter.

Sodexo's policy has always been to regularly review the overall envelope for directors' compensation. This envelope was increased by 11% in 2015, 5% in 2017, and 22% in 2018. A review of the appropriateness of the envelope was scheduled to take place in Fiscal 2020, but given the health crisis and its resulting social and economic impacts, acting on the recommendation of the Compensation Committee, the Board of Directors decided to freeze this overall amount for Fiscal 2021.

Following a market study on the compensation received by directors at comparable companies, the Board of Directors decided to raise the maximum amount to 1,000,000 euro, *i.e.*, an increase of 11%. This increase seeks to provide greater flexibility in the organization of Board meetings, as well as factor in the specific responsibilities and complexity of the matters handled by the Audit Committee.

The proposed amount corresponds to a maximum annual envelope that will not necessarily be fully used, since the compensation effectively paid takes into account the composition of the Board of Directors and its specialized Committees, as well as attendance rates. On average, 92% of this envelope has been used since 2018.

### Tenth resolution

*(DETERMINATION OF THE TOTAL ANNUAL ENVELOPE FOR DIRECTORS' COMPENSATION)*

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, resolves to set the maximum annual envelope for directors' compensation for Fiscal 2022 and for subsequent fiscal years, until such time as the Shareholders Meeting makes a new decision on the matter, at 1,000,000 euro (one million euro).

## Eleventh resolution: Approval of the compensation policy applicable to the directors for Fiscal 2022

**Purpose**

In accordance with article L.22-10-8 II of the French Commercial Code, in the eleventh resolution shareholders are invited to approve the policy for allocating the directors' compensation adopted by the Board of Directors.

This policy will apply from Fiscal 2022 until the approval of a new compensation policy by the Shareholders Meeting.

The compensation policy submitted for shareholder approval is proposed by the Board of Directors based on the recommendation of the Compensation Committee and is presented in the Board of Directors' Corporate Governance Report provided in chapter 6, section 6.5.1 of the Company's Fiscal 2021 Universal Registration Document.

### Eleventh resolution

*(APPROVAL OF THE COMPENSATION POLICY APPLICABLE TO THE DIRECTORS)*

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with article L.22-10-8 II of the French Commercial Code, approves the compensation policy applicable to the directors for Fiscal 2022, as set by the Company's Board of Directors based on the recommendation of the Compensation Committee and as described in the Corporate Governance Report drawn up in compliance with article L.225-37 of said Code and detailed in chapter 6, section 6.5.1 of the Company's Fiscal 2021 Universal Registration Document.

## Twelfth and thirteenth resolutions: Approval of the compensation policies applicable to the Chairwoman of the Board of Directors and the Chief Executive Officer for Fiscal 2022

**Purpose**

In accordance with article L.22-10-8 II of the French Commercial Code, in the twelfth and thirteenth resolutions, shareholders are invited to approve the compensation policies applicable to the Chairwoman of the Board of Directors and the Chief Executive Officer adopted by the Board of Directors.

These principles and criteria will apply from Fiscal 2022 until the approval of a new compensation policy by the Shareholders Meeting.

### Chairwoman of the Board of Directors' compensation policy

The compensation policy applicable to the Chairwoman of the Board of Directors for Fiscal 2022 is unchanged from that approved at the Ordinary Annual Shareholders Meeting of January 12, 2021.

However, with the termination of the term of office of Denis Machuel on September 30, 2021 and the Board of Directors' decision to temporarily combine the positions of Chairman of the Board of Directors and Chief Executive Officer pending the appointment of a new Chief Executive Officer, this policy provides that Sophie Bellon receives additional fixed compensation of 18,750 euro per month as compensation for performing these duties on an interim basis. This additional compensation will terminate when a new Chief Executive Officer takes up office.

The Chairwoman's compensation structure remains unchanged over the interim period, without any variable compensation or restricted shares.

### Chief Executive Officer's compensation policy

The main proposed changes to the compensation policy of the Chief Executive Officer for Fiscal 2022 compared to that approved at the Ordinary Annual Shareholders Meeting of January 12, 2021 are the following:

- the review and strengthening of the scope of application of the non-compete agreement, particularly with the introduction of new restrictions in terms of targeted businesses and sectors and geographical coverage. The Chief Executive Officer would be subject to a non-compete obligation for a minimum term of 24 months, restricting his/her freedom to hold any position as an employee or corporate officer, or carry out any consulting work. As consideration for these restrictions, he or she would be paid an indemnity, the amount of which could amount up to a maximum of 24 months of his/her fixed and variable compensation;
- the change in the payment condition of an indemnity in the event of termination of office (the amount of which would remain equal to twice the amount of the Chief Executive Officer's annual compensation). The payment of this indemnity would not be any more subject to an annual increase in Sodexo's consolidated underlying operating profit of at least 5% but would be paid subject to an achievement rate for the Chief Executive Officer's annual variable compensation targets of at least 80% for each of the two fiscal years ended prior to the termination of the appointment. The maximum payable amount and the payment conditions for the two fiscal years ended prior to the termination of the appointment have been specified;
- the delay for complying with shareholding obligations has been extended in order to take into account the external recruitment of a new Chief Executive Officer. Compliance would be required as from the vesting date of the first share award, *i.e.*, three years following the initial grant by the Company.

The compensation policies submitted for shareholder approval are proposed by the Board of Directors based on the recommendation of the Compensation Committee and are presented in the Board of Directors' Corporate Governance Report provided in chapter 6, section 6.5.1 of the Company's Fiscal 2021 Universal Registration Document.

### Twelfth resolution

*(APPROVAL OF THE COMPENSATION POLICY APPLICABLE TO THE CHAIRWOMAN OF THE BOARD OF DIRECTORS)*

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with article L.22-10-8 II of the French Commercial Code, approves the compensation policy applicable to the Chairwoman of the Board of Directors for Fiscal 2022, as set by the Company's Board of Directors based on the recommendation of the Compensation Committee and as described in the Corporate Governance Report prepared in compliance with article L.225-37 of said Code and detailed in chapter 6, section 6.5.1 of the Company's Fiscal 2021 Universal Registration Document.

### Thirteenth resolution

*(APPROVAL OF THE COMPENSATION POLICY APPLICABLE TO THE CHIEF EXECUTIVE OFFICER)*

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with article L.22-10-8 II of the French Commercial Code, approves the compensation policy applicable to the Chief Executive Officer for Fiscal 2022, as proposed by the Company's Board of Directors based on the recommendation of the Compensation Committee and as described in the Corporate Governance Report prepared in compliance with article L.225-37 of the French Commercial Code and detailed in chapter 6, section 6.5.1 of the Company's Fiscal 2021 Universal Registration Document.

## Fourteenth resolution: Approval of the components of compensation paid during or awarded for Fiscal 2022 to Denis Machuel, Chief Executive Officer until September 30, 2021

**Purpose**

In the fourteenth resolution, in light of the termination of the term of office of Denis Machuel as Chief Executive Officer on September 30, 2021, and pursuant to article L.22-10-34 II of the French Commercial Code, shareholders are invited to approve the components of the total compensation and benefits paid during or awarded for Fiscal 2022 to Denis Machuel, and particularly:

- his fixed compensation, calculated on a *pro rata* basis until September 30, 2021 *i.e.*, a gross amount of 75,000 euro;
- his variable compensation, calculated on a *pro rata* basis until September 30, 2021, which was set at its target level: 100% of his fixed compensation, *i.e.*, a gross amount of 75,000 euro;
- the indemnity due to him under his non-compete obligation, set at a 3-year term, the amount of which (according to the CEO compensation policy for Fiscal 2022) is equal to 24 months of his fixed and variable annual compensation for Fiscal 2021, *i.e.*, a gross amount of 3,420,000 euro. This indemnity will be paid to him on a staggered basis during the entire period if his non-compete obligation;
- the entitlement to health insurance and life insurance for a period of 12 months following the end of his term of office.

These elements were determined by the Board of Directors based on the recommendations of the Compensation Committee and are detailed in the Board of Directors' Corporate Governance Report provided in chapter 6, section 6.5.2 of the Company's Fiscal 2021 Universal Registration Document.

In accordance with French legal requirements, the payment to Denis Machuel of these compensation components (excluding fixed compensation) is subject to the approval of this resolution.

### Fourteenth resolution

*(APPROVAL OF THE COMPONENTS OF COMPENSATION PAID DURING OR AWARDED FOR FISCAL 2022 TO DENIS MACHUEL, CHIEF EXECUTIVE OFFICER UNTIL SEPTEMBER 30, 2021)*

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with article L.22-10-34 II of the French Commercial Code, approves the components of the total compensation and benefits paid during or awarded for the fiscal year ended August 31, 2022 to Denis Machuel, Chief Executive Officer, until the termination of his term of office within the Company, as described in the Corporate Governance Report prepared in compliance with article L.225-37 of the French Commercial Code and detailed in chapter 6, section 6.5.2 of the Company's Fiscal 2021 Universal Registration Document.

## Fifteenth resolution: Authorization for the Company to purchase its own shares

**Purpose**

As of August 31, 2021, the Company held 1,166,593 treasury shares, corresponding to 1.6% of its share capital, mainly allocated to cover commitments to beneficiaries under restricted share plans and employee share purchase plans.

In the fifteenth resolution, shareholders are invited to renew the 18-month authorization granted to the Board of Directors to enable the Company to purchase its own shares at any time other than when a public tender offer for the Company's shares is in progress.

Although French law authorizes share buybacks of up to 10% of a company's share capital, it is proposed that they be limited to 5% of the share capital as of the date of the Annual Shareholders Meeting on December 14, 2021.

The maximum price of the shares that may be purchased under this share buyback program would be 95 euro per share and the total amount invested in the program may not exceed 700 million euro.

The shares purchased would be used, *inter alia*, to (i) cover restricted share plans, (ii) reduce the Company's share capital by cancelling shares, and (iii) provide liquidity in Sodexo shares under the liquidity contract entered into between Sodexo and Exane BNP Paribas.

For information on the implementation of the previous share buyback authorization, see section 7.3.5 of the Company's Fiscal 2021 Universal Registration Document.

## Fifteenth resolution

*(AUTHORIZATION FOR THE BOARD OF DIRECTORS TO PURCHASE SHARES OF THE COMPANY)*

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with articles L.22-10-62 *et seq*. of the French Commercial Code, articles 241-1 *et seq*. of the General Regulations of the French securities regulator (*Autorité des marchés financiers* – AMF) and the European regulatory framework applicable to market abuse (based on Regulation (EU) no. 596/2014 of April 16, 2014), authorizes the Board of Directors – with powers to subdelegate within the law – to purchase or arrange for the purchase of Sodexo shares to be used, *inter alia*, for the following purposes:

- to implement a stock option plan enabling beneficiaries to acquire – for consideration and by all authorized means – shares of the Company in accordance with articles L.225-177 *et seq*. of the French Commercial Code or any similar plan, with the beneficiaries notably including (i) employees and/or Corporate Officers of the Company or of companies or groupings affiliated to it under the conditions provided for in article L.225-180 of said Code, and/or (ii) any other beneficiary authorized by law to receive such stock options; or
- to grant restricted shares of the Company in accordance with articles L.225-197-1 *et seq*. of the French Commercial Code, notably to (i) employees of the Company or of companies or groupings affiliated to it under the conditions provided for in article L.225-197-2 of said Code, and/or (ii) Corporate Officers of the Company or of companies or groupings affiliated to it under the conditions provided for in article L.225-197-1 II of said Code, and/or (iii) any other beneficiary authorized by law to receive such share grants; or
- to allocate or sell shares to employees in connection with an employee profit sharing plan or a company or Group share purchase plan (or equivalent plan) under the conditions provided for by law, including articles L.3332-1 *et seq*. of the French Labor Code; or
- to transfer shares upon exercise of rights attached to securities issued by the Company or, as authorized by law, by entities affiliated to it, which give access to Company shares through reimbursement, conversion, exchange, presentation of a warrant or any other method; or
- to reduce the Company's share capital by canceling shares within the limits provided for by law and by the sixteenth resolution adopted by this Annual Shareholders Meeting or any future resolution with the same effect that may be adopted during the period in which this authorization remains valid; or
- to transfer shares as a means of exchange, payment or otherwise in connection with mergers and acquisitions; or
- to carry out market-making in Sodexo shares under a liquidity contract with an investment services provider, in accordance with the market practices accepted by the AMF; or
- generally, to fulfill the obligations related to stock option plans or other share grants to employees or Corporate Officers of the Company or an affiliated company.

The program is also intended to permit the implementation of any market practices that may be authorized at a future date by the AMF and, generally, the execution of any other transaction that complies with the applicable regulations. In this case, shareholders will be notified by means of a press release.

The transactions provided for pursuant to this resolution may be carried out by any method, on one or more occasions, in particular on all markets or over-the-counter, including through the use of any financial instruments, options or derivatives and by means of block purchases or sales or in any other way, or alternatively with a services provider or market member referred to in article L.225-206 of the French Commercial Code. The transactions may take place at any time, subject to the limits authorized by the applicable laws and regulations, other than during a public tender offer for the Company's shares. In the event of such a public tender offer, unless prior consent is given by a Shareholders Meeting, the Board of Directors may not use this authorization and the Company may not implement any share buyback program from the time when the third party concerned submits the offer until the end of the offer period.

The Shareholders Meeting resolves that the maximum number of shares acquired pursuant to this resolution may not exceed 5% of the Company's share capital as of the date of this meeting (*i.e.*, as an indication, as of August 31, 2021, a maximum of 7,372,744 shares), it being stipulated that if this authorization is used, the existing number of treasury shares must be taken into account such that the Company does not at any time hold more treasury shares than the legally permitted maximum of 10% of its share capital.

The Shareholders Meeting resolves that the maximum price paid for shares purchased under this resolution may not exceed 95 euro per share. However, the Shareholders Meeting authorizes the Board of Directors to adjust this maximum purchase price in the event of a change in the par value of the Company's shares, a capital increase carried out by capitalizing reserves, a free allocation of shares, a stock split or reverse stock split, the distribution of reserves or any other assets, a redemption of capital, or any other transaction affecting the Company's capital or equity, in order to take into account the impact of the transaction on the share price.

The Shareholders Meeting resolves that the total amount allocated to the share buyback program may not exceed 700 million euro.

The Shareholders Meeting acknowledges that this authorization is granted for a period of eighteen (18) months from the date of this meeting and cancels, with effect from this day, any unused portion of any prior authorization granted to the Board of Directors for the same purpose.

Full powers are given to the Board of Directors – with powers to subdelegate within the law – to decide on and act on the present authorization, to clarify its terms if necessary and determine its specific details, to carry out share purchases and to place stock market orders and enter into agreements, in particular for the keeping of share purchase and sale registers, to allocate or reallocate purchased shares to the desired objectives in accordance with applicable laws and regulations, to establish the procedures necessary to safeguard, should the need arise, the rights of holders of securities or options, in accordance with applicable laws, regulations or contracts, and to make filings and carry out other formalities, and generally do all that is necessary.

# Extraordinary business

## Sixteenth to twentieth resolutions: Financial resolutions

### Reduction of the Company's share capital through the cancellation of treasury shares

**Purpose**

In the sixteenth resolution, shareholders are invited to renew, for a 26-month period, the authorization for the Board of Directors to reduce the Company's share capital by canceling treasury shares. The capital reductions carried out pursuant to this authorization in any 24-month period would be subject to the same ceiling as that provided for in the fifteenth resolution, *i.e.* 5% of the Company's share capital.

The previous authorization granted at the Annual Shareholders Meeting of January 21, 2020 for the same purpose was not used by the Board.

### Increase in the Company's share capital with preferential subscription rights, and a global ceiling for capital increases

**Purpose**

In order to ensure the financing of the investments required for the Group's growth, in the seventeenth resolution, shareholders are invited to renew, for a 26-month period, the delegation of powers granted to the Board of Directors to decide to issue – at any time other than when a public tender offer for the Company's shares is in progress – shares and/or other securities carrying rights to the Company's shares or to the allocation of debt securities, with preferential subscription rights for existing shareholders.

Pursuant to this resolution, if an issue is not taken up in full by shareholders exercising their preferential subscription rights, the Board of Directors would be able to offer all or some of the unsubscribed shares or other securities on the open market.

The subscription price of the shares and/or other securities that may be issued under this delegation of powers would be set by the Board of Directors, in accordance with the applicable laws and regulations and standard market practices.

The maximum nominal amount of the capital increases that could be carried out pursuant to this resolution would be set at 85 million euro (representing approximately 14% of the Company's share capital) and the maximum nominal amount of any debt securities issued would be 1 billion euro. The 85 million euro ceiling would include the amounts of any capital increases carried out pursuant to the eighteenth and nineteenth resolutions below by capitalizing premiums, reserves or profit or by issuing shares and/or other securities to members of an employee share purchase plan.

The previous delegation of powers granted at the Combined Annual Shareholders Meeting of January 21, 2020 for the same purpose was not used by the Board.

### Increase in the Company's share capital by capitalizing premiums, reserves or profit

**Purpose**

The purpose of the eighteenth resolution is to renew, for a 26-month period, the delegation of powers granted to the Board of Directors to decide to carry out – at any time other than when a public tender offer for the Company's shares is in progress – one or more capital increases by capitalizing eligible amounts as provided for in the applicable laws and the Company's bylaws (premiums, reserves or profit). The amount of the capital increases that may be carried out pursuant to this resolution would be included in the 85 million euro ceiling set in the seventeenth resolution.

The Board of Directors would have full powers to use this delegation of powers, and in particular to set the amount and nature of the amounts to be capitalized and the number of new shares to be issued.

The previous delegation of powers granted at the Combined Annual Shareholders Meeting of January 21, 2020 for the same purpose was not used by the Board.

## Capital increase(s) reserved for members of employee share purchase plans

**Purpose**

As the extraordinary resolution approved at the January 21, 2020 Combined Shareholders Meeting authorizing capital increases reserved for members of employee share purchase plans is due to expire, in the nineteenth resolution the Board of Directors is seeking a 26-month renewal of the corresponding authorization, in accordance with the applicable legal requirements. Employee share purchase plans could be used by Sodexo to align employees' interests with those of its shareholders.

The total number of shares that may be issued may not represent more than 1.5% of the share capital, the aggregate amount of any capital increases carried out pursuant to this authorization would be included in the 85 million euro ceiling set in the seventeenth resolution.

The previous delegations of powers granted at the Combined Annual Shareholders Meeting of January 21, 2020 and before for the same purpose have not been used by the Board.

## Free grants of existing and/or newly issued shares to Group employees and/or Corporate Officers

**Purpose**

In the twentieth resolution, shareholders are invited to renew the authorization given to the Board of Directors in the eighteenth resolution of the January 22, 2019 Combined Shareholders Meeting (which is due to expire) to carry out free grants of existing and/or newly issued shares of the Company to all or selected categories of employees and/or Corporate Officers of the Group.

The number of existing and/or newly issued shares granted to employees may not exceed 2.5% of the issued share capital as of the date of the Board of Directors' decision for the entire duration of the authorization or 1.5% of the share capital during a single fiscal year.

The restricted shares would only vest if the beneficiary remains with the Group throughout the three (3) year vesting period. In addition, for certain beneficiaries, the vesting of the shares would be subject to performance conditions determined by the Board of Directors, in accordance with the approved compensation policy.

Shares granted to the Chief Executive Officer may not represent more than 5% of the total restricted shares granted by the Board of Directors during each fiscal year pursuant to this authorization and their vesting must be subject (i) to the Chief Executive Officer remaining with the Group throughout the vesting period, and (ii) except in the event of an external recruitment to compensate for any loss of previous compensation or benefits, to the achievement of several performance conditions determined by the Board of Directors.

The Board of Directors considers that the current performance conditions reflect a good balance between the Company's performance, investor confidence in the Group and Sodexo's corporate responsibility performance.

This authorization would be valid for a period of thirty-eight (38) months.

Further information on the long-term incentive policy and its implementation are provided in sections 6.5 of the Fiscal 2021 Universal Registration Document.

## Sixteenth resolution

*(AUTHORIZATION FOR THE BOARD OF DIRECTORS TO REDUCE THE COMPANY'S SHARE CAPITAL BY CANCELLING TREASURY SHARES)*

Having considered the Board of Directors' Report and the Statutory Auditors' Special Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Extraordinary Shareholders Meetings and in accordance with articles L.22-10-62 *et seq.* of the French Commercial Code, authorizes the Board of Directors to cancel, on one or more occasions, some or all of the shares purchased by the Company under the shareholder-approved share buyback program and to reduce the share capital accordingly. The cancelled shares may not represent more than 5% of the total number of shares making up the Company's share capital as of the date of this Shareholders Meeting (*i.e.*, as an indication, a maximum of 7,372,744 shares at August 31, 2021) in any period of twenty-four (24) months.

The Shareholders Meeting gives full powers to the Board of Directors – with powers to subdelegate within the law – to perform such transactions relating to the cancellation and reduction of capital as may be required pursuant to this authorization, and in particular to charge the difference between the purchase price of the cancelled shares and their nominal amount against the related premiums or available reserves, including the legal reserve up to the equivalent of 5% of the cancelled capital, to amend the bylaws accordingly, to make all filings and carry out other formalities, and generally do all that is necessary.

The Shareholders Meeting acknowledges that this authorization is granted for a period of twenty-six (26) months from the date of this meeting and cancels, with effect from this day, any unused portion of the authorization given for the same purpose in the twenty-third resolution of the Combined Annual Shareholders Meeting of January 21, 2020.

## Seventeenth resolution

*(DELEGATION OF POWERS TO THE BOARD OF DIRECTORS TO INCREASE THE COMPANY'S SHARE CAPITAL BY ISSUING ORDINARY SHARES AND/OR OTHER SECURITIES CARRYING IMMEDIATE OR DEFERRED RIGHTS TO THE COMPANY'S CAPITAL, WITH PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS)*

Having considered the Board of Directors' Report and the Statutory Auditors' Special Report and having noted that the Company's share capital is fully paid up, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Extraordinary Shareholders Meetings and in accordance notably with articles L.225-129, L.225-129-2, L.22-10-49, L.225-132 to L.225-134 and L.228-91 to L.228-93 of the French Commercial Code:

1. delegates to the Board of Directors – with powers to subdelegate within the law – the power to decide to increase the Company's capital on one or more occasions, with preferential subscription rights for existing shareholders, by issuing, in France or elsewhere and in the amounts and on the dates it deems fit, in euro or in any other currency or monetary unit established by reference to a basket of currencies, ordinary shares (therefore

excluding preferred shares) and/or any other securities carrying immediate or deferred rights to ordinary shares of the Company, payable, fully or partly, in cash or by offsetting debts or capitalizing premiums, reserves or profit;

2. sets the duration of the validity of this delegation of powers at twenty-six (26) months from the date of this meeting, specifying, however, that it may not be used by the Board of Directors when a public tender offer for the Company's shares is in progress;
3. resolves that if the Board of Directors uses this delegation of powers:
   - the maximum total nominal amount of capital increases that may be carried out pursuant to (i) this delegation of powers and (ii) the eighteenth and nineteenth resolutions (provided said resolutions are adopted) is 85 million euro (or the equivalent of this amount in any other currency or monetary unit established by reference to a basket of currencies). This ceiling will not include any additional amount representing shares to be issued in order to safeguard the rights of holders of securities carrying rights to the Company's capital, as required by the laws and regulations in force and/or any applicable contractual provisions,
   - the total nominal amount of debt securities carrying immediate or deferred rights to the Company's capital that may be issued may not exceed 1 billion euro or the equivalent of this amount in any other currency or monetary unit established by reference to a basket of currencies,
   - shareholders may exercise, under the conditions provided for by law, their preferential subscription right on an irreducible basis, the Board of Directors having the right to confer on shareholders the right to subscribe on a pro-rated basis a number of ordinary shares or securities greater than that which they could subscribe irreducibly, in proportion to the subscription rights they have and, in any event, within the limits of their request,
   - if irreducible subscriptions and any pro-rated subscriptions do not absorb the entire issue, the Board of Directors may take one or more of the courses of action provided for in article L.225-134 of the French Commercial Code, in the order it deems fit,
   - any decision to issue securities carrying rights to the Company's capital will entail the explicit waiver by shareholders, in favor of holders of the securities issued, of their preferential rights to the equity instruments to which the securities issued will entitle them;
4. acknowledges that this delegation of powers gives the Board of Directors or its duly authorized representative full powers to implement this resolution and in particular, at its sole discretion, to set the terms of issue, the nature, number and characteristics of securities carrying rights to the Company's capital (including the dividend entitlement date of the issued securities, which may be retroactive), the procedures for allocating the equity instruments to which these securities entitle their holders, and the dates on which allocation rights may be exercised, to charge the costs related to the capital increase(s) against the premiums pertaining thereto and transfer from this amount the necessary sums to the legal reserve, make any and all adjustments required in order to take into account the impact of any transactions affecting the Company's capital or equity and to determine any other procedures necessary to safeguard the rights of holders of securities carrying rights to the Company's capital (including through cash adjustments), provide for the possibility to suspend the exercise of the rights attached to the securities issued or to be issued in compliance with legal and regulatory provisions, record the completion of capital increases and amend the bylaws accordingly, carry out the necessary formalities, enter into all agreements – notably in order to complete the planned issues – take all appropriate measures and carry out all formalities necessary for the issue, listing and service of the securities issued in accordance with this delegation of powers and for the exercise of all related rights, and generally do all that is necessary;
5. acknowledges that this delegation of powers cancels with effect from this day the delegation granted for the same purpose in the twentieth resolution of the Combined Annual Shareholders Meeting of January 21, 2020;
6. acknowledges that if the Board of Directors uses the delegation of powers given to it herein, it will report on this utilization to the next Ordinary Shareholders Meeting, as required under the applicable laws and regulations.

## Eighteenth resolution

*(DELEGATION OF POWERS TO THE BOARD OF DIRECTORS TO INCREASE THE COMPANY'S SHARE CAPITAL BY CAPITALIZING PREMIUMS, RESERVES OR PROFIT)*

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with articles L.225-129 to L.225-129-2, L.225-130 and L.22-10-50 of the French Commercial Code:

1. delegates to the Board of Directors – with powers to subdelegate within the law – the power to increase the Company's capital on one or more occasions, in the amounts and on the dates it deems fit, by capitalizing all or part of the premiums, reserves or profit whose capitalization is permitted by law and the Company's bylaws, in the form of allocating new bonus shares or by increasing the par value of existing shares, or by a combination of the two procedures;
2. sets the duration of the validity of this delegation of powers at twenty-six (26) months from the date of this meeting, specifying, however, that it may not be used by the Board of Directors when a public tender offer for the Company's shares is in progress;
3. resolves that if the Board of Directors uses this delegation of powers, the maximum nominal amount of capital increases that may be carried out pursuant to this delegation is 85 million euro (or the equivalent of this amount in any other currency or monetary unit established by reference to a basket of currencies).

This ceiling (i) will be included in the global ceiling of 85 million euro set in the seventeenth resolution (provided said resolution is adopted) or any other global ceiling set in a future resolution adopted while this delegation of powers remains in force, and (ii) will not include any additional amount representing shares to be issued in order to safeguard the rights of holders of securities carrying rights to the Company's capital, as required by the laws and regulations in force and/or any applicable contractual provisions;

4. acknowledges that this delegation of powers gives the Board of Directors or its duly authorized representative full powers to implement this resolution and in particular to:
   - determine the amount and nature of the sums to be capitalized; set the number of new shares to be issued and/or the amount by which the nominal amount of existing shares is to be increased; set the date (which may be retroactive) from which the new shares will carry rights and the date on which the increase in the par value of existing shares will take effect,
   - if new shares are issued, decide that (i) rights attached to fractional shares will not be tradable, and that the corresponding shares will be sold and the proceeds of sale allocated to the holders of said rights as required by the applicable laws and regulations, and (ii) any bonus shares allocated pursuant to this delegation on the basis of existing shares that carry double voting rights and/or the right to a dividend premium will also be eligible for these rights as from their issue date,
   - make any and all adjustments required in order to take into account the impact of any transactions affecting the Company's capital or equity and to determine any other procedures required in order to safeguard the rights of holders of securities carrying rights to the Company's capital,
   - record the completion of each capital increase and amend the bylaws accordingly,
   - charge costs incurred in the capital increases to the amount of the premiums arising in respect of said increases and transfer from this amount the necessary sums to the legal reserve,
   - generally enter into all agreements, take all appropriate measures and carry out all formalities necessary for the issue, listing and service of the securities issued pursuant to this delegation of powers and for the exercise of all related rights;
5. acknowledges that this delegation of powers cancels with effect from this day the delegation granted for the same purpose in the twenty-first resolution of the Combined Annual Shareholders Meeting of January 21, 2020.

## Nineteenth resolution

***(DELEGATION OF POWERS FOR THE BOARD OF DIRECTORS TO INCREASE THE COMPANY'S SHARE CAPITAL BY ISSUING ORDINARY SHARES AND/OR SECURITIES CARRYING IMMEDIATE OR DEFERRED RIGHTS TO THE COMPANY'S CAPITAL, WITH SUCH ISSUE(S) RESERVED FOR MEMBERS OF EMPLOYEE SHARE PURCHASE PLANS, WITHOUT PREFERENTIAL RIGHTS FOR EXISTING SHAREHOLDERS)***

Having considered the Board of Directors' Report and the Statutory Auditors' Special Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Extraordinary Shareholders Meeting and in accordance with articles L.225-129 *et seq.*, L.22-10-49 *et seq.* and L.225-138-1 of the French Commercial Code, and articles L.3332-18 to L.3332-24 of the French Labor Code:

1. delegates to the Board of Directors – with powers to subdelegate within the law – the power to increase the Company's capital, on one or more occasions, by issuing ordinary shares and/or securities carrying immediate or deferred rights to the Company's capital to members of one or more employee share purchase plans (or any other plan permitted under articles L.3332-1 *et seq.* of the French Labor Code or any other similar laws or regulations providing for employee rights issues) set up by the Group (comprising the Company and the French or foreign companies included in the Company's consolidated or combined financial statements), in accordance with article L.3344-1 of the French Labor Code. Such issue(s) may be carried out in France or elsewhere and in the amounts and on the dates the Board deems fit, in euro or in any other currency or monetary unit established by reference to a basket of currencies;
2. sets the duration of the validity of this delegation of powers at twenty-six (26) months from the date of this meeting and resolves to cancel, with effect from this day, the delegation granted for the same purpose in the twenty-second resolution of the Combined Annual Shareholders Meeting of January 21, 2020;
3. resolves that the total number of new shares that may be issued pursuant to this delegation of powers may not represent more than 1.5% of the share capital as of the date of the decision made by the Board of Directors. This ceiling (i) will be included in the global ceiling set in the seventeenth resolution (provided it is adopted), *i.e.*, a maximum total nominal amount of 85 million euro, or any other global ceiling set in a future resolution adopted while this delegation of powers remains in force, and (ii) will not include any additional amount representing shares to be issued in order to safeguard the rights of holders of securities carrying rights to the Company's capital, as required by the laws and regulations in force and/or any applicable contractual provisions;
4. resolves that the issue price of the new shares or securities carrying rights to the Company's capital that may be issued pursuant to this delegation of powers will be determined under the conditions set forth in articles L.3332-19 *et seq.* of the French Labor Code and will be equal to at least 80% of the average of the opening prices of the Company's shares on Euronext Paris over the twenty trading days preceding the day on which the decision is made setting the opening date for subscription by the members of an employee share purchase plan (or similar plan).

The Board of Directors may, at its discretion, reduce or cancel the aforementioned discount, within the limits set by the applicable laws and regulations, in order to allow, *inter alia*, for compliance with local legal, accounting and tax regimes and labor laws;

5. resolves that in addition to the shares and/or other securities offered for purchase in cash, the Board of Directors may replace all or part of any discount and/or employer contribution by granting to the above-mentioned beneficiaries, free of consideration, existing or newly issued shares and/or securities carrying rights to the Company's capital. However, the benefit resulting from this grant may not exceed the legal or regulatory limits applicable under articles L.3332-21 *et seq*. of the French Labor Code;
6. resolves to waive, in favor of the above-mentioned beneficiaries, the preferential rights of shareholders to subscribe for (i) the shares or other securities carrying rights to the Company's capital issued under this delegation of powers, and (ii) the shares to which the holders of securities carrying rights to the Company's capital will be entitled on exercise of those rights;
7. authorizes the Board of Directors, under the conditions set out in this delegation of powers, to sell shares to the above-mentioned beneficiaries as provided for in article L.3332-24 of the French Labor Code, it being stipulated that the nominal amount of shares sold at a discount to members of one or several employee share purchase plans referred to above will be deducted from the ceilings referred to in paragraph 3 above;
8. resolves that the Board of Directors – or its duly appointed representative – will have full powers to implement this resolution, and in particular to establish, in accordance with legal requirements, the list of companies in which the above-mentioned beneficiaries will be able to subscribe for the shares and/or other securities issued and to benefit from any shares or other securities granted free of consideration, to set the terms and conditions of the transactions, and to determine the dates and procedures for the issues to be carried out under this delegation, to determine the opening and closing dates for subscriptions, the entitlement dates (which may be retroactive) and the procedures for the payment of shares, to grant extensions to the period for payment of shares, to apply to list the shares thus created on the stock exchanges of its choice, to record the completion of the capital increases based on the value of the shares actually purchased, to complete, directly or through its appointed agents, all transactions and formalities pertaining to the capital increases, including subsequent amendments to the bylaws, and, at its sole discretion, if it deems fit, to charge the costs arising on the capital increases against the related premiums, and to transfer from this amount the requisite sums to increase the legal reserve to one-tenth of the new capital resulting from the capital increases;
9. acknowledges that if the Board of Directors uses the powers given to it herein, it will report on this utilization to the next Ordinary Shareholders Meeting, as required under the applicable laws and regulations.

## Twentieth resolution

***(AUTHORIZATION TO THE BOARD OF DIRECTORS TO GRANT EXISTING AND/OR NEWLY ISSUED RESTRICTED SHARES OF THE COMPANY TO ALL OR CERTAIN EMPLOYEES AND/OR CORPORATE OFFICERS OF THE GROUP)***

Having considered the Board of Directors' Report and the Statutory Auditors' Special Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Extraordinary Shareholders Meeting:

1. authorizes the Board of Directors, in application of articles L.225-197-1 and L.22-10-59 *et seq*. of the French Commercial Code – or any duly authorized representative of the Board – to grant, on one or more occasions, existing and/or newly issued shares of the Company, free of consideration, to all or selected categories of employees and/or Corporate Officers of the Company and/or of companies or groupings affiliated to it under the conditions provided for in article L.225-197-2 of the French Commercial Code;
2. sets the duration of this authorization at thirty-eight (38) months from the date of this meeting;
3. resolves that the number of existing and/or newly issued shares granted pursuant to this authorization may not exceed 2.5% of the issued capital as of the date of the decision made by the Board of Directors and 1.5% of the share capital during a single fiscal year, before taking into account any adjustments made to protect beneficiaries' rights;
4. resolves that existing and/or newly issued shares may, under the conditions imposed by law, be granted to the Chief Executive Officer of the Company, provided that (i) these shares do not represent more than 5% of the total share grants made during each fiscal year by the Board of Directors and (ii) their vesting is subject to the Chief Executive Officer remaining with the Group throughout the vesting period and, except in the event of an external recruitment to compensate for any loss of previous remuneration or benefits, to the achievement of several performance conditions determined by the Board of Directors. The number of shares granted to the Chief Executive Officer of the Company that must be held in registered form for as long as he remains in office will be set by the Board of Directors;
5. resolves that (i) the shares granted will vest at the end of a vesting period that will be determined by the Board of Directors but may not be shorter than that stipulated in the French Commercial Code at the date of the Board of Directors' decision, (ii) the beneficiaries will be required to retain their shares during a lock-up period that will be determined by the Board of Directors, and (iii) the combined duration of the vesting period and lock-up period may not be shorter than that stipulated in the French Commercial Code at the date of the Board of Directors' decision. However, if the vesting period for all or some of the restricted shares is at least two (2) years, the Shareholders Meeting authorizes the Board of Directors not to impose a lock-up period for the shares concerned. The Board of Directors will be authorized to set different vesting and lock-up periods according to the existing laws in the countries of residence of the beneficiaries;

6. resolves that the vesting of the existing and/or newly issued shares granted may be subject to (i) the beneficiary remaining with the Group throughout the vesting period and (ii) the achievement of one or more performance conditions as set by the Board of Directors;
7. resolves that, if a beneficiary is subject to a category 2 or 3 disability as defined in article L.341-4 of the French Social Security Code or the equivalent in another country, the shares granted to him or her will vest immediately, *i.e.* before the end of the vesting period, and will be freely transferable as from the date they are delivered;
8. notes that if newly issued shares are granted, this authorization will result, as and when the shares vest, in a capital increase by capitalizing reserves, profit or issue premiums for the benefit of the beneficiaries, and will entail an automatic waiver by the shareholders of their preferential subscription rights to the shares, in favor of the beneficiaries;
9. confers full powers on the Board of Directors, with powers to subdelegate within the law, to implement this authorization under the conditions described above and within the limits prescribed by the applicable rules and regulations, and in particular to:
   - determine whether the shares granted will be existing or newly issued shares,
   - determine the list of beneficiaries, or the category or categories of beneficiaries, and the number of shares to be granted in each case,
   - set the terms and conditions of the share issues to be carried out pursuant to this authorization and the entitlement dates of the new shares,
   - make all adjustments to beneficiaries' rights that may be required in the event of transactions affecting the Company's capital during the vesting period in order to safeguard said rights,
   - record the vesting dates of the shares granted and the dates from which the shares will be freely transferable, taking into account the applicable legal restrictions,
   - if new shares are issued, charge, if applicable, the amounts required to pay for these shares against the reserves, profit or issue premiums of its choice,
   - record the completion of each capital increase and amend the bylaws accordingly,
   - provide for the possibility of temporarily suspending the grant rights in the case of a financial transaction, and
   - generally, do everything that may be useful or necessary under the applicable laws and regulations;
10. acknowledges that this authorization cancels from this day the unused portion of the authorization to the same effect granted in the eighteenth resolution of the January 22, 2019 Combined Annual Shareholders Meeting.

## Twenty-first resolution: Powers

**Purpose**

The twenty-first resolution is a standard resolution conferring powers to complete all legal formalities and filings relating to the resolutions approved at the Annual Shareholders Meeting.

## Twenty-first resolution

*(POWERS TO CARRY OUT FORMALITIES)*

The Shareholders Meeting confers full powers on the bearer of an original, copy or extract of the minutes of this Shareholders Meeting to carry out all filing and publication formalities required by law.

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# APPENDICES

# 9.1 GLOSSARY

## ADR (American Depositary Receipts)

An ADR is a registered certificate issued by a U.S. bank to represent ownership of a share or bond issued by a publicly-traded non-U.S. company. ADRs are quoted in U.S. dollars, but the underlying shares or bonds are denominated in their original currency and are held in deposit by a bank, known as the custodian, in the country of issue. ADRs enable a non-U.S. company, subject to certain conditions, to be quoted in the United States. One Sodexo share is represented by five Sodexo ADRS. Dividends and voting rights belong to the ADR holder.

## Alternative Performance Measures (APM)

These are indicators that complement those directly derived from the financial statements and which can provide investors with additional relevant information allowing a better understanding of strategy and performance.

More details are provided in chapter 3.3.6 of this document.

## Bearer shares

Shares held in a share account maintained by the shareholder's bank or broker. Sodexo is not informed of the shareholder's identity. The share purchase and administration of the shares are handled by the shareholder's bank or broker.

## Client retention rate

The client retention rate corresponds to the total amount of revenue generated from business with existing clients in the prior fiscal year compared with total revenue for that year.

It is expressed as a percentage and is calculated in a comprehensive way by deducting the revenue generated in the prior fiscal year that corresponds to (i) contracts lost to a competitor or self-operation, (ii) contracts terminated by Sodexo and (iii) site closures. Other companies may calculate their retention rates on a different basis.

## Comparable unit growth rate

The comparable unit growth rate is the increase in revenues from sites that have contributed to consolidated revenue over two complete consecutive fiscal years (sites with activity from September 1, 2019 to August 31, 2021).

## Corporate Officers

Corporate Officer is the term used in English for the French *mandataire social* and refers to Sodexo's Chief Executive Officer, Chairwoman of the Board and the Members of the Board of Directors.

## Development rate

The development rate is the annualized estimated revenue for new contracts signed during the fiscal year, divided by prior year revenues.

## Dividend premium

Any shareholder that has held registered shares for at least four years as of the end of the fiscal year including as of the dividend payment date will be eligible for a 10% dividend premium on those shares. The number of shares eligible for the dividend premium is limited to 0.5% of Sodexo's share capital per shareholder.

## Earnings per share (EPS)

Group net income divided by the weighted average number of shares outstanding.

## Employee engagement rate

Engagement is defined as a state of involvement in a group or a company. This concept includes the mobilization of employees for the success of the Company, their pride in belonging and their loyalty to the Company. Thus, the engagement rate is the percentage of employees who answered the nine questions relating to engagement with an average score greater than or equal to 4.5 on an increasing scale from 1 to 6 (the methodology is the same as that used the last few years with a new provider The Happiness Index).

More details are provided in section 2.2.3 of this document.

## Employee retention rate

The employee retention rate corresponds to the proportion of employees who remain with the Group during the year out of the overall average number of employees for the year.

Note that for purposes of this calculation employees leaving the Group do not include departures related to legal requirements or regulations concerning lost contracts, transfers between Group subsidiaries or the expiration of fixed-term contracts.

## GRI

The Global Reporting Initiative (GRI) was created in 1997 by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Environment Programme (UNEP). The GRI's vocation is to lift sustainable development methods to a level equivalent to those of financial reporting, in the interests of comparability, credibility, rigor, frequency and verifiability of the communicated information.

## Intensity risk

Risks whose frequency and severity require transfer to the insurance market.

## ISO

ISO (International Organization for Standardization) is the world's largest developer of voluntary International Standards. International Standards give state of the art specifications for products, services and good practice, helping to make industry more efficient and effective. They include ISO 9001 for Quality management, ISO 14001 for Environmental management, ISO 22000 for Food Safety management, ISO 27000 for security IT standard and ISO 55000 for asset management.

## Issue volume

Issue volume corresponds to the total face value of service vouchers, cards and digitally-delivered services issued by the Benefits & Rewards Services activity for beneficiaries on behalf of clients.

## OHSAS 18001

A standard developed in the United Kingdom (Occupational Health and Safety Assessment Series) used as a model for occupational health and safety management systems. Its objective is to provide companies with assessment and certification of their health and safety management systems, consistent with international management system standards.

## Performance shares

Sodexo shares granted free of consideration by the Board of Directors to the Chief Executive Officer and Group managers in order to reward individual performance and whose vesting is subject to the beneficiary still being part of the Group at the end of the vesting period as well as the achievement of performance conditions (for grants representing over 250 shares). The proportion of performance shares within the overall number of shares granted can vary between 0% and 100% depending on the number of shares granted and the responsibilities of the beneficiaries concerned.

## Registered shares

Registered shares are shares that are registered in the holder's name in Sodexo's share register (unlike bearer shares). They may be directly or indirectly registered. Registered Sodexo shareholders are entitled to:

- double voting rights for registered shares held for at least four years;
- a dividend premium of 10% for registered shares held for at least four years, limited to 0.5% of Sodexo's issued capital per shareholder;
- automatic invitation to Shareholders Meetings and personalized information on all financial transactions (capital increases, bond issues, etc.);
- reduced administration costs (for directly registered shares only).

**1. Directly registered shares (French *nominatif pur*)**

The shares are recorded in the holder's name in a share account kept by the Company's registrar, Société Générale, allowing direct communications between the shareholder and Sodexo.

**2. Indirectly registered shares (French *nominatif administré*)**

In this case, the shares are registered in the holder's name in a share account managed by his or her bank or broker, which is responsible for the related custodial and administration services. The shares are administered in the same way as for bearer shares

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# 9.2 RESPONSIBILITY FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE AUDIT OF THE FINANCIAL STATEMENTS

## 9.2.1 Responsibility for the Universal Registration Document

*Person responsible for the information included in the Universal Registration Document:*

Sophie Bellon, Chairwoman and Chief Executive Officer

I hereby declare that the information contained in the Universal Registration Document is to the best of my knowledge in accordance with reality and that nothing has been omitted that would alter its impact.

I declare that to the best of my knowledge the financial statements comply with the applicable accounting standards and present a true statement of the net worth, the financial position, and of the income of the Company, and of the consolidated entities , and that the Management Report included in the Universal Registration Document presents a true picture of the evolution of the business, of the results and the financial position of the Company and of the consolidated entities and that it describes the principal risks for the Group.

Sophie Bellon

Chairwoman and Chief Executive Officer

November 10, 2021

## 9.2.2 Responsibility for the audit of the financial statements

| AUDITORS | FIRST APPOINTED | TERM OF OFFICE | TERM OF OFFICE EXPIRES |
|---|---|---|---|
| **STATUTORY AUDITORS** | | | |
| PricewaterhouseCoopers Audit<br>Member of the Compagnie Régionale des Commissaires aux comptes de Versailles<br>63, rue de Villiers<br>92208 Neuilly-sur-Seine, France<br>Registered no. RCS Nanterre 672 006 483<br>Represented by Stéphane Basset | February 22, 1994 | 6 fiscal years | Shareholders Meeting to adopt the financial statements for Fiscal 2022 |
| KPMG Audit<br>Département de KPMG SA<br>Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles<br>Tour Eqho – 2, avenue Gambetta<br>92066 Paris-La Défense Cedex, France<br>Represented by Caroline Bruno-Diaz | February 4, 2003 | 6 fiscal years | Shareholders Meeting to be held in 2021 to adopt the financial statements for Fiscal 2020 |
| **DEPUTY STATUTORY AUDITOR** | | | |
| Mr. Jean-Baptiste Deschryver<br>Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles<br>63, rue de Villiers<br>92208 Neuilly-sur-Seine, France | January 21, 2017 | 6 fiscal years | Shareholders Meeting to adopt the financial statements for Fiscal 2022 |

# 9.3 RECONCILIATION TABLES

To facilitate the reading of this document, the reconciliation tables below identify:

- the main headings required by Appendix 1 & Appendix 2 of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 supplementing Regulation (EU) 2017/1129 of June 14, 2017;
- the information that constitutes the Annual Financial Report provided for under articles L.451-1-2 of the Monetary and Financial Code and 222-3 of the General Regulation of the French securities regulator (*Autorité des marchés financiers* – AMF);
- the information that constitutes the Management Report of the Board of Directors as defined by the French Commercial Code;
- the information that constitutes the extra-financial performance declaration as defined by the French Commercial Code.

## 9.3.1 Universal Registration Document

| RECONCILIATION TABLE FOR THE UNIVERSAL REGISTRATION DOCUMENT – APPENDIX 1 & APPENDIX 2 OF THE COMMISSION DELEGATED REGULATION (EU) 2019/980 OF MARCH 14, 2019 SUPPLEMENTING REGULATION (EU) 2017/1129 OF JUNE 14, 2017 | PAGES |
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Information incorporated by reference:

Pursuant to article 19 of Regulation (UE) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference into this Universal Registration Document:

- for Fiscal 2020: Group consolidated financial statements and Statutory Auditors' Report on the consolidated financial statements for the year ended August 31, 2020, individual Company financial statements and Statutory Auditors' Report on the individual Company financial statements for the year ended August 31, 2020, as well as the financial information included in Management Report, as presented in the Universal Registration Document filed with the *Autorité des marchés financiers* (French financial markets authority) on November 23, 2020, under number D.20-0949;
- for Fiscal 2019: Group consolidated financial statements and Statutory Auditors' Report on the consolidated financial statements for the year ended August 31, 2019, individual Company financial statements and Statutory Auditors' Report on the individual Company financial statements for the year ended August 31, 2019, as well as the financial information included in Management Report, as presented in the Universal Registration Document filed with the *Autorité des marchés financiers* (French financial markets authority) on November 20, 2019, under number D.19-0967.

Parts of the Registration documents D.20-0949 and D.19-0967 which are not referred to above are either not relevant for the investor, or are included elsewhere in this Universal Registration Document.

## 9.3.2 Annual Financial Report

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## 9.3.6 Global Reporting Initiative (GRI) guideline

| GRI SUSTAINABILITY REPORTING STANDARDS | | | ISO 26000 | SUSTAINABLE DEVELOPMENT GOALS AND PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT | PAGE |
|---|---|---|---|---|---|
| **GRI 101: Foundation 2016** | | | | | |
| 1. Reporting Principles | 1.1 | The reporting organization shall identify its stakeholders, and explain how it has responded to their reasonable expectations and interests. | | | |
| | 1.2 | The report shall present the reporting organization's performance in the wider context of sustainability. | | | |
| | 1.3 | The report shall cover topics that:<br>1.3.1 reflect the reporting organization's significant economic, environmental, and social impacts; or<br>1.3.2 substantively influence the assessments and decisions of stakeholders. | | | |
| | 1.4 | The report shall include coverage of material topics and their Boundaries, sufficient to reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess the reporting organization's performance in the reporting period. | | | |
| | 1.5 | The reported information shall be sufficiently accurate and detailed for stakeholders to assess the reporting organization's performance. | | | |
| | 1.6 | The reported information shall reflect positive and negative aspects of the reporting organization's performance to enable a reasoned assessment of overall performance. | | | |
| | 1.7 | The reporting organization shall make information available in a manner that is understandable and accessible to stakeholders using that information. | | | |
| | 1.8 | The reporting organization shall select, compile, and report information consistently. The reported information shall be presented in a manner that enables stakeholders to analyze changes in the organization's performance over time, and that could support analysis relative to other organizations. | | | |
| | 1.9 | The reporting organization shall gather, record, compile, analyze, and report information and processes used in the preparation of the report in a way that they can be subject to examination, and that establishes the quality and materiality of the information. | | | |
| | 1.10 | The reporting organization shall report on a regular schedule so that information is available in time for stakeholders to make informed decisions. | | | |

| GRI SUSTAINABILITY REPORTING STANDARDS | | | ISO 26000 | SUSTAINABLE DEVELOPMENT GOALS AND PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT | PAGE |
|---|---|---|---|---|---|
| 2. Using the GRI Standards for sustainability reporting | 2.1 | The reporting organization shall apply all Reporting Principles from Section 1 to define report content and quality. | | | |
| | 2.2 | The reporting organization shall report the required disclosures from GRI 102: General Disclosures. | | | |
| | 2.3 | The reporting organization shall identify its material topics using the Reporting Principles for defining report content.<br>2.3.1 The reporting organization should consult the GRI Sector Disclosures that relate to its sector, if available, to assist with identifying its material topics. | | | |
| | 2.4 | The reporting organization shall identify the Boundary for each material topic. | | | |
| | 2.5 | For each material topic, the reporting organization:<br>2.5.1 shall report the management approach disclosures for that topic, using GRI 103: Management Approach; and either:<br>2.5.2 shall report the topic-specific disclosures in the corresponding GRI Standard, if the material topic is covered by an existing GRI Standard (series 200, 300, and 400); or<br>2.5.3 should report other appropriate disclosures, if the material topic is not covered by an existing GRI Standard. | | | |
| | 2.6 | If the reporting organization reports a required disclosure using a reference to another source where the information is located, the organization shall ensure:<br>2.6.1 the reference includes the specific location of the required disclosure;<br>2.6.2 the referenced information is publicly available and readily accessible. | | | |
| | 2.7 | When preparing a sustainability report, the reporting organization should:<br>2.7.1 present information for the current reporting period and at least two previous periods, as well as future short and medium-term targets if they have been established;<br>2.7.2 compile and report information using generally accepted international metrics (such as kilograms or liters) and standard conversion factors, and explain the basis of measurement/calculation where not otherwise apparent;<br>2.7.3 provide absolute data and explanatory notes when using ratios or normalized data;<br>2.7.4 define a consistent reporting period for issuing a report. | | | |
| 3. Making claims related to the use of the GRI Standards | | There are two basic approaches for using the GRI Standards: | | | |
| | 3.1 | Using the GRI Standards as a set to prepare a sustainability report in accordance with the Standards. | | | |
| | 3.2 | Using selected Standards, or parts of their content, to report specific information. | | | |

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# NOTES

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