Fiscal 2015 Registration Document

including the Annual Financial Report

sodexo

QUALITY OF LIFE SERVICES

CONTENTS

Fiscal 2015 REGISTRATION DOCUMENT

including the Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French version of this Registration document was filed with the French Financial Markets Authority on November 20, 2015, in accordance with article 212-13 of its General Regulations. It may be used in support of a financial transaction if it is supplemented by a prospectus approved by the French Financial Markets Authority. This document has been prepared by the issuer under the liability of the signatories

This document is a free translation from French into English and has no other value than an informative one. Should there be any diff erence between the French and the English version, only the text in the French version shall be deemed authentic and considered as expressing the exact information published by Sodexo.

This document is available on Sodexo's website, www. sodexo.com or on the website of the Autorité des marchés financiers, www.amf-france.org.

SODEXO
AT A GLANCE

Founded in 1966 by Pierre Bellon, Sodexo is the global leader in services that improve quality of life.

Quality of life, recognized today as a critical factor in individual well-being and societal progress, is a pre-requisite for improving the performance of companies and organizations.

It's why we have developed our expertise in this area for nearly 50 years, supported by more than **420,000 people in 80 countries**. Through the diversity of Sodexo's talent, we are able to offer a comprehensive array of **Quality of Life Services**, based on more than 100 different professions.

Sodexo is the world's only company offering **On-site Services**, **Benefits and Rewards Services** and **Personal and Home Services**, which contribute to the performance of its clients, the fulfillment of its teams and the economic, social and environmental development of its host communities.

KEY FIGURES AS OF AUGUST 31, 2015

19.8 billion euro in consolidated revenues

420,000 employees

19th largest employer worldwide

80 countries

75 million consumers served daily

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PRESENTATION OF THE GROUP

Message from PIERRE BELLON

Chairman of the Board of Directors of Sodexo

I created Sodexo in 1966 and led it for forty years; my daughter Sophie will take over from me as Chairwoman on January 26, 2016. The Board of Directors will appoint me as Honorary Chairman and in this capacity I will provide advice and guidance to Sophie, at her request, to help ease her into her new position. In this, my last message to shareholders, I would like to present my vision of our Group's future.

If we are to accelerate sustainable growth, our corporate culture will need to evolve. Most of the countries where we operate are experiencing major societal changes with far-reaching consequences. People who are at the top of the hierarchical pyramid and who make promises they can't keep, leave citizens and workers suspicious and distrustful.

Young people are looking for a fun job or a company that makes working enjoyable and encourages good interpersonal relations, creativeness and contributions to a common goal. This is altering relations with management, and the vertical model that relies on managers' legitimacy is being challenged or rejected out of hand.

Our corporate culture needs to be realigned in response to this major societal transformation.

Sodexo's corporate culture is strong and essential to the Company's development, but it needs to evolve in three directions. We need to:

"I created Sodexo in 1966 and led it for forty years; my daughter Sophie will take over from me as Chairwoman on January 26, 2016."

LOOK REALITY IN THE FACE OR, AS WE LIKE TO SAY, HOLD UP A MIRROR

There are several ways of looking at our reflection in a mirror. Some entrepreneurs stare admiringly at their success and that of their company; they are convinced that their past performance is a guarantee of future success.

We don't share that opinion. As the people responsible for running Sodexo, we need to bolster our strengths but also work tirelessly to reduce our deficiencies and weaknesses.

I often say that I have learned much more from my failures than from our successes.

To help us in this process, we have three tools:

1) detailed analyses of our main competitors. We need to imitate their strengths and avoid repeating their mistakes;
2) the annual anonymous survey of the Group's 1,200 top executives to get their opinion on Sodexo's strengths and weaknesses and their suggestions for improving our performance;
3) improvement metrics, such as the employee engagement rate based on an anonymous survey of 130,000 employees. Over the two years from 2012 to 2014, the engagement rate increased from 57% to 59%. Our goal is to raise it to at least 65% to put us in a league with the large global companies that are ranked among the best places to work. Reflecting our progress in this area, in 2014, 86% of employees considered Sodexo a better employer than its competitors.

ACHIEVE GREATER TRANSPARENCY

For example, the time will come when we publish the remuneration or salary paid to our 1,200 top executives. Transparency is needed to instill trust across the organization. We must not only improve our internal communication but also make it far more transparent.

INVERT THE HIERARCHICAL PYRAMID

To avoid the major risk of becoming too technocratic, we need to turn the hierarchical pyramid on its head by giving more power and responsibility to employees on the front lines and, critically, by knowing how to listen to our clients, our consumers and our employees.

Our corporate culture needs to evolve so that we become a liberated company.

PIERRE BELLON
message, continued

Chairman of the Board of Sodexo

WHAT'S A LIBERATED COMPANY?

It's a company where employees are free to take initiatives without any management interference. When an employee goes to his or her manager with a problem, the manager should reply "I trust you, you're in charge in this area, take your time, think things through, you'll find the solution yourself."

Most companies want their employees to take responsibility for their results, rather than being indifferent or disengaged, but they don't let them decide what resources should be deployed and how the problem should be tackled.

IT'S IMPOSSIBLE TO HAVE RESPONSIBILITY WITHOUT FREEDOM

Most executives will claim that letting employees do what they want will lead to anarchy. So how can you avoid anarchy? One of Sodexo's goals is to report 8% to 10% average annual growth in operating profit. But we're starting to understand that no-one is inspired by this goal and that it won't make our employees leap out of bed in the morning to go to work.

The solution is to share with them a common vision of the future. We have started to inspire them; we have laid the first markers.

OUR MISSION

The service sector in general and the corporate foodservices sector in particular have historically been undervalued. I wanted to lift its image and make our employees proud to work for Sodexo. To this end, we set two goals:

- improve the quality of life of our employees and all whom we serve;
- contribute to the economic, social and environmental development of the communities, regions and countries in which we operate.

UPON THE CREATION OF SODEXO IN 1966, WE DEFINED OUR:

- values;
- ethical principles.

Our values are simple and are embraced by all our employees:

- service spirit;
- team spirit;
- spirit of progress.

The same is true for our ethical principles:

- loyalty;
- respect for people;
- equal opportunity;
- business integrity.

Today, nearly 50 years after Sodexo's creation, these values and ethical principles are the foundation of our commitment, uniting us and serving as a common bond for our teams throughout the world. This is what sets us apart from our competitors.

OUR INDEPENDENCE

Since its creation in 1966, independence has been one of the Group's fundamental principles, as it enables the organization to:

- maintain its values;
- focus on a long-term strategy;
- maintain management continuity;
- ensure its longevity.

Our independence ensures that we don't fall into the hands of a financial group or a competitor.

As of August 31, 2015, our managing holding company, Bellon SA, held 37.7% of Sodexo's capital and 51.8% of the voting rights. On May 22, 2008, my wife and I and our children signed a 50-year agreement that prevents our grandchildren and their direct descendants from selling any Bellon SA shares to anyone outside the family group made up of my direct heirs. This agreement guarantees that Sodexo will continue to enjoy the independence valued by all of our employees.

BUT WE NEED TO GO FURTHER: WHY SHOULD WE BECOME A LIBERATED COMPANY?

Members of generation Y – corresponding to young people born between 1980 and 1997 – are allergic to hierarchy, keen to protect their free time and eager to take the initiative. Today's companies are obliged to adapt in order to respond to these desires.

A survey has shown that by 2025, members of generation Y will represent some 75% of the working population. Capitalism has proved to be not without its societal issues. As Michel Landel, Sodexo's Chief Executive Officer, pointed out during a Quality of Life Conference organized in New York in May and attended by researchers, labor unions and company leaders from all over the world, we need to develop a more human economy.

In one Brazilian company, all taboos have been shattered. Everyone's salaries are available for consultation on a computer located in the staff cafeteria and managers are evaluated by their team members every six months.

These are examples of the inverted hierarchical pyramid and the move towards a liberated company model.

Élisabeth Carpentier, Sodexo's Group Chief Human Resources Officer, is right when she says that the days of top-down communication are over. We give our teams the opportunity to speak out and organize regular online chat sessions with senior management. We might not always like what they have to say. But it's worth it for the benefits we obtain in terms of development, research and innovation.

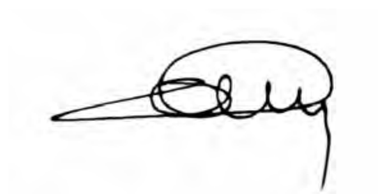
We are the world leader in Quality of Life Services. Our surveys show that for generation Y, quality of life is the key driver of corporate performance. That's why, for many years, we have been working together to find answers to the following questions: how can we improve our employees' quality of life and encourage them to offer a better service to our consumers? This is important, because by improving our consumers' quality of life, we make them more efficient at work, which in turn makes the organizations that employ them more successful.

A global survey showed that liberated companies can maintain positions at the forefront of their sector at least twenty years. The survey also showed that an operator free to take initiatives generated 5 points more cash flow, while an operator who was simply asked to execute tasks generated 5 points less.

Economists have demonstrated that happy employees are more productive, more creative, more cooperative, and enjoy better health.

Congratulations and thank you to our 420,000 employees who have made Sodexo a major international enterprise.

We're on the right track to succeed in the future.



Message from SOPHIE BELLON

Vice Chairwoman of the Board of Directors of Sodexo

My future role as Chairwoman of the Board of Directors

I'm simultaneously proud, moved and impatient.

Sodexo turns 50 in 2016. I'm proud to be assuming the office of chairwoman of a company with such a rich past. It's a great honor for me to take the helm of a business started by my father from scratch in 1966. He's the person responsible for the incredible road traveled in the past fifty years. I would like to pay tribute to his vision, energy and tenacity, and to the extraordinary fighting spirit that has shaped his leadership throughout this period.

I'm also proud of our strong values and management principles. As the basis of our corporate culture, they nurture our employees' engagement and constitute a real source of competitive advantage. In my future role as Sodexo's new Chairwoman, I am determined to embody these values and keep them alive. However, I'm aware that while our culture has been the key to our success up to now, it's not set in stone. It will need to be aligned with the new challenges of a world that is undergoing rapid and deep change.

As well as being proud, I'm moved by this opportunity to embody the Bellon family's continued role in shaping Sodexo's destiny. In 2008, we made a commitment to retain our investment in Sodexo for fifty years. This is a promise of stability that allows us to set long-term plans for the business's development.

I'm also moved by and grateful for the support I've received from my father and my family, as well as from Michel Landel and the other members of Sodexo's senior management team, who have all supported me throughout the transition phase launched two years ago.

Lastly, I'm impatient to get even more involved, with the help of my fellow Board members, Michel Landel and the other members of the senior management team, so that the business can continue its long record of innovation-led profitable growth, established over the past fifty years.

> “It’s up to us, with all of the Group's employees, to make the next page in Sodexo's history as enthralling as the previous ones.”

My priorities as Chairwoman of the Board of Directors

We have a well-established governance system.

In a world economy shaped by globalization and an increasingly complex business environment, my first priority will be to ensure that the Board of Directors is equipped to continue to effectively fulfill its role. In particular, I will lead a drive to introduce new skills around the table, so that we have the diverse backgrounds and wide-ranging experience needed by a Group such as ours. This will enable the Board to effectively support and challenge management, and to guide Sodexo’s strategic choices.

My second priority will also concern the Board’s involvement in making the major strategic decisions that will affect our long-term development, in such areas as human resources, innovation, digital solutions and the sharing economy. I want Michel, the Executive Committee and the Board, including myself as Chairwoman, to spend the necessary time analyzing the effects of the major trends that are currently disrupting traditional economic and business models, in order to seize the significant opportunities for our Group.

The transition in 2016

We have spent a long time planning this transition. Immediately after the upcoming Annual Shareholders’ Meeting in January 2016, the Board of Directors will appoint me as its Chairwoman. During the same meeting, my father will be appointed Honorary Chairman. Naturally, he will continue to advise me because his experience will be extremely useful to us.

I have also established close ties with Michel Landel. Our mutual trust guarantees perfect transparency between the Chief Executive Officer, Sodexo’s management and decision-making structures and the Board of Directors, and will represent the cornerstone of our best governance practices. I am confident that Michel and his teams can successfully implement our growth strategy and enable Sodexo to be known and recognized as the world leader in Quality of Life Services.

I am honored to be opening a new page in Sodexo’s history in January 2016, fifty years after the first page was written. It’s up to us, with all of the Group's employees, to make it as enthralling as the previous ones.

BOARD OF DIRECTORS OF SODEXO

At its meeting in November 2013, Sodexo's Board of Directors appointed Sophie Bellon as Vice Chairwoman of the Board, with a view to her succeeding Pierre Bellon (Chairman and Founder of Sodexo) as Chair of the Board of Directors in January 2016.

PIERRE BELLON
Chairman of the Board of Directors of Sodexo

SOPHIE BELLON
Vice Chairwoman of the Board of Directors of Sodexo
Member of the Management Board of Bellon SA

ASTRID BELLON
Member of the Management Board of Bellon SA

FRANÇOIS-XAVIER BELLON
Chief Executive Officer, Bright Yellow Group Plc
Chairman of the Management Board of Bellon SA

NATHALIE BELLON-SZABO
Member of the Management Board of Bellon SA

ROBERT BACONNIER
Company Director

PATRICIA BELLINGER
Executive Director, Havard Kennedy School's Center for Public Leadership

BERNARD BELLON
Member of the Supervisory Board of Bellon SA

PHILIPPE BESSON
Employee representative on the Board of Directors

FRANCOISE BROUGHER
Business Lead, Square

SOUMITRA DUTTA
Dean and Professor of management at the Samuel Curtis Johnson Graduate School of Management, Cornell University

PAUL JEANBART
Chief Executive Officer, Rolaco

MICHEL LANDEL
Chief Executive Officer, Sodexo

CATHY MARTIN
Employee representative on the Board of Directors

PETER THOMPSON
Company Director

Message from MICHEL LANDEL

Chief Executive Officer of Sodexo

1. How would you describe the Group's performance in 2015?

Fiscal 2015 was a year of solid financial performance, shaped by promising integrated services contract wins and sustained demand for Benefits and Rewards Services. During the year, the Group pursued its transformation and strengthened its position as world leader in Quality of Life Services.

Group revenue rose 10% to nearly 20 billion euro, with organic revenue growth of 2.5%. Operating profit was up in every region and totaled 1,143 million euro, an increase of around 22% compared to the prior year. Group net income was 700 million euro, up 42.9% or nearly 32% before currency effects.

Based on these excellent results, the Board of Directors will propose a dividend of 2.20 euro per share, an increase of around 22%, and during Fiscal 2016 will launch a 300 million euro share repurchase and cancellation program.

2. Sodexo has undertaken an important transformation to become the world leader in Quality of Life Services. How does this positioning resonate with your clients and other stakeholders?

Our ability to offer our clients solutions for their employees and consumers on-site, off-site and at home has made Sodexo a unique player in the market. The success of our approach can be seen in the major contracts we signed this year with Diageo, the U.S. House of Representatives, the UK Ministry of Justice, Samsung Electronics in Indonesia and the Brazilian national postal service.

Quality of life has become an important concern for many decision-makers. Earlier this year, we carried out an international study in order to better understand how leaders and decision-makers in companies, hospitals and universities value quality of life as a factor of performance. The results are striking: two thirds of those we interviewed said they were totally convinced that improving quality of life is a strategic priority. The study was carried out across seven countries, in both developed and developing economies.

> "I strongly believe that economic and human progress converge when improving quality of life is a priority for business and society."

We also organized the first international Quality of Life Conference in New York this year. There were representatives from private companies, hospitals, the OECD, leading media, academics, scientific researchers and NGOs. It was the first time such a diverse and international group had been brought together to explore quality of life as a performance driver. We came away from the event even more convinced that quality of life lies at the heart of today's concerns, no matter where you work or live.

3. Can you tell us a little more about the transformation currently underway at Sodexo?

Sodexo started out as a foodservices company. But as time passed we found that our clients increasingly required new solutions in order to integrate the services they outsourced. To respond to this evolution of our clients' needs, over the last ten years we have invented a new business: providing integrated services to improve quality of life. Demand for this kind of service is on the rise, especially when you consider the impact of improved quality of life on the performance of organizations.

Today we can provide more than 100 services for a single client, even when that client's sites are spread around the world. We deliver services that directly impact our clients' strategic business issues, such as the attractiveness of their organization, the motivation of their employees and their competitiveness. Today we are a value-enhancing partner for our clients.

To adapt to the globalization of our markets, and to deepen and leverage our understanding of the quality of life needs of our consumers, we are moving to an organization structured around global client segments, as of September 1, 2015: corporate services, health care, schools, universities, energy and resources, government services, sports and leisure. A hospital in the United States and a hospital in Thailand, for example, often face more of the same challenges than a hospital and a university campus in the United States. With this segment-based approach, we better capitalize on our profound understanding of our markets, as well as our size and global reach, and thereby increase the value we bring through our quality of life offer.

MICHEL LANDEL
message, continued
Chief Executive Officer of Sodexo

4. What are some of the global trends you see affecting Sodexo over the coming years?

Several of today's global trends are leading to quality of life issues that we can barely imagine today. Demographics, the transformation of ways of working, increased automation, the digital revolution and environmental challenges are just a few. Let's take two examples.

The first is demographics. By 2025, only 10 years from now, the number of people over 65 will have doubled to 800 million worldwide. Combined with urbanization, this factor will lead to an explosion in the need for home care services and facilities for the elderly. We already have a very strong base in this market. Our new segmented organization will allow us to develop and provide increasingly differentiating quality of life offers.

This shift also creates challenges in other areas. In healthcare, for example, how will we meet the needs of hospitals faced with the long-term hospitalization of many elderly patients? Looking further into the future, we will have to rethink all our services in the corporate world. If, as many scientists agree, children born in 2010 live to be 100, or even 120 years old, it will be totally unrealistic to expect them to not prolong their careers. Companies will look very different from how they look today, and our services will change accordingly. For instance, we will have to satisfy highly specialized nutritional needs. We may also need to redesign the workplace to foster social interaction among staff from numerous age groups or those working remotely. We're working in this direction given that these changes are already underway.

A second trend that's here to stay is robotics, which allows for the increased automation of certain manual tasks. The fact is that robots are going to be increasingly present in our everyday lives, both in the workplace and at home. There are gardening robots, industrial robots, surgical robots and of course cleaning and security robots, which we already use on some of our sites.

Given our commitment to improving quality of life, I see automation as an opportunity. I'm not just thinking about the services we can automate, but the additional services our people will be able to offer once robots have freed them from repetitive or arduous tasks. Welcoming visitors with warmth, looking after children with tenderness, caring for disabled or dependent people with compassion – quality of life depends first and foremost on human contact, and in my opinion consumers will value this more than ever.

5. You mentioned the digital revolution. How is digital impacting Sodexo's business model?

Digitalization is transforming the way people experience quality of life. Consumers are now accustomed to using on-demand, personalized, geo-localized services to track and compare their options in real time. Smartphones have become a remote control for your life – I would go so far as to say a remote control for your quality of life – for example, by monitoring your fitness or athletic performance. So our consumers are obviously going to demand a more personal and attentive service from us. They are setting the new standards of service.

Today Sodexo offers applications providing information about menus, restaurant capacity, user account balances, or identifying restaurants and stores that accept Sodexo vouchers and passes. We also have an innovative online platform "BBbook" , which allows parents to reserve places in daycare centers in France online in real time.

Fortunately, the digital and collaborative economy also enables a more democratic dialogue with consumers. Today's consumers generate information that we can use to serve them better. This data enables us to customize our services to improve their quality of life; it's also a source of value to our clients and a driver of operational efficiency for us.

Sodexo teams are in direct and daily contact with 75 million women and men around the world, which represents a fantastic source of information and new ideas about how to further customize our Quality of Life Services.

6. How is Sodexo contributing to societal progress?

I strongly believe that economic and human progress converge when improving quality of life is a priority for business and society. This vision of a more people-centric economy has always been at the heart of Sodexo's model. Let me share a couple of examples with you.

As you may have heard, we recently announced the launch of the International Food Waste Coalition. In today's world, more than 30% of all the food produced is left uneaten, while more than 800 million people suffer from hunger and malnutrition. To help turn around this situation, we brought together major actors at key stages of the supply chain to create a coalition. Along with our partners ARDO,

MICHEL LANDEL
message, continued
Chief Executive Officer of Sodexo

SCA, PepsiCo, McCain, Unilever Food Solutions and WWF, we represent the largest foodservices footprint in the world. Each company in the coalition plays a role in the food sector at each step of the value chain, from the field to the plate. The coalition will focus on addressing the sources of food waste along the value chain, working to limit surpluses or non-consumed products. Our conviction is that companies represent the strongest opportunity to reduce food waste, as long as they work collaboratively, in a coordinated effort, alongside public and non-governmental organizations.

Looking within our organization, we are strongly committed to attaining gender balance in the workplace. Promoting equality and opportunities for all drives performance. I'm proud to say that, for the second year in a row, Sodexo topped the French Ministry of Women's Rights' ranking of publicly quoted companies for gender balance within leadership teams. Today, women make up 43% of our Executive Committee and 38% of our Board of Directors.

7. What kind of employer will Sodexo be in the future?

As the 19th largest employer in the world and a company of "people at the service of other people," we are committed to being an employer of choice by providing steady jobs for our people, and offering training and opportunities for internal promotion to help them move up the career ladder. I would like to take this opportunity to thank the 420,000 women and men who are the face and voice of Sodexo: once again this year, everything we have achieved – our continued growth and development, our financial results – is the result of their commitment and hard work.

The quality of life of our employees is a priority for us because it is the condition of our future success. You may say that quality of life is a very subjective concept that varies according to age, nationality or background. But I believe there are certain universal dimensions that we can foster within our teams. These include giving meaning to their work, encouraging a sense of pride, providing an environment where they can develop their talent and reach their full potential, and recognizing their individual contribution to the success of our company.

8. What are your objectives for Fiscal 2016 and beyond?

In a world undergoing profound changes, our markets have considerable potential. Our Quality of Life Services offers are well-adapted to developments in our markets around the world, meeting the growing needs of clients and consumers. Thanks to our refined and in-depth knowledge of consumers, which number 75 million people across our three activities, we have a truly formidable advantage and a real differentiator.

Our client-based segment structure, which we are rolling out progressively, will enable us to better pool our expertise and investments (notably in research, innovation and human resources), as well as create greater value for both our clients and our consumers by providing them with the best that Sodexo has to offer.

The Group Executive Committee and I have every confidence in the future. Accordingly, I confirm our medium-term objectives of annual average revenue growth of 4% to 7% with operating profit before currency effects progressing on average between 8% and 10% per year.

In the short-term, the global economic environment remains very volatile, with slowed growth in developing economies, continuing depression in the oil and mining sectors and still hesitant growth in Europe.

Faced with these changes, the Executive Committee and I remain vigilant as we reinforce the measures needed to adapt.

That is why for Fiscal 2016 we have an objective of organic revenue growth of around 3% and an increase in operating profit excluding currency effects and before exceptional items of around 8%.

9. A final word?

On a personal note, I would like to take this opportunity to thank Pierre Bellon at the closing of a chapter in Sodexo's history: in January 2016, Sophie Bellon will succeed him and become Chairwoman of the Board. I am sincerely appreciative to him for his trust and confidence in me for more than 30 years. It has been a great honor and a privilege to lead the Group over this past decade. I am looking forward to the next chapter in Sodexo's story with enthusiasm, and Sophie can count on my continued support as we work together to ensure a bright future for the Group.

EXECUTIVE COMMITTEE OF SODEXO

This Executive Committee comprises six women and seven men from six different countries, reflecting all of Sodexo's activities and client segments, as well as its truly international dimension.

PIERRE HENRY
Group Executive Committee Vice President and Chairman of Geographies
Chairman of Benefits and Rewards and Personal and Home Services
Chief Executive Officer Sports and Leisure, On-site Services

MICHEL LANDEL
Group Chief Executive Officer
Chairman of the Executive Committee

ANA BUSTO
Group Chief Brand and Communication Officer

ELISABETH CARPENTIER
Group Chief Human Resources Officer

PATRICK CONNOLLY
Chief Executive Officer Universities, On-site Services

LORNA DONATONE
Region Chair for North America Chief Executive Officer Schools, On-site Services

SIÂN HERBERT-JONES
Group Chief Financial Officer

NICOLAS JAPY
Chief Executive Officer Energy and Resources, On-site Services

DENIS MACHUEL
Chief Executive Officer Benefits and Rewards Services

SATYA-CHRISTOPHE MENARD
Chief Executive Officer of Service Operations

SYLVIA MÉTAYER
Chief Executive Officer Corporate Services, On-site Services

DAMIEN VERDIER
Group Chief Strategy, Organization, Research & Development and Innovation Officer

DEBBIE WHITE
Chief Executive Officer Health Care, On-site Services
Chief Executive Officer Government, On-site Services

1.2 Our History

Pierre Bellon founds Sodexho, a company specializing in providing foodservices to institutions, businesses, schools and hospitals, in Marseilles (France).	1966	
	1967	CNES, in French Guiana, awards Sodexho a contract in the multiservices market, signaling its entry into the remote site management business.
International expansion starts with Belgium, Italy and Spain, with developments in Africa and the Middle East. A new business – Service Vouchers – is launched in Belgium.	1971-1978	
	1983	Initial public offering of Sodexho shares on the Paris Bourse.
Sodexho establishes operations in North and South America, Japan, Russia and South Africa, and reinforces its presence in Continental Europe.	1985-1993	
	1995	Acquisition of Gardner Merchant in the United Kingdom and Partena in Sweden, leaders in foodservices in their respective countries.
The Service Vouchers and Cards business expands into Brazil with the acquisition of Cardàpio.	1996	
	1997	The holding company changes its name to Sodexho Alliance.
The merger of the foodservices operations of Marriott International and Sodexho and the formation in the U.S. of Sodexho Marriott Services, 48.4% owned by Sodexho, which becomes North American and global leader in food and facilities management services. Sodexho Marriott Services becomes Sodexho, Inc., a wholly-owned subsidiary of the Group, in 2001.	1998	
	2000	Following the integration of Universal, Sodexho becomes the world leader in remote site management.
Sogeres (France) and Wood Dining Services (U.S.) join the Group.	2001	
	2003	Succeeding Albert George, who was appointed in 2000, Jean-Michel Dhenain and Michel Landel are appointed Chief Operating Officers.
The succession plan for Pierre Bellon is put in place. In September, the Board of Directors announces that effective September 1, 2005, the roles of Chairman of the Board and Chief Executive Officer will be separated.	2004	

	2005	Michel Landel becomes Chief Executive Officer of Sodexho Alliance, succeeding Pierre Bellon, who retains his role as Chairman of the Board of Directors.
Sodexho Alliance becomes Sodexo. Corporate headquarters is transferred to Issy-les-Moulineaux in the Paris region. Acquisition of VR's service vouchers and cards activity making Sodexho the co-leader of this market in Brazil, the world's largest. Sodexo makes several further acquisitions in several markets, including Zehnacker, which doubles Sodexo's size in Germany and increases its multi-technical capabilities.	2008	
	2009	Acquisition of Radhakrishna Hospitality Services Group (RKHS), the leading provider of On-site Services in India, tripling Sodexo's size in this market with vast potential. In North America, the acquisition of Comfort Keepers, specialized in non-medical services for seniors, contributes to the development of the Group's third activity: Personal and Home Services.
Sodexo becomes No. 1 in On-site Services in Brazil, following the acquisition of Puras do Brasil. The acquisition of Lenôtre, one of the greatest names in French cuisine, strengthens Sodexo's *savoir faire* in luxury gastronomy in Paris.	2011	
	2012 and 2013	Sodexo continues to strengthen its multi-technical services expertise, a major growth driver, with the ongoing deployment of an organization of dedicated specialists, establishment of a global technical expertise platform and targeted acquisitions: Roth Bros in the United States, MacLellan in India, and the facilities management activities of Atkins in the United Kingdom.
The Board of Directors of Sodexo appoints Sophie Bellon Vice Chairwoman; in January 2016, Sophie Bellon will succeed Pierre Bellon, the Chairman and founder of Sodexo, in the role of Chairwoman of the Board of Directors.	2014	
	2015	With the support of its Quality of Life Institute, the Group deepens its understanding of the challenges and opportunities to create value around quality of life. Leaders from more than 30 countries gather in New York for the 1st International Conference on Quality of Life, organized by Sodexo, to share ideas and exchange on tomorrow's growth models.

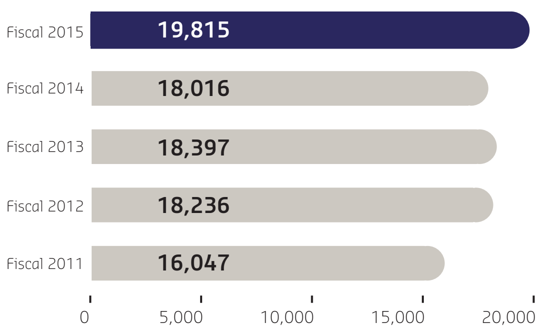
Source: Sodexo

1.3 Financial performance and key figures

CONSOLIDATED REVENUES

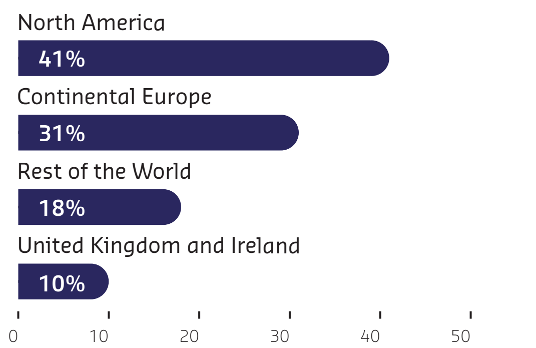
EVOLUTION OF CONSOLIDATED REVENUES

(in millions of euro)



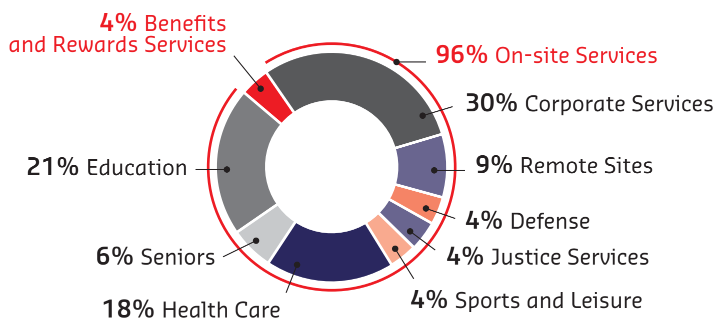
Sodexo's consolidated revenues for Fiscal 2015 totaled 19.8 billion euro. Organic growth was 2.5%.

CONSOLIDATED REVENUES BY REGION (FISCAL 2015)



Sodexo benefits from a unique global network which today covers 80 countries, with leadership in emerging countries with strong growth potential.

REVENUES BY ACTIVITY AND CLIENT SEGMENT (FISCAL 2015)



On-site Services

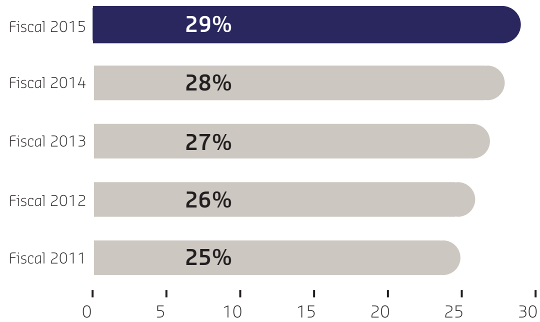
Organic growth for the On-site Services activity was 2.2%. In a global economy currently experiencing moderate or even declining growth in certain emerging countries, in particular, Latin America, this level of growth mainly reflects increasing demand for integrated Quality of Life Services in all geographic regions. Sodexo's offers, which include a significant facilities management component, have allowed the Group to temper the effect of lower foodservices volumes, notably in Europe, following headcount reductions and other cost-saving measures undertaken by clients.

For On-site Services, organic growth by client segment was as follows:

- **up 3.9% in Corporate Services,** which reflects strong demand for integrated Quality of Life services in all geographic regions but in particular in the United Kingdom and in North America; the ramp-up of new Justice contracts in the United Kingdom and growth in Remote Sites (up 5.1%), which benefited – in particular in the first part of Fiscal 2015 – from numerous contracts won at the end of the prior fiscal year, notably in Australia;

- **up 1.2% in Health Care and Seniors**, essentially reflecting a hardly favorable environment in Europe and the one-time impact of the decision to exit part of the HCR ManorCare contract in the United States at the end of Fiscal 2014. Nonetheless, Sodexo's expertise in this segment allowed for continued strong growth in Latin America, in particular, in Brazil, as well as in China;
- **a decrease of 0.7% in Education,** reflecting the Group's decision to exit a contract with the Detroit Public Schools contract in North America, in light of the city's financial difficulties, and reflected the more selective approach to new business in Europe. In contrast, Education revenues in emerging markets increased during the year, benefiting from Sodexo's global expertise in this client segment.

FACILITIES MANAGEMENT SERVICES' SHARE OF REVENUES

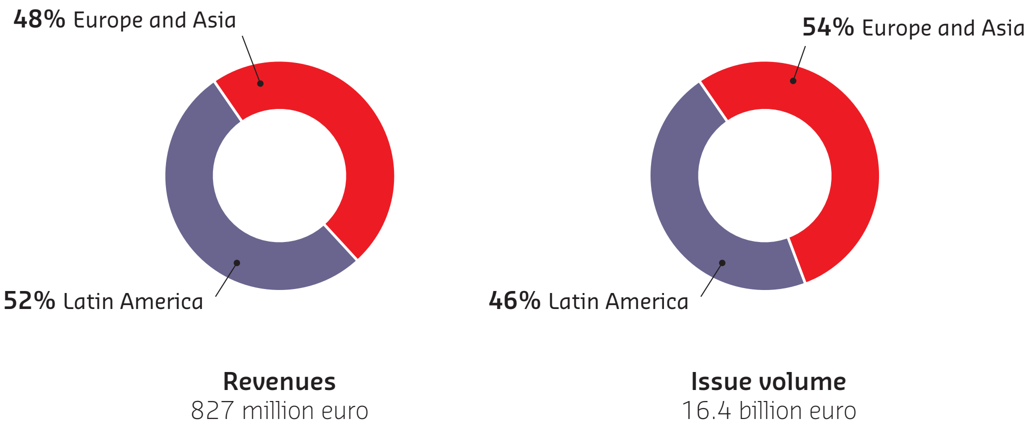


Facilities management services now represent 29% of consolidated revenues. Similar to the prior fiscal years, these services continue to grow at a higher rate than foodservices, confirming the relevance of the Group's positioning.

Benefits and Rewards Services

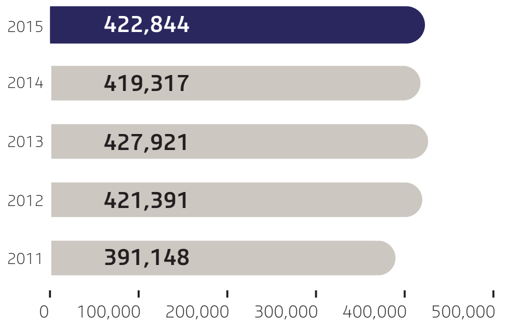
Organic growth for Benefits and Rewards Services was 9.5%. This performance reflects continued strong double-digit growth in Latin America - despite a slowdown in Brazil during the second half – as well as good development in Asia.

REVENUES AND ISSUE VOLUME, BENEFITS AND REWARDS SERVICES (FISCAL 2015)

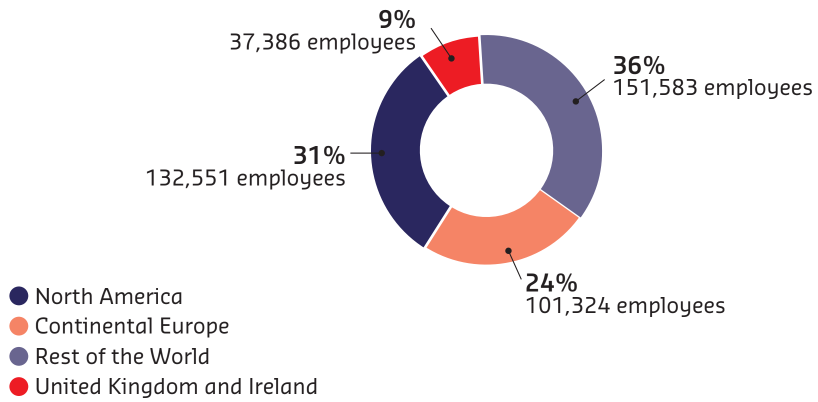


EMPLOYEES

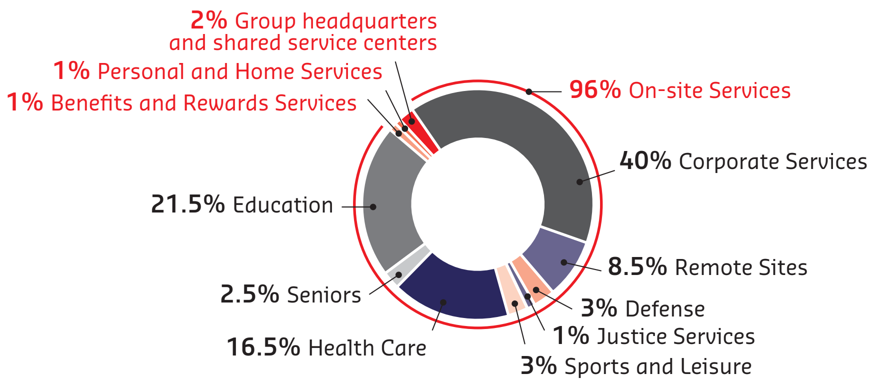
NUMBER OF EMPLOYEES AS OF THE END OF FISCAL:



EMPLOYEES BY REGION (FISCAL 2015)



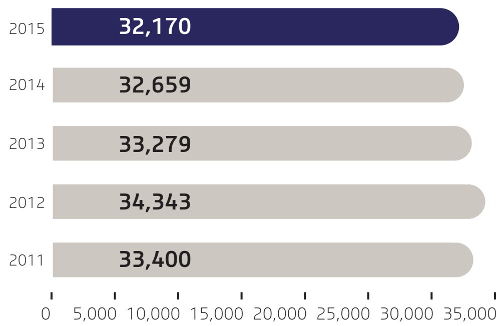
EMPLOYEES BY ACTIVITY AND CLIENT SEGMENT (FISCAL 2015)



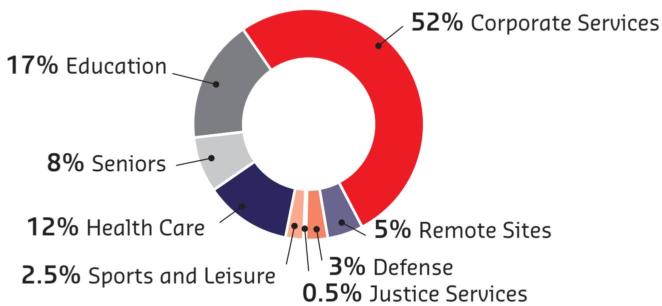
For more information about Sodexo's employees, see Chapter 2.3.1.

SITES

NUMBER OF SITES AS OF AUGUST 31:



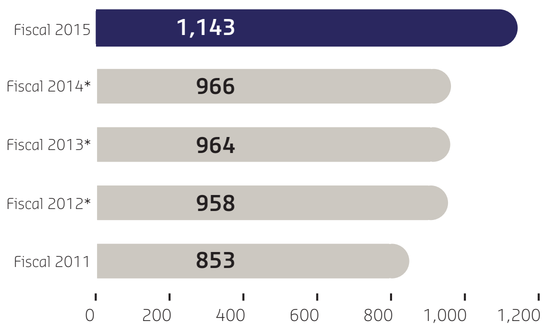
SITES BY CLIENT SEGMENT AS OF AUGUST 31, 2015



RESULTS AND RATIOS

OPERATING PROFIT*

(in millions of euro)



* *Excluding exceptional items resulting from the program to improve operational efficiency in Fiscal 2014 and Fiscal 2013, and the favorable accounting adjustment related to the pension plan in the United Kingdom in Fiscal 2012.*

At 1,143 million euro, operating profit before exceptional items increased by 11.9% excluding currency effects, compared to the prior year, by 18.3%, at current exchange rates.

All of On-site Services' geographic regions contributed to the high overall rate of growth, with operating profit increases of:

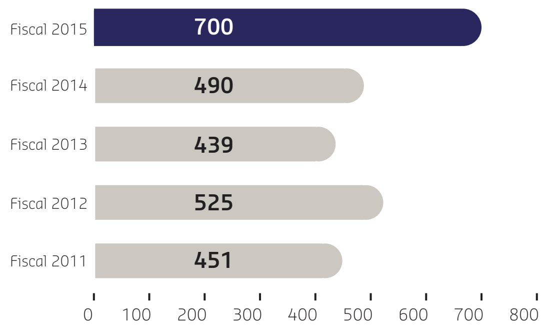
- 39.4% in North America (18.7% at constant currencies)
- 42.4% in the United Kingdom and Ireland (28.8% at constant currencies)
- 15% in Rest of the World (Latin America, Middle East, Asia, Africa, Australia and Remote Sites) (7.1% at constant currencies)
- 3% in Continental Europe (3.9% at constant currencies)

In Benefits and Rewards Services, higher issue volumes and tight control over costs drove a 15.3% increase in operating profit excluding currency effects and 6.3% at current exchange rates.

This performance also reflected the benefits over a full year of the program to improve operational efficiency and reduce costs, which generated annual savings of 170 million euro compared to the Fiscal 2013 baseline. This program, which was launched in September 2012 and completed in February 2014, focused on reducing both on-site operating expenses and overheads.

GROUP NET INCOME

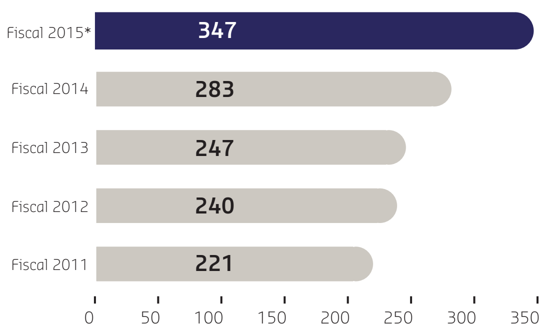
(in millions of euro)



Group net income increased by 43% (nearly 32% excluding currency effects), to 700 million euro, and benefited from a reduction in net financial expense after refinancing debt and a decrease in the effective tax rate that was favorably affected by non-recurring items.

DISTRIBUTED EARNINGS

(in millions of euro)

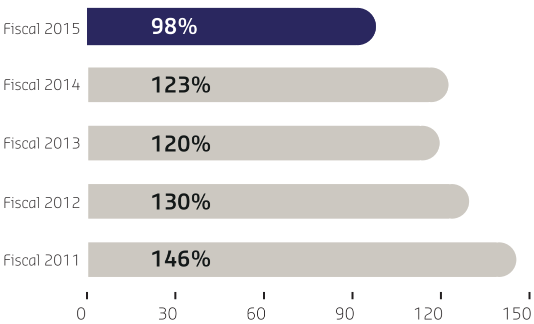


* *Subject to approval at the Annual Shareholders' Meeting of January 26, 2016.*

Sodexo's Board of Directors will propose a dividend of 2.20 euro per share, an increase of 22.2% from the prior year, at the January 26, 2016 Shareholders' Meeting. This proposal is consistent with the Group's policy of allowing shareholders to benefit from the increase in Group net income; it also reflects the Board's confidence in Sodexo's future and in its solid cash generating financial model. The proposed distribution represents a pay-out ratio of 50% of Group net income.

Furthermore, confident in the future while maintaining the financial flexibility needed to invest in future development, the Board has also decided to implement a 300 million euro (approximately 2.4% of the share capital) share repurchase and cancellation program in Fiscal 2016. This transaction is expected to be accretive to earnings per share starting in 2016.

CASH CONVERSION RATIO OF NET INCOME TO FREE CASH FLOW*

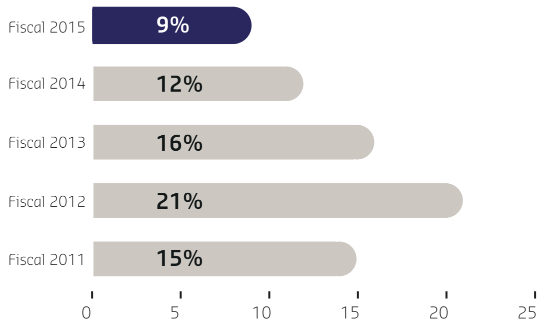


** Cash-flow conversion:* $\frac{\text{free cash}}{\text{Group net income}}$

Over the past five fiscal years, Sodexo has achieved an average cash conversion ratio of its net income to free cash flow of 123%.

NET DEBT AS A PERCENTAGE OF SHAREHOLDERS' EQUITY*

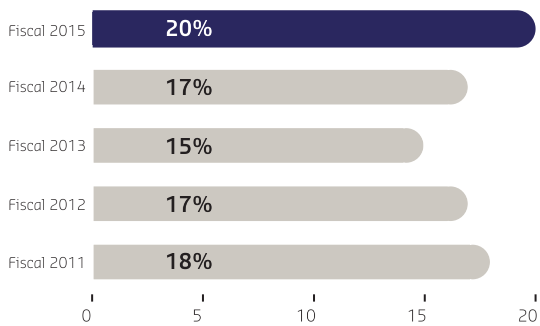
(including non-controlling interests)



* *Debt net of cash and financial assets related to Benefits and Rewards Services activity, less bank overdrafts.*

Sodexo's financial ratios remain solid. As of August 31, 2015, net debt was 339 million euro, representing 9% of shareholders' equity, compared to 12% as of August 31, 2014.

RETURN ON CAPITAL EMPLOYED (ROCE)*

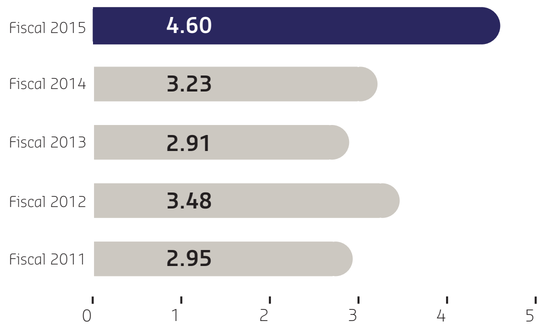


* $\frac{\textit{Operating income after tax}}{\textit{Total of tangible and intangible assets plus goodwill plus client investments plus working capital, as of the end of the year.}}$

SODEXO SHARE PERFORMANCE

EARNINGS PER SHARE

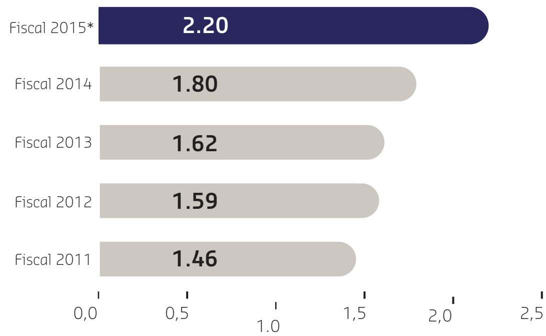
(in euro)



Earnings per share of 4.60 euro (compared to 3.23 euro in Fiscal 2014) is up 42.4% compared to Fiscal 2014 or 32.2% excluding currency effects.

DIVIDEND PER SHARE

(in euro)



* *Dividend subject to approval at the January 26, 2016 Shareholders' Meeting.*

All shares held in registered form for more than four years as of August 31, 2015 (and held as such up until the date of payment of the dividend in February 2016), will qualify for a 10% dividend premium (provided that they do not represent over 0.5% of the capital per shareholder).

1.4 Our Group and Our Quality of Life Services

1.4.1 PROFILE

GROUP KEY FIGURES

- 19.8 billion euro in consolidated revenues
- 422,844 employees
- 32,170 sites
- 75 million consumers served daily
- 80 countries

Source: Sodexo

A global leader in Quality of Life Services

Quality of life, recognized today as a determining factor in individual well-being and societal progress, is a pre-requisite for improving the performance of companies and organizations.

This is why we have developed our expertise in this area for nearly 50 years, supported by more than 420,000 people in 80 countries. Through the diversity of Sodexo's talent, we are able to offer a comprehensive array of Quality of Life Services, based on more than 100 different professions.

Sodexo is the world's only company offering On-site Services, Benefits and Rewards Services and Personal and Home Services, which contribute to the performance of its clients, the fulfillment of its teams and the economic, social and environmental development of its host communities.

Focus on...

QUALITY OF LIFE, NEW FRONTIER FOR PERFORMANCE

Central to Sodexo's mission since the Company's creation, quality of life is increasingly recognized as a determining influence on individual and collective performance.

To contribute to a broader understanding of the drivers of quality of life and their link to performance, Sodexo sponsors and shares the results of its experience, scientific research and studies, including those conducted by the Sodexo Institute for Quality of Life[1].

Among the actions taken this year by Sodexo to build on the body of knowledge regarding quality of life:

- an international study conducted by Sodexo with Harris Interactive[2] analyzing executives' views on the impact of quality of life on performance;
- organization of the first International Conference on Quality of Life, bringing together experts from throughout worldwide to consider the theme of tomorrow's growth models.

(1) *The* Sodexo Institute for Quality of Life *conducts studies and works with external stakeholders to identify the drivers of quality of life affecting organizational performance.*

(2) Harris Interactive *is a historical market research firm, which develops innovative qualitative and quantitative approaches, both in France and abroad.*

Quality of life: a priority for international decision makers

In response to the Sodexo-Harris Interactive study[1], 66% of the decision makers queried in companies, health care institutions and universities from the health and education sectors identified improved quality of life for employees, patients and students as an important driver of performance with 91% seeing a link between quality of life and performance in their organization.

The study is the first of its kind examining the impact of quality of life as a factor of performance in organizations around the world. The survey drew on interviews with 780 leading figures in the fields of business, healthcare and education across six countries (Brazil, China, France, India, the United Kingdom and the United States).

1st International Conference on Quality of Life in New York

In May 2015, leaders of companies and organizations from multiple sectors, representing more than 30 countries, gathered in New York for the 1st International Conference on Quality of Life, organized by Sodexo. The conference aimed to engage a group of global leaders who believe that focusing on people's well-being can be a powerful driver of individual and collective performance. Participants explored the role of quality of life in driving economic growth and social progress as an important yet largely unexplored frontier and considered solutions for leveraging it.

Factors identified by Sodexo as contributing to quality of life, including health and well-being, creation of conditions for collective efficiency, a safe and healthy physical workplace environment, cultivating social ties and encouraging recognition of individuals, can all help in reinventing growth models. The conference drew hundreds of leaders from a wide range of backgrounds, including the business community, academia, the health care sector, NGOs and the political sphere.

During the conference, Sodexo announced the results of a second study carried out by Sodexo and Harris Interactive exploring the views of millennials on quality of life. Of the 1,000 students surveyed in five countries, 69% said they fully agreed that improving quality of life will have an important impact on the performance of their future employer, **ranking it as the number one driver of performance for organizations.**

For more information: http://www.qualityoflifeobserver.com/

Corporate Social Responsibility

SODEXO'S LEADERSHIP CONFIRMED

- A member of the DJSI World and DJSI Europe (formerly STOXX) since 2005, Sodexo was named **"global leader for its industry"** in September 2015 by **the Dow Jones Sustainability Indices** (DJSI)[2] for the 11th consecutive year. DJSI noted that Sodexo, while already the leader, had shown significant improvements, particularly in the areas of corporate citizenship and philanthropy and in its environmental efforts. In addition, Sodexo was named **number one consumer services company** for the second year in a row.
- In January 2015, Sodexo was ranked, for the eighth consecutive year, as the leader for its industry sector in the prestigious **Sustainability Yearbook,** published by RobecoSAM, an asset management company specializing in sustainable investment. Sodexo also retains its title as **"Industry Leader"** and **"Gold Class"** in recognition of its social, environmental and economic performance.

For more information about Sodexo's corporate responsibility actions, see Chapter 2.

(1) "How Leaders Value Quality of Life", *compiled from 780 interviews conducted between November 2014 and January 2015.*

(2) Dow Jones Sustainability Indices (DJSI):

Launched in 1999, the Dow Jones Sustainability Indices are the first global indices tracking the financial performance of the leading sustainability-driven companies worldwide. Compiled by Dow Jones Indexes and SAM, these indices provide investors with sustainability benchmarks.

1.4.2 OUR QUALITY OF LIFE SERVICES

SODEXO IS THE WORLD'S LEADING QUALITY OF LIFE SERVICES COMPANY

Sodexo's mission, since its founding in 1966, has been improving the quality of life of its own employees and its clients' employees, as well as students, patients, seniors, workers at remote on- and off-shore work sites, soldiers and prisoners.

To fulfill its mission, in accompanying the consumer at every stage of life, Sodexo has chosen three activities:

- On-site Services;
- Benefits and Rewards Services;
- Personal and Home Services.

SYNERGIES BETWEEN OUR THREE ACTIVITIES

Important synergies exist between Sodexo's three activities:

Business synergies

Commercial relationships created by one of the three activities generate business development opportunities for the other two, such as:

- On-site Services clients may also need restaurant vouchers for employees who are geographically dispersed; conversely, Benefits and Rewards Services clients may seek On-site Services;
- Benefits and Rewards Services and On-site Services clients may need Personal and Home Services such as concierge services, a child care center or assistance for elderly individuals.

Brand visibility synergies

The Benefits and Rewards Services activity includes a large number of affiliates. The presence of the Sodexo brand at their points of sale contributes to building global brand awareness in countries where the Group operates, helping to promote medium-term development.

Organizational and cost synergies

The teams of Sodexo's different activities are able to share the same infrastructure (support functions, facilities, etc.), saving on overheads. In addition, the multiple career gateways that exist between the Group's three activities offer significant opportunities for employees.

These examples demonstrate the relevance of Sodexo's strategic positioning.

1.4.2.1 ON-SITE SERVICES

KEY FIGURES

- 96% of Group revenues
- 19 billion euro in consolidated revenues
- 418,356 employees*

Source: Sodexo

* *Including Personal and Home Services.*

From construction management to reception, from medical equipment sterilization to housekeeping, from technical maintenance to leisure cruises, from foodservices to prisoner rehabilitation, **Sodexo delivers a wide array of services to improve quality of life and enhance organizational performance across eight client segments:**

- Corporate Services;
- Remote Sites;
- Defense;
- Justice Services;
- Sports and Leisure;
- Health Care;
- Seniors;
- Education.

Whether enhancing workplace efficiency, reassuring patients in a hospital, contributing to student fulfillment, furthering prisoner rehabilitation or ensuring safety and comfort on a remote site, Sodexo contributes through its mission to improve quality of life.

OUR GROWTH POTENTIAL IS CONSIDERABLE

Sodexo On-site Services market potential is estimated at 700 billion euro

Sodexo estimate.

Note: Market estimates are likely to evolve over time, given the growing reliability of information sources in various countries.

RECOGNITION

Sodexo, facilities management services leader

Sodexo became the first services outsourcing company to win the prestigious "Asset Management Achievement award", presented by the internationally renowned association in the United Kington, the Institute of Asset Management, which recognizes excellence in the management of equipment and infrastructure.

Sodexo is the only facilities management services company providing comprehensive expertise in infrastructure management to both private and public sector clients, in lines of business as diverse as health care, manufacturing, mining and oil and gas. The contribution to overall revenues from facilities management services, whose development Sodexo has made a strategic priority, continues to rise, reaching 29% in 2015.

For more information on the Group's facilities management training, see Chapter 2.3.1.3.

CORPORATE SERVICES

KEY FIGURES

- 5,974 million euro in revenues
- 30% of Group revenues
- 170,184 employees
- 16,680 sites

Source: Sodexo

Our offer

WORKPLACE QUALITY OF LIFE, A PERFORMANCE DRIVER

Faced with the unprecedented pace of competition, innovation and globalization, companies are seeking partners to enhance the workplace experience for employees to reinforce organizational efficiency and improve operational performance.

In essential areas such as **employee motivation, process efficiency and equipment reliability,** Sodexo provides innovative and integrated services to clients, meeting sector-specific challenges at offices, research and development facilities and production sites and affecting critical infrastructure. Through its strong presence in both developed and emerging countries, Sodexo supports local and international corporate clients across multiple sectors.

Market trends

Beyond the long-term trends that support the development of all Sodexo activities, such as consumer focus on well-being and the need for employers to increase their attractiveness, several other specific factors affect the Corporate Services segment:

- companies and organizations are recognizing the importance of focusing on people to create lasting value and improve performance;
- strong competition for talent in developing markets is increasing the demand for services that reinforce employee engagement and well-being;
- in the more mature markets of Europe and North America, organizations are seeking to regain a competitive edge by including corporate real estate activity and facilities management in their outsourcing agendas, the latter remaining one of the largest opportunities for further outsourcing;
- clients are seeking socially-responsible outsourcing partners with demonstrated best practice efficiency, expertise in integrating business services and a capacity for ongoing innovation in order to enhance nontangible assets such as their brand and image;
- international companies are seeking global partners able to meet their needs and capable of adapting to local contexts and cultures;
- the increasingly sophisticated expectations of clients and their global procurement strategies require tailored solutions adapted to each client's organization, site portfolio and scale;
- new ways of working such as at home or remotely, made possible by new technologies, are leading to alternative workplace strategies for promoting productivity, flexibility and work-life balance;
- employees increasingly value their quality of life at the workplace and seek a healthy, comfortable and encouraging environment.

Source: Sodexo

Focus on…

SODEXO'S 2015 WORKPLACE TRENDS REPORT

United States – Workplace changes reflect cultural, technology trends

The annual Report identifies new developments that are redefining quality of life for workers across the United States.

Increasing e-commerce and social media communications are giving employees and consumers more influence over actions by companies to manage their reputation. The resulting increased transparency is among the key trends reshaping the American work environment that are identified in Sodexo's 2015 Workplace Trends Report. Implications of this new form of public accountability include a need for constant, real-time reputation management and an increased role for CEOs in communicating an honest, aspirational vision that connects with employees and consumers.

Another development redefining quality of life for workers is **the emergence of mindfulness and meditation programs at work** to help relieve stress and target the root causes of chronic health problems and lost productivity.

The report also identified ten skills essential for future success in the workforce such as social intelligence and adaptive thinking, which can complement rather than compete with increasing automation.

Highlights

CHINA – SODEXO RANKED AS ONE OF CHINA'S LEADING OUTSOURCING COMPANIES

Sodexo was listed as one of the top 20 multinational companies for services outsourcing in China for 2014 by Chinasourcing website and Devott Service Outsourcing Research Center and **ranked first in its business** area of food and facilities management services.

COLOMBIA – SODEXO RECOGNIZED AS A STRATEGIC ALLY BY BANCOLOMBIA

Colombia's largest bank, Bancolombia, honored Sodexo for its quality of services, operational commitment and contribution towards the bank's success. Bancolombia recognized contributions from among its more than 300 strategic providers in the country, with Sodexo named an **"Integral Provider,"** the most important of eight recognition categories. The distinction confirms Sodexo's position as a top five provider for the bank, alongside other global players such as IBM and SAP. Sodexo delivers an array of facilities management services that are helping its client to enhance operating efficiency and meet its sustainability goals for the next century. Sodexo has enabled the integration of technical maintenance processes across Bancolombia sites, increasing efficiency and making it possible to trace service issues back to the source. These actions resulted in savings objectives being surpassed by more than 120%. Sodexo also implemented green building initiatives at Bancolombia's new state-of-the-art headquarters that helped create a unique workplace environment that enhances quality of life for the bank's customers and employees.

For more information on Sodexo's actions to reduce energy consumption and carbon emissions, see Chapter 2.3.4.2.

Key contract wins

ASIA – FACILITIES MANAGEMENT SERVICES EXTENDED TO NEW COUNTRIES FOR UNILEVER

Since January 2012, Sodexo and Unilever work teams have worked together to put in place a **global program to transform facilities management services,** part of a strategic partnership that places Unilever employees and integrated services quality at the heart of the implemented solutions. During the year, Sodexo initiated deployment of the program in **Malaysia, the Philippines, Singapore, Thailand** and **Vietnam.**

BRAZIL AND CHILE – ENSURING QUALITY OF LIFE IN OFFICE ENVIRONMENTS FOR ATENTO

Sodexo teams in Brazil and Chile are delivering services on behalf of Atento, one of the world's largest Customer Relationship Management (CRM) companies in the Business Process Outsourcing (BPO) sector.

In Brazil, the two companies developed a partnership model under which Sodexo provides technical services, including electrical, HVAC and building maintenance to ensure a comfortable, productive work environment for employees on 39 Atento sites.

In Chile, Sodexo provides cleaning and foodservices for 3,500 employees at three Atento office sites. Sodexo's foodservices offer ensures a balanced, healthy menu for employees working in an industrial zone with few foodservices alternatives.

FRANCE – ENSURING A HEALTHFUL WORKPLACE ENVIRONMENT AT LACOSTE-DEVANLAY

One of the world's most recognized high-end clothing brands, Lacoste–Devanlay chose Sodexo to **manage its two major Paris area office sites.** In addition to managing the sites, Sodexo teams contribute to improved efficiency in delivering a wide range of services, including maintenance, waste management, telephone switchboard, reception, mail and concierge services. Quality of life of Lacoste-Devanlay's 600 employees is a primary focus and the positive and healthy workplace environment is designed to enhance employee well-being.

NETHERLANDS – FOODSERVICES FOR THE NATIONAL POLICE CORPS

Sodexo is providing foodservices to **31 national police sites** in the Netherlands, serving an average of 2,300 meals per day. The teams also provide catering for special events to support the police corps during emergency operations.

UNITED KINGDOM AND IRELAND – DIAGEO CHOOSES SODEXO AS STRATEGIC PARTNER

Diageo, the global drinks company, chose Sodexo as its integrated services provider in the UK and Ireland. Sodexo is delivering a range of **technical and support services across 68 sites,** including Diageo's global headquarters in London, regional offices, manufacturing plants, distilleries and warehouse facilities. Sodexo's services include maintenance, energy management, cleaning, foodservices, reception, security and horticultural services, as well as management of Diageo's branded stores and employee shops. In addition to its technical capabilities and commercial approach, Sodexo's emphasis on quality of life for both its clients and its own employees was a key factor in Diageo's decision.

UNITED STATES

The House of Representatives elects Sodexo

Sodexo's offer emphasizing variety, nutrition, quality and convenience helped win a new foodservices contract serving the U.S. House of Representatives in Washington, D.C. The contract includes **management of foodservices operations** for all cafeterias, micro-markets, catering services and vending machines **serving the entire U.S. House of Representatives community,** including Members of Congress, staff and visitors numbering some 10,000 people daily. Sodexo's proposal featured its industry-leading procurement systems along with additional best practices designed to increase customer and employee satisfaction.

For more information on Sodexo's actions for varied and balanced meals, see Chapter 2.3.2.2.

Supporting Chevron through improved organizational efficiency

Energy leader Chevron chose Sodexo to provide **facilities management services at 13 major sites** in California, Texas, Louisiana and Pennsylvania, consisting of over 10 million square feet. Sodexo provides a wide range of services to support its client in achieving its strategic objectives of enhanced operational excellence and safety performance, reinforcing organizational efficiency, cost-effective facility services and improved customer satisfaction. Sodexo's team consisting of 485 employees, provides support services, pest control, landscaping, move and event coordination, mail, shipping and receiving, and cleaning services for Chevron.

Among our clients...

Agusta Westland, 3 sites (United Kingdom)

Alcatel Lucent, 37 countries: Argentina, Australia, Austria, Brazil, Canada, Chile, Colombia, Costa Rica, Czech Republic, Denmark, France, Germany, Hong Kong, Hungary, India, Indonesia, Israel, Italy, Japan, Malaysia, Mexico, Morocco, Norway, Peru, Philippines, Poland, Romania, Russia, Singapore, Slovakia, South Korea, Spain, Thailand, Turkey, Ukraine, United States, Vietnam

Airbus (France)

Alitalia (Italy)

AstraZeneca, 8 countries: China, Denmark, Finland, France, India, Norway, Sweden, United Kingdom

Bancolombia (Colombia)

Banco Santander (Spain)

Bank of Philippines (Philippines)

Baker Hughes (United Arab Emirates)

Baosteel Group, 4 sites (China)

Barwa Bank (Qatar)

Bavaria Film (Germany)

Baxter, 6 sites (Austria)

Bosch Diesel Jihlava, 5 sites (Czech Republic)

Cemaz Ind Eletronica da Amazonia SA Lenovo, 3 sites (Brazil)

China Energy Conservation and Environmental Protection Group (China)

Coca-Cola Enterprises, 6 countries: Belgium, France, Netherlands, Norway, Sweden, United Kingdom

Corrs Chambers Westgarth, 8 sites (Australia)

Deloitte, headquarters and 17 sites (France), Hyderabad (India)

Diageo, 68 sites (Ireland, United Kingdom)

DNB, 1 site (Norway)

Ecolab Nalco (Russia)

EGED, 12 sites (Israel)

Endesa (Spain)

FAW, 20 sites (China)

GSK, 20 countries: Argentina, Australia, Belgium, Brazil, Canada, Chile, China, Colombia, Costa Rica, France, Ireland, Italy, Mexico, Morocco, Netherlands, Poland, Spain, Turkey, United Kingdom, United States

Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft KG (Germany)

Heineken Brasil SA, 5 sites (Brazil)

Impact Exhibition (Thailand)

Intel (Poland)

Johnson & Johnson, 14 countries: Argentina, Belgium, China, Colombia, France, Germany, Ireland, Italy, Mexico, Netherlands, Spain, Sweden, Switzerland, United Kingdom

Kia Motors, 2 sites (Slovakia)

Knesset, (Israel)

Laboratorios Roemmers, 6 sites (Argentina)

La Poste Belge, 35 sites (Belgium)

L'Oréal (France, Indonesia)

Ma'adeen Aluminum Company (Saudi Arabia)

Mercedes Benz (Hungary)

Merck MSD, 24 countries: Algeria, Austria, Belgium, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Israel, Italy, Morocco, Norway, Poland, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey

Microsoft (France)

Mondelez International (Peru)

Morgan Stanley (Hong Kong)

National Instruments (Malaysia)

NewsCorp, 4 sites (Australia)

Polish Parliament (Poland)

Procter & Gamble, 31 countries: Argentina, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, France, Germany, Hungary, India, Indonesia, Ireland, Italy, Japan, Mexico, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Spain, Thailand, Turkey, United Kingdom, United States, Vietnam

Renault Nissan Automotive India Pvt. Ltd. (India)

Royal Dutch Shell, 8 countries

RTL2 Fernsehen (Germany)

RUSAL, 5 sites (Russia)

Sanofi, 8 countries: Brazil, Canada, France, Germany, India, Italy, Slovakia, United States

Scania (Sweden)

Shanghai Automotive Industrial Corporation (SAIC), 15 sites (China)

Suzano Papel e Celulose SA, 4 sites (Brazil)

SwissLife (Switzerland)

Telefonica, 3 sites (Chile)

Tetra Pak (India, Singapore)

Unilever, 33 countries: Austria, Belgium, Canada, China, Colombia, Costa Rica, Czech Republic, Denmark, Finland, France, Germany, Hungary, India, Ireland, Italy, Malaysia, Mexico, Netherlands, Philippines, Poland, Romania, Russia, Singapore, Slovakia, Spain, Sweden, Switzerland, Thailand, Turkey, United Arab Emirates, United Kingdom, United States, Vietnam

Zorlu Holding (Turkey)

Zurich, 5 countries: Germany, Malaysia, South Africa, United Kingdom, United States

REMOTE SITES

KEY FIGURES

- **1,823** million euro in revenues
- **9%** of Group revenues
- **36,067** employees
- **1,631** sites

Source: Sodexo

Our offer

QUALITY OF LIFE AND EFFICIENCY, EVEN AT THE ENDS OF THE EARTH

On both onshore and offshore remote sites, Sodexo contributes to the well-being of the people who live and work in these challenging, often isolated environments.

With its deep understanding of consumer expectations, proven technical processes and international expertise of its teams, Sodexo is unique in its market. From designing to operating to dismantling remote sites, **Sodexo contributes to client performance throughout the world with its integrated offer of innovative services** that:

- create a safe and comfortable workplace for all;
- include added-value technical and cost-saving services;
- meet rigorous Quality, Health, Safety and Environmental[1] standards;
- reflect Sodexo's commitment to contribute to the economic development, social needs and environmental resources of host communities.

Market trends

In the oil and gas market, commodity price volatility and supply dynamics have slowed short-term growth across traditional businesses and stifled new capital investment. Offshore activities, including deep and ultra-deep exploration and production continue but at a more gradual pace, while lower oil prices are driving the industry to seek operational efficiencies. Onshore developments have slowed in the near-term from the recent frenetic pace in shale oil and gas. Lower liquefied natural gas prices continue to drive operators to seek cost savings, including from their suppliers.

The mining industry has been impacted by both slower growth in some emerging markets and the recurring consequences of the eurozone crisis. Mining companies are becoming more selective and are automating their operations progressively, seeking higher investment returns and significant reductions in their costs. Challenges facing clients include reaching remote locations that lack infrastructure, attracting and retaining employees as well as ensuring project responsiveness to local sustainability and development needs.

In the engineering and construction sector, although the global economic and geopolitical climate has dampened short-term demand for commodities, the long-term nature of infrastructure development will continue to require regular investment. In addition, new growth opportunities are being driven in part by demand from financially constrained governments that increasingly rely on private sector participation to address infrastructure needs.

Source: Sodexo

(1) Quality, Hygiene, Safety, Environmental standards (QHSE):
These four components of a responsible corporate management approach are based on the belief that most, if not all, accidents involve human error and are therefore preventable with better training and management practices.

Highlights

AUSTRALIA – "I HEAR YOU" INITIATIVE WINS INNOVATION AWARD

Sodexo's commitment to improving quality of life and achieving a zero harm workplace was recognized with the "2015 Workforce Innovation" award by AMMA, Australia's national resource industry employer group. The Company's "I Hear You" initiative is a holistic mental health awareness program that provides tangible, meaningful and immediate support to employees in times of personal need. Employees also learn how to detect and respond to signs of personal crisis among friends, family and colleagues.

CHILE – PROMOTING SUSTAINABILITY THROUGH "HONEY FOR MINERS"

Sodexo's innovative "Honey for miners" project, to improve nutrition for employees of its Chilean mining client, *Minera Los Pelambres,* while promoting sustainability in the local community, was recognized with the "Good Corporate Citizen award" by the Chilean-American Chamber of Commerce. In order to provide nutritious fresh honey in the breakfasts of miners at the open-pit Los Pelambres Mine, Sodexo incorporated small local honey producers into its supply chain. The initiative helped the small family-run businesses to form a cooperative that also supplies other Sodexo sites and is exploring potential export opportunities.

Key contract wins

AUSTRALIA – RIO TINTO AGAIN CHOOSES SODEXO

Based on its proposal focused on safety and innovative Quality of Life Services, Sodexo was chosen by Rio Tinto to manage the Jerriwah Project, a remote site village located in western Australia. This contract continues the strong, longstanding relationship between the two companies. Drawing on best practices and its experience at other Rio Tinto mining sites, Sodexo developed a cost effective proposal for the delivery of an array of services, including foodservices, housekeeping, industrial cleaning, accommodation management, retail shops, health and well-being, facilities maintenance, grounds maintenance, waste management and recycling and transportation services.

CHILE

Quality of life gaining altitude

Foodservices, camp accommodations, maintenance, leisure activities, laundry services and cleaning are among the Quality of Life Services Sodexo is delivering at Compañía Minera Nevada's (Barrick Gold) Pascua Lama mining project in northern Chile. Key to Sodexo's winning proposal is the effective management of common spaces to promote social interaction, recognition and personal development through the leisure activities and entertainment services provided to the 230 employees at the gold, silver and copper mine, located at 4,500 meters. The varied menus provided are tailored to meet the specific nutritional needs of miners working at high elevations to ensure their health and well-being.

Maximizing comfort at Ferrovial hydroelectric plant

Sodexo's uniquely integrated services to improve quality of life are helping to ensure continuity of operations and responding to the client's strategic objectives at Ferrovial's Los Condóres hydroelectric plant. Quality of Life Services provided to the site's 750 consumers include foodservices, maintenance, accommodations, laundry, office cleaning and waste management. Services are organized to positively influence consumer health and well-being with comfortable and functional meeting points, such as dining rooms, which are designed to maximize social interaction and efficiency.

PERU – STRENGTHENING LINKS WITH HOST COMMUNITIES

To improve the quality of life for more than 6,000 miners working at MMG's LAS Bambas project, located 4,500 meters above sea-level, Sodexo designed a wide array of services that offer a variety of menus and a special health and fitness program. On-site services also include operation and maintenance of equipment and infrastructure such as drinking water and wastewater plants, with performance tracked using Sodexo's proprietary software. To help the client reinforce its relationship with the host community and contribute to the region's economic development, Sodexo created a social responsibility program to provide specialized agricultural training and business counseling to local farmers. The program also works to create awareness regarding hunger and malnutrition.

For more information on Sodexo's actions on behalf of local communities, see Chapter 2.3.3.

RUSSIA

Supply chain improvements enhance foodservices

Gazprom chose Sodexo to deliver Quality of Life Services at six oil and gas production facilities across Russia based on an offer designed to enhance the physical workplace environment and promote employee health and well-being. By improving the supply chain, Sodexo was able to ensure delivery of fresh products and nutritious meals while its meal pricing mechanism allows employees to use their meal allowances more efficiently.

Broad range of services at Kinross regional headquarters

Canadian mining company **Kinross Gold** awarded Sodexo the contract to provide foodservices, cleaning, technical maintenance and accommodations services at its regional headquarters in Moscow.

Among our clients...

OIL AND GAS

Apache Energy: Australia

Baker Hughes: India, Kuwait, Oman, Saudi Arabia, United Arab Emirates

BG Group: United Kingdom

BGP: Kuwait, Saudi Arabia

BP: Angola, Argentina, Brazil, Norway, United Kingdom, United States (Alaska, Gulf of Mexico)

ConocoPhillips: Algeria, United Kingdom, United States (Alaska, Gulf of Mexico)

ENAP: Argentina, Chile

ExxonMobil: Australia, Canada, Netherlands, Saudi Arabia, United States (West)

Gazprom: Russia

Nabors: Algeria, India, Mexico, Saudi Arabia, United States (Alaska)

PanAmerican Energy: Argentina

Perenco: Congo, Cameroon, Gabon

Petrobras: Argentina

Pluspetrol: Peru

Repsol: Peru

Schlumberger: Algeria, Brazil, India, Kuwait, Saudi Arabia, United Arab Emirates, United States (Alaska)

Shell: 8 countries

Sinopec: Gabon, Saudi Arabia

Sonatrach: Algeria

Statoil: Angola, Brazil

Talisman: Canada, Norway, United Kingdom

Total: Angola, Congo, Gabon, Netherlands

Woodside: Australia

ENERGY

Duke: Peru

Enel Green Power: Chile

GDF-Suez: Netherlands

Hydro Quebec: Canada

Manitoba Hydro: Canada

Suncor: Canada

OFFSHORE AND MARINE

Atwood Oceanics: Cameroon, Malaysia, South Korea, Thailand, United States (Gulf of Mexico)

Bourbon Offshore: Angola, Congo, Qatar, Singapore

Diamond Offshore: South Korea, United Kingdom, United States (Gulf of Mexico)

ENSCO: Australia, Brazil, China, Denmark, Indonesia, Malaysia, Myanmar, Netherlands, Singapore, United Arab Emirates, United Kingdom

KCA Deutag: Malaysia, Oman, Russia

Maersk Drilling: Cameroon, Congo

Noble Drilling: Australia, Benin, Cameroon, Denmark, Gabon, India, Netherlands, Qatar, Singapore, United Kingdom, United States (Gulf of Mexico)

Ocean Rig: Congo, South Korea

Rowan: Norway, South Korea, United States (Gulf of Mexico)

Seadrill: Angola, Australia, Brazil, Mexico, Norway, Saudi Arabia, South Korea, Thailand, United Kingdom

Seafox: Netherlands

Shelf Drilling: India, Indonesia, Qatar, Saudi Arabia, Singapore, Thailand, United Arab Emirates

Sipetrol: Argentina

Subsea 7: Mexico

Technip: Angola

Teekay: Brazil, Norway, Qatar, United Kingdom

Transocean: India, Indonesia, Malaysia, Norway, Saudi Arabia, Singapore, Thailand, Vietnam

Van Oord: Kuwait, Netherlands

MINING

Anglo American: Australia, Chile

Antofagasta Minerals: Chile

Barrick Gold: Australia, Chile, Peru, Tanzania

Bechtel: Chile

BHP Billiton: Australia, Chile, Columbia, Peru

Freeport McMoran: Democratic Republic of Congo, Peru

Glencore Xstrata: Australia, Cameroon, Chile, Colombia

Lumina Copper: Chile

Newmont Mining: Australia

Oz Minerals: Australia

Polymetal: Russia

Rio Tinto: Australia, Canada, Chile, Guinea Conakry, India, Madagascar, Peru

Vale: Argentina, Brazil, New Caledonia

Votorantim Metais: Peru

Yamana Gold: Brazil, Chile

ENGINEERING AND CONSTRUCTION

Al Hassan Engineering: Oman

Al Rushaid Construction: Saudi Arabia

BEC Group: Oman

CH2M HILL: United States (Alaska)

Consolidated Contractors Company: Kuwait

Descon Engineering: United Arab Emirates

Fluor Daniel: Peru, Qatar, Saudi Arabia

Halliburton: Algeria, Angola, India, Norway, Qatar, United States (Gulf of Mexico)

Hyundai Engineering: Algeria, Oman, Qatar, United Arab Emirates

JGC Corporation: Algeria, Qatar

Leighton: India

MIDMAC Contracting: Qatar

Odebrecht: Brazil, Peru

Punj Lloyd: Indonesia, Qatar, Kuwait, United Arab Emirates

Samsung Engineering: Kuwait, Qatar, United Arab Emirates

SNC Lavillan: United Arab Emirates

Techint: Peru

The Oman Construction CO (TOCO): Oman

Vinci: Cameroon, Peru

DEFENSE

KEY FIGURES

- **686** million euro in revenues
- **4%** of Group revenues
- **12,302** employees
- **989** sites

Source: Sodexo

Our offer

IMPROVING THE QUALITY OF LIFE OF SERVICE PERSONNEL AND THEIR FAMILIES AT HOME AND ABROAD

Sodexo has more than 30 years of experience supporting armed forces throughout the world. With its expertise and insight into the special demands of military life, Sodexo delivers **integrated service offers that improve the quality of life** for service personnel and their families on homeland bases, decompression bases and deployed bases overseas, including forward operating bases.

With an offer ranging from technical maintenance services, recreational activities and foodservices for service personnel and their families to the complex logistical services of peacekeeping operations, Sodexo's flexibility, rigor, reliability and rapid deployment capabilities make it **a valued long-term strategic partner to defense communities across the globe.**

Market trends

GROWING PUBLIC DEFICITS

While military expenditure is still increasing in some countries, budget pressures are leading governments and military leaders to downsize or search for ways to achieve more for less in the running of defense support operations. The result is increased outsourcing accompanied by a drive for innovation, efficiency and a more integrated approach to service delivery.

PROFESSIONALIZATION OF ARMED FORCES

As the trend toward professionalization of armed forces continues, governments and military leaders increasingly seek strategic outsourcing partners who will improve the quality of life for service personnel and their families. Partners are expected to contribute to personnel performance and retention, enabling military leaders to better focus resources on their core mission.

GREATER FOCUS ON SERVICE PERSONNEL WELFARE AND WELL-BEING

Deployments of military forces to the Middle East from the United States, the United Kingdom and other countries in recent years have increased public awareness of service personnel welfare, morale and support. The result has been increasing demand for Quality of Life Services and a desire for the development of socially responsible initiatives in defense communities by outsourcing partners.

PEACEKEEPING OPERATIONS

While armed forces are being downsized due to budget reductions, governments are seeking to maintain their foreign peacekeeping commitments undertaken through international bodies such as the United Nations or NATO. The stretching of military forces and increasing complexity of operations require experienced partners with broad-based expertise, a global footprint and sophisticated logistical resources.

Source: Sodexo

Highlights

FRANCE – MAJOR NEW QUALITY OF LIFE SERVICES SHOWCASE

With the opening of the **"French Pentagon" at Balard in Paris,** Sodexo adds another prestigious reference to its portfolio of clients. The 350,000 square meters site provides a showcase for the wide array of Quality of Life Services Sodexo is capable of providing, including visitor screening and security, concierge services, cleaning, laundry, reception, foodservices seven days a week, building and grounds upkeep, logistics and waste management services. Under the 27-year public-private partnership contract, the Sodexo team is responsible for ensuring a professional working environment and residents' comfort and well-being across the immense site. Services include maintaining the facility's 15 kilometers of corridors, 450 meeting rooms and six hectares of green space. The Sodexo team also manages a 750-room hotel and delivers foodservices to 9,600 people on the site, on which all three major branches of the French military are represented, as well as the Directorate General for Armaments and the General Secretariat for Administration. Among other duties: ensuring the proper care and display of 190 national flags to welcome visiting country delegations.

UNITED KINGDOM – COLLABORATIVE BUSINESS RELATIONSHIPS CERTIFICATION

Accredited certification body ISOQAR qualified Sodexo under the **BS 11000**(1) collaborative business relationships standard. The certification covers all hard and soft facilities management services provided by Sodexo to UK and Ireland defense clients. BS11000 provides a framework to help companies develop and manage their interactions with other organizations to maximize mutual benefits.

UNITED STATES – BEST MARINE CORPS MESS HALL

For the third time, the U.S. Marine Corps **Camp Lejeune Mess Hall 455** in North Carolina, operated by a Sodexo team, was selected as the Best Full Food Service Mess Hall. The National Restaurant Association and Military Foundation presented the annual award.

Key contract wins

FRANCE – IMPROVING QUALITY OF LIFE FOR TELSITE TEAMS AT REMOTE SITE

The **French Armed Forces and Defense Ministry** has chosen Sodexo to design, supply and operate the future TELSITE 2 remote site on the Moruroa atoll in French Polynesia as part of a nearly three-year mission. Sodexo's comprehensive solution is designed to provide a comfortable and secure environment, promote the health and well-being of workers at the center and protect the atoll's ecosystem. Sodexo is overseeing the design, construction, transport, installation and dismantling of a 32,000-square-foot structure. Its teams provide a range of services, including recreational activities to encourage relaxation and social interaction on the remote site. Nutritionally balanced meals are provided using local suppliers. All basic supplies are purchased locally and 75% of the staff is Polynesian.

For more information on Sodexo's Remote Sites offer, see previous pages.

UNITED STATES – FACILITIES MANAGEMENT SERVICES FOR THE U.S. MILITARY'S MEDICAL FACILITIES WORLDWIDE

Sodexo was approved to provide operations and maintenance services to support delivery of the best possible health care experience for patients at **U.S. Department of Defense** medical facilities throughout the world. Over the five-year contract term, the Defense Department can draw upon Sodexo's technical expertise and capabilities to enhance quality of life for millions of military members and their families while also ensuring greater efficiency in operations and maintenance. Services include scheduled and corrective maintenance, grounds maintenance, housekeeping, pest management and maintenance of biomedical equipment. The medical facilities that Sodexo will have the opportunity to service are located at 50 installations worldwide and have a combined physical footprint of 24 million square feet.

(1) BS 11000 - published by BSI in association with the Institute for Collaborative Working (ICW) - is the World's first national standard for Collaborative Business relationships.

Among our clients…

AUSTRALIA

Australian Submarine Corp, 2 sites, Adelaide

CHILE

Astilleros y Maestranzas de la Armada (ASMAR), naval base in Talcahuano

Empresa Nacional de Aeronáutica de Chile (ENAER), Santiago

Military Hospital, Santiago and Antofagasta

Naval Hospital, Talcahuano and Viña del Mar

FRANCE

EALAT – Helicopter training school, Dax

EMB – Military training centers, Bourges

French Ministry of Defense headquarters, Paris

Institution Nationale des Invalides (Military hospital), Paris

Instruction center and Naval Air Station, Brest Defense Base

TELSITE 2 remote site, Moruroa, French Polynesia

GERMANY

Universität der Bundeswehr, Munich

INDIA

Naval Officers Club, Delhi

POLAND

Military Medical Institute, Warsaw

SINGAPORE

Civil Defence Force Basic Rescue Training Centre and Academy

SOUTH KOREA

DLA Troop Support, Osan

SWEDEN

The Ronneby Air Force Garrison

THAILAND

United Nations Representative for the Asia Pacific, Bangkok

UNITED ARAB EMIRATES

1 U.S. base

1 French Foreign Legion base, Abu Dhabi

UNITED KINGDOM

Army main garrisons of Aldershot, Brecon, Bulford, Catterick, Colchester, Larkhill, London, Tidworth, Warminster and York

Joint garrisons in Cyprus and the Falkland Islands

Royal Naval Air Stations, Culdrose and Yeovilton

Royal Marines bases across South West England, including the Commando Training Centre Royal Marines (CTCRM)

UNITED STATES

Defense Commissary Agency, 12 deli-bakery operations

U.S. Air Force, 38 dining locations on 14 bases

U.S. Army, 8 hospitals

U.S. Department of Defense retail operations, 5 dining locations

U.S. Department of Homeland Security, dining facility for first responder trainees

U.S. Government Civilian Agencies, 50 dining locations

U.S. Marine Corps, 49 dining locations

U.S. Navy, 2 facilities management contracts, patient feeding at a naval hospital

IN THEATER MILITARY FORCES

Postal service for French troops deployed abroad in the Middle East, Africa and Central Europe

UNIFIL (Lebanon)

U.S. Air Force, 1 site (Kuwait)

U.S. Forces Camps, 3 sites (Kuwait)

JUSTICE SERVICES

KEY FIGURES

- 747 million euro in revenues
- 4% of Group revenues
- 4,963 employees
- 115 sites

Source: Sodexo

Our offer

SERVING SOCIETY BETTER

Sodexo is one of the world's leading providers of justice services, having begun partnering with national and regional governments since 1993. Sodexo delivers a range of frontline and support services to correction facility staff and prisoners on 115 sites.

ETHICAL PRINCIPLES

Sodexo delivers its services according to stringent ethical principles. **Sodexo operates justice services only in democratic countries that do not have the death penalty, in which its staff is not required to carry firearms and where the ultimate goal of imprisonment is prisoner rehabilitation.**

FOCUS ON REHABILITATION

Experience shows that prison and rehabilitation outcomes can be significantly improved through an approach that protects the public while breaking the cycle of reoffending. Such outcomes can provide a better life for offenders while also reducing societal costs. Sodexo teams focus on providing offenders with the life skills, work experience, qualifications and resources upon release to help ensure their successful reintegration into society.

Sodexo engages and is experienced in various forms of justice partnerships with governments, including:

- **taking responsibility for the entire process of creating new prisons and prison extensions** – from the advisory stage, to financing, designing, building and project management to full operational management and provision of frontline custodial services;
- **taking over full management and operation of existing public prisons and probation services** to transform their efficiency and performance;
- **providing a range of support services in other justice environments** such as courts and policing.

Market trends

In response to rising budgetary pressures and the diversification of services offered by providers, **public authorities are turning increasingly to the private sector.** In seeking effective "Less is more" solutions, authorities are outsourcing an increasingly broad array of services.

Aging populations, technological advances and overall improvements in policing and justice systems are **increasing prison populations.** As a result, governments are considering ways to improve rehabilitative results, reduce costs and implement alternatives to custody such as community service.

Tighter budgets and a desire to improve results is increasing the use of **outcome-based contracts,** such as linking part of the service provider's remuneration to success in reducing reoffending rates.

The emphasis on offender rehabilitation over incarceration or punishment continues to grow, as is the demand for improved prison conditions.

New information and communications technologies present a real opportunity for innovation in operations and improved efficiency and effectiveness of justice systems.

Source: Sodexo

Highlights

CHILE

Bío Bío bikes

Sodexo's bicycle repair project at **Bío Bío prison** is contributing to improved quality of life in Chile's Concepción region while enabling prisoners to acquire sought-after mechanical skills. In addition to the physical well-being of the local population, the initiative helps to reduce pollution and congestion in the region. Developed jointly by Sodexo and the local municipal government, the project has seen more than 100 inmates complete the intensive training program, providing them with skills that will help their reintegration into society following their release.

A driver's license: key to successful rehabilitation

Prisoners at Sodexo-managed facilities in Chile are learning to drive through an innovative program that increases their opportunities for employment upon release. At **Concepción prison,** participants gain on-road experience as delivery drivers for the prison's internal food center and can pass a driving test at the offices of the municipality to receive their driver's license.

FRANCE

Learning computer skills

Through a partnership with a computer provider, Sodexo is enabling female inmates at **Joux-la-Ville prison** to learn practical information technology skills that will help in gaining employment following their release. The inmates learn how to prepare end-of-lease computer equipment for resale, providing both a commercial benefit to the client and a new skill for the women. The program also supports Sodexo's sustainability commitments to promote responsible recycling.

Innovative rehabilitation support program recognized

The French Senate rewarded Sodexo with a **prestigious citizenship award** for the work of its charity, **Inserxo.** Created by Sodexo in 2012, Inserxo works in partnership with a number of public agencies and economic and social relief organizations to help rehabilitate prisoners and contribute to a better relationship between the prison and local communities. The charity monitors and provides support to inmates from the moment they enter the prison system to the end of their sentence. Through Inserxo's support, 70% of inmates have found employment following their release, 20% have gained access to skilled training and 10% are receiving ongoing support through other rehabilitation projects.

UNITED KINGDOM – DISTINCTIONS FOR PRISON REHABILITATION COMMITMENT

Special recognition awarded to individual employees reflects the high level of professionalism, commitment and creativity of Sodexo teams in support of prison rehabilitation.

Reverend Bob Paterson, Faith Services team leader based at **HMP Addiewell,** received the prestigious **Butler Trust** award in recognition of his commitment to helping prisoners lead crime-free lives. The Butler Trust is an independent charity that recognizes excellence across the UK's justice sector.

HMP Northumberland Prison Custody Officer Alf Tibbles and HMP Bronzefield Custody Officer Nathan Sawford were nominated for the Prison Officer of the Year awards, the UK's leading awards for prison officers in recognition of their strengths in facilitating better social interaction for both officers and offenders.

Key contract wins

NETHERLANDS – COMMITMENT TO HEALTH AND WELL-BEING

Sodexo is contributing to health and well-being in **42 prisons** across the Netherlands under a seven-year contract to provide nutritious food to both prisoners and staff. Sodexo's bid was chosen by the client based on the quality of the offering and Sodexo's commitment to initiatives that contribute to an improved physical environment for the prison population.

For more information on Sodexo's actions to promote health, nutrition and well-being, see Chapter 2.3.2.

UNITED KINGDOM – COMMUNITY-BASED REHABILITATION

In partnership with crime reduction charity Nacro, Sodexo was awarded the contract to operate six community rehabilitation companies (CRCs) across the United Kingdom as part of the government's **Transforming Rehabilitation Programme**. To support the program's objectives of supporting successful prisoner rehabilitation and reducing the rate of reoffending, the CRCs integrate low risk offenders into the community. The CRCs help former prisoners and community sentenced offenders to find ways to contribute positively and provide them with support to address and resolve their personal needs and dependencies. The contracts centralize administrative resources to enable a more streamlined and efficient approach to managing the probation process. Through the program, new technologies are being introduced to allow CRC employees to work remotely, enabling them to spend more time with offenders in the community.

Among our clients...

BELGIUM

Ministry of Justice, 1 prison, 1 forensic psychiatric clinic, 4 refugee centers (subcontracted via Red Cross)

CHILE

Ministry of Public Works, 5 prisons

FRANCE

Ministry of Justice, 34 prisons

NETHERLANDS

Council for the Judiciary, 17 courts

Ministry of Justice, 42 prisons, 40 refugee centers

UNITED KINGDOM

Ministry of Justice England and the Scottish Prison Service, 5 prisons, 6 Community Rehabilitation Companies (CRCs)

SPORTS AND LEISURE

KEY FIGURES

- **758** million euro in revenues
- **4%** of Group revenues
- **11,310** employees
- **815** sites

Source: Sodexo

Our offer

QUALITY OF LIFE FOR EXCEPTIONAL MOMENTS

With more than 20 years of experience, Sodexo is a valued partner for **world-class cultural and sports events,** including the Olympics and Rugby World Cup, and in managing **unique venues.** Sodexo knows what it takes to create exceptional moments for consumers: creativity, *savoir-faire,* refinement and enjoyment.

By emphasizing social responsibility, local procurement and eco-friendly practices in its operations, Sodexo also responds to issues that are important to visitors and consumers, further increasing the appeal of its clients' offerings.

From ticketing, travel, foodservices, security and logistics to sales and marketing, technical and artistic execution, Sodexo teams are expert at producing memorable events for attendees while enhancing the reputation of prestigious sites.

Market trends

The continuing uncertain economic climate has impacted the market in terms of:

- funding: reduced government and sponsorship support for sports and leisure activities is prompting clients to seek other solutions to attract consumers;
- limiting discretionary spending in many parts of the world;
- despite these difficult economic conditions, France, and particularly Paris, where Sodexo has a significant presence, remains a favored destination for international tourists.

New trends opening development opportunities in this market include:

- sustainability, wellness and diversity are fast becoming key drivers for partner selection and retention and a source of differentiation for market leaders like Sodexo;
- optimization of venue utilization is key to clients seeking partners that can assist in attracting new guests to boost attendance and facility rentals;
- digital technology is changing models and concepts for sporting and cultural event organizers, providing the ability to reach a greater number of potential viewers by providing easier access to both events and performers;
- sporting event organizers are seeking to attract a wider audience by enhancing the spectator experience with additional entertainment linked to the event;
- emerging countries are increasingly hosting international sporting events and are starting to promote their national sports outside their borders.

Source: Sodexo

Highlights

FRANCE – THE LIDO CABARET'S NEW REVUE: CELEBRATING THE MARVELS OF PARIS

Conceived by one of the world's most renowned performing arts designers, Franco Dragone, *Paris Merveilles* pays homage to the elegance and richness of the French capital. It is the 27th revue at the iconic Parisian cabaret, located on the world famous Champs-Élysées. Each evening, 2,000 attendees are treated to a magical performance showcasing the talents of more than 70 artists, 22 dressers, 11 seamstresses and 40 technicians. At a breathtaking pace, talented performers present a series of acts, alternating between a large staircase, a monumental chandelier, an ice skating rink and a fairytale fountain, brought to life through sophisticated machinery and stunning visual effects. Completing the experience, is the imaginative dinner menu created and prepared by Chef Philippe Lacroix and his team of 35 cooks. The Lido attracts 500,000 spectators and guests from around the world each year.

SPAIN – A VOYAGE THROUGH TIME, FINE ART AND HAUTE CUISINE AT THE PRADO

To mark the 195th anniversary of one of the world's most important art galleries, Sodexo combined painting and sculpture with gastronomy to produce a unique experience at *Museo del Prado* in Madrid. For the Prado's special exhibitions, Sodexo designed rich, vibrant and authentic compositions derived from traditional cuisine, served amidst the artistic treasures of one of the world's leading art museums. Created through the talents of Michelin-starred chef Pepe Rodríguez and his team, the gastronomic and artistic voyage evokes the tastes and aromas of past eras, inspired by the works of Spanish, Italian, Flemish and German masters that today adorn the walls of the Prado. Guests can also further their gastronomic knowledge through tools providing access to additional information on the museum's culinary activities.

UNITED KINGDOM

Sodexo dedicated events team recognized by industry group

The prize for "Best In-House Events" at the 2014 Eventia Awards went to the Sodexo Prestige team in the United Kingdom. The prestigious industry recognition honors outstanding business-to-business and business-to-consumer events in the United Kingdom and internationally. Services delivered by Sodexo's dedicated in-house events team include catering, hospitality, project management, sales and marketing, logistics and event management. The team delivered innovative food offers and other services during the year at a wide range of prestigious sporting and leisure events in the United Kingdom, including the RHS Chelsea and Hampton Court Palace Flower Shows, Henley Royal Regatta, the British Open and Burghley Horse Trials.

Head chef at Ascot Racecourse recognized with event catering award

Gemma Amor, Sodexo's head chef at Ascot Racecourse, won the "Event Catering Award" at the 2014 FSM awards. Gemma and her team, which expands to 300 for the annual Royal Ascot meeting, produce over 400 different fine dining menus a year, enjoyed by more than 500,000 customers. The awards judging panel chose Gemma based on her demonstrated innovation and leadership skills that have kept Ascot racecourse at the forefront of prestigious venues year after year.

Key contract wins

FRANCE

Immersion in the region and flavors of the Ardèche

In seeking to find ways to extend the exploratory experience of visitors to its site in the Ardèche region, the **Caverne du Pont d'Arc** chose Sodexo to manage its restaurant, *La Terrasse*. Sodexo's response included a décor of large frescoes for the restaurant inspired by those of the Chauvet grotto on which the Caverne is modeled, original menu options in the "Gathering", "Hunting" and "Ardèche Today" dining areas and products emphasizing the region's culinary heritage. The result is an exceptional experience for the estimated 500,000 annual visitors to the site.

Ensuring Quality of Life Services at France's national soccer center

The French national soccer center in Clairefontaine renewed for another four years the contract under which Sodexo has provided Quality of Life Services to the training and conference center since 1997. In addition to preparing highly specialized menus for France's national soccer teams both at home and abroad, Sodexo teams provide foodservices for staff and visitors with as many as 100,000 meals served annually. Other services include reception, accommodations and the maintaining of rooms, common areas, the medical center, sports areas and equipment as well as road cleaning and snow removal. Sodexo teams also have taken on **overall management of a new training and conference center** built in preparation for the euro 2016 soccer tournament being held in France.

UNITED KINGDOM – SPORTS VENUE CONTRACTS RENEWED BASED ON STRONG PERFORMANCE

Sodexo's contract at **Perth Racecourse** was extended for an additional five years based on a 12-year history of offering top-class service. Sodexo's team of culinary experts is working to further enhance the hospitality and conference packages available at the venue to generate increased sales for both race day and non-race day events. Testifying to its achievements and continued success in the UK sport market, Sodexo also saw contracts extended at **Aberdeen and Everton football clubs,** where it provides a full range of catering, hospitality, retail, conference and events services.

UNITED STATES – WINNING PROPOSAL FOR CALIFORNIA ACADEMY OF SCIENCES

Sodexo was awarded the contract to provide **food and hospitality services** for the prestigious California Academy of Sciences museum in San Francisco. Key factors contributing to the win were Sodexo's creative renovation plans and its commitment to local sourcing, an important priority for the museum, which seeks to make foodservices a seamless extension of the visitor experience. Sodexo currently sources over 60% of its products locally with a goal to increase this to as much as 80% in the next two years. The winning proposal also articulated a vision for services designed to drive revenues higher and increase attendance beyond the current 1.2 million annual visitors. The museum's Sodexo-run **Terrace & Academy Cafes** are listed among Conde Nast Traveler Magazine's ten best museum restaurants in the world.

Among our clients...

ATHLETIC AND CULTURAL ACTIVITIES

Art Café, Strasbourg (France)

Ascot Racecourse, Ascot (United Kingdom)

Bateaux Parisiens, Paris (France)

Brighton & Hove Albion Football Club Training Ground, Lancing (United Kingdom)

Children's Museum of Indianapolis, Indiana (United States)

Dallas Museum of Art, Texas (United States)

Detroit Institute of Art, Michigan (United States)

Dundas Castle, South Queensferry, Scotland (United Kingdom)

Emirates Aviation Experience, London (United Kingdom)

Grand Parc du Puy du Fou (France)

Hampden Park, Glasgow, Scotland (United Kingdom)

Headingley Carnegie Stadium, Leeds (United Kingdom

Henley Royal Regatta, Henley-on-Thames (United Kingdom)

Houston Zoo, Texas (United States)

Jardin du Petit Palais, Paris (France)

L'Olympique de Marseille (France)

L'Olympique Lyonnais, Lyon (France)

La Caverne du Pont d'Arc, Ardèche (France)

La Cité Musicale de l'Île Seguin, Boulogne-Billancourt (France)

La Grande Verrière du Jardin d'Acclimatation, Paris (France)

Le Centre Pompidou de Metz (France)

Le Musée des Regards de Provence, Marseilles (France)

Lenôtre, Cour des Senteurs, Versailles (France)

Le Paris Saint-Germain (France)

Lido de Paris (France)

Museum of Science and Industry, Chicago, Illinois (United States)

RHS Chelsea Flower Show, London (United Kingdom)

RHS Hampton Court Palace Flower Show, London (United Kingdom)

Roland Garros, Paris (France)

Royal Botanic Garden Edinburgh, Edinburgh, Scotland (United Kingdom)

Seattle Aquarium, Washington (United States)

Shedd Aquarium, Chicago, Illinois (United States)

Space Center Houston, Texas (United States)

Splashworld, Avignon (France)

St. James' Park, Newcastle (United Kingdom)

The American Express Community Stadium, Brighton (United Kingdom)

The Dakar Rally (Argentina-Chile)

The Open, St Andrews (United Kingdom)

PRESTIGE RESTAURANTS

Don Juan II, Yachts de Paris, Paris (France)

Le Pavillon Élysée Lenôtre, Paris (France)

Le Pré Catelan (three Michelin stars), Paris (France)

Les restaurants de la Tour Eiffel, Paris (France)

PRIVATE CLUBS, ASSOCIATIONS AND CONFERENCE CENTERS

Aéroclub de France, Paris (France)

Centre d'Affaires Capital 8, Paris (France)

Centre National du Football, Clairefontaine (France)

Château de Fillerval, Thury-sous-Clermont (France)

Domaine du Manet, Montigny-le-Bretonneux (France)

Maison des Polytechniciens, Paris (France)

Maison de la Recherche, Paris (France)

Salons de la Maison des Arts et Métiers, Paris (France)

San Ramon Valley Conference Center, California (United States)

Tecnológico de Monterrey (Mexico)

The Crystal by Siemens, London (United Kingdom)

Yachts de Paris, Paris (France)

HEALTH CARE

KEY FIGURES

- **3,646** million euro in revenues
- **18%** of Group revenues
- **68,812** employees
- **3,758** sites

Source: Sodexo

1

Our offer

IMPROVING HEALTH CARE THROUGH QUALITY OF LIFE SERVICES

Recognizing the interdependency of care activities in a hospital, Sodexo contributes to a **positive patient experience** by optimizing human, materiel and financial resources. Sodexo services range from management of clinical equipment to sterilization of medical devices, from disinfection of patient rooms and operating theaters to patient reception and admissions, and from hospital logistics to providing foodservices for patients, visitors and hospital staff. Based on this broad array of expertise, **Sodexo adapts its services to address client priorities** to:

- increase patient satisfaction;
- motivate and retain staff;
- improve quality and safety of care;
- comfort and serve family members and visitors;
- optimize physical assets;
- ensure compliance with rigorous medical standards;
- reduce overheads;
- maximize revenues and profitability.

The value added for the client: **better patient outcomes,** improved **operational performance** and **increased competitiveness** in their market.

Market trends

Health care costs are constantly increasing, driven by a combination of demographic, social, economic and technological factors. Since 2010, however, the economic crisis has led to substantial economic pressure on public budgets and requiring health care facilities to re-think their organizational, operational and financial models.

In developed countries:

- a sharp slowdown in health spending growth as a result of lower public expenditures;
- concentration in the health care sector is resulting in larger but fewer facilities;
- budgetary constraints and technological advances are contributing to a reduction in the number of beds and average length of stay, as well as the development of care outside of the traditional hospital setting (ambulatory centers or home care);
- chronic diseases (diabetes, cardiovascular disease, obesity, etc.) have a significant impact on the organization and costs of health systems;
- medical consumerism is driving hospitals to focus increasingly on improving the patient experience and compete in non-clinical areas such as reception services, management of the patient care pathway and administrative services;
- the economic crisis and health care reforms are reducing reimbursement rates and/or linking reimbursement to outcome-based metrics, requiring hospitals to further focus on increasing efficiency and cutting costs.

In emerging markets:

- a rapidly expanding middle class, increased disposable income, the emergence of private insurance and population growth are driving higher demand;
- national health care systems are struggling to provide the appropriate level of care, due to insufficient infrastructure and limited budgets and health care human resources, paving the way for a growing and

ever stronger private health care sector, including regional and international health care chains;

- increasingly high expectations of patients, who frequently pay for their care out of pocket, are creating a boom in medical tourism that is forcing health care facilities to compete nationally and internationally.

Source: Sodexo

Focus on…

HOSPITAL SANTA PAULA IN BRAZIL

Twenty years of service to health care leader

Hospital Santa Paula is known as one of the best cancer treatment centers in São Paulo, Brazil. Patients are also drawn to the hospital's warm, welcoming community that makes them the central focus and provides the personalized services, space and specialty care they need to recover.

For the past 20 years, Sodexo has contributed to the special atmosphere at Santa Paula through foodservices designed to improve quality of life, providing 1,820 nutritionally balanced meals per day for patients, physicians, staff and visitors. Meals are served in a variety of attractive, Sodexo-run venues: Gourmand, the visitors' restaurant; two lively Vive Cafés; a physicians' lounge on the operating floor, which is a private, quiet space for doctors and their assistants; and the staff restaurant. Patient meals are tailored to meet each individual's specific nutritional and medical needs and personal preferences, defined in consultation with one of the hospital's nutritionists. Sodexo's Head Chef also worked with nutritionists to create a new addition to Hospital Santa Paula's offer called Budines. The delectable, nutritious soft, mousse-like product, designed for patients with dietary restrictions due to surgery or invasive treatment, restores patients' desire to eat and their enjoyment of food. In encouraging ingestion, in small portions, of all the caloric and nutritional value needed to support proper healing, the innovation is part of Sodexo's contribution to supporting Santa Paula's caring community.

This year, the hospital expanded the range of Quality of Life Services entrusted to Sodexo in providing Gift Passes, Meal Passes and Food Passes for the hospital's employees.

For more information on Sodexo's Benefits and Rewards Services offer, see Chapter 1.4.2.2.

Highlights

BELGIUM – SHOP AND CAFETERIA SERVICES FOR NEWLY RENOVATED CLINIC

Inaugurated in June 2015, the renovated Clinique Notre Dame de Grâce de Gosselies features a retail shop as well as a new cafeteria, both operated by Sodexo, serving patients and visitors. The onsite team delivers 750 meals a day and offers a self-service line for staff. Room service is also available for patients.

BRAZIL – "*TOP HOSPITALAR 2015*"

For the fifth consecutive year, Sodexo won the "Top Hospitalar" award, the health care industry's most important honor, presented by ITMidia, one of Brazil's leading media companies and the publisher of "Fornecedores Hospitalares" magazine. Sodexo was recognized with the Service Industry Category award as the top product and services supplier to hospitals for the Food sector. The judging panel is composed of representatives of hospitals, clinics and laboratories.

CANADA – RECOGNITION FOR LEADERSHIP IN HEALTH CARE PRACTICES

The Canadian College of Health Leaders recognized Sodexo with the President's Award for Outstanding Corporate Membership at the 2015 National Awards Program. The award recognizes individuals, teams and organizations that have demonstrated leadership qualities, commitment, integrity and development of leading practices across the health industry. The College said that through its commitment, Sodexo has consistently helped the College achieve its mission, vision and strategic directions over a period of several years.

Key contract wins

CHINA – HELPING HUANGSHI CENTRAL HOSPITAL GAIN GLOBAL ACCREDITATION

Huangshi Central Hospital in the city of Huangshi, Hubei Province, in central China, entrusted Sodexo with the delivery of nutritious meals for patients and healthcare professionals at the 1,280-bed facility. In addition to providing meals tailored to patient medical conditions to aid healing, the Sodexo team provides foodservices to the 2,000 health care professionals working at the hospital. Sodexo re-designed the 1,700-square-meter restaurant to facilitate meal ordering and pick-up, thereby maximizing the time for employees to relax and enjoy their meal. The hospital chose Sodexo in part based on the

Company's experience in helping other hospital clients win Joint Commission International (JCI)[1] accreditation, considered the gold standard in global health care. In May, the hospital received notification that it had become the first JCI-accredited facility in Hubei Province.

FRANCE – SUPPORTING NUTRITIONAL EXCELLENCE AT FORCILLES HOSPITAL

Forcilles Hospital in Seine-et-Marne relies on Sodexo to provide foodservices in support of the recognized excellence of the hospital's nutritional program. The Sodexo team provides daily foodservices and accommodations to ensure the comfort of 300 patients and 500 caregivers at the hospital. In awarding the contract, the hospital's Executive Committee was particularly convinced by Sodexo's commitment to meet this challenge.

For more information on Sodexo's actions to promote health, nutrition and well-being, see Chapter 2.3.2.

INDIA – ENSURING RELIABLE OPERATIONS IN PUNE

Sodexo is providing technical and engineering services at the 500-bed Aditya Birla Memorial Hospital in Pune under a newly awarded contract. By enhancing the life of the equipment, reducing energy costs and ensuring smooth, uninterrupted utility operations, Sodexo is enabling the hospital's 1,100 staff members to focus on curing patients.

INDONESIA – FIRST HEALTH CARE CONTRACT

In Indonesia, Sodexo won its first health care contract in the country at Pondok Indah Hospital in Jakarta. The Sodexo team serves more than 13,000 meals a month at the 212-bed hospital to patients and the facility's 250 specialists and general practitioners. A key factor contributing to the contract win was Sodexo's ability to clearly understand and respond to the client's needs and expectations. Other strong points included Sodexo's focus on patient satisfaction, the differentiated experience provided through its offer and a process-driven approach to ensure a high quality dining solution.

UNITED STATES

Improving competitiveness through Quality of Life Services

Under a new contract, Sodexo is providing Food and Nutrition Services on three UMass Memorial Medical Center campuses. The contract expands Sodexo's relationship with UMass Memorial Health Care[2], which treats more than 250,000 in-patients annually. The Sodexo team ensures nutritious foodservices for the system's 7,200 staff members, 830 physicians and 500 students as well as to volunteers, outpatients and visitors. Sodexo also is helping the center eliminate waste and leverage technology to create streamlined communication and accountability. Among the factors contributing to the decision to award the contract to Sodexo is the company's commitment to improving the patient experience, a key contributor to UMass Memorial's success in gaining market share in a highly competitive environment.

Services to improve consumer and employee quality of life

At Vidant Health System in North Carolina, Sodexo is providing foodservices and environmental services at the seven-hospital network, which serves 1.4 million consumers across 29 counties. In addition to providing patient meals in the 1,400-bed health care system and foodservices to its 12,500 employees, Sodexo is implementing a bundled service offering to enhance ease and efficiency. A renovation program to provide an enhanced physical environment includes state of the art phone-app technology with fitness and wellness programs to improve the health and well-being of Vidant's employees, visitors and guests. Sodexo's focus on employee engagement and recognition also aligns with Vidant's culture and broad business objectives.

Among our clients...

Ang Mo Kio – Thye Hua Kwan Hospital (Singapore)

AP-HP (Assistance Publique - Hôpitaux de Paris), Paris (France)

Asociación Chilena of Seguridad ACHS, Santiago (Chile)

Bangkok Medical Centre (Thailand)

Bangkok Phuket Hospital (Thailand)

Barking Havering and Redbridge University Hospitals NHS Trust, 2 hospitals, London (United Kingdom)

Beijing Jishuitan Hospital, Beijing (China)

Bumrungrad Hospital, Bangkok (Thailand)

Bundeswehrkrankenhaus, Ulm (Germany)

(1) Joint Commission International (JCI) *certifies health care organizations that meet a set of standard, internationally recognized requirements designed to improve quality of care and ensure a safe environment for patients and staff.*

(2) UMass Memorial Health Care (UMMHC) *is the clinical partner of the University of Massachusetts Medical School and the largest health care system in Central and Western Massachusetts.*

Capio, 18 sites (France)

Casa di Cura Multimedica SpA, 4 sites, Sesto San Giovanni, Milan (Italy)

Catholic Health Initiative, Denver, Colorado – 18 hospitals in 5 states (United States)

Central Manchester Hospitals NHS Foundation Trust, 4 hospitals (United Kingdom)

Central West Texas (United States)

Clínica Alemana: Santiago and Temuco (Chile)

Corpus Christi Medical Center, Corpus Christi, Texas (United States)

Danderyd's Hospital, Danderyd (Sweden)

Esho Empresa de Serviços Hospitalares SA - Hospital Vitoria, São Paulo (Brazil)

Güven Hospital, Ankara (Turkey)

Hospital Dr. Gustavo Fricke, Santiago (Chile)

Hospital Italiano de Buenos Aires (Argentina)

Hospital Mater Dei, Belo Horizonte (Brazil)

Hospital Monte Klinikum, Fortaleza (Brazil)

Hospital Restinga, Porto Alegre (Brazil)

Institut Catala de Salud, 10 sites, Catalonia (Spain)

Instituto Argentino de Diagnóstico y Tratamiento, Buenos Aires (Argentina)

Kardinal Schwarzenberg´sches Krankenhaus BetriebsgesmbH, Schwarzach (Austria)

KK Women's and Children's Hospital (Singapore)

Klinikum Darmstadt (Germany)

Lilavati Hospital, Mumbai (India)

LKH Vöcklabruck (Austria)

Mackenzie Health, Ontario (Canada)

Max Group of Hospitals (India)

Medical City Hospital, Manila (Philippines)

MediPôle-Partenaires, 29 sites (France)

Military Medical Institute (WIM), Warsaw (Poland)

MIOT Hospital, Chennai (India)

National University Hospital (Singapore)

Nouvelles Cliniques Nantaises (France)

Onkološki Inštitut Ljubljana (Slovenia)

Pantai Hospital (Malaysia)

Policlinico di Monza, 5 sites (Italy)

Samitivej Group (Thailand)

Shanghai 1st People Hospital (China)

Shanghai Renji Hospital (China)

Siriraj Hospital, Bangkok (Thailand)

Stockholm County Council (Sweden)

Tenet Health System, Dallas, Texas (United States)

Universitair Ziekenhuis Gent (Belgium)

University Hospital of North Midlands NHS Trust, 2 hospitals, Stoke on Trent (United Kingdom)

Universitätsklinikum, Tübingen (Germany)

Vitalia, 38 sites (France)

Vithas, 8 sites (Spain)

Vítkovická Hospital, Ostrava (Czech Republic)

Vivalto, 9 sites (France)

Wilhelminenspital, Vienna (Austria)

Wockhardt Hospital, Mumbai (India)

Ziekenhuis Netwerk Antwerpen (Belgium)

SENIORS

KEY FIGURES

- 1,140 million euro in revenues
- 6% of Group revenues
- 9,660 employees
- 2,630 sites

Source: Sodexo

Our offer

IMPROVING THE QUALITY OF LIFE OF SENIORS

Sodexo helps ensure the overall well-being of seniors through nutrition and a full range of high value-added services designed to:

- **improve seniors' quality of life**: with a good understanding of the diversity of senior needs, Sodexo offers services appropriate to all stages of the aging process;
- **contribute to the physical, emotional and mental well-being of seniors** residing in retirement communities and care facilities;
- **ensure efficient assistance** to senior care providers: Sodexo's services enhance client business performance and reputation.

To learn more about Sodexo services that enable ***seniors living at home*** *to benefit from quality services and thus maintain their independence, see the section 1.4.2.3 –* ***Personal and Home Services*** *section.*

Market trends

ECONOMIC TRENDS

Rising demand and expenditures

- The increasing senior population is contributing to rising health care costs.
- Greater prevalence of chronic diseases is contributing to a heavier workload in care homes.

Controlling budgets

- Many seniors lack sufficient personal resources to cover medical care costs.
- Governments are seeking cost-effective solutions to meet increasing demand for senior care.

SOCIAL TRENDS

Extended life expectancy, changing society

- Medical advances are prolonging life expectancy with those over 80 comprising the fastest growing segment of the population in many countries.
- More seniors, preferring to live independently at home, are entering facilities later in life.

A rising need for professional caregivers

- Growing numbers of families are seeking help to meet the unique requirements of the elderly.
- Competition for professional caregivers is intensifying.

Source: Sodexo

Highlights

FRANCE – INDIVIDUALS WITH DISABILITIES CREATE CULINARY WONDERS

Under the eyes of three-Michelin starred chef Michel Bras, teams from Sodexo-managed facilities for individuals with disabilities competed in the finals of the 17th culinary competition, **"One for all, all for one",** held in June at the École Lenôtre. The competition had begun with 125 teams, each composed of an individual with a disability, their therapist and a Sodexo chef, competing in regional selections held across France. The event illustrates Sodexo's commitment to facilitating the integration of individuals with disabilities into society and encouraging their autonomy through learning, sharing and mutual aid. The 2015 competition, organized around the theme, "desserts from my childhood", was won by the **team from Fondation St Jean de Dieu,** USEP Lecourbe, with its crunchy dessert, *La gourmandise d'Alkaly*.

For more information on Sodexo's commitments to promote diversity, see Chapter 2.3.1.5.

UNITED STATES – ENHANCING SENIOR WELLNESS AND SATISFACTION

Sodexo entered into an exclusive partnership with PS Lifestyle, the nation's largest salon and spa operator to manage 500 salons at its senior living communities. Through the new offer, Sodexo enhances its portfolio of Quality of Life Services through which it provides innovative services directly linked to promoting wellness. Services offered to community residents include hair cutting, setting, coloring and highlighting, spa treatment and facial grooming as well as an online store, a magazine and a range of community events.

Key contract wins

CANADA – FULL SERVICE SUPPORT FOR SENIOR COMMUNITY AND CLIENT

Long-time client Shepherd Village, a retirement and assisted living community in Toronto, renewed Sodexo's contract to provide Quality of Life Services for an additional five years. Services include providing resident dining and operating a retail café for the 400 residents of the long-term care and retirement facility, in addition to serving residents of a seniors apartment building on the Shepherd Village suite, families and visitors. Sodexo has also supported its client in its marketing and business development activities as well as in its fundraising activities, helping to organize and host a successful event featuring television celebrity and nationally recognized Chef Michael Smith(1).

ITALY

Combining Quality of Life Services and art appreciation

The 55-bed Fondazione Ida Parravicini retirement facility in the Como area is located on an estate beside a historic villa, featuring works of art protected by the Italian Environment Fund. Sodexo provides an array of services that contribute to the health and well-being of residents as well as the facility's positive image. Cleaning, laundry, nursing, patient care, physiotherapy, gardening and maintenance are among the services recently added to Sodexo's historical foodservices offer. Sodexo's team is also assisting its client in developing a website to present the historic villa and art, increasing visitors and income for the client and further enhancing its image.

Improving well-being one individual at a time

Sodexo provides foodservices for guests and staff at two more sites of the Fondazione Don Carlo Gnocchi, which welcome individuals with a variety of disabilities. At the Parma site, breakfast, lunch and dinner are provided to the 80 residents, most of whom are receiving rehabilitative treatment due to inherited disabilities or post-accident trauma. At the Falconara Marittima site, foodservices are provided for 75 residents as well as a daily lunch for 15 children with disabilities attending school within the building. The site's food is specially prepared to accommodate the needs of each resident and child, a number of whom suffer from dysphagia or chewing problems. To meet the client's goal of providing each individual with the same meal, the Sodexo team chops or blends dishes, depending on each person's individual condition, contributing to patients' health, well-being and social integration.

NETHERLANDS – CREATING OPEN COMMUNITIES TO FOSTER SOCIAL INTERACTION

At the HilverZorg health care institution in Hilversum, Sodexo is now providing a healthy and varied offering of lunches and dinners, seven days a week to 500 residents at five sites under a five-year contract. To increase the sense of community and social interaction, Sodexo is converting some of the restaurants into brasseries and organizing activities to help residents to better connect with each other and with people from the local neighborhood.

UNITED STATES – SUPPORTING A SENIOR CARE LEADER

Wilmac, a leader in providing senior care in Pennsylvania's York, Lancaster, and Bucks counties, chose Sodexo to support its mission of delivering excellent care and pleasant living for seniors amidst beautiful surroundings. Recognized for vibrant retirement communities that promote a healthy, active lifestyle as well as compassionate skilled nursing and rehabilitation services, Wilmac turned to Sodexo to provide dining and nutrition services to its 1,250 residents across six sites, based on Sodexo's expertise, systems and standards, training and productivity.

(1) Chef Michael Smith *received the prestigious James Beard Broadcast Media award for the best television cooking show in North America.*

Among our clients...

American Baptist Homes of the West, 10 sites (United States)

Asbury Communities, 6 sites (United States)

Aveo, 78 sites (Australia)

City of Ghent, 5 sites (Belgium)

City of Wervick, 4 sites (Belgium)

Diakonische Dienste, Hannover (Germany)

Fondation Caisses d'Épargne pour la Solidarité, 36 sites (France)

Fondazione Casa di Riposo Santa Maria Ausiliatrice – CARISMA, Bergamo (Italy)

Fondazione Ida Parravicini, Como (Italy)

Groupe Hospitalier Saint Thomas de Villeneuve, 7 sites (France)

HilverZorg, 5 sites, Hilversum (Netherlands)

Korian, 67 sites (France)

Loomis Communities, Massachusetts, 5 sites (United States)

Maisons de Soins de Bettembourg et de Wasserbillig (Luxembourg)

Mandana Speciality Dementia Care, Ghent (Belgium)

Marienheim Bruck an der Leitha, Bruck an der Leitha (Austria)

MENSA, 8 sites, Meulebeke (Belgium)

Mercy Community Health, Connecticut, 2 sites (United States)

Seniorenzentrum der Stadt Schwechat (Austria)

Shepherd Village, Toronto, Ontario (Canada)

Spirit Lutheran Communities, 6 sites (United States)

Stiftung Haus Zuflucht Pflegeheim, Soltau (Germany)

StoneRidge, Pennsylvania, 3 sites (United States)

Tender Loving Care, 10 sites, Victoria (Australia)

Uniting Care Ageing NSW ACT, 15 sites, Sydney, New South Wales (Australia)

Yallambi Aged Care Facility, Melbourne, Victoria (Australia)

EDUCATION

KEY FIGURES

- **4,219** million euro in revenues
- **21%** of Group revenues
- **91,005** employees
- **5,552** sites

Source: Sodexo

Our offer

FOSTERING SUCCESS THROUGH ENHANCED QUALITY OF LIFE

Schools and universities today face considerable challenges, from increased competition for students and faculty to aging infrastructure and constrained budgets, to concern over student wellness and quality of life. Sodexo helps Education clients respond to the expectations of students and families as well as educators and staff, helping **ensure a safe, welcoming and healthy learning environment.** Sodexo's **efficient and innovative integrated service offers:**

- create positive student experiences that improve performance and achievement;
- enhance quality of life for the learning community;
- ensure students are offered balanced, healthy diets;
- retain students and faculty;
- strengthen clients' image and reputation;
- help control institutions' operating expenses.

The result is a complete solution that enables school administrators to focus on core student needs and the academic mission.

Market trends

STUDENT HEALTH AND WELLNESS

Governments in developed and emerging economies are battling to curb alarming increases in both obesity and malnutrition, including among student populations. In parts of the United States (such as California) and nations such as Sweden and the UK, "sustainable, organic and local" foods are no longer a fad but have become a desired norm. Educators also are focusing on student "safety" and "emotional" well-being as a top priority, in addition to teaching methodologies.

EDUCATION STANDARDS

While the learning environment (teacher to student interaction) has remained relatively consistent, the culture around testing is changing. Variables such as student motivation and safety and the physical environment (school buildings) now have more weight. Today's focus goes beyond academic performance to encompass the whole student, the supporting ecosystem – including parents – and teacher motivational abilities.

ACHIEVEMENT GAPS

In recent years, achievement gaps between low income/economically disadvantaged students and students from middle/higher income households have widened in the United States. In response, a "core curriculum" is being standardized, adding new science and social studies courses in lower income neighborhood schools where the focus previously had been solely on math and English.

CUSTOMIZED LEARNING

More than ever, technology is transforming classroom dynamics. Education is being individualized, allowing for greater engagement with students and accelerating knowledge development. Technology also enables human capital to be leveraged and parents to become increasingly involved in their children's education, contributing to improved academic results. At the same time, technology can widen the education gap for students who lack access to resources, presenting additional challenges for education leaders. Other trends include an increase in Charter schools[1] in some countries and additional opportunities for higher education through distance and remote learning, offering more students access to a high quality education.

Source: Sodexo

Focus on...

THE TOP QUALITY OF LIFE DRIVERS FOR STUDENTS

India – Better understanding stakeholder expectations

To better understand expectations of key stakeholders in India's school ecosystem, Sodexo conducted primary research, in liaison with IMRB International, surveying parents, teachers, administrators and students at 40 international baccalaureate (IB) and boarding schools.

Areas explored in the survey included factors that contribute to improved quality of life, foodservices expectations, key parameters for parents in school selection, factors influencing a decision to continue or change schools and service gaps identified by different stakeholders.

The results indicated that while quality of education is the most essential factor for parents in the school selection process, non-academic factors also play an important role. These include sports infrastructure, technology-enabled classrooms, cleanliness, well-maintained facilities and wellness programs.

(1) A **Charter school** *is a school that receives public funding but operates independently of the established public school system in which it is located, with significant flexibility in its programs.*

The report encouraged schools to be attentive to understanding stakeholder expectations regarding areas that affect student quality of life and highlighted the importance of certain services and facilities that contribute to the overall development of the child through physical, nutritional and emotional well-being. Finally, the report noted that in order to stay ahead, institutions must be agile and ready to quickly respond to new trends and expectations.

Highlights

BRAZIL – RECOGNITION AWARD

For the second consecutive time, Sodexo was recognized with the "Top Education provider" award, presented to service providers identified as "Top of mind" brands by education professionals. Sodexo was honored in the School Restaurants category.

FINLAND – CO-CREATING BETTER QUALITY OF LIFE

Through a unique collaboration, Sodexo and its client, the JAMK University of Applied Sciences in Jyväskylä, are exploring food trends and new approaches to space design in order to create a more enjoyable atmosphere in the school's high traffic restaurants and cafes. The joint project is part of an overall effort aimed at optimizing student comfort and ensuring healthy, nutritious and varied menus to provide a positive learning and working environment for 4,500 students and 700 employees at three campus sites. Sodexo also offers training opportunities for students in the restaurants it manages and through development projects with industry partners.

INDIA – COLLABORATION EMPHASIZES HEALTHY, FLAVORFUL COOKING

Through an agreement with celebrity Chef Ajay Chopra, Sodexo is providing new culinary experiences to students and staff at schools and universities throughout India. Chef Chopra works with Sodexo chefs to strengthen their development, showcase his signature recipes and ensure healthy meals without sacrificing flavor. The collaboration with Chef Chopra also extends to Sodexo's corporate clients.

SPAIN – LEARNING HEALTHY HABITS

Working with an expert in child psychology, Sodexo's team at the *Liceo Francés* school in Alicante developed a program to encourage healthy habits through a combination of recreational activities before and after meals. Training courses held throughout the year also reinforce activities that promote healthy eating habits for the school's 320 three-to five-year-old students.

Key contract wins

CANADA – INNOVATION AND SUSTAINABILITY KEYS≈TO WINNING PROPOSAL

Laval University extended its 25-year partnership with Sodexo in awarding the Company a 10-year extension, following a competitive request for proposals. Sodexo's winning proposal featured innovations developed to reinforce the importance of a balanced diet. For example, its Mindful program, proposing meal options that combine flavor and nutritional value, is offered with the MyFitnessPal.com app, which enables consumers to track their daily caloric intake on their mobile device. The offer also includes training courses on health and well-being for students and university staff led by Sodexo dietitians and chefs. To support locally grown and organic products, Sodexo features a meal each month based on the concept of sustainability, providing information on recipe ingredients and inviting local producers to display and sell their products. Other sustainability aspects include creation of a Sustainability Committee and Sodexo's Aspretto fair-trade hot beverage offer. Sodexo is remodeling Laval's dining space to significantly enhance the campus experience for the university's some 3,600 students and installing environmentally-friendly equipment to reduce energy and water consumption. Sodexo also works to minimize waste, training its teams to minimize organic waste through sorting and introducing reusable tableware.

For more information on Sodexo's actions to improve health and well-being, see Chapter 2.3.2.1.

CHINA AND SINGAPORE – STRENGTHENING PARTNERSHIPS WITH INTERNATIONAL SCHOOLS

Expanded coverage and services for Dulwich schools

Dulwich College International School in Suzhou chose Sodexo to provide facilities maintenance and cleaning services for the school's five buildings, attended by 1,400 students, including 360 boarders. Sodexo also provides cleaning services in Dulwich College Shanghai. At Dulwich College in Singapore, Sodexo is broadening the services it provides to include kitchen design and project management, in addition to the foodservices it has provided since August 2014.

Varied offer for new Canadian International School in Shenzhen

The commitment, loyalty and spirit of progress of Sodexo teams helped extend the Company's decade of partnership with the Canadian International School. Sodexo continues to provide fresh and healthy meals to 1,000 students as well as teachers and staff in Beijing, and to 850 students and staff at the newly opened school in Shenzhen. Sodexo also provides foodservices for 3,000 students and 400 faculty and staff on two campuses in Singapore. As in Singapore, the offer at the new school includes menus designed to meet the highly varied tastes of a diverse population.

FINLAND – HELPING TO BUILD A CAMPUS COMMUNITY

An open "show" kitchen, a culinary experience emphasizing healthy, nutritious food and the open atmosphere of a campus cafe area are among the features of Sodexo's internationally flavored offer at Tampere University of Technology. To respond to the client's need for services that are attractive to its diverse population of 9,200 students and 1,800 employees from over 60 countries, Sodexo designed its offer to emphasize modern approaches and ideas that could contribute to the campus environment.

FRANCE

Quality, expertise and integration into the workforce

Sodexo was chosen by the General Council of Yvelines to provide 8,000 meals per day to 41 schools in the Paris-area region. The Company also provides cleaning services at five of the facilities. A key element of the winning proposal is a program to facilitate integration into the labor force for individuals facing difficulty in finding employment. Of the 107 Sodexo employees working on the contract, 18 arrived through this program. Sodexo's proposal also responds to key client priorities for a consistently high level of foodservices, delivered cost-effectively according to the specific needs of each of the region's schools.

Culinary innovation at the School of Mines

Sodexo's innovative foodservices offer at the École des Mines in Albi is succeeding in delivering a combination of well-being and enjoyment for students and staff. A partnership with *l'Homme à la Spatule,* a culinary programs broadcaster, features on-campus and online cooking courses and food truck visits while students can unwind or continue working over their favorite beverages, served between the end of classes and the dinner hour. A newly renovated dining area, an online portal providing advice and recipes for health eating and 24-hour availability of hot and cold meals from vending machines completes the culinary offer.

UNITED KINGDOM AND IRELAND

Emphasizing health and well-being at Wycombe Abbey

At the prestigious Wycombe Abbey girls' school, Sodexo is helping to ensure the physical health and well-being of students with an offer emphasizing fresh food made from scratch, accompanied by advice on maintaining a balanced diet and healthy lifestyle. Sodexo also supported the school in the refurbishment of the dining hall, improving quality of life for the more than 500 existing students and 350 staff members while also further increasing appeal of one of the UK's most renowned schools.

A broad range of services at new Northumbria University facility

Sodexo is providing a range of **facilities management services** under a new contract with Northumbria University in Newcastle. To ensure first class accommodations and an outstanding living experience for students at the university's new 993-bed Trinity Square facility, Sodexo teams are providing reception, help desk, energy management, mechanical and electrical maintenance, cleaning and horticultural services.

Nutritional emphasis at prestigious grammar school

Campbell College in Belfast, one of Northern Ireland's premier grammar schools, chose Sodexo's proposal in response to a competitive tender to provide foodservices, vending and hospitality services. Sodexo's offer emphasizes a focus on everyday health and freshness, quality and variety of nutritional offerings as a route to improving mental and physical performance for the school's 900 students, including its boarders, drawn from throughout the world.

UNITED STATES

Focus on healthy nutrition and lifestyles

At New York's **Stony Brook University,** Sodexo's foodservices offer features its Mindful healthy foods/healthy lifestyles offer and free nutrition counseling with on-campus dietitians to promote well-being and improved quality of life for 32,000 students, staff and visitors. Other improvements in the campus dining program implemented by Sodexo include expanded meal service and choices and a wide array of retail offers.

Sustainability in San Francisco

Sodexo's strengths in the areas of community involvement and sustainability are particularly evident in its service delivery at **San Francisco State University** in California. To align with specific client goals, Sodexo teams connect student-run organizations with local Stop Hunger activities to support the San Francisco State community's outreach initiatives. The Company also promotes sustainability by sourcing food locally, providing fresh choices from organic products, working to eliminate waste and providing financial support and expertise to campus groups working on sustainability initiatives. Dining facility renovations, student-driven menus and increased direct fresh food preparation are among the other initiatives Sodexo has implemented to improve quality of life for the university's 15,000 students.

For more information on Sodexo's actions to fight against hunger and malnutrition, see Chapter 2.3.3.1.

Workforce and performance commitments key to contract win

Sodexo's commitment to providing a rich, culturally diverse workforce, facilitated through its SodexoMAGIC joint venture with former pro basketball star, Earvin "Magic" Johnson, was a key element of its winning facilities management bid at the **Medical University of South Carolina (MUSC).** The Sodexo team is training MUSC staff to ensure the highest quality environment at the clinical education and medical research facility and working to increase the facility's standards and quality rating for cleanliness and appearance. In addition, SodexoMAGIC is helping strengthen ties between MUSC and the local Charleston, South Carolina, community and providing increased opportunities for young people from disadvantaged neighborhoods and minority-owned businesses.

For more information on Sodexo's actions to promote diversity in the workplace, see Chapter 2.3.1.5.

Among our clients...

Aalto University, Helsinki (Finland)

Acadia University, Wolfville, Nova Scotia (Canada)

American Schools of Bombay, Mumbai (India)

Benedictine University, Lisle, Illinois (United States)

Birla Institute of Technology and Science, Vidya Vihar, Rajasthan (India)

Brisbane Girls Grammar School (Australia)

British International School, Kuala Lumpur (Malaysia)

British School of Beijing (China)

Canadian International School, Beijing, Shenzhen (China), Singapore

Chicago Public Schools, Illinois, (United States)

Dhirubai Ambani International School (India)

Doha British School (Qatar)

Dulwich College International School, Shanghai, Suzhou (China), Singapore

Écoles de la ville de Brest (France)

Écoles de la ville de Marseille (France)

EDUCatt - Università Cattolica di Milano, 3 sites (Italy)

Établissement Privé Saint-Vincent, Rennes (France)

Établissement Privé Saint-Michel de Picpus, Paris (France)

French Schools, Singapore, Bangkok (Thailand)

Haileybury College, Melbourne (Australia)

Hansestadt Rostock, Amt für Schule und Sport (Germany)

Hobart and William Smith, Geneva, New York (United States)

Hong Kong International School (China)

Insead (Singapore)

Instituto de Empresa, Madrid (Spain)

Jain Global University, Bangalore (India)

JAMK University of Applied Sciences, Jyväskylä (Finland)

Johnson and Wales, Denver, Colorado (United States)

Kindergartens and Primary Schools, Debrecen (Hungary)

Knox Grammar School, Wahroonga, New South Wales (Australia)

Lake Forest Academy, Illinois (United States)

Lecong Middle School, Guangdong (China)

Liceo Francés, Madrid (Spain)

Lidingö Municipality, Stockholm (Sweden)

Mahindra United World College of India (India)

Oasis Community Learning, 17 sites (United Kingdom)

OP Jindal Global University, Delhi (India)

Örebro University (Sweden)

Queen's University, Kingston, Ontario (Canada)

Sagrado Corazón Apoquindo Monjas Inglesas, Santiago (Chile)

Sancta Sophia College, Camperdown, New South Wales (Australia)

Schools of the city of Vienna (Austria)

Southampton Solent University (United Kingdom)

St Paul's College, Sydney University (Australia)

Sultan Qaboos University (Oman)

TED İzmir College (Turkey)

United World College of South East Asia (Singapore)

Universidad Católica de Chile, Santiago (Chile)

Universidad of Chile, Santiago (Chile)

Universidad Europea de Madrid (Spain)

Università di Pavia, 2 sites (Italy)

Université de la Nouvelle-Calédonie, Nouméa (France)

University of Technology and Economics, Budapest (Hungary)

Western Kentucky University, Bowling Green, Kentucky (United States)

Westfield-Washington School District, Indiana (United States)

Woldingham School (United Kingdom)

Wycombe Abbey (United Kingdom)

YMCA of Hong Kong Christian College (China)

1.4.2.2 BENEFITS AND REWARDS SERVICES

ACTIVITY

KEY FIGURES

- 16.4 billion euro in issue volume (including 65% paperless)
- 827 million euro in revenues
- 4% of Group revenues

Source: Sodexo

- 4,175 employees
- 425,000 clients (excluding individuals)
- Almost 35 million beneficiaries and consumers
- 1.2 million affiliated partners

Our offer

INNOVATING TO IMPROVE CONSUMER QUALITY OF LIFE AND CLIENT PERFORMANCE

In addition to its widely recognized meal and food vouchers and cards, Sodexo designs, manages and delivers nearly 250 Benefits and Rewards Services for client employees and citizens. Adapted to each client's strategic objectives, Sodexo's innovative solutions improve quality of life for individuals:

- helping them to perform daily activities with ease and efficiency;
- encouraging healthy lifestyles;
- making them feel truly valued as employees;
- promoting social interaction, including through culture and entertainment;
- facilitating learning and development; and
- contributing to comfort and safety.

These quality of life solutions provide clients with customized, innovative and effective responses to their primary human resource and performance challenges.

Combining economic performance and sustained improvement in quality of life, Sodexo's offer is focused around five service category objectives:

- recruit, retain and motivate talented people. Employee Benefits responds to the issues of company compensation policies, helping clients enhance their attractiveness as an employer and improve organizational efficiency;
- mobilize teams around quantitative or qualitative objectives. Through Sodexo's Incentive Programs, companies have customized turnkey tools for increasing sales and motivating a partner network, retaining employees, promoting good safety practices within a plant and ensuring business continuity. Reward and recognize the efforts of employees in order to provide a sense of meaning to their work and to strengthen the commitment among teams. Recognition is an important driver of workplace quality of life, helping to attract, retain and develop a company's employees;
- optimize expense management with Sodexo's customized solutions, including payment cards for employees and online platforms to facilitate the management of employees' professional expenses and ensure control and monitoring;

- **support and enhance the distribution and delivery of Public Benefits.** Sodexo-designed solutions are simple, transparent and effective in facilitating the work of governments and local authorities, helping to optimize budgets and achieve social policy, cultural and educational goals;
- **help everyone enjoy gift giving and receiving.** Leveraging its expertise in gift giving programs designed for client employees, Sodexo provides consumers with Gift Boxes and Cards for any occasion, combining freedom of choice with simplicity.

Market trends

In line with the long-term trends that promote the growth of all Group activities, growth in Benefits and Rewards Services markets are being driven by the following trends:

A breakthrough in new technologies in the procurement process, is creating a strong consumer expectation of a unique and fully personalized customer experience.

As consumer behavior evolves rapidly due to technological innovations, retailers must also adapt. To remain visible in a digital world, simply selling products is no longer sufficient; personalized, integrated customer service must also be offered. To create or re-establish a link with their customers, companies are experimenting with new business concepts combining technology and proximity to best meet consumer needs.

To respond to rapid changes in the market and increase competitiveness, companies are increasingly focused on the human element. Seeking above all to attract and retain talent, they are turning toward differentiated solutions that respond to the new expectations of their employees.

With the growing power of the consumer and the arrival of new generations in the work place, employees looking for improved quality of life are seeking solutions such as services vouchers and cards, that facilitate daily life, contribute to their well-being and provide freedom to choose their mode of consumption.

Governments and local authorities subject to budgetary pressures are looking increasingly to solutions that enable them to efficiently allocate public assistance and implement proactive policies to strengthen support to the disadvantaged.

Source: Sodexo

Highlights

SURVEY: WORK PLACE QUALITY OF LIFE IMPORTANT TO SMALL AND MEDIUM-SIZED BUSINESSES

Four out of five small and medium-sized businesses in France say that improving their employees' quality of life can help their company perform better, according to a Sodexo survey. Sodexo surveyed the owners of over 800 businesses with 10 to 100 employees regarding the effectiveness of quality of life solutions in responding to HR issues. Recognition of employees was cited as a particularly effective solution with **90% of business owners** believing that initiatives such as bonuses and gift passes have a positive impact on their company's reputation, performance and revenues.

MOTIVCOM PLC ACQUISITION REINFORCES INCENTIVE & RECOGNITION POSITION

Sodexo strengthened its Quality of Life Services offer by acquiring Motivcom plc, a leading rewards and employee benefits provider to companies in the UK. The acquisition makes **Sodexo the european leader in incentive and recognition programs,** which help companies improve employee engagement, retention and motivation and positively influence the behavior of partners and customers.

HOSPITAL SANTA PAULA EXPANDS THE RANGE OF QUALITY OF LIFE SERVICES ENTRUSTED TO SODEXO

Building on the long-standing On-site Services it provides to Hospital Santa Paula in Brazil, Sodexo expanded its offer after the hospital's director attended Sodexo's Quality of Life Conference in New York. Newly added Quality of Life Services include providing **Gift Passes, Meal Passes and Food Passes** for the hospitals 1,000 employees.

To learn more about Sodexo's Quality of Life Services at Hospital Santa Paula, see section 1.4.2.1 – Health Care – Focus.

Focus on...

CORPORATE SOCIAL RESPONSIBILITY

Sodexo Benefits and Rewards Services programs contribute to sustainable development of local communities by inspiring sustainable modes of consumption and responsible practices among affiliated merchants.

SODEXO'S "GREEN" RESTAURANT INITIATIVE GROWS IN TUNISIA

Restaurants in Tunisia are earning recognition for adopting sustainable practices under an innovative program launched by Sodexo. Participating restaurant affiliates recycle their used fried oil and packaging and their employees receive hygiene training. In addition to improving their performance, the restaurants benefit from enhanced brand awareness for their commitment to the environment and health among 100,000 Sodexo's Meal Pass beneficiaries.

SUSTAINABILITY LEADERSHIP RECOGNITION IN THE CZECH REPUBLIC

In the Czech Republic, Sodexo Benefits and Rewards CEO, Martina Grygar Brezinova, was named a "2014 Top Responsible Leader" by national association Business for Society at the annual Most Responsible Company Awards. The awards recognize best Corporate Social Responsibility and sustainability practices by businesses across the country.

ÉCO-CHÈQUES FACILITATE GREEN PURCHASES IN BELGIUM

Since June 1, 2015, household appliances bearing the european energy label have been among the products and services that can be purchased using *éco-chèques*. Beneficiaries can use the vouchers to pay for up to 250 euro per year of ecologically friendly goods and services. A study conducted by Sodexo with environmental consultant CO2Logic showed that the total cost of appliances bearing the energy label, over the total lifetime of the product, cost less than higher energy-consuming appliances.

For more information about Sodexo's actions on corporate responsibility, see Chapter 2.

Innovating the services of tomorrow

Sodexo Benefits and Rewards Services took steps to further reinforce its culture of innovation, which is central to its offer. Among the actions taken:

- creating specific roles within the organization dedicated to innovation;
- providing increased training for its employees to encourage creativity and experimentation to invent tomorrow's services;
- developing new tools such as an innovation fund and an online collaborative platform.

ATTRACT, RETAIN AND INCREASE THE ENGAGEMENT OF EMPLOYEES

Our offer

IMPROVING QUALITY OF LIFE TO ATTRACT AND RETAIN TALENT

In today's extremely competitive professional environment, attracting and retaining top performers is essential for every public and private organization, regardless of size or market. Knowing how to motivate employees can provide companies with a true competitive edge. Sodexo's customized and integrated, easy-to-use, cost effective solutions optimize tax treatment and help clients to address their human resource needs and increase their attractiveness.

By encouraging healthier lifestyles, facilitating work-life balance and promoting personal development and social interaction, our services directly influence employee engagement and contribute to the performance of businesses and organizations. Whether through a varied diet offered by Meal Pass, the ability to buy environmentally friendly products through Eco Pass, access to a variety of sports facilities with Gym Pass or the support for commuting costs provided by Mobility Pass, Sodexo's services improve the lives of employees and their quality of life, enabling them to devote themselves more fully to their work.

Highlights

BRAZIL – INCREASING ACCESS TO CULTURAL RESOURCES

Nearly 90,000 employees of Brazil Post are benefiting from increased access to books, courses and cultural events through Sodexo's Cultura Pass cards provided by their employer. Employees throughout the country can use the cards at nearly 10,000 affiliates. Correios, the Brazilian postal services, reports improvements in its ability to attract and retain workers as well as increased employee creativity and development.

FRANCE – PAPERLESS PASS VOUCHER LAUNCHED

To complement its Restaurant voucher, Sodexo launched its Restaurant Pass card featuring new services for employees and increased simplicity for employers. Employees of client companies can use the practical and secure card to purchase healthy, balanced meals each day at 180,000 restaurants throughout France. Employers benefit from the ease of the card's implementation and management.

Sodexo also introduced a new paperless gift giving solution with its Christmas 2014 Gift Pass card. The cloud-based solution provides consumers with more choice and convenience to respond to their gift buying needs through access to a wide network of shops and internet outlets. The card also responds to client gift program management priorities such as easier management and distribution, reduction of inventories and delivery savings.

INDIA – MEAL CARD SOLUTION IMPROVES MORALE, SIMPLIFIES ADMINISTRATION

To provide 6,200 employees working at 10 locations in Bangalore with more variety in meal options, Flipkart, one of India's leading e-commerce marketplaces, provided them with Sodexo's Campus Meal cards for use in office food courts. The card, which can be converted to a voucher for use in a network of 2,100 outlets outside the office, ensures the availability of the benefit to all employees, regardless of their work site location. In addition to improving employee morale and the workplace atmosphere, the solution also minimizes the resources the client must dedicate to monitoring and administering the program and eliminates uncertainty regarding monthly meal costs.

ITALY – ELECTRONIC CARD OFFER BENEFITS MILAN MUNICIPAL EMPLOYEES

To provide a full digital experience, Sodexo also is implementing an online reporting tool for clients and consumers. In Milan, Sodexo created a customized network with installation of dedicated points of sale as part of a new food card service to benefit 14,000 employees. The service ensures cash-less access for the employees to high-quality, healthy menu options, with an emphasis on variety, flexibility and choice. In addition to building the network of merchants accepting electronic meal vouchers and increasing its brand awareness in the local area, Sodexo was given the opportunity to work with the city on implementing social services vouchers with preferred tax treatment.

TURKEY – SPREADING THE WORD ON LIVING WELL

Sodexo launched a multimedia communications campaign to broaden the delivery of its Quality of Life Services. The Live Well Project features advice from experts in the areas of healthy diets, physical health and self-development, communicated through web sites, social media, email, new sites and seminars. Launched in August 2014, the campaign has reached hundreds of thousands of people across the country.

VIETNAM – INNOVATIVE ONLINE SYSTEM SIMPLIFIES LUNCH ORDERS

In Vietnam, Sodexo's innovative *Lunch Box Platform Project* streamlines the process at client work sites of ordering out for lunchtime meals. The initiative combines Sodexo's Meal Pass with an online Lunch Box Ordering Platform that processes orders automatically. The new system replaces the heavily administrative traditional method of managing employee lunch orders, simplifying the ordering and payment processes while also providing employees with increased menu options. In addition to maximizing employee meal allowances, the project increases employee satisfaction through greater quality and choice.

MOTIVATING AND RECOGNIZING EMPLOYEES

Our offer

ENHANCING ORGANIZATIONAL PERFORMANCE THROUGH QUALITY OF LIFE SERVICES

Being recognized for their work and being rewarded for their efforts or achievements is one of the prime motivating factors for employees. Rewards increase employee engagement as well as having a broad positive impact on improving the company's overall performance.

To ensure that employees feel truly recognized as individuals, rewards must be appropriate and customized. Through its ability to understand and track the expectations of employees and consumers, Sodexo is able to offer seamless, tailored solutions to clients that enable them to unify their teams around common goals and reward everyone's efforts, whatever the culture or population.

By supporting companies at every stage of their Incentive & Recognition program, from design, to real-time monitoring, event communications, selection and delivery – Sodexo enables clients to easily and effectively achieve objectives such as increasing sales, stimulating a partner network or enhancing employee loyalty by celebrating their successes or thanking them for their commitment.

Highlights

COLOMBIA – ONLINE I&R PLATFORM LAUNCH PROVIDES COMPETITIVE ADVANTAGE

Sodexo launched its online "Say Reward" solution, providing an offer for Incentives & Recognition (I&R) programs based on the Company's global platform. The integrated, comprehensive offer allows for design, management and delivery of I&R programs, positioning Sodexo as an expert to compete effectively in the active Colombian market.

INDONESIA – CREATING POSITIVE EXPERIENCES FOR SAMSUNG CUSTOMERS AND VENDORS

Indonesian shoppers purchasing Samsung Electronics products have an additional reason to be happy after Sodexo created a memorable means for the electronics manufacturer to thank its customers. Shoppers who buy a Samsung product receive a Sodexo Gift Pass. The passes can be redeemed for anything from luxury goods to groceries at some 12,900 outlets operated by 269 retailers across Indonesia, enhancing and prolonging the buyer's positive experience with Samsung. The program further boosts sales volumes by rewarding staff at independent retailers and Samsung stores. The initiative builds on Sodexo's successful five-year relationship with Samsung Electronics in Indonesia.

POLAND – BUILDING LONG-TERM LOYALTY WITH CONSUMERS

Sodexo partnered with the company Dr. Irena Eris to create the "Holistic Club", a loyalty program to reward and build long-term loyalty with consumers who use the brand's cosmetic products, spa hotels and services. The comprehensive program is managed through Sodexo's Say Reward loyalty program platform, with participants earning points that can be exchanged for rewards from a specially prepared catalog of Dr. Irena Eris products. The program also produces communications and special activities for users to support quality of life through social interaction, recognition and health and well-being. The Holistic Club was chosen as the "Best loyalty program" introduced in 2014 by a panel of industry professionals at the 2015 VI Poland & CEE Customer Loyalty Summit.

UNITED STATES – YMCA PARTNERSHIP ENCOURAGES HEALTHIER BEHAVIORS

To improve the quality of life for individuals, families and communities, Sodexo partnered with the YMCA of Central Florida to create a new evidence-based approach to employee wellness. The Communities for Health initiative seeks to combat preventable chronic illnesses by engaging employees at work and at home through a personal, system-based approach and supporting behavior change leading to healthier, happier and more productive lives. Participants receive personalized coaching and support and the ability to access evidence-based chronic disease prevention programs, fitness and healthy eating wellness classes through neighborhood YMCAs. Employees also receive reward cards that can be used at thousands of healthy restaurants and retailers as part of an incentive program designed by Sodexo. In addition to the health and well-being benefits, the program aims to reduce the burden of rising health care costs for both employees and employers.

OPTIMIZING EMPLOYEE EXPENSE MANAGEMENT

Our offer

STREAMLINING AND SIMPLIFYING PROCESSES FOR BETTER QUALITY OF LIFE

Improving quality of life includes enabling businesses and employees to perform their daily work efficiently, without interruptions and at the lowest cost.

Sodexo expense management services offer solutions to Finance and Human Resources Departments to simplify, secure and optimize expense management while avoiding the requirement that employees personally advance funds for their professional activities.

Sodexo programs and services integrate innovative solutions such as payment cards or online platforms to manage fuel or professional expenses, delivering simple, easy-to-access programs that streamline processes for employees and help improve business performance.

Highlights

BRAZIL – IMPROVING FLEET MANAGEMENT AND CONTROLLING COSTS

Sodexo's Frota Pass introduced in 2015, enables clients to control and strategically manage their fleet across a range of elements, including utilization, performance, driving behavior and purchase price negotiations. The chip card provides real-time information through an online platform that enables the fleet manager to quickly identify cost reduction opportunities, make necessary changes and introduce innovations to improve overall fleet performance.

COLOMBIA – FUEL CARD HELPS TO IMPROVE FLEET MANAGEMENT

Corporate clients in Colombia now are able to more efficiently manage their vehicle fleets and fuel costs with Gaso Pass Control. Vehicle operational data such as fuel consumption and mileage are captured when the fuel card is used on point of sale devices at a national fuel station network. Clients are able to monitor the data via a web platform, enabling them to manage their vehicle fleet to maximize efficiency and control costs.

ISRAEL – INCREASING EFFICIENCY OF OFFICE EXPENSE MONITORING

Hapoalim Bank, Israel's largest bank, chose Sodexo's Expense Pass service to help it efficiently manage office expenses for its 12,000 employees at 300 branches. The service enables clients to eliminate petty cash accounts, with ordering and purchasing of goods managed through a quick online order at designated supplier stores. Customized shopping lists and purchase deliveries save time and all purchases are consolidated in a single monthly billing. Negotiated agreements with suppliers lower costs and detailed reporting allows for ongoing budget control.

SPAIN – FACILITATES EXPENSE MANAGEMENT AND VAT RECOVERY FOR COMPANIES

Sodexo's exclusive Business Pass card provides a complete solution for corporate expense management while automating the VAT recovery process for expenses such as restaurants, fuel, taxis and parking. The offer responds to needs identified in a Sodexo market study in which 70% of CFO's said they were dissatisfied with their current system for managing employee expenses. In addition to simplifying VAT recovery, Business Pass also offers the ability to track expenses by amount, time, category and other parameters, making it a complete tool for controlling employee expenses incurred both in Spain and abroad. With its expense management features, such as reporting, expense claim forms and Enterprise Resource Planning interfaces for employees and Financial Departments, Business Pass offers the market's broadest solution.

ENSURING EFFECTIVE DISTRIBUTION OF PUBLIC ASSISTANCE

Our offer

IMPROVING CITIZEN QUALITY OF LIFE THROUGH OPTIMIZED SOCIAL WELFARE PROGRAMS

Through its Public Benefits programs, Sodexo provides access to basic services, culture or residential support services for millions of people worldwide.

Faced with changing demographic trends (aging population, increasing urbanization, a rising middle class, the development of initial and continuing education), public entities today seek solutions to more precisely target assistance as well as to control public spending.

Sodexo's simple, transparent and effective responses facilitate the work of public authorities, optimize budget resources and help clients achieve their social policy, cultural or educational objectives while contributing to the formalization of the economy. In promoting the development of the local economy, Sodexo also contributes to the creation of enduring employment.

Examples include Culture Pass, which offers students access to sports and cultural activities, Education Pass, helping families to provide learning support for their young children and CESU Pass, offering in-home assistance to seniors and individuals with disabilities.

Highlights

POLAND – SME TRAINING VOUCHERS PROGRAM PILOTED

Authorities in Poland are preparing to expand a training vouchers program following a successful pilot project implemented by Sodexo. Under the program, public funds for training employees of Small and Medium Enterprises (SMEs) were distributed using vouchers provided by Sodexo to qualified SMEs, which used the vouchers to pay for the training of their employees. The pilot program was designed with the support of Sodexo's team in Belgium where similar programs have been put in place. External experts, Ministry of Labor officials and local governments that assessed the program gave it a score of 4.75 out of 5 based on its efficiency and reliability.

ROMANIA – ENSURING QUALITY OF LIFE FOR LOW-INCOME SENIORS

The Department of Social Services of Brasov County in Romania partnered with Sodexo to help improve quality of life for 10,000 low-income seniors receiving public assistance. Sodexo's Viva Pass provides beneficiaries with access to basic necessities such as food, hygiene products and medicine. Ensuring the effective distribution of the social vouchers is particularly important during holiday periods when many of the seniors face social isolation and more severe economic hardship.

1

INCREASING THE JOY OF GIVING AND RECEIVING

Our offer

IMPROVING QUALITY OF LIFE BY SIMPLIFYING THE PLEASURE OF GIVING AND RECEIVING

Building on its recognized expertise in designing and implementing corporate gift programs and to respond to expectations of consumers for gift offers increasingly customized to their preferences, Sodexo developed two gift concepts for consumers, combining freedom of choice and personalization to allow everyone to simply and easily please friends and relatives.

- Gift boxes: the gift recipient can enjoy a good meal, depart for a weekend getaway, enjoy a glass of wine, discover a new perfume, relax in the sauna, read or listen to music... the offering comes in a Sodexo gift container, which can be customized by the giver.
- Gift cards: multi-themed gift cards that can be used across a wide variety of retail chains, from home or sporting goods to fashion, beauty, culinary, cultural or travel products, the recipient will feel spoiled with options.

For those wishing to offer a gift on behalf of a number of givers, organizational details are no longer a worry. The leading gift card, *Cadeau Commun,* enables up to 2,500 euro to be easily collected through invitations to participants via the Internet.

Highlights

FRANCE – DESIGN AWARD TO THE *PETIT PRINCE* GIFT CARD

The *Petit Prince* gift card won the **2014 prize for innovation** in the card design category by French publication Publi-news, which each year recognizes the industry's most successful card and payment methods. The gift card, featuring a *Petit Prince* design, can be used in 500 stores and on 50 websites.

PHILIPPINES – ONLINE GIFT SOLUTION FOR FILIPINO EXPATS

A new online gifting platform is enabling Filipino expatriates around the world to easily send gift vouchers to family members at home. The innovative solution allows consumers to shop and send gift vouchers online, accompanied with a personalized message and specially designed envelope. In addition, consumers who refer a friend to the platform are rewarded with a gift, increasing consumer satisfaction and helping to create an instant network.

Among our clients…

BANKS – INSURANCE – CORPORATE SERVICES

Adecco: Brazil, Bulgaria, Germany, Luxembourg, Spain

Allianz: Germany

AXA: Czech Republic, Germany

BNP Paribas: Bulgaria, Czech Republic, Germany, Spain

HSBC: Argentina, Czech Republic

ING Group: Bulgaria, Spain

Manpower: Bulgaria, Germany, Turkey

PricewaterhouseCoopers: Bulgaria, Germany, Hungary, Luxembourg, Vietnam

Sicredi: Brazil

Société Générale: Bulgaria, Spain

IT – ELECTRONICS

Alcatel-Lucent: Czech Republic, India, Spain, Turkey

Cisco Systems: Spain, Venezuela

Fortibas Data Processing Software: Turkey

Hewlett-Packard: Bulgaria

Huawei: Czech Republic

IBM: Czech Republic

LM Ericsson: Italy, Spain

Nokia: Czech Republic, Hungary, Turkey

SAP: Bulgaria, Czech Republic, Germany, India, Spain

Samsung: Germany, Indonesia, Spain

Sony: Bulgaria, Spain

Vodafone: Romania

FOOD INDUSTRY AND CONSUMER GOODS

Coca-Cola: Bulgaria, Luxembourg, Venezuela

Compañía Nacional de Chocolates de Perú: Peru

Henkel: Bulgaria

L'Oréal: Romania, Turkey, Vietnam

Nestlé: Czech Republic, Hungary, Spain, Venezuela

PepsiCo: Romania

Unilever: Bulgaria, Hungary, Spain

INDUSTRY – ENERGY

Alstom: Brazil, Bulgaria, Germany, Luxembourg, Spain

Air Liquide: Spain

Altran: Spain

Audi: Germany

Cathay Pacific: United Kingdom

General Electric: Bulgaria, Turkey

General Motors: United Kingdom

Johnson & Johnson: Bulgaria, Czech Republic

Lufthansa: Germany

Michelin: Italy, United Kingdom

Pfizer: Spain, Venezuela

PSA Peugeot-Citroën: Argentina, Spain

Renault–Nissan: India, Romania

Riogas: Uruguay

Sanofi-Aventis: Argentina

Siemens: Czech Republic, Germany, Romania, Turkey

Tata Group: India

Total: Spain

Toyota Motors: Spain

Willis Processing: India

NATIONAL PUBLIC AUTHORITIES

Spain: Fundación Bancaria "LA CAIXA"; Consejeria de Educación Comunidad de Madrid

United Kingdom: Ministry of Defence, UKBA

Tunisia: National Company of Tunisian Railways

Venezuela: Instituto Nacional de Servicios Sociales INASS, Universidad Nacional Experimental Francisco de Miranda

1.4.2.3 PERSONAL AND HOME SERVICES

Our offer

QUALITY OF LIFE FOR ALL AGES

In three areas:

Child Care

Sodexo's modern and innovative child care centers help make the most of the early years of a child's life that are so crucial to their development. It is the period in which their young minds absorb everything around them and they construct the building blocks of future learning. Sodexo offers a stimulating environment that encourages children to engage with their peers and develop a curiosity for the diversity, vastness and richness of the world – all in an effort to create the next generation of responsible global citizens. Services are designed to substantially improve quality of life for both children and parents. *(These services are provided through Sodexo subsidiary Crèche Attitude).*

Concierge services

By providing services that assist its clients' employees in accomplishing the personal tasks of daily life and achieving a better work-life balance, Sodexo enables clients to increase the loyalty and performance of their employees. Employees can thus find a range of services and amenities available at their work place such as dry cleaning, fresh fruits and vegetables, car washes, hair dressers, household assistance and help with organizing leisure activities or administrative tasks. *(These services are provided through Sodexo subsidiary Circles).*

Home Care

Sodexo's Home Care Services allow seniors and other adults to maintain their independence and quality of life, allowing them to remain and live comfortably in their own homes. Services are customized and evolve based on the changing needs of the individual. Sodexo provides care and support to clients in their everyday life, including assistance with bathing, dressing and grooming, mobility, housekeeping, grocery shopping, preparation of nutritional meals and medication reminders. *(These services are provided through Sodexo subsidiaries Amelis and Comfort Keepers).*

Market trends

Personal and Home Services responds to four demographic and social megatrends affecting society and companies: women in the work force, work-life balance, an aging society and a shortage of skilled labor.

CHILD CARE: DEMAND EXCEEDS SUPPLY

In developed countries, parents are facing a scarcity of affordable child care solutions, leading many governments to adopt policies promoting development of child care facilities and companies to seek "turnkey" solutions to help enhance employee loyalty.

A BETTER WORK-LIFE BALANCE

Facing increasingly challenging time constraints, people are juggling the demands of work and personal life. Companies that provide support for achieving an improved work-life balance benefit from happier, more productive employees, which also translates into increased engagement and loyalty.

SENIOR AUTONOMY: A GROWING ISSUE

The global elderly population is growing rapidly as life expectancy increases, with the number of seniors projected to reach 800 million by 2025[1]. Although this extended life expectancy is a testament to modern medicine, an aging population also means increasing instances of chronic disease, diminished well-being[1] and less autonomy. This loss of autonomy is often a source of anxiety for seniors. Senior care can involve the entire family, who frequently becoming the key decision makers regarding their parents' well-being.

Source: Sodexo

(1) Source: The World Health Organization.

Focus on...

LOWERING PATIENT READMISSION RATES

Improving patient well-being, hospital operations and hospital competitiveness

In the U.S., Circles authored a case study with Tidelands Health about a hospital readmission reduction program executed by Sodexo's Service Response Center (SRC). The program led to a 40% decrease in readmissions.

Circles has worked with Sodexo's On-site Services Health Care team to integrate the SRC – a call center specially adapted to respond to all demands in health care facilities. This new global offer, focused on patient well-being and also benefiting hospital teams, helped increase staff satisfaction and reduce readmission rates by 40% in a six-month period[1]. The lower readmission rates reflect an increase in patient well-being while also helping to increase clients' Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) scores and directly impacting the hospital's bottom line.

The SRC also handles transporting patients, picking up equipment and delivering meals. In performing these logistical tasks, Sodexo enables nurses and doctors to concentrate on patient care, which in turn contributes to their increased satisfaction and loyalty. At Bronson Healthcare Group, for example, implementation of Sodexo's Concierge Services helped increase employee engagement and retention rates among nurses and doctors and reduce total employee turnover by 55.3% within three years.

Highlights

FRANCE

Supporting the development of tomorrow's eco-citizens

As part of its newly adopted educational mission, Crèche Attitude has introduced a learning experience to expand children's horizons, helping them to appreciate differences and preparing them to become tomorrow's responsible citizens. The initiative fully involves the people around them: parents, professionals, partners and the community. The eco-citizen focus reflects the organization's commitment to environmental protection, illustrated by its effort to help its centers earn the Ecolo Crèche© label.

For more information about Sodexo's actions to improve consumer awareness, see Chapter 2.4.3.

Connecting parents with child care providers

In France, parents are able to locate nearby child care solutions that fit their individual needs and preferences via Crèche Attitude's **online platform, BBbook.** In addition to Crèche Attitude's own network of child care centers, the BBbook lists available openings at 850 centers throughout the country and can accommodate regular, occasional or even urgent child care needs of parents.

Concierge services for small businesses

To help small businesses respond to employee expectations of a positive work-life balance, Circles has developed the **"Corner concierge."** The new offer is designed for companies with less than 400 employees and provides an array of services through an automated system. Employees are able to benefit from workplace access to residential assistance, dry cleaning, shoe repair, dining reservations and administrative tasks. The status of requests can be tracked online or discussed with the bilingual concierge services team by telephone.

... and a new offer at Thales' next generation campus

To help Thales retain employees and create a work place that fosters teamwork, high performance and innovation, Circles created a concierge services offer on its client's next generation campus, with a **services area of 10,000 m²**. The 2,500 employees at the campus' three sites have access to an array of services, including well-being and relaxation areas. The new offer has proven highly popular with Thales employees with 93% expressing satisfaction with the concierge services.

Amelis continues its growth in senior home care services

Amelis accelerated its growth in France with the opening of new franchise offices during the year. With its comprehensive range of customized services that facilitate life for seniors and dependent individuals in their home, Amelis is well positioned for further development in France's growing senior home care market.

(1) *Case Study - Georgetown Hospital Systems – http://circles.com/client-impact/casestudy_improvingreadmissionrates/*

UNITED STATES – POSITIVE REVIEWS IN HOME CARE

Comfort Keepers is a leading franchise network in the **in-home care market** for seniors and other adults in North America and has more than 700 franchised locations around the world. Comfort Keepers offers a broad array of **in-home services** that facilitate life for seniors and enable them to remain as long as possible in their home. Among Comfort Keepers' achievements during the year:

Strong positive rating from consumers

Received a **+82 rating** from consumers as to their likelihood to recommend Comfort Keepers to others, on a scale of +100 to −100. This strong Net Promoter Score reflects Comfort Keepers' consumer-centric approach in providing care, which emphasizes transparency, timely communication and friendly interaction with the client and their family members, and well-trained caregivers.

Awards

For the third time, Comfort Keepers was ranked as **the #1 Senior Care franchise network** by Entrepreneur Magazine in its 2015 Franchise 500 review of America's top franchise opportunities.

For the sixth year in a row, Comfort Keepers was recognized as a **"World Class Franchise™"** by the Franchise Research Institute, a distinction based on feedback from franchisees.

Key contract wins

FRANCE – CIRCLES DELIVERS A LOCAL TOUCH FOR ALCATEL LUCENT EMPLOYEES

In its first service offer in the **Bretagne region** at the Alcatel Lucent campus in Lannion, Circles has put the accent on local flavor. In addition to recruiting a concierge from the local region well-connected with the surrounding community, a range of Breton culinary specialties are available to the 720 employees. Employees also have access to abundant reading materials made available through a partnership with a local bookstore while also benefiting from traditional concierge services designed to further enhance their quality of life.

GERMANY – CHILD CARE SERVICES ADAPTED TO PARENT SCHEDULES

Through child care services provided by Sodexo, employees at **the military hospital in Ulm** are finding it easier to balance their work and family commitments. A new child care center provides services specifically designed to accommodate the schedules of parents among the hospital's 2,400 employees as well as about 800 military personnel at a nearby base. The contract win, awarded by the German Ministry of Defense, resulted from a collaborative effort involving Sodexo Health Care and Crèche Attitude teams in Germany, France and Luxembourg.

UNITED STATES – CUSTOMIZED SERVICES FOR MATERNITY PATIENTS

Circles was awarded the contract to provide onsite concierge services for 7,000 maternity patients annually at **Christiana Care Health System of Wilmington,** Delaware. To enhance patient satisfaction, an array of specially customized services are offered including facilitation of in-hospital salon and spa services, errand running, meal delivery, gift suggestions and purchases and provision of comfort items and activities. Circles' ability to tailor its offer to meet the needs of patients from a variety of demographic backgrounds and its success in delivering programs for another client, Meridian Health, were key factors in the decision by Christiana's leadership team to partner with Circles.

Among our clients...

CONCIERGE SERVICES

Alstom, France

AstraZeneca, Sweden

Baker & McKenzie, Sweden

Bic, France

Biogaran, France

Biogen, United States

Boston Medical Center, United States

Boston Properties, United States

Christiana Care Health System, United States

CGG, United States

Diageo, United States

EDF, France

European Investment Bank (EIB), Luxembourg

Fannie Mae, United States

Google, Sweden

Hyundai Card, United States

Institut Gustave Roussy, France

Kraft Foods, Sweden

L'Oréal, France

McKinsey, Sweden

Meridian Health System, United States

Microsoft, United States

NCC, Sweden

Oracle, France

Procter & Gamble, United States

PSA, France

Robert Wood Johnson University Hospital, United States

Sanofi-Pasteur MSD, France

Siemens, France

SKF, Sweden

Société Foncière Lyonnaise, France

Takeda, United States

Thales, France

Trip Advisor, United States

Valeo, France

Zurich/Farmers, United States

CHILD CARE SERVICES

Aéroports de Paris, France

Altran, France

Areva, France

Bundeswehr Hospital, Germany

CHU Hôpitaux de Rouen, France

City of Boulogne-Billancourt, France

City of Issy les Moulineaux, France

City of Lille, France

Ernst & Young, France

European Investment Bank (EIB), Luxembourg

Générale de Santé, France

La Poste, France

Siemens, France

SNCF, France

Thalès, France

Weleda, France

HOME CARE SERVICES

With Comfort Keepers internationally and Amelis in France, Sodexo serves 35,000 seniors.


sodexo

2

ECONOMIC, SOCIAL AND ENVIRONMENTAL RESPONSIBILITY/ FISCAL 2015 REGISTRATION DOCUMENT

2.1 The Better Tomorrow Plan

Since its founding, Sodexo's commitment to Corporate Responsibility has been central to its fundamentals, underpinning its development as a responsible company.

These commitments are reflected in the Group's mission: to improve quality of life for employees and all those it serves throughout the world and to contribute to the economic, social and environmental development of the communities, regions and countries where it operates.

The Group tracks the implementation and measures the impact of its actions in the 80 countries in which it operates through its Corporate Responsibility roadmap, the Better Tomorrow Plan.

The Better Tomorrow Plan is comprised of three core pillars:

1. **We Are:** the fundamentals that serve as the cornerstone of a responsible company.
2. **We Do:** four priority commitments for action:
   - our commitments as an employer;
   - our commitments to nutrition, health and wellness;
   - our commitments to local communities;
   - our commitments to the environment.
3. **We Engage:** dialogue and joint actions with our stakeholders.

For more information about Sodexo's services to improve Quality of Life, see Chapter 1.4.

CORPORATE RESPONSIBILITY GOVERNANCE

Two members of the Group Executive Committee have primary responsibility for driving continuous improvement in Sodexo's Corporate Responsibility performance:

- Elisabeth Carpentier, Group Chief Human Resources Officer;
- Damien Verdier, Group Executive Vice President Group Chief Strategy, Organization, Research, Development and Innovation Officer.

Sodexo's Diversity and Inclusion strategy is defined and managed by Senior Vice President and Group Chief Diversity Officer, Rohini Anand, who reports directly to Michel Landel, Sodexo's Chief Executive Officer.

Programs worldwide are coordinated and tracked by the Better Tomorrow Plan project management office, in consultation with Group functions and subject matter working groups. These expert groups develop action plans, guidelines and worldwide programs, promote innovation, validate indicators and perform risk and competitor analysis.

Sodexo's Executive Committee and senior management monitor corporate responsibility actions and overall performance. To drive progress within the business, managers' annual performance objectives and reviews are closely linked to the achievement of Sodexo's commitments.

During Fiscal 2015, Sodexo continued to engage with BSR[(1)] updating the materiality analysis carried out during Fiscal 2008 in order to revise and enhance the Better Tomorrow Plan in Fiscal 2016. This work involved engaging with internal and external stakeholders via interviews, meetings and conferences to analyze and determine current trends and key areas of focus for Sodexo, related to corporate responsibility.

(1) Business for Social Responsibility (BSR) is a not for profit organization that works with its global network of more than 250 member companies to develop sustainable business strategies.

Focus

MAINTAINING LEADERSHIP REQUIRES CONTINUOUS IMPROVEMENT

The Better Tomorrow Plan is dynamic and evolving. New and more challenging targets ensure that the Group's commitments to action continue beyond previously set milestones.

For example, in Fiscal 2013, Sodexo met its goal to source 100% sustainable palm oil through a combination of certified sustainable palm oil and Green Palm certificates. Moving forward, Sodexo is working to maximize its purchases of physical certified sustainable palm oil.

Another way in which Better Tomorrow Plan commitments evolve is by establishing baselines and using them to develop specific targets. While the Group was implementing actions to reduce its carbon emissions, it was also working with World Wildlife Fund (WWF) to calculate the carbon emissions throughout its supply chain. In June 2015, Sodexo announced an ambitious 2020 target to reduce carbon emissions from both its own operations and its supply chain by 34% compared to a 2011 baseline.

2.2 We Are

2.2.1 OUR MISSION, VALUES AND ETHICAL PRINCIPLES

Sodexo's mission, values and ethical principles provide a common frame of reference that unifies and guides the actions of its 420,000 employees around the world.

2.2.1.1 OUR MISSION

Our mission is twofold:

- improve the quality of life of our employees and all who we serve;
- contribute to the economic, social and environmental development of the communities, regions and countries in which we operate.

2.2.1.2 OUR VALUES AND ETHICAL PRINCIPLES

Since its founding, Sodexo's values – Service Spirit, Team Spirit and Spirit of Progress – have served as a common bond for its teams throughout the world.

Sodexo conducts its business according to the ethical principles of loyalty, respect for people and equal opportunity, transparency and business integrity.

Focus

BUSINESS INTEGRITY

"Sodexo will only continue to achieve its objectives if we remain fully committed to the highest standards of business integrity." Pierre Bellon, Founder and Chairman of the Board of Directors of Sodexo

Sodexo's Statement of Business Integrity outlines its commitment to ethical business practices. Its Guide to the Statement of Business Integrity provides employees with practical guidelines on the Code of Conduct.

A Group Ethics Officer, appointed in May 2011, is responsible for overseeing Business Integrity throughout the Group and an e-learning module on Business Integrity is part of managerial training programs worldwide.

In 2014, the internal controls framework was enhanced to include additional controls on business integrity.

KEY FIGURE

In Fiscal 2015, 99.7% of Sodexo employees worked in countries in which the Statement of Business Integrity is available in at least one official language.

2.3 We Do

We Do: our four priorities with commitments to action:

- our commitments as an employer;
- our commitments to nutrition, health and wellness;
- our commitments to local communities;
- our commitments to the environment.

2.3.1 OUR COMMITMENTS AS AN EMPLOYER

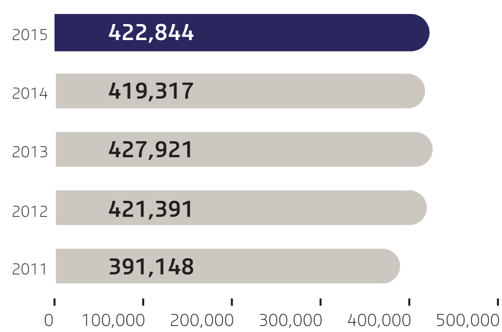
Sodexo is guided by the belief that organizations and society must make people their central focus in order to create sustained value. For companies, this means ensuring that the women and men who work for them also share their success.

As the world's 19th largest employer*, Sodexo puts its 420,000 employees at the heart of the Company. Sodexo's success is built on a unique social and economic model: our ability to improve consumers' quality of life is primarily due to the professionalism and engagement of our employees. More than 95% of Sodexo's employees are in daily contact with its clients and serve 75 million consumers each day.

Sodexo is committed to improving employee quality of life, offering stable jobs, providing them with the means to grow and develop throughout their career, fostering diversity and inclusion and ensuring a supportive work environment. Sodexo fully respects employee fundamental rights and is committed to their safety at work.

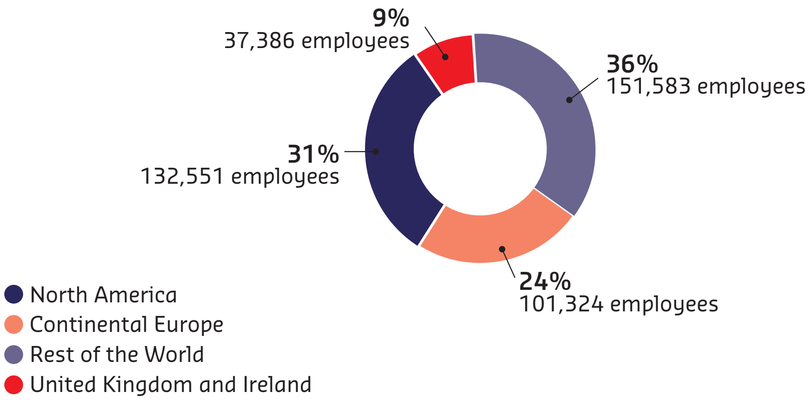
FISCAL 2015 KEY FIGURES

NUMBER OF EMPLOYEES AT THE END OF FISCAL

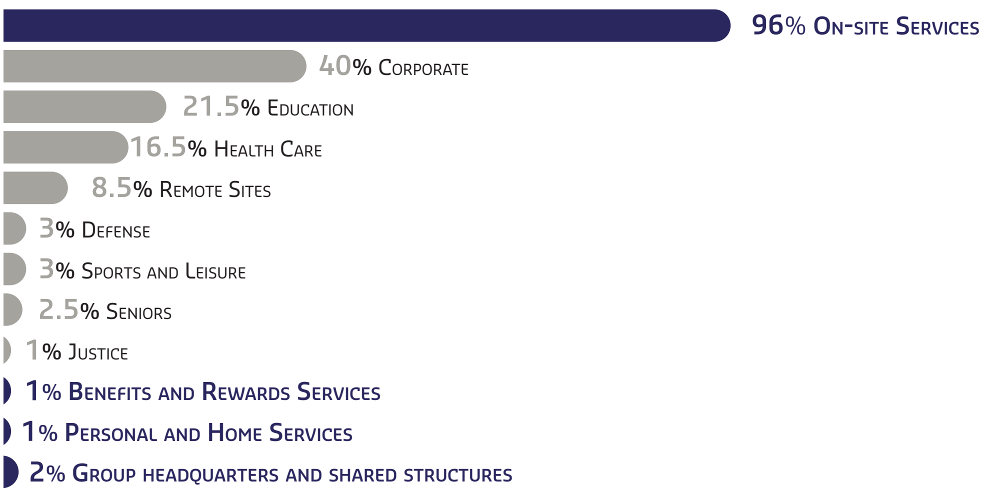


* Source: Fortune 500 – July 2015.

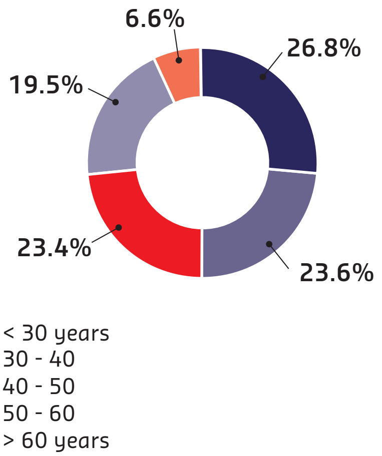
WORKFORCE BY REGION – FISCAL 2015



WORKFORCE BY ACTIVITY AND CLIENT SEGMENT – FISCAL 2015



WORKFORCE BY AGE GROUP – FISCAL 2015



KEY FIGURES

Retention rate for all employees: **65.7%** in Fiscal 2015.

Retention rate for site management: **80.6%** in Fiscal 2015.

KEY FIGURES

Average seniority for all employees in Fiscal 2015: **6 years**.

Average seniority for management in Fiscal 2015: **8 years**.

Focus

TRACKING ENGAGEMENT

The employee engagement rate – a concept that expresses both satisfaction and involvement – is a key performance indicator for Sodexo, which seeks to become one of the companies most admired by its employees in the world.

In April 2014, Sodexo carried out its fifth worldwide Employee Engagement Survey, involving 130,000 employees in 60 countries.

With survey participation remaining at a high 68% level, the results showed significant progress. For the third time in a row, the employee engagement rate increased, reaching 59% (a two-point increase over the previous survey).

In early Fiscal 2015, country managers presented local survey results to their teams and began building tangible action plans to improve quality of life for employees, targeting improvement in areas such as absenteeism, health and safety and retention.

Sodexo will conduct its sixth worldwide Employee Engagement Survey in April 2016.

Focus

SAFETY, EVERYONE'S RESPONSIBILITY

At the heart of our Health, Safety and Environment (HSE) commitment is our care for people, for our community of employees as well as for the 75 million consumers we serve every day. Health and Safety is one of the founding pillars on which we base our mission to improve quality of life.

As such, Sodexo's Health and Safety Policy defines the Group expectations and guides its actions in this area. Sodexo's global Health and Safety management system defines minimum standards for each business entity and is based on OHSAS 18001*.

This year we have reinforced our health and safety strategy which is built on four strategic pillars:

- leadership: culture and behaviors are driven by the examples and boundaries set by our leaders coupled with a visible commitment to improve;
- communications and engagement: they have to exist at every level of the organisation, recognising that safety is the responsibility of everyone, at every level, in every environment and for every activity and job;

* *Occupational Health and Safety Assessment Series is an international management system standard. An ISO Project Committee is currently working on transforming OHSAS 18001 into an ISO standard, fully consistent with the ISO international management system standards (examples: ISO 9001 for Quality and ISO 14001 for environment).*

- capability and competence: maintaining and developing our capabilities and competencies enabling us to effectively manage risk;
- compliance and learning: robust processes to assure we adhere to HSE laws, regulations, Group standards and client contractual commitments combined with effective learning from any accidents that do occur.

KEY FIGURES

In Fiscal 2015, 24 countries representing 83.1% of Group revenues held one or more OHSAS 18001 certifications (occupational health and safety).

2.3.1.1 CREATING EMPLOYMENT OPPORTUNITIES

Sodexo is the world's 19th largest private employer and a leader in the services industry. In many countries, more than half of the population works in the services sector (76.3% in France)*.

With its focus on quality of life and its ability to offer fulfilling and rewarding job opportunities, Sodexo is ideally positioned to respond to the changing employment market.

Sodexo provides jobs that are open to all, regardless of age, gender, nationality, culture or personal characteristics. Through its commitment to training, development and internal promotion, Sodexo actively encourages employees to learn a trade and advance personally and professionally.

KEY FIGURE

86%** of employees prefer working for Sodexo to its competitors.

CANADA – Developing tomorrow's talent

Identifying and investing in talent is a key ingredient in shaping Sodexo's future. In Canada, the Rising Stars program is one way in which Sodexo works to attract and retain younger workers. The program offers work opportunities for interns, students and new managers to support their professional advancement and develop them into the leaders on which the Company will rely in the future.

In addition to attracting and developing high potential employees, Sodexo benefits from new skills and competencies, including integrating new technologies into company operations.

The Rising Star cohort for 2015 consists of 27 members. More than 135 Rising Stars have been promoted since the program began in 2010, with several advancing to management positions. Sandra Rose says her Rising Stars experience was about more than just learning technical skills: *"The program helped me better understand Sodexo's core values, strategy and objectives and integrate them into my everyday work."*

KEY FIGURES

In Fiscal 2015, new hires, excluding employees joining Sodexo as a result of new contracts and acquisitions were as follows:

Non-managers: 142,691

Managers: 7,971

Total: 150,662

KEY FIGURE

In Fiscal 2015, 26.8% of Sodexo staff was under 30 years old.

* *Source: INSEE (French National Institute of Statistics and Economic Studies) 2013.*

** *2014 Employee Engagement Survey, based on a representative sample of 130,000 employees.*

2.3.1.2 INVESTING IN EMPLOYEE TRAINING

Sodexo recognizes that a highly trained and talented workforce is the most effective way to respond to client and consumer needs. With this in mind, the Group has made employee training one of its highest priorities. In Fiscal 2015, nearly 5 million hours of training were provided.

Sodexo Learning and Development Centers around the world offer an extensive catalogue of training and development courses from which employees can choose. In the United Kingdom, for example, more than 500 training modules are available, ranging from teaching basic skill-sets to advanced technical courses.

NORDICS: Big picture and hands-on support for managers

An innovative training program in Sweden, Norway, Denmark and Finland is reinforcing leadership skills as well as providing support on day-to-day contract management. In addition to broader management topics, special focus areas include contract start-up, consistent and optimal delivery of services and the sale of integrated Quality of Life services.

The year-long program mixes e-learning with seminar course work and recognizes program graduates with a diploma. Camilla Sagath, one of the 43 participants of the training program's first group that graduated in June 2015, commented, "*The training provided a good combination of reinforcing leadership skills, improving selling techniques and providing practical instruction on optimizing contract management*."

KEY FIGURES

In Fiscal 2015, nearly 5 million hours of training were provided to 383,592 employees, or 91% of Sodexo's global workforce, representing a 5% increase compared to Fiscal 2014.

2.3.1.3 FOSTERING PROFESSIONAL ADVANCEMENT

Sodexo's constant growth, international presence, range of services and diversity of business environments generates multiple opportunities for professional development.

Supporting career development is at the heart of Sodexo's employee value proposition. Employees are actively encouraged to be proactive in managing their careers, exploring new occupations and taking on new responsibilities.

Employee feedback shows that Sodexo's commitment to career development is a key driver of employee motivation. In the 2014 Employee Engagement Survey, 80%* of respondents said they feel they have opportunities to grow within the Company.

WORLDWIDE – Honing facilities management skills

A new global training program is reinforcing manager skills in facilities management services, one of the fastest growing areas of Sodexo's business.

Covering an ever-broadening range of Quality of Life services, Sodexo generates approximately 29% of revenues from facilities management activities today. Supporting the development of managerial and organizational capabilities in facilities management services is key to Sodexo's strategy.

The training program focuses on the critical success factors for safe, efficient and profitable delivery of facilities management services. It covers managerial skills such as contract lifecycles, operational finance and organizational capabilities with a focus on the management of assets and subcontractors. It also provides operational managers opportunities to earn certifications from an internationally recognized qualification body.

* *2014 Employee Engagement Survey of a representative sample of 130,000 employees.*

FRANCE – Enhancing employability

Sodexo employees in France can improve their employability by earning new, hard-to-acquire professional qualifications through the Company's Certificate of Professional Qualification (CQP) program. Recognized by both the French government and the service industry, the development paths range from 150 to 330 hours and blend face-to-face classroom time with on-the-job experience and e-learning.

Priority is given to training for hard-to-fill positions such as kitchen porter, restaurant worker, chef's assistant and housekeeper. The CQP program welcomes around 250 participants each year. Since 2005, 2,500 Sodexo employees in France have earned a diploma and qualified for a new occupation.

KEY FIGURE

In Fiscal 2015, **20.8%** of site manager positions were filled through internal promotion.

2.3.1.4 ENSURING PRODUCTIVE WORK ENVIRONMENTS

Recognizing that employees work better in a supportive, stable and healthy working environment, Sodexo's teams benefit from the Company's mission of improving quality of life. Wherever Sodexo employees work, the Group optimizes workplace well-being to help employees remain fully focused on serving clients and consumers.

This ongoing commitment is reflected in the importance placed on the quality of the managerial relationship, the protection of employee health and safety and the assistance provided to help maintain an appropriate work-life balance.

WORLDWIDE – Promoting a flexible workplace

Throughout the world, Sodexo supports employees in working flexibly to accommodate lifestyles or preferred ways of working. The Group helps employees achieve work-life balance and drive individual performance. Ultimately, Sodexo's engaged and efficient teams are able to deliver unique value to clients and consumers.

The effort to establish flexible working conditions is boosted by SWIFt – Sodexo Women's International Forum for talent. This international committee of leaders aims to give employees autonomy to manage their own time effectively and achieve a healthy work-life balance.

Bo Mijs, a Sodexo employee in Belgium says, *"To give flexibility is to receive flexibility: I feel well, I'm positive and I appreciate the freedom and trust Sodexo gives to me, all of which is connected to my quality of life."* For Peter Gems, an executive chef in the U.S., *"Flexibility allows me to enjoy time with my daughter and grandson."*

For more information on SWIFt, see Chapter 2.3.1.5.

WORLDWIDE – Providing Employee Assistance

Sodexo Supports Me is a service that offers personal and professional support to Sodexo employees. The service provides counseling to help employees meet the challenges of everyday life, both within and outside of the workplace.

Launched first in Belgium in November 2014, the service was rolled out in the following months in 22 countries. The most frequent topics involve questions related to labor laws, personal legal matters and financial issues.

The service is confidential, cost-free to employees and their immediate family members and available 24/7 by telephone.

KEY FIGURE

88%* of employees say that their physical work environment is appropriate to the type of work they perform on a daily basis.

2.3.1.5 DIVERSITY AND INCLUSION

Diversity and Inclusion is a cornerstone of Sodexo's culture and a fundamental component of its overall growth strategy. Sodexo believes that tapping into the full potential of employee diversity makes it a stronger and more innovative company, better able to serve its clients and 75 million consumers around the world.

Sodexo global Diversity and Inclusion strategy is focused on five key areas:

- gender: expand the representation, engagement and development of women in leadership and operational positions;
- generations: build awareness and identify new opportunities to increase generational representation and a culture of effective working relationships across generations;
- culture and origins: strive to ensure that Sodexo's workforce reflects the diversity of its consumers and clients;
- people with disabilities: recruit, engage, develop and provide accommodations for employees with special needs;
- respect for sexual orientation and gender identity: foster an inclusive environment in which Lesbian, Gay, Bisexual and Transgender employees can "bring their whole selves to work."

Sodexo measures its progress and success through a scorecard that tracks both quantitative and qualitative indicators to ensure the continued attraction, development and retention of a diverse and highly skilled workforce. A 50-member Diversity and Inclusion Global Task Force oversees the development and implementation of global initiatives throughout the Group.

The 34-member Sodexo Women's International Forum for talent (SWIFt) helps to drive the Company's gender balance strategy. Since its launch in 2009 by Sodexo CEO Michel Landel, SWIFt has helped to increase women's representation in senior leadership positions reaching 31% in 2015.

KEY FIGURE

The objective of reaching 25% representation of women among the Senior Leadership by Fiscal 2015 has been exceeded reaching 31%.

KEY FIGURES

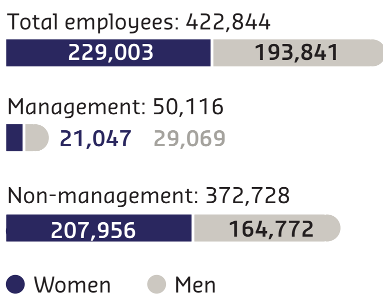
38% of women on the Sodexo Board of Directors

43% of women on the Group Executive Committee

42% of women in management positions

54% of women in Sodexo's workforce

GENDER DISTRIBUTION FOR MANAGERS AND NON MANAGERS FISCAL 2015



* *2014 Employee Engagement Survey based on a representative sample of 130,000 employees.*

KEY FIGURE

76%* of employees feel that diversity is valued by Sodexo (up 9 points since Fiscal 2012).

WORLDWIDE – Study shows gender-balanced teams outperform

A Sodexo study analyzes the data from 50,000 Sodexo managers. The results show a clear correlation between gender balance and performance: management teams with an optimal male-female ratio of between 40 and 60% generate more sustained and predictable results on average than teams with lesser or greater ratios.

On employee engagement, gender-balanced teams saw an average four-point increase between 2010 and 2012 compared with only a one-point increase for other teams. Gender-balanced teams also were more successful in increasing client retention rates, organic growth, gross profit, operating profit and Sodexo's brand image.

Sodexo is using the results to help establish gender balance targets for leaders and increase the number of entities with optimal gender-balanced management teams. *"This study reinforces our efforts to become an even more inclusive company,"* said Sodexo CEO Michel Landel. *"Our commitment to gender balance is pushing us in the right direction, fortifying our pipeline of female managers and leading to more steady and sustainable growth and productivity."*

WORLDWIDE – Commited to gender equality

Sodexo reaffirmed its strong global commitment to gender equality and the advancement of women in signing the United Nations' Women's Empowerment Principles (WEPs).

The WEPs are a set of principles for businesses on empowering women in the workplace, marketplace and community. Based on actual business practices and input gathered from companies around the world, the principles emphasize the business case for gender equality and women's empowerment.

More than 800 companies have signed the principles, which include ensuring fair treatment and health and safety in the workplace, promoting education, training and professional development for women, community initiatives and advocacy to support gender equality.

FRANCE – Helping small companies hire individuals with disabilities

Sodexo has joined with other major companies in France, such as Adecco, Engie and Société Générale to create a working group, *Club Handicap et Compétences***, dedicated to expanding employment opportunities for individuals with disabilities.

Through the initiative, these large groups are helping small- and medium-sized companies with limited resources to implement effective strategies to benefit from hiring talented and effective candidates with disabilities. The working group also helps dispel misconceptions and biases and offers practical advice on how to motivate employees with disabilities on the long term.

2

* *2014 Employee Engagement Survey based on a representative sample of 130,000 employees.*

** *Disabilities and Capabilities Club.*

2.3.1.6 CONSTRUCTIVE LABOR RELATIONS

Sodexo respects the right of employees to decide whether or not to be represented by a trade union and the right to bargain collectively, in accordance with local laws. The Group promotes constructive and proactive methods for resolving disputes that encourage respect among parties and efficient resolution through consultation, information exchange and negotiation.

Sodexo prohibits discrimination or retaliation against any employee or employee representative because of their affiliation with, support for, or opposition to any union.

Sodexo seeks to abide by the laws of the countries in which it does business and works within the legal framework of each country to ensure respect for freedom of association and collective bargaining.

Sodexo is the first company in its industry to enter an International Framework Agreement with the International Union of Food Workers.

EUROPE – Keeping our European teams informed

The European Works Council (EWC) is composed of representatives from 22 countries and enables Sodexo to regularly share economic, social and cultural information with employees and their representatives.

Created in 1998, the EWC serves as a forum for exchange between Sodexo and country representatives on the Company's financial and economic situation, potential business developments and other issues that may affect employment and major organizational changes such as mergers, transfers or disposals of businesses.

The EWC also reviews implementation of European laws affecting employment, training, health and safety, working conditions and environmental protection as well as diversity related issues.

2.3.1.7 HUMAN RIGHTS

Sodexo believes that companies have a responsibility to respect Human Rights, as outlined in the United Nations Guiding Principles on Business and Human Rights. As a signatory to the United Nations Global Compact and in accordance with the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, Sodexo is committed to respecting Human Rights in every country where it operates.

Sodexo's Human Rights policies are informed by both the Universal Declaration of Human Rights and the International Labor Organization Declaration of Fundamental Principles and Rights at Work.

The four fundamental rights at work are:

- freedom of association and the effective recognition of the right to collective bargaining;
- elimination of all forms of forced or compulsory labor;
- effective abolition of child labor;
- elimination of discrimination in respect of employment and occupation.

Sodexo's Charter concerning Fundamental Rights at Work includes mechanisms for taking action to ensure consistent communication and implementation of Sodexo's commitments throughout the world.

KEY FIGURE

In Fiscal 2015, **95.4%**
of employees worked in countries in which the Group Human Rights Policy is available in at least one official language.

2.3.2 OUR COMMITMENTS TO NUTRITION, HEALTH AND WELLNESS

Sodexo's commitments to nutritional education, balanced diet and health and wellness are the cornerstone of its offer. Sodexo has made three commitments to actively promote nutrition, health and wellness:

- "We will develop and promote health and wellness services for clients, consumers and employees in all countries where we operate by 2015;"
- "We will advocate balancing meal options at all client sites by 2016;"
- "We will provide and promote menu choices with a reduced intake of sugar, salt and fats at all client sites by 2015."

Touching the lives of 75 million consumers every day, Sodexo has the opportunity and obligation to promote and encourage healthier choices that improve quality of life for millions of people. This is achieved by leveraging the expertise of Sodexo's professional chefs and registered dietitians to develop healthy and balanced menu options that appeal to different consumer tastes around the world.

In addition, Sodexo's professional facilities management teams are experts at creating and offering better working, learning, healing and living environments.

Focus

FOOD SAFETY

Sodexo's Global Food Safety and Hygiene Policy is consistent with ISO 22000 (food safety) and incorporates good hygiene practices and generic Hazard Analysis and Critical Control Points (HACCP) controls. The system covers health monitoring, hygiene, management of food suppliers, training, audits, foodservices facilities and equipment, inventory control and verification of use-by dates and temperature.

All Sodexo foodservices operations are required to implement the Global Food Safety and Hygiene Policy. Performance is tracked and measured through indicators in the following areas: food supplier authorization, food safety training, food safety audits and food safety incidents.

KEY FIGURE

In Fiscal 2015, **all countries** had implemented a system to ensure that employees with foodservices responsibilities are trained in compliance with local laws and regulations and the Global Food Safety and Hygiene Policy.

KEY FIGURES

In Fiscal 2015, **16** countries representing **68.1%** of On-site Services revenues had one or more ISO 22000 certification (food safety).

2.3.2.1 HEALTH AND WELLNESS

Sodexo develops innovative solutions customized for each of its market segments to improve health and wellness. These services are provided on the sites where Sodexo operates, in the homes where people live and through the Company's Benefits and Rewards activity.

Some of the many ways in which Sodexo facilitates health and well-being:

- offering services that facilitate individuals' healthy lifestyle choices (from concierge services to childcare, exercise coaching and more);
- improving air quality;
- improving acoustics and aesthetics;
- improving cleaning techniques and products; and
- offering access to culture, education and leisure.

KEY FIGURE

In Fiscal 2015, 65 countries representing 98.7% of Group revenues of countries were developing and promoting health and wellness services.

2.3.2.2 BALANCING MEAL OPTIONS

The World Health Organization (WHO) has found that obesity has more than doubled since 1980[1].

Sodexo dietitians and chefs collaborate to develop healthy meal choices that can be adopted at company-managed sites globally.

The "10 Golden Rules" are a set of guiding principles focused on nutrition, health and wellness that guide Sodexo's offers and promote healthy lifestyle behaviors with consumers. They are based on nutritional recommendations and applied according to an in-depth understanding of local nutritional contexts and needs.

Sodexo is the world's largest private sector employer of dietitians, who encourage customers to adopt healthy daily eating habits.

BELGIUM – Dietitians Empower Consumers to Improve Wellbeing

"Vitality Corner" booths installed at Sodexo-managed restaurants in Belgium enable consumers to obtain science-based information and ask questions about dietary-related issues to a Sodexo dietitian. In addition to addressing topics such as wellbeing, diabetes or heart disease, information is provided on select monthly themes such as balanced breakfasts, seasonal fruits and vegetables and the influence of diet on sleep and stress.

KEY FIGURE

In Fiscal 2015, 4,918 dietitians were employed by Sodexo worldwide.

2.3.2.3 LESS SUGAR, SALT AND FAT

Many countries' populations have intake levels of sugar, salt and fats that are higher than both international and national recommendations.

Sodexo has taken numerous initiatives as part of its commitment to provide and promote choices with reduced sugar, salt and fats at all client sites, including reducing salt content across the entire food chain, from suppliers to the end consumer.

(1) *Source: World Health Organization 2015.*

2.3.3 OUR COMMITMENTS TO LOCAL COMMUNITIES

Since its founding, Sodexo has worked to contribute to the economic and social development of the communities, regions and countries where it operates. Sodexo is committed to making a positive impact on quality of life for people in local communities through its business activities.

Sodexo has defined three commitments to local communities:

- "We have chosen to fight hunger and malnutrition worldwide through a dedicated Stop Hunger organization;"
- "We will promote the economic development of diverse and inclusive businesses through our Partner Inclusion Program in all the countries where we operate by 2020;"
- "We will increase the purchase of products from fairly traded certified sources by 2015."

2.3.3.1 FIGHT AGAINST HUNGER AND MALNUTRITION

Quality of life begins when basic human needs are met. Enabling each person to be fully fed is to meet a vital need and a fundamental human right. For nearly 20 years, Sodexo has been supporting the fight against hunger and malnutrition, through a dedicated not for profit organization, Stop Hunger. Created in 1996 by Sodexo's U.S. employees, Stop Hunger operates today in 48 countries.

Sodexo seeks to make Stop Hunger a leading force in the fight against hunger and malnutrition in the world. Three measurable three-year objectives of annual activity, to be achieved by 2016, have been set to drive progress toward this goal: mobilizing 50,000 volunteers to serve 5 million meals (or their equivalent) and raising 5 million U.S. dollars per year.

During Fiscal 2015, Sodexo mobilized 65,000 volunteers in 48 countries, providing 3.9 million meals and raising 5 million U.S. dollars. Stop Hunger activity is focused on three areas:

- local community support to those most in need through serving free meals, collections and donations of food as well as money or volunteering with local associations and NGOs;
- support for social entrepreneurs who have innovatively organized their business to effectively fight hunger;
- assistance in emergencies, with an emergency fund created to enable rapid and targeted responses to climatic and food disasters.

Focus

SERVATHON STOP HUNGER MOBILIZES MORE VOLUNTEERS

This is the 11th year that Sodexo has organized Servathon – the annual collection campaign that stands out as the major mobilization action of Sodexo employees against hunger and malnutrition. Over a two-month period, Servathon teams throughout the world work to serve people in need by providing meals, holding food drives and raising money to support local Stop Hunger efforts.

More than 48,700 Sodexo employees in 43 countries participated in 2015, collecting more than 630,000 meals and raising more than 390,000 U.S. dollars to fight hunger.

WORLDWIDE – SUPPORTING THE WORLD FOOD PROGRAMME IN EMERGENCY DISASTER RELIEF

Sodexo and Stop Hunger were part of a global effort (including teams in China, India, Qatar and the United Kingdom) that raised nearly 100,000 euro following the deadly earthquake in Nepal. The money was used to ensure delivery of rice, uncooked foods and more than three million packets of high energy biscuits to survivors forced to live outdoors or in difficult to reach locations. In addition, vitamin-fortified food was provided for 60,000 young children, mothers and pregnant women.

2.3.3.2 PARTNER INCLUSION PROGRAM

Since its founding, Sodexo has been committed to supporting local community development, including through its supply chain. Launched in 2013, the Partner Inclusion Program defines actions to increase diversity among suppliers and merchants in all countries where Sodexo operates by 2020.

The program leverages best practices from Sodexo operations around the world in support of a commitment that all countries will develop strong and sustainable relationships with suppliers in at least one of the following categories:

- small- and medium-sized Enterprises (SME's), including social and micro-enterprises;
- suppliers from minority and other under-represented and/or protected groups, with an emphasis on women-owned businesses;
- major Sodexo suppliers demonstrating a diverse workforce composition, actively embracing diversity and inclusion and promoting local supply chain inclusion.

In addition, our Benefits and Rewards activity offers significant opportunities for SME's to develop their business as Sodexo partners.

For more about the Partner Inclusion Program, see Chapter 2.4.4.

KEY FIGURES

In Fiscal 2015, **30** countries representing **88.6%** of On-site Services revenues were involved in specific initiatives to integrate SME's into Sodexo's Supply Chain.

Focus

BUILDING ON PROGRESS IN SUPPLY CHAIN INCLUSION

The targets that Sodexo has set for supply chain inclusion build on existing efforts. As of 2015:

- Sodexo operations in 30 countries have specific initiatives to integrate Small- and Medium-sized Enterprises (SME's) into Sodexo's Supply Chain;
- 72 active agreements are in place with local communities, clients, NGOs and associations to promote inclusion of SME's in Sodexo's supply chain;
- 14 countries have a system in place to track which of their suppliers are SME's;
- 23 countries have conducted diversity and inclusion training for supply team members.

Focus

ECONOMIC DEVELOPMENT BENEFITS COMMUNITIES AND CUSTOMERS

Small- and Medium-sized Enterprises (SME's) are key engines for growth and job creation in most countries, accounting for up to 70% of Gross Domestic Product (GDP) and 70-90% of total employment. By supporting SME's, Sodexo's business model contributes to economic growth and job creation and provides innovative products and services to its stakeholders.

2.3.3.3 FAIRLY TRADED CERTIFIED PRODUCTS

Sodexo contributes to improved quality of life in developing countries by giving preference to fairly traded products in its purchasing. Fairly traded products are clearly identified and labeled as part of the chain of custody.

KEY FIGURE

The percentage of certified sustainable coffee served by Sodexo (as measured in kilograms) reached 30.9% in Fiscal 2015 compared to 8.5% in Fiscal 2009.

EUROPE – Improving quality of life for coffee farmers through fairly-traded coffee

In partnership with Löfbergs, a family owned coffee business in Sweden, Sodexo is supporting growth in sales of fairly traded certified coffee and supporting farmers and communities in Peru, Honduras and Nicaragua. Some of the benefits achieved this year include:

- micro-loans to farmers to begin coffee growing;
- health insurance for coffee farmers;
- training for coffee farmers in accounting, information systems, quality control, harvesting and health and safety;
- provision of new agricultural equipment and coffee seedlings for cooperatives in Peru;
- scholarships for students in Nicaragua;
- support for a local health center in Honduras.

2.3.4 OUR COMMITMENTS TO THE ENVIRONMENT

Sodexo works to reduce the environmental impacts of client sites, promote sustainable sourcing practices and optimize natural resource consumption. Sodexo has teams working on environmental issues in 56 countries that represent 96.4% of Group revenues.

Sodexo has identified eight commitments in four areas for protecting the environment:

Sustainable supply chain practices:

- "We will ensure compliance with our Global Sustainable Supply Chain Code of conduct in all countries where we operate by 2015;"
- "We will source local, seasonal or sustainably grown or raised products in all countries where we operate by 2015;"
- "We will source sustainable fish and seafood in all countries where we operate by 2015;"
- "We will source and promote sustainable equipment and supplies in all countries where we operate by 2020."

Energy and emissions practices:

- "We will reduce our carbon footprint in all countries where we operate and at client sites by 2020."

Water reduction practices:

- "We will reduce our water footprint in all countries where we operate and at client sites by 2020."

Materials and waste practices:

- "We will reduce organic and non-organic waste in all countries where we operate and at client sites by 2015;"
- "We will support initiatives to recover organic and non-organic waste."

KEY FIGURES

In Fiscal 2015, 32 countries representing 89.6% of Group revenues held one or more ISO 14001 certification (environmental management).

2.3.4.1 SUSTAINABLE SUPPLY CHAIN

Sodexo works continuously to improve its supply chain with a strong focus on sourcing, traceability and transparency.

Corporate Responsibility, one of the seven priorities of the Sodexo Supply Management teams, is jointly managed by the Group Vice President Supply Management and the Group Vice President Corporate Responsibility.

Sodexo Supplier Code of Conduct

As a condition of doing business with Sodexo, all suppliers are required to conduct their business according to the ethical, social and environmental practices defined by Sodexo's Supplier Code of Conduct.

The Sodexo Supplier Code of Conduct was issued initially in 2008 and is revised every three years to ensure alignment with Sodexo's internal policies and the requirements of external stakeholders.

Suppliers are required to communicate the principles of the Code throughout their own supply chains.

Focus

ENSURING SUPPLIER SOCIAL COMPLIANCE

Sodexo has begun to carry out a social compliance program for its uniforms suppliers. This is a pilot program which aims at ensuring compliance to the Sodexo Supplier Code of Conduct, including:

- audits conducted by independent 3rd party experts;
- corrective action plans (including target achievement dates for each action); and
- joint progress follow up by Sodexo and its direct suppliers.

The selection of uniforms for this pilot is based on the risk profile of the suppliers, combining their geographic location, the product category, the reputational risk for Sodexo and the purchasing volume.

Based on this pilot, the Group will finalize a 5 year plan to further develop compliance monitoring that will be implemented from the beginning of the next fiscal year.

KEY FIGURE

In Fiscal 2015, the Sodexo Supplier Code of Conduct had been signed by suppliers representing 92.5% of purchasing spend with contracted suppliers.

Local, seasonal or sustainable products

Sodexo is working with the World Wildlife Fund (WWF) to develop a sustainable sourcing strategy for the following priority commodities: fruit and vegetables, palm oil, soy, beef and dairy. These five products are among Sodexo's largest purchases and can have the greatest impact on the environment.

Sodexo was recognized as sector leader in the 2014 CDP Global Forests Report for action undertaken towards responsible sourcing of each of the four critical agricultural commodities identified by CDP as major drivers of global deforestation – cattle products, palm oil, timber and soy. Sodexo was also recognized in the report as the most improved company in its sector.

KEY FIGURES

In Fiscal 2015, 16 countries representing 37.9% of On-site Services revenues selected products that support the development of a sustainable palm oil industry.

KEY FIGURES

In Fiscal 2015, 36 countries representing 92.6% of On-site Services revenues had the Group Animal Welfare Supplier Charter available in at least one official language.

Sustainable fish and seafood

Sodexo's strategy for sustainable seafood seeks to protect this important resource by:

- maintaining a wide variety of sustainable species in catalogues and menus;
- protecting species identified as being at risk by removing them from the supply chain where no improvement processes are in place or by implementing control measures;
- increasing the use of eco-standards to ensure respect of sustainability criteria for both farm-raised and wild-caught fish;
- establishing sustainable supply for aquaculture in accordance with the highest environmental and social standards;
- collaborating with the World Wildlife Fund (WWF) and working with other NGOs for technical advice on Sodexo's sustainable seafood sourcing. WWF advises Sodexo on sourcing both wild-caught and farm-raised fish.

KEY FIGURE

In Fiscal 2015, 23.9% of fish and seafood served by Sodexo was certified sustainable.

Focus

CERTIFIED SUSTAINABLE SEAFOOD

Since 2011, Sodexo has had a worldwide agreement with the Marine Stewardship Council (MSC)[1], an independent not for profit organization, which offers a certification program for maintaining healthy fish stocks and reducing ecosystem impacts of fisheries on wild-caught fish. Wherever MSC's Chain of Custody Certification is available, Sodexo, its clients and consumers are assured that certified seafood is not mixed with or substituted for non-certified seafood at any step of the supply chain.

Achievements in Fiscal 2015 include:

- a total of eight countries achieved MSC certification, covering a total of 1,690 foodservices sites;
- all foodservices sites managed by Sodexo in Austria and in Germany achieved MSC Certification for the first time;
- the United Kingdom renewed its MSC certification for all foodservices sites.

UNITED STATES – Expanding Menu Choices Introduces Sustainable Alternatives to Consumers

As an example of the first step of its sustainable seafood strategy, Sodexo is partnering with the Gulf of Maine Research Institute (GMRI) to support the services Sodexo provides at Colby College, Central Maine Medical Center and the University of New England.

In addition to sourcing sustainably fished seafood, the Company is committed to introducing consumers to less-well known but healthy and delicious species.

Sustainable equipment and supplies

Sodexo is increasing the proportion of sustainable products and equipment it purchases in designated priority categories such as paper disposables, cleaning products and office paper.

(1) Marine Stewardship Council (MSC)

The Marine Stewardship Council (MSC) works with partners to transform the world's seafood market and promote sustainable fishing practices. MSC strives to develop credible standards for sustainable fishing and seafood traceability and seeks to make certified sustainable seafood more widely available.

KEY FIGURE

In Fiscal 2015, 77.1% of paper disposables purchased were certified as sustainable.

KEY FIGURE

In Fiscal 2015, 62.5% of sites had deployed the TakeONE napkin reduction initiative.

2.3.4.2 ENERGY AND EMISSIONS PRACTICES

Sodexo continues to progress on its commitment to reduce carbon emissions in its operations and at client sites by 2020.

Through its partnership with World Wildlife Fund (WWF), Sodexo created a new methodology to calculate the carbon embedded in its operations and supply chain. This information has allowed Sodexo to set a target to reduce carbon emissions by 34% from its operations and supply chain between 2011 and 2020.

In 2014, Sodexo was ahead of its targets for both its Scope 1 and Scope 2* emissions, positioning the Company to achieve its target.

In fact, Sodexo has reduced its Scope 1 and Scope 2* emissions by 24% compared to the 2011 baseline and continues to work to reduce its energy consumption on client sites (Scope 3). With this in mind, an online toolkit for site managers to implement steps to reduce carbon emissions is in the process of being deployed.

Each year since 2009, Sodexo has completed the CDPs** annual request for information. In 2014, Sodexo scored 85, up from 80 in 2013. Sodexo's Performance Band is now "B".

For more information about the carbon reduction target, see Chapter 2.1.

KEY FIGURE

In Fiscal 2015, 31.8% of sites were implementing awareness and behavior steps to reduce energy consumption.

NETHERLANDS – Renewable Electricity

As part of its carbon emissions reduction strategy, Sodexo in the Netherlands uses only electricity from renewable sources. This energy, part generated by Dutch wind farms and part by hydro power, allowed Sodexo in the Netherlands to reduce its Scope 2 emissions close to zero.

In addition, in March 2015, Sodexo in the Netherlands moved to a newly built office which has obtained the BREEAM certificate with a score of *** (Very Good). This new building significantly reduces energy use.

2.3.4.3 WATER REDUCTION PRACTICES

Working with WWF, Sodexo has identified "hot spots" on which actions need to be taken in order to reduce water footprint (defined as the total amount of water used for the production or the consumption of goods and consumed services).

* *Scope 1: direct GHG emissions from the combustion of energy sources owned or controlled by a company.*
Scope 2: indirect emissions of GHG from electricity purchases.

** *CDP: formerly named* "Carbon Disclosure Project" *works with investors, companies and governments to promote reporting and environmental action in order to ensure a sustainable economy, avoid the effects of climate change and protect natural resources.*

KEY FIGURE

In Fiscal 2015, 40.9% of sites were implementing awareness and behavior steps to reduce water consumption.

BRAZIL – Reducing Water Consumption

In Brazil, Sodexo's Benefits and Rewards activity launched a national campaign to reduce water waste. Teams were mobilized around the effort to reduce water consumption by 11%. The campaign was shared with 70,000 Sodexo customers and led to requests from more than 100 Premium Pass partners for Sodexo to further help reduce their water use.

2.3.4.4 MATERIAL AND WASTE PRACTICES

More than 99% of client sites where Sodexo operates worldwide have implemented initiatives to reduce organic and non-organic waste.

Sodexo's global WasteWatch initiative identified the causes of and ways to reduce food waste in food preparation[1]. WasteWatch requires teams to collect, measure and track the amount of food wasted in pre-production (such as food that is prepared and cooked but not plated). In Singapore, a three-month WasteWatch pilot reduced food over-production by 50% and consumer food waste by 35%.

For information on Sodexo's leadership efforts to reduce food waste, see Chapter 2.4 – We engage – International Food Waste Coalition.

CHILE – Transforming waste into fertilizer the natural way

In a joint project with the Catholic University of Chile, Sodexo was able to convert one ton of organic waste into 200 kilos of high quality fertilizer through the use of "Red Californian" earthworms. *These worms transformed materials that would have gone into landfill into nutrient-rich material that was used by the University's San Joaquin Campus nursery.*

KEY FIGURE

In Fiscal 2015, 88.9% of sites were implementing equipment and process steps to reduce their organic waste.

KEY FIGURE

In Fiscal 2015, 81.9% of sites were implementing equipment and process steps to reduce their non-organic waste.

(1) *An estimated 4-10% of food purchased in foodservices operations ultimately becomes kitchen waste before reaching the consumer. (Source: LeanPath).*

2.4 We Engage

Sodexo relies on the involvement of all stakeholders to fulfill its corporate responsibility commitments. Sodexo maintains an ongoing dialogue with employees, clients, consumers, suppliers and institutions to unite the efforts of all.

WORLDWIDE: Founding of the International Food Waste Coalition

The Earth produces enough food for everyone to have enough to eat, and yet an alarming amount (by some estimates up to 30%[(1)]) of the food produced for human consumption is never eaten.

Recognizing that collaboration throughout the food value chain is necessary to address the systemic causes of food waste, Sodexo led the creation of the International Food Waste Coalition (IFWC). The Coalition, a not-for-profit association based in Brussels works to have a major impact on food waste, beginning in Europe, by mobilizing the more than one million employees of its member organizations (including Sodexo, Unilever, WWF, Ardo Group, SCA, McCain and PepsiCo).

In addition, an objective of the coalition is to consider legislation that assists or impedes the fight against food waste. For example, there is currently no uniform law in the European Union which allows transfer of liability between the donors and the recipients of food donations.

2.4.1 EMPLOYEES

To deliver on its Better Tomorrow Plan commitments, Sodexo continuously engages its employees, its best ambassadors with clients and consumers.

Sodexo continues to involve an increasing number of employees in its corporate responsibility efforts through actions that include:

- providing information through Supply Management, Communications and Marketing teams on key priorities such as the Sustainable Supply Chain commitments and Sodexo's 10 Golden Rules for Nutrition, Health and Wellness;
- providing individual reports to site managers and their employees to monitor their progress on Sodexo actions on energy, water and waste;
- fighting hunger and malnutrition and reducing waste through initiatives that align employee actions around the world and contribute to fulfilling the Group's commitments;
- encouraging employees to engage with clients and consumers through programs such as WasteLESS Week.

(1) Source: "Food Waste Facts," United Nations Food Programme (UNEP) © 2013.

2.4.2 CLIENTS

Sodexo believes that sustainability is a potentially significant growth opportunity, because:

- it is becoming increasingly important in all markets, with clients placing increased emphasis on – and committing additional resources to – improved sustainability;
- in each of its client segments, clients expect Sodexo to demonstrate commitment and leadership on sustainability. They look to Sodexo for visible performance improvements to help them achieve their own objectives;
- clients increasingly understand that sourcing services through Sodexo is an effective way to reach high standards and support local businesses and their community;
- Sodexo's ability to meet these expectations is a source of competitive advantage, increasing client retention and helping to win new business;
- implementing awareness and behavior changes through tangible actions for consumers improves client engagement, reinforcing Sodexo's ability to create value.

For more information, about Sodexo's client offers to improve quality of life, see Chapter 1.4.

2.4.3 CONSUMERS

Sodexo embraces the opportunity to help millions of people adopt healthier and more sustainable lifestyles by sharing educational, topical and consumer friendly information. The content provided demonstrates Sodexo's commitment to reaching beyond client sites to improve quality of life for consumers.

According to the results of Sodexo's consumer surveys, 79% are satisfied with the sustainable food options and 87% with the environmental initiatives the Company has taken.

INDIA – Focus on Education

In India, Sodexo's Wellness Charter provides operational guidelines for site teams to promote the health and well-being of consumers. These guidelines are implemented with the help of nutritionists that train site teams through regular audits to verify use. Sodexo is also reinforcing healthy eating habits by providing information to consumers in the Education segment on the health risks of poor eating habits and the benefits of reducing consumption of sugar, salt and fats.

2.4.4 SUPPLIERS

Sodexo partners with suppliers to advance on its commitments to support local communities, reduce environmental impacts and promote health and wellness.

This collaboration throughout the value chain was cited by RobecoSAM as one of the hallmarks of Sodexo's continued leadership in its industry sector.

Focus

A 1 BILLION U.S. DOLLAR COMMITMENT

By 2017, Sodexo has pledged to purchase more than 1 billion U.S. dollars of products and services from almost 5,000 small- to medium-sized businesses in 40 countries, with 1,500 of those businesses owned and operated by women. The economic impact of this action is projected to support more than 250,000 jobs over the next three years.

For more information on Sodexo's Partner Inclusion Program, see Chapter 2.3.3 and for other Sustainable Supply Chain actions, see Chapter 2.3.4.1.

2.4.5 INSTITUTIONS

Sodexo regularly consults external stakeholders to advance its corporate responsibility strategy.

Examples include:

- Sodexo and Organization for Economic Cooperation and Development (OECD) have signed a three-year agreement to promote the international Better Life Index and sharing knowledge about factors that help improve quality of life;
- Sodexo's long-standing working relationship with World Wildlife Fund (WWF) includes a technical agreement to work together on environmental and supply chain issues of mutual interest. Efforts include sustainable sourcing of seafood, agricultural commodities such as palm oil and soy, improving water and energy efficiencies and working together to address food waste;
- Sodexo is an active participant in International Labour Organization (ILO) working groups;
- Sodexo is a founding partner and Board member of the Global Sustainable Seafood Initiative (GSSI), launched in February 2013. The GSSI brings together representatives from the private and public sectors, NGOs and academia to develop a universal benchmark for seafood certification programs. Sodexo is the only partner in its industry sector;
- Sodexo provides expert advice to the United Nations Environmental Program (UNEP) on environmental impacts related to food issues;
- Sodexo is an active player and member of key organizations that promote diversity and protect human rights including, Business for Social Responsibility (BSR), Ceres, *IMS Entreprendre pour la Cité,* ILO Global Business and Disability Network, European Network Against Racism (ENAR), *Fondation agir contre l'exclusion* (FACE) and Stonewall Global Diversity champions;
- Sodexo is part of its industry's main trade associations at the European Union (EU) level and in the different countries where it operates. For example, Sodexo was a founding member of Food Service Europe, the trade association of collective catering in Europe, and the European Federation for Services to Individuals (EFSI), the trade association for Personal and Home Services. Sodexo is also active in "Business Europe", to better defend the services industry;
- Sodexo serves as an expert to the EU and its trade associations, responding to inquiries on issues including public procurement, concessions, VAT, corporate respnsibility, food waste, quality of life and providing quality jobs.

Sodexo created the current Government Relations and External Affairs Department in May 2011.

Sodexo is registered on the Transparency Register of the European Commission and the European Parliament. As a result, the Group reports on its membership of and affiliation with the relevant bodies and working groups, the relevant annual costs of its activities, and the main EU initiatives, policies and legislation relevant to its activities. Furthermore, the Group publishes all responses provided to European Commission consultations on the European Commission website.

Sodexo has defined the scope and requirements for integrity and transparency for all lobbying activities carried out on its behalf (whether by employees of the Group and/or by external advisors).

2.5 Ranking and awards

2.5.1 RANKINGS

2.5.1.1 DOW JONES SUSTAINABILITY INDEX (DJSI)

In 2015, Sodexo was named Industry Group Leader for Consumer Services for the 2nd consecutive year and Global Sustainability Industry Leader in its sector for the 11th consecutive year.

Sodexo earned a perfect (100) score for the positive local impact of its business operations around the world, reaching the highest score in its industry in the social dimension. The Group also obtained the highest score in the economic dimension and significantly increased its score on the environmental dimension.

Sodexo has been a member of the Dow Jones Sustainability Index (DJSI) World and DJSI Europe (formerly STOXX) since 2005.

2.5.1.2 2015 SUSTAINABILITY YEARBOOK

For the 8th consecutive year, Sodexo confirmed its leadership in corporate responsibility when it was classified as the industry's best performing company in the benchmark RobecoSAM Sustainability Yearbook. The Group was appointed Industry Leader and is the only company to have received the Gold Class distinction in Restaurants and Leisure Facilities Industry.

2.5.1.3 UNITED NATIONS GLOBAL COMPACT

Sodexo was recognized at the highest (Advanced) level by the United Nations Global Compact. This level is reserved for companies that strive to be top reporters and declare they have adopted and report on a broad range of best practices in sustainability governance and management according to the Global Compact's Blueprint for Corporate Sustainability Leadership.

2.5.1.4 CDP

CDP* has named Sodexo as the leader for the Hotel, Restaurants and Leisure sector in its CDP Global Forests Report 2014, which recognizes companies that are meeting the challenge of removing deforestation from their supply chains. Sodexo was also recognized in the report as the most improved company in its sector.

2.5.1.5 FRENCH MINISTRY OF WOMEN'S RIGHTS

For the second consecutive year, the French Ministry of Women's Rights listed Sodexo first in gender balance within its leadership team among SBF 120 companies. The award reflects the representation of women on Sodexo's Executive Committee (43%) and on its Board of Directors (38%). The creation of strong women's networks worldwide and the commitment to equality at the heart of the strategy were also recognized.

* *CDP: formerly named "Carbon Disclosure Project" works with investors, companies and governments to promote reporting and environmental action in order to ensure a sustainable economy, avoid the effects of climate change and protect natural resources.*

2.5.2 AWARDS AND CERTIFICATIONS

2.5.2.1 CANADA

Numerous Recognitions for Diversity and Inclusion

For the second consecutive year, Sodexo was distinguished as one of Canada's Best Diversity Employers. The annual ranking recognizing the nation's best places to work is organized by publishing company Mediacorp, a publisher of periodicals about employment. In addition, Sodexo was named Top Employer for Young People under 30, and earned the Gold level for Progressive Aboriginal Relations (PAR).

2.5.2.2 CHILE

Recognized for its commitment to local communities

Sodexo was recognized by WEConnect International as Corporate Member of the Year for its support of businesses run by women, including the Women Entrepreneurs program, which works to involve women in the value chains of large companies. Sodexo's efforts are estimated to benefit around 1,500 women-owned businesses in Chile.

In addition, Sodexo was recognized by the National Training and Employment Service (SENCE) for the company's commitment to improving the employability of individuals with disabilities. Since 2012, Sodexo has integrated more than 50 employees with disabilities into its workforce in cooperation with nonprofit entities that support training for people with disabilities.

2.5.2.3 CHINA

Award in Best Supply Chain Management

Sodexo was recognized for its comprehensive supply chain system, professional and highly effective food safety practices and quality management capabilities by Ecolab and Chinese Business News in conjunction with the China Institute of Food Science and Technology.

2.5.2.4 FRANCE

Recognition for responsible employer initiative

Sodexo was recognized with the C&B* "Quality of Life Service" award for its responsible employer initiative that supports employees on medical leave. The awards are presented to companies for innovative and exemplary compensation and benefits actions. Sodexo's program reduces the administrative burden for employees on medical leave, minimizes financial consequences, reduces inequalities in treatment related to regional disparities and introduces paperless recordkeeping to improve the management of sick leave.

2.5.2.5 IRELAND

Sodexo Executive Commended for LGBT Leadership

Sodexo's Managing Director in Ireland, Margot Slattery, was ranked as one of the country's most influential Lesbian Gay Bisexual and Transgender (LGBT) business leaders by the daily newspaper, The Telegraph. The Out at Work Top 50 list of LGBT Executives recognizes top managers that take an active role in making a difference for LGBT people in business. Margot is a member of Sodexo's global LGBT network leadership team, which has been influential in championing LGBT equality across the world. She also chairs the UK and Ireland efforts in this area in connection with Sodexo's diversity approach.

2.5.2.6 UNITED KINGDOM

Sodexo named top employer for women

Sodexo's commitment to gender balance was recognized for the second consecutive year through the company's listing among The Times Top 50 Employers for Women. The list is compiled through a partnership between The Times and Opportunity Now, the gender campaign within Business in the Community. Among Sodexo's actions are a commitment to publishing a detailed breakdown of gender pay variances and rectifying discrepancies affecting its UK and Irish employees.

* *Compensation & Benefits Awards.*

Strong ranking in Corporate Responsibility

Sodexo's commitment to corporate responsibility was recognized in Business in the Community's (BITC) 2015 Corporate Responsibility Index, a scorecard for businesses to help measure, manage and integrate responsible business practices. Sodexo earned a rating of 93% (or 3.5 stars), up from 87% in 2014.

2.5.2.7 UNITED STATES

Sodexo recognized again as a leader in diversity

For the sixth consecutive year, Sodexo was named one of the top five companies for diversity by DiversityInc magazine. This continued recognition reflects the company's commitment to developing diversity management initiatives and to helping client companies develop their own diversity programs.

2.6 Indicators, reporting methodology and Statutory Auditor's Report

2.6.1 SUMMARY OF GROUP WORKFORCE AND ENVIRONMENTAL INDICATORS

Group Social and Environmental Indicators

		Fiscal 2014	Fiscal 2015
	General information		
☑	% of Group revenues of countries having one or more ISO 9001 certification	92.7%	93.0%
	We Are		
	BUSINESS INTEGRITY		
☑	% of employees working in countries having the Sodexo Statement of Business Integrity available in at least one official language	99.8%	99.7%
	We Do		
	AS AN EMPLOYER		
	Workforce		
☑	Total Workforce	419,317	422,844
	Per category		
☑	employees	367,537	372,728
☑	• male employees	161,212	164,772
☑	• female employees	206,325	207,956
☑	managers	51,780	50,116
☑	• male managers	30,373	29,069
☑	• female managers	21,407	21,047
	Per activity and client segment		
☑	On-site services	97.0%	96.0%
☑	• Corporate	40.0%	40.0%
☑	• Education	22.5%	21.5%
☑	• Health Care	16.5%	16.5%
☑	• Remote Sites	9.5%	8.5%
☑	• Defense	3.0%	3.0%
☑	• Sports and Leisure	2.5%	3.0%
☑	• Seniors	2.0%	2.5%
☑	• Justice	1.0%	1.0%
☑	Benefits and Rewards Services	1.0%	1.0%
☑	Personal and Home Services	0.5%	1.0%
☑	Group headquarters and shared structures	1.5%	2.0%

☑ *Indicator audited to the level of "reasonable" assurance.*

		Fiscal 2014	Fiscal 2015
	Per geography		
☑	North America	132,060	132,551
☑	Continental Europe	101,082	101,324
☑	United Kingdom and Ireland	34,721	37,386
☑	Rest of the World	151,454	151,583
	Per age		
☑	Under 30	26.6%	26.8%
☑	30 - 40	23.9%	23.6%
☑	40 - 50	24.0%	23.4%
☑	50 - 60	19.2%	19.5%
☑	Over 60	6.2%	6.6%
	Other workforce indicators		
☑	Employee retention rate	62.6%	65.7%
☑	Site management retention rate	81.2%	80.6%
	Respect human rights		
☑	% of employees working in countries having the Human Rights policy available in at least one official language	95.5%	95.4%
	Employee development		
	Access to employment		
	Average seniority (number of years)	6	6
	• employees	5	5
	• managers	9	8
	New hires (excluding acquisitions and transfers)	135,198	150,662
	employees	127,941	142,691
	managers	7,257	7,971
	Internal promotion		
	Site managers and other non-site staff promoted to off-site management	538	523
	% of off site management positions filled by internal promotion	34.6%	32.8%
	Front-line staff promoted to site management	1,963	1,811
☑	% of site management positions filled by internal promotion	23.9%	20.8%
	Training		
	Total number of training hours	5,113,926	4,879,090
☑	Number of employees participating in at least one training program	363,074	383,592
	• Employees	316,464	338,859
	• Managers	46,610	44,733
☑	% of employees particating in at least one training program	86.5%	91.0%
	Employee engagement (survey every 2 years)		
☑	Group Employee Engagement Rate*	59.0%	
	Diversity and inclusion		
	Representation of women		
☑	% of women's representation on the Board of Directors	38%	38%
☑	% of women's representation on the Executive Committee	43%	43%

* *Survey carried out every 2 years.*
☑ *Indicator audited to the level of "reasonable" assurance.*

		Fiscal 2014	Fiscal 2015
☑	% of women's representation among Group Senior Leaders**	23%	31%
☑	% of women in management positions	41%	42%
☑	% of women's representation in total workforce	54%	54%
	Health and safety		
☑	% of Group revenues of countries having one or more OHSAS 18001 certification	82.6%	83.1%
☑	Number of work related accidents requiring a leave		5,786
	NUTRITION, HEALTH AND WELLNESS		
	Health and wellness		
☑	% of Group revenues of countries developing and promoting health and wellness services	98.6%	98.7%
☑	% of On-site services revenues of countries having one or more ISO 22000 certification	68.3%	68.1%
	% 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	100.0%	100.0%
	Advocate balancing food options		
	Number of registered dietitians employed by Sodexo	4,427	4,918
	LOCAL COMMUNITIES		
	Stop Hunger		
☑	Number of countries fighting Hunger and Malnutrition through Stop Hunger	43	48
	PARTNER INCLUSION PROGRAM		
	% of On-site Services revenues of countries having specific initiatives to integrate SME's (Small and Medium Enterprises) into their supply chains		88.6%
	Number of active agreements with local communities, clients, NGOs and associations to promote inclusion of SME's in Sodexo's supply chain		72
	SUSTAINABLE COFFEE		
	% in kg of certified sustainable coffee**	23.2%	30.9%
	ENVIRONMENT		
	Environment management		
☑	% of Group revenues of countries having one or more ISO 14001 certification	51.5%	89.6%
	Sustainable supplies		
	Supply chain Code of Conduct		
☑	% of spend with contracted suppliers having signed the Sodexo Supplier Code of Conduct	83.7%	92.5%
	Local seasonal or sustainably grown or raised products		
☑	% of On-site services revenues of countries selecting products that support the development of a sustainable palm oil industry	38.5%	37.9%
	% of On-site Services revenues of countries having the Group Animal Welfare Supplier Charter available in at least one official language		92.6%

** *These indicators were modified during Fiscal 2015, see explanation in the Reporting Methodology.*
☑ *Indicator audited to the level of "reasonable" assurance.*

		Fiscal 2014	Fiscal 2015
	Sustainable seafood		
	% in kg of certified sustainable fish and seafood as a % of total fish and seafood	20.4%	23.9%
	Number of MSC certified foodservice sites	1,648	1,690
	Sustainable equipment and supplies		
☑	% of spend on certified sustainable paper disposables as a % of total paper disposables	81.6%	77.1%
	% of sites deploying the TakeOne napkin reduction initiative		62.5%
	Energy and emissions		
	Scope 1 and Scope 2 emissions energy consumption (MWh)***	792,180	
	Scope 1 and Scope 2 emissions (TCO_2e)***	183,462	
	% of sites implementing heightened awareness and behavior steps to reduce their consumption of energy	34.3%	31.8%
	Water and effluents		
	% of sites implementing heightened awareness and behavior steps to reduce their consumption of blue water**	54.3%	40.9%
	Materials and waste		
	% of sites implementing equipment and processes steps to reduce their organic waste	90.8%	88.9%
	% of sites implementing equipment and processes steps to reduce their non organic waste**	63.9%	81.9%

☑ *Indicator audited to the level of "reasonable" assurance.*
* *Survey carried out every 2 years.*
** *These indicators were modified during Fiscal 2015, see explanation in the Reporting Methodology.*
*** *Data for Fiscal 2015 in process.*
There are no provisions made for risks related to the environment.

2.6.2 WORKFORCE AND ENVIRONMENTAL INDICATORS REPORTING METHODOLOGY

The consolidated workforce and environmental indicators are presented in section 2.6.1.

2.6.2.1 CHOICE OF INDICATORS

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 Grenelle II law in France;
- 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:

- include measures of the tangible benefits Sodexo brings to its clients;
- enhance employees' knowledge about Sodexo, increasing awareness and engagement;
- provide visibility on progress for Group and country management.

As part of our progressive journey, we have added some additional indicators this year and will continue to do so (*cf.* List of indicators 2.6.2.3).

2.6.2.2 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.

Fiscal 2015 workforce indicators

Workforce indicators are consolidated for all Sodexo entities. Certain additional indicators provided are specific to the entities in France.

Fiscal 2015 societal and environmental indicators

Societal and environmental indicators are calculated and consolidated for entities representing 97% of Group revenues, the same as in the previous year.

Certain environmental indicators are applicable only to On-site Services or to Benefits and 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 foodservice.

2.6.2.3 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.

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 and the consolidation of environmental data is performed by Group Corporate Responsibility.

Certain strategic workforce indicators are consolidated quarterly for a detailed follow up.

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 Grenelle II, Sodexo obtained a higher level of assurance called "reasonable assurance" of the following key indicators:

- percentage of Group revenues of countries having one or more ISO 9001 certification;
- percentage of employees working in countries having the Sodexo Statement of Business Integrity available in an official language of the country;
- total workforce;
- employees by gender, category, activity, age, geography;
- employee retention rate;
- site management retention rate;
- percentage of employees working in countries having the Human Rights policy available in an official language of the country;
- percentage of site manager positions filled through internal promotions;
- number of employees participating in training programs;
- percentage of employees participating in at least one training program;
- Group Employee Engagement Rate;
- percentage representation of women on the Board, in the Executive Committee, among Group Senior Leaders, in management and in the total workforce;
- percentage of On-site Services revenues of countries having one or more ISO 22000 certification;
- percentage of Group revenues of countries having one or more OHSAS 18001 certification;
- number of work related accidents requiring a leave;
- percentage of Group revenues of countries developing and promoting health and wellness services;

- number of countries fighting Hunger and Malnutrition through Stop Hunger;
- percentage of Group revenues of countries having one or more ISO 14001 certification;
- percentage of spend with contracted suppliers having signed the Sodexo Supplier Code of Conduct;
- percentage of On-site Services revenues of countries selecting products that support the development of a sustainable palm oil industry;
- percentage of spend on certified sustainable paper disposables as a % of total paper disposables.

2.6.2.4 LIMITATIONS

With 422,844 employees, Sodexo is present in 80 countries with differing regulations and operates across 32,170 client sites of different sizes and types of activity.

- Certain indicators required by French law may not be relevant for some entities or may be calculated differently in accordance with local legislation. Therefore they cannot be consolidated at Group level. Certain of these workforce indicators are presented for the French entities in Section 2.7 and include the following:
  - "CDD (*contrat à durée détérminée* – Limited term contract)/CDI (*contract à durée indéterminée* – Indefinite term contract)" employment contracts specific to the French labor environment;
  - working-time organization – These indicators are published for all French-based entities and the Group is working on the creation of a relevant global indicator to be published for Fiscal 2016;
  - number of lost days for work-related accidents: some local regulations include week ends and others only include working days.
- The deployment of group-wide systems allowing for the comprehensive reporting of the following indicators is in its final stages:
  - number of days lost due to occupational sickness and frequency rate and gravity rate for work related accidents. The number of work accidents requiring a leave has been published this year for the Group, and the frequency rate and gravity rates will be published in Fiscal 2016;
  - differentiation between voluntary and non-voluntary employee turnover to report dismissals. Currently the Global Employee Retention Rate is reported. The publication of a Group indicator for dismissals is planned for Fiscal 2016;
  - average absenteeism rate: this information is monitored by the Human Resources team in each country but it is not currently consolidated at the Group level. It will be consolidated at the Group level in Fiscal 2016.
- Certain information is extremely difficult to gather given the nature of the Group's activities:
  - regarding the training indicators for the Sodexo On-site Services activity in Canada, Peru, the UK and in the USA, the number of site employees trained and the related number of training hours are under-estimated on the basis of conservative assumptions on employee retention and the number of mandatory training hours;
  - Sodexo's activities are performed on 32,170 client sites. In the majority of these client sites it is not possible for Sodexo to measure its own energy and water consumption. Nevertheless, within the framework of a technical agreement with the WWF, Sodexo has defined a robust methodology to provide a reliable estimate of Sodexo's consumption which will allow for progress to be measured over time;
  - Scope 1 and Scope 2 energy consumption and related carbon emissions are measured for the Group based on a set of 13 major countries representing 73% of Group revenues. Given the time and resource required for the data gathering for the calculation of energy consumption and the Scope 1 and Scope 2 carbon emissions data, the calculation of carbon emissions for Fiscal 2015 has not been prepared in time for this publication and will be reported subsequently through the CDP*. The information which is published in Table 2.6.1 is the information for Fiscal 2014;

* *CDP: formerly named "Carbon Disclosure Project" works with investors, companies and governments to promote reporting and environmental action in order to ensure a sustainable economy, avoid the effects of climate change and protect natural resources.*

- water consumption for Sodexo's own activities and operations will be published in Fiscal 2016.
- During Fiscal 2015, the following modifications were made to the indicators:
  - % of women's representation among Group Senior Leaders – the panel of Group Senior Leaders changed in accordance with the evolution of the organization;
  - number of front-line staff promoted to site management and percentage of % of off site management positions filled by internal promotion – Sodexo in France and in the USA reported the total number of changes in statute rather than the number of promotions specifically to the site manager or off site manager position. Therefore these indicators are over-stated;
  - % in kg of certified fairly traded coffee was changed to % in kg of certified sustainable coffee in order to include supplier proprietary sustainable coffee;
  - % of sites implementing heightened awareness and behavior steps to reduce their consumption of blue water and % of sites implementing equipment and processes steps to reduce their non-organic waste were modified to reflect the in-depth review carried out on the site survey.
- One of Sodexo's missions is to improve quality of life for our employees and all who we serve. Sodexo's services are, in the majority of cases, provided by its own employees on the 32,170 client sites where we operate 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.

2.6.2.5 RECONCILIATION TABLES

The reconciliation tables for Grenelle II and the GRI are included in sections 9.3.4 and 9.3.5 of this report.

2.6.3 ASSURANCE REPORT BY ONE OF THE STATUTORY AUDITORS APPOINTED INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED LABOR, ENVIRONMENTAL AND SOCIAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

This is a free translation into English of the designated independent third party's report issued in French and it 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.

SODEXO S.A.

Head office: 225, Quai de la Bataille de Stalingrad - 92130 Issy-les-Moulineaux
Share capital: € 628 528 100

Year ended August 31, 2015

To the Shareholders,

In our capacity as statutory auditor of the company SODEXO S.A. appointed independent third party, accredited by the COFRAC registered under number 3-1049[1] , we hereby present to you our report on the consolidated social, environmental and societal information (hereinafter the "CSR Information") for the year ended August 31, 2015, presented in the management report. This report has been prepared in accordance with Article L.225-102-1 of the French Commercial Code.

RESPONSIBILITY OF THE COMPANY

The Board of directors is responsible for preparing the company's management report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code and with the guidelines used by the company (hereinafter the "Guidelines"), summarized in the management report and available on request from the company's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulations, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable law and regulations.

RESPONSIBILITY OF THE STATUTORY AUDITOR

On the basis of our work, it is our responsibility to:

- attest that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines (opinion on the fair presentation of the CSR Information);
- at the request of the company, express reasonable assurance, that information selected by the Group and identified by the symbol √ in the chapter 2 of the management report is fairly presented, in all material respects, in accordance with the Guidelines (Reasonable assurance on a selection of CSR information);

(1) *For which the scope is available on the site www.cofrac.fr*

Our work was performed by a team of six people between September and November 2015 and took around five weeks. We called upon our specialists in Corporate Social Responsibility to assist in carrying out our work.

We performed the procedures below in accordance with professional auditing standards applicable in France, with the decree dated 13 May 2013 determining the manner in which the independent third party should carry out their work, and with International Standard ISAE 3000(2) concerning our opinion on the fair presentation of CSR Information.

1. Statement of completeness of CSR Information

We reviewed, on the basis of interviews with the managers of the relevant departments, the company's sustainable development strategy with respect to the social and environmental impact of its activities and its societal commitments and, where applicable, any initiatives or programmes it has implemented as a result.

We compared the CSR Information presented in the management report with the list provided in Article R.225-105-1 of the French Commercial Code.

For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the consolidated scope, i.e. the company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code, within the limitations set out in the methodological note presented in paragraph 2.6.2 in the management report.

Based on these procedures and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Opinion on the fairness of the CSR Information

NATURE AND SCOPE OF THE WORK

We conducted around ten interviews with the people responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, with those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and understandability, taking into account best practice, where appropriate;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR Information and review the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the company, the social and environmental impact of its activities, its sustainable development strategy and industry best practice.

With regard to the CSR Information that we considered to be the most important, presented in Appendix 1:

- at the consolidation level, including the parent company, subsidiaries and controlled entities, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, action), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and consolidation of the data. We also verified that the data was consistent by cross-checking it with other information in the management report;
- at the entity level for a representative sample of entities selected, presented in Appendix 2, on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis, we conducted interviews to verify that the procedures were followed correctly and to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents 53% of headcount, between 63% and 79% of quantitative environmental information and between 43% and 71% of the quantitative societal information.

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

For the other consolidated CSR information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, were sufficient to enable us to provide limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot completely rule out the possibility that a material irregularity has not been detected.

CONCLUSION

Based on our work, we did not identify any material anomaly likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly in accordance with the Guidelines.

3. Reasonable assurance on a selection of CSR Information

NATURE AND SCOPE OF THE WORK

For the information selected by the Group and identified by the symbol √ in the "Summary of Group workforce and environmental indicators" table and mentioned in the appendix of this report, our audit consisted of work of the same nature as described in paragraph 2 above for the CSR information considered the most important, but in more depth, particularly regarding the number of tests.

The sample selected represents 53% of headcount, between 68% and 79% of the quantitative environmental information and between 53% and 71% of the quantitative social information identified by the symbol √.

We consider that this work enables us to express a conclusion of reasonable assurance for the information selected by the Group and identified by the symbol √.

CONCLUSION

In our opinion, the information selected by the Group and identified by the symbol √ is fairly presented, in all material respects, in compliance with the Guidelines.

French original signed by:

Paris - La Défense, November 18, 2015

KPMG SA

Hervé Chopin	Philippe Arnaud
Partner	*Partner*
	Climate Change & Sustainability Services

Appendix 1

All the information disclosed in the CSR chapter of the management report is subject to either a limited or a reasonable assurance level.

The list below indicates the information:

- verified with a limited assurance level and considered to be the most important (see section 2 of our report),
- verified with a reasonable assurance level (√).

Labor indicators	Level of assurance
Total Workforce per category, per activity and client segment, per geography, per age	Reasonable
Employee retention rate	
Site management retention rate	
% of site management positions filled by internal promotion	
Number of employees participating in at least one training program	
% of employees participating in at least one training program	
Group Employee Engagement Rate	
% 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's representation in total workforce	
Number of work related accidents	
% of Group revenues of countries having one or more OHSAS 18001 certification	
Total number of training hours	Limited

Environmental indicators	Level of assurance
% of Group revenues of countries having one or more ISO 14001 certification	Reasonable
% of On-site services revenues of countries selecting products that support the development of a sustainable palm oil industry	
% of spend on certified sustainable paper disposables as a % of total paper disposables	
% of sites implementing heightened awareness and behavior steps to reduce their consumption of blue water	Limited
% of sites implementing heightened awareness and behavior steps to reduce their consumption of energy	
% of sites implementing equipment and processes steps to reduce their organic waste	
% of sites implementing equipment and processes steps to reduce their non-organic waste	
% of certified sustainable fish and seafood as a % of total fish and seafood	
Total of CO_2 emissions (scopes 1 and 2)	
Energy consumption scopes 1 and 2	

Social indicators	Level of assurance
% of employees working in countries having the Sodexo Statement of Business Integrity available in at least one official language	Reasonable
% of Group revenues of countries developing and promoting health and wellness solutions	
% of On-site services revenues of countries having one or more ISO 22000 certification	
Number of countries fighting hunger and malnutrition through stop hunger	
% of employees working in countries having the Human Rights policy available in at least one official language	
% of spend with contracted suppliers having signed the Sodexo Supplier Code of Conduct	
% of Group revenues of countries having one or more ISO 9001 certification	
% of certified sustainable coffee	Limited
Number of registered dietitians employed by Sodexo	
% 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	
% of On Site Service revenues of countries having specific initiatives to integrate SMEs (Small and Medium Enterprises) into their supply chains	
Number of active agreements with local communities, clients, NGOs and associations to promote inclusion of SMEs in Sodexo's supply chain	
% of On Site Service revenues of countries having the Group Animal Welfare Charter available in at least one official language	

Qualitative information	
Labor topics	Measures implemented to promote the employment and integration of disabled people Summary of collective agreements Working time organization Absenteeism
Environmental topics	Water consumption and water supply adapted to local constraints Measures regarding waste prevention, recycling and disposal Measures implemented to protect and conserve the biodiversity
Social topics	Action regarding regional employment and development Actions of partnership and sponsorship Measures implemented to promote consumers health and safety Integration of social and environmental issues into the company procurement policy

Appendix 2

AUDITED ENTITIES

Sodexo On-site Services	Sodexo Benefits and Rewards Services
Sodexo France Sodexo Colombia Sodexo Italy Sodexo United States Sodexo Canada Sodexo United Kingdom & Ireland Sodexo Netherlands	Sodexo Romania

2.7 Data related to Sodexo's activities in France

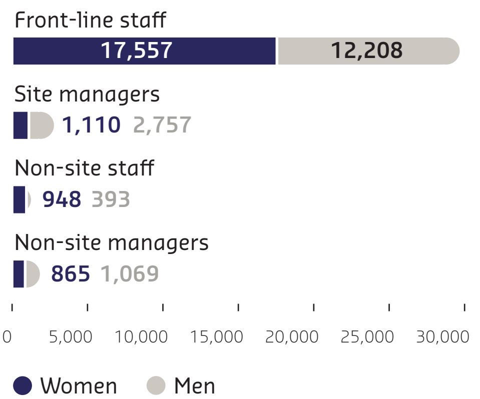
The following data comprises all employment aspects of all Sodexo operations in France, *i.e.*, On-site Services, Benefits and Rewards Services, Personal and Home Services, the parent company and the Group's management companies, are presented below.

2.7.1 WORKFORCE

As of August 31, 2015, Sodexo employed a total of 36,907 people in France.

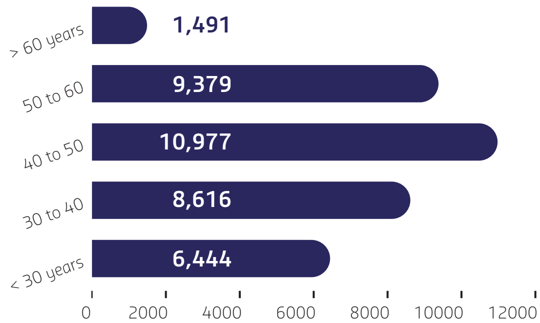
2.7.2 WORKFORCE BY GENDER

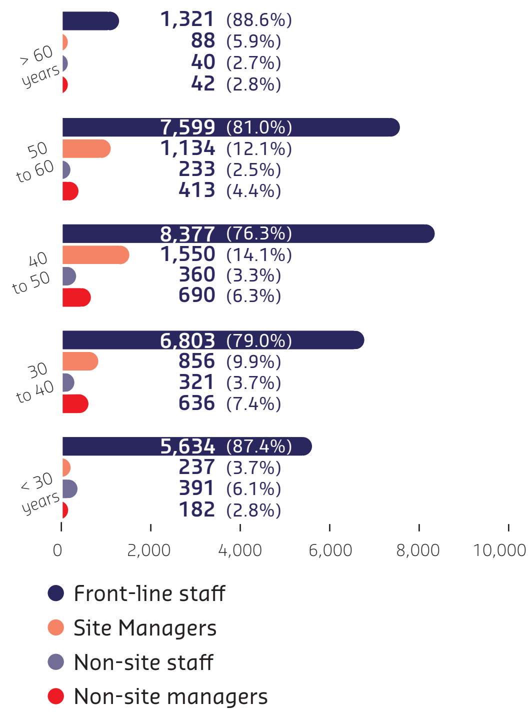
Women represent 55,5% of total employees, 59.0% of front-line staff, 28.7% of site managers, 44.7% of non-site managers and 70.7% of non-site employees.



2.7.3 WORKFORCE BY AGE GROUP

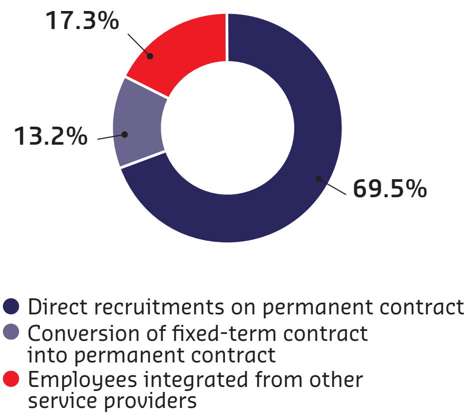
The average age is 42.





2.7.4 EMPLOYMENT

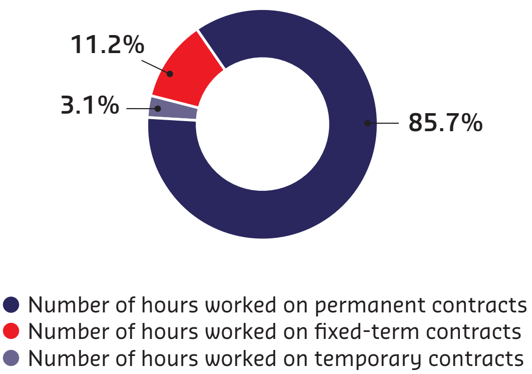
4,283 staff were recruited in France on a permanent contract during Fiscal 2015 (compared to 4,218 in Fiscal 2014), comprising 2,977 by direct recruitment, 566 by conversion of fixed-term contracts into permanent contracts, and 740 by integrating employees from other service providers.



As of August 31, 2015, 10.0% of employees were on fixed-term contracts (no change compared to Fiscal 2014).

During the fiscal year, employment on fixed-term contracts represented 11.2% of hours worked and temporary work represented 3.1%. These mainly concerned temporary replacements and spikes in workload.

325,443 hours of overtime were worked in Fiscal 2015, or 0.6% of hours worked.



1,370 employees had their employment contract terminated in Fiscal 2015.

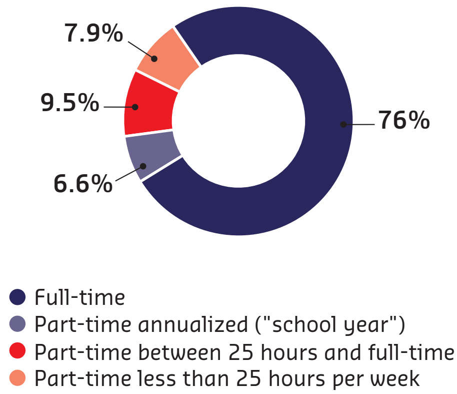
2.7.5 INTERNAL PROMOTION

In Fiscal 2015, 180 front-line employees in France were promoted to site manager.

2.7.6 ORGANIZATION OF WORKING HOURS

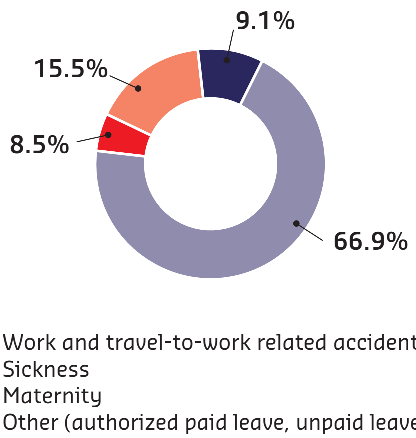
The working week is 35 hours (34.87 hours for most subsidiaries).

For Fiscal 2015, 76.0% of the workforce worked full-time. Part-time work involved 24.0% of the workforce.



2.7.7 ABSENTEEISM

In France, the average absenteeism rate based on the number of days absent was 7.0% for the workforce as a whole (compared to 7.4% in Fiscal 2014). The reasons were as follows:



2.7.8 COMPENSATION

The average annual salary for a full-time front-line employee was 24,893 euro in France, which is 42% higher than the French legal minimum wage[1].

2.7.9 STATUTORY AND VOLUNTARY EMPLOYEE PROFIT-SHARING (PART IV OF BOOK IV OF THE FRENCH LABOR CODE)

Profit-sharing agreements exist within Sodexo's French subsidiaries. The share of profits allocated to employees during Fiscal 2015 was 7,103,737 euro.

2.7.10 FRENCH PAYROLL TAXES

For Fiscal 2015, French payroll taxes represented 23.0% of the compensation of front-line staff. The employer's contribution was 50.0%.

2.7.11 SOCIAL AND CULTURAL ACTIVITIES

The contribution to the financing of social and cultural activities promoted by the various Works Councils represented 0.6% of payroll.

2.7.12 COLLECTIVE AGREEMENTS

In total, 16 collective agreements were signed in Fiscal 2015.

No collective agreement specific to Health and Safety at Work has been signed in France. The focus is on respecting legal obligations which are numerous on this subject as well as internal processes established by the Quality, Hygiene, Safety and Environment Department.

2.7.13 HEALTH AND SAFETY

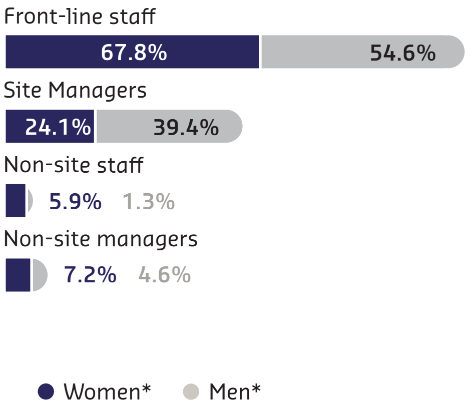
In Fiscal 2015, the number of work-related accidents was 2,285.

Thus, the frequency rate of work-related accidents in France was 46.29 in Fiscal 2015, and the severity rate was 1.21.

(1) The French gross legal minimum wage (Smic) in euro for a workweek of 37.87 hours, as of 22 December 2014.

2.7.14 EMPLOYEE TRAINING AND DEVELOPMENT

Expenditure on training by all Sodexo businesses in France totalled 5.8 million euro in Fiscal 2015.



Percentage of women and men having had at least one training.

The number of training hours totalled 222,978 hours during the fiscal year.

2.7.15 PROFESSIONAL EQUALITY

In Fiscal 2015, Sodexo France has continued to promote diversity and professional equality:

Sodexo continues to promote diversity through the Council for Diversity and Inclusion, created in 2011 under the leadership of the Chief Executive Officer.

During the year, several specific actions were taken with regard to professional equality.

Concerning gender balance:

- mentoring for women with potential to become executives (about 30 women);
- role-model testimonials by women;
- interactive theater with the one woman show Blandine Metayer in regional business units;
- client event at the Eiffel tower where Sodexo presented the conclusions of its work on the link between Gender Balance and Performance.

Concerning the signature of agreements with trade unions:

- the 4th agreement with trade unions about disabilities was signed at the end of 2014;
- the 3rd agreement with trade unions about gender balance was signed at the end of 2014.

Concerning sexual orientations:

- the Pride France Network was launched in September 2014;
- an LGBT Charter was signed with L'Autre Cercle in March 2015.

3

CONSOLIDATED INFORMATION

3.1 Fiscal 2015 Activity Report

3.1.1 FISCAL YEAR HIGHLIGHTS

Fiscal 2015 was a year of solid financial performance, shaped by promising integrated services contract wins and sustained demand for Benefits and Rewards Services. During the year, the Group pursued its transformation and strengthened its position as world leader in Quality of Life Services.

A solid financial performance

- Sodexo's consolidated revenues for Fiscal 2015 amounted to nearly 20 billion euro, an increase of 10% over Fiscal 2014 that was partly attributable to the euro's weakness against other currencies;
- organic revenue growth was 2.5%, with increases of 2.2% for On-site Services and 9.5% for Benefits and Rewards Services;
- operating profit increased in all geographic regions, rising 21.7% to 1,143 million euro. Excluding exceptional items in Fiscal 2014 and at constant currencies, operating profit rose 11.9%, which represents a 0.4% increase in the operating margin;
- Group net income totaled 700 million euro, an increase of 42.9% over Fiscal 2015 or around 32% at constant currencies that was partly due to a reduction in net financing costs achieved by refinancing debt at lower interest rates and also to a decrease in the effective tax rate which benefited from non-recurring items;
- net cash provided by operating activities amounted to 1.0 billion euro versus 825 million euro in Fiscal 2014, an increase of 23% that once again demonstrates Sodexo's ability to generate large amounts of cash year after year.

In light of these excellent results, the Board of Directors will propose a dividend of 2.20 euro per share, an increase of 22.2%, and during Fiscal 2016 will launch a 300-million euro share repurchase and cancellation program in Fiscal 2016.

Major integrated services contract wins

Clients are increasingly choosing Sodexo as a multi-site and multi-services strategic partner for improving the quality of life of their employees and enhancing the performance of their organization.

In the Corporate Services segment, the Group continued to deploy an integrated services program in several Asian countries under a global strategic partnership with Unilever begun in 2012. Diageo also chose Sodexo as its strategic partner to manage its 68 sites in the United Kingdom and Ireland, including the London headquarters, regional centers, plants, distilleries and warehouses. Another multi-site, multi-service contract with Atento in Brazil was extended to its three sites in Chile employing a total of 3,500 people. In France, the Group was chosen to manage the quality of life of the employees of Lacoste-Devanlay working in its two main sites in Paris. Lastly, in the United States, Chevron chose Sodexo to provide a wide range of facilities management services at 13 sites located in California, Texas, Louisiana and Pennsylvania.

In Justice Services in the United Kingdom, following its success in providing prison services, the Group signed and mobilized a contract for the management of the government's offender rehabilitation program in six regions in England and in Scotland. The program helps prepare prison inmates for a successful return to mainstream society, with the aim of reducing the re-offending rate.

In Remote Sites, several integrated services contracts were won in Russia, Peru and Chile in the mining sector. The United States Army has qualified Sodexo as an approved contractor for the operation and maintenance of its health care centers throughout the world.

In the Sports and Leisure segment, Sodexo won the contract to provide food and hospitality services for the California Academy of Sciences Museum in San Francisco. The Quality of Life Services contract with the Clairefontaine National Football Center in France was renewed for a further four years and includes full management of the new training and conference center. Lastly, the Lido music hall in Paris re-opened in April with a completely new show created and directed by Franco Dragone.

In Health Care in the United States, the Group leveraged its commitment in favor of patient well-being to expand its foodservices and nutrition contract with UMass Memorial Medical Center to include three more sites and to win new contracts with Vidant Health System for its seven hospitals in North Carolina and with Tenet Health System in Texas.

In the Seniors segment, the Group reported several successes in Canada, the United States and Italy. The contract with the Hilver Zorg hospital's five sites in the Netherlands was renewed, thanks to the plan proposed by the Group to transform the foodservices areas and open them to the local community. In emerging markets, Sodexo was awarded a contract by the Pune hospital in India to have it manage its technical and engineering services, and won its first hospital contract in Indonesia. Sodexo also will provide foodservices to over 1,200 patients and 2,000 health care professionals at Huangshi Central Hospital in China.

Lastly, in the Education segment, Sodexo's innovative service offerings led to the signature or renewal of contracts in France, the United Kingdom, Finland, Canada, the United States and, in emerging markets, in China and Singapore for international schools.

These new contracts confirm the relevance of the Group's strategy, deepening its presence in emerging markets (which accounted for 20% of Group revenues in Fiscal 2015) while also strengthening its expertise in delivering an increasingly wide range of services in order to offer the highest possible level of integrated services to clients throughout the world. Today, 29% of Group revenues are derived from facilities management services.

Sustained Benefits and Rewards Services activity despite a more difficult environment in Brazil, thanks to several factors:

- winning new clients in all regions;
- a tentative return to growth in Europe in the fourth quarter;
- continuous expansion of the service offer, as much through technological innovation as through new ideas; and
- the acquisition of Motivcom plc, a specialist in employee benefits, rewards and incentive solutions for companies in the United Kingdom, allowing Sodexo to become European leader in this market.

In addition, inflation-driven increases in face values and interest rates helped to maintain the Benefits and Rewards record of solid growth. The growth rate was particularly strong in Latin America during Fiscal 2015.

3.1.1.1 FURTHERING QUALITY OF LIFE

Convinced that the quality of life of individuals is a performance driver for organizations, Sodexo was an early investor in research to better understand the stakes and to measure organizations' perception of the value of quality of life, with the support of its Quality of Life Institute.

In 2015, the Group launched an international survey of 780 leaders and decision-makers working in companies, hospitals and universities in six countries (Brazil, China, France, India, United Kingdom, United States). According to this Sodexo/Harris Interactive survey entitled "How leaders value quality of life in their organization," 66% of respondents in developed and emerging countries consider that improving quality of life is a strategic priority for their organization. Ninety-one percent of respondents agreed that there is a link between quality of life and their organization's performance, with 57% saying that they "totally agreed" with this proposition. Their replies were based on recent experience, as evidenced by the fact that 86% of respondents have already implemented at least three initiatives related to quality of life within their organization. Lastly, over 65% of respondents "fully agreed" that improving the quality of life of employees and consumers would be a critical factor in the coming years. The growing emphasis on quality of life is a response to the new realities of a changing world.

In view of the strategic role of quality of life as a key social and economic performance driver, in May 2015 Sodexo organized the first International Quality of Life Conference in New York. Over two days, hundreds of leaders from a wide range of backgrounds, including the business community, academia, health care, NGOs and the political sphere gathered to collaborate and challenge current social and economic performance models. Over 30 different nationalities were represented at the event, and the next generation of leaders who will drive change in the years to come took part alongside today's influential decision-makers. At the heart of the debate, there was one shared preoccupation: to identify solutions to foster economic growth alongside social progress. The presence of leaders from throughout the world provided an opportunity to establish relations based on these new ideas with clients or potential clients from Poland, Brazil and France.

In parallel, since 2014 Sodexo has led the Quality of Life Observer, the first online media to monitor and interpret the components that contribute to quality of life in environments as diverse as businesses, health care facilities, campuses and schools, remote sites and prisons.

In order to realign its service offering, Sodexo has identified six dimensions that have a direct impact on quality of life:

- the promotion of health and well-being;
- the creation of conditions for collaborative efficiency;
- a secure and safe physical environment;
- the encouragement of social interactions;
- personal growth; and
- support for individual recognition.

3.1.1.2 INNOVATION-LED GROWTH

Several projects were launched during the year to invigorate the innovation drive, including:

- creation of a dedicated digital team to more effectively leverage the Quality of Life promise by improving services and relations between the Group and its consumers through:
  - applications such as MySodexo App, SoHappy and Apple Watch that provide information about menus and peak times in the restaurants, or the balance on the user's account, or that offer concierge services, or give a list of restaurants or shops that accept Sodexo vouchers or the Sodexo Pass,
  - loyalty programs such as Reward Tree,
  - the promotion of well-being on platforms with an educational content such as Mindful,
  - participation in start-up networks, for example The Village, an open club for innovators in Paris, and the future Camp, an American-style digital campus located between Aix-en-Provence and Marseille that is currently under construction;
- a project to strengthen continuous research and optimization of the organization and resources dedicated to producing and delivering Quality of Life Services on a large scale.

3.1.1.3 CREATING A COMPETITIVE ADVANTAGE THROUGH OUR PEOPLE

The world's 19th largest private sector employer with 420,000 employees in 80 countries, Sodexo is a community of men and women whose engagement is key to client and consumer satisfaction and, therefore, a genuine competitive advantage. That is why the Group implemented several major initiatives during the year, based on the following priorities:

- maintain a high quality, diverse and appropriately sized workforce to meet the expectations of all clients;
- rank among the global companies most appreciated by its employees.

With 95% of staff in daily contact with clients and consumers, Sodexo is convinced that client and consumer satisfaction depends on its teams' skills and talent.

Keeping this in mind, during the year the Group:

- continued to invest in training: in order to provide opportunities for employees to develop and grow, Sodexo delivered some 5 million hours of training in Fiscal 2015. The Group also stepped up its commitment in this area by creating a facilities management training center for site managers. The curriculum focuses on the essential factors behind the efficient, profitable and safe management of increasingly technical and complex contracts that now frequently have a longer duration;

- further strengthening its standards for the management of workplace health and safety, which represents a potential source of improvements in employees' quality of life and a source of efficiency gains through a reduction in work stoppages and absenteeism;
- extending to 22 countries the Sodexo Supports Me service that helps employees to overcome day-to-day challenges at work and in their personal life, by putting them in contact with recognized external consultants.

3.1.1.4 GOVERNANCE CHANGES

During Fiscal 2015, Sophie Bellon continued to prepare to succeed Pierre Bellon to become Chairwoman of the Board of Directors, notably by:

1) deepening her knowledge of the various Group entities, in particular by participating in strategy meetings and visiting sites and meeting management of subsidiaries and operational teams;
2) seeking potential candidates for election to the Board of Directors and integrating new Board members.

3.1.1.5 CORPORATE SOCIAL RESPONSIBILITY AWARDS AND INITIATIVES

In Fiscal 2015, the Group won several major awards recognizing its commitment to social, environmental and economic responsibility:

Sodexo was named "global leader for its industry" by the Dow Jones Sustainability Indices (DJSI) for the 11th consecutive year and the number one consumer services company for the second year in a row. DJSI is the longest-running global sustainability benchmark worldwide and the key reference point in sustainability investing for investors and companies alike. The annual DJSI review is based on a thorough analysis of corporate economic, environmental and social performance, assessing issues such as Corporate Governance, risk management, climate strategy, environmental policy/ management systems, supply chain standards and labor practices.

Among the initiatives launched during the year, Sodexo announced an ambitious objective to reduce carbon emissions 34% by 2020 compared to 2011 across all internal operations and the entire supply chain. The methodology was developed jointly with the World Wildlife Fund (WWF).

In October 2015, for the second year in a row, Sodexo topped the list of publicly quoted companies for gender balance published by the French Ministry of Women's Rights. The award concerns sustained gender balance both in the Group's top management and its operational teams. The first place in the ranking recognizes not only that 43% of Sodexo's Executive Committee and 38% of its Board of Directors are women, but also Sodexo's creation of strong women's networks throughout the global organization and the commitment to gender equality at the heart of its strategy and performance.

Carbon Disclosure Project (CDP) named Sodexo as the leader for the Hotel, Restaurants and Leisure sector in its 2014 CDP Global Forests Report which recognizes companies that are meeting the challenge of removing deforestation from their supply chains. Sodexo was also recognized in the report as the most improved company in the sector.

Lastly, the Group was behind the creation of an independent not-for-profit International Food Waste Coalition ("IFWC"), with members representing the entire value chain in the food services industry. IFWC's key objectives include actively promoting strategies to reduce food waste, including by consumers.

3.1.2 FISCAL 2015 PERFORMANCE

3.1.2.1 CONSOLIDATED INCOME STATEMENT

(in millions of euro)	Year ended August 31 2015	2014	Change at current exchange rates	Change at constant exchange rates
Revenues	19,815	18,016	+10.0%	+2.6%
Organic growth	2.5%	2.3%		
Operating profit(1)	1,143	966	+18.3%	+11.9%
Operating margin(1)	5.8%	5.4%		
Exceptional expenses(2)	(0)	(27)		
Operating profit (reported)	1,143	939	+21.7%	+15.1%
Interest income	65	20		
Financing costs	(172)	(193)		
Finance income and expense, net	(107)	(173)		
Share of profit of other companies consolidated by the equity method	7	8		
Profit before tax	1,043	774	+34.8%	+25.7%
Income tax expense	(320)	(265)		
Effective tax rate	*31.1%*	*34.8%*		
Profit for the period	723	509	+42.0%	+30.8%
Profit attributable to non-controlling interests	23	19		
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT, BEFORE EXCEPTIONAL EXPENSES, NET OF TAX	**700**	**508**	**+37.8%**	**+27.8%**
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (REPORTED)	**700**	**490**	**+42.9%**	**+32.4%**
Earnings per share *(in euro)*	4.60	3.23	+42.4%	+32.2%
Dividend per share *(in euro)*	2.20(3)	1.80	+ 22.2%	

(1) In Fiscal 2014, before the exceptional costs recorded in connection with the program to improve operational efficiency and reduce costs.
(2) Costs incurred in Fiscal 2014 in connection with the program to improve operational efficiency and reduce costs implemented between September 2012 and February 2014.
(3) Subject to approval at the Annual Shareholders' Meeting on January 26, 2016.

Currency effects

Sodexo operates in 80 countries. The percentages of total revenues and operating profit denominated in the main currencies are as follows:

	Revenues	Operating profit
U.S. dollar	39%	44%
Euro	26%	11%
UK pound sterling	10%	7%
Brazilian real	5%	21%

The currency effect is determined by applying the previous year's average exchange rates to the current year figures.

Impact of exchange rates	Change vs. the euro (in %, average rate)	(in millions of euro) Revenues	Operating profit	Net income
Euro/U.S. dollar	+17.4%	1,131	73	33
Euro/Brazilian real	-6.0%	(68)	(15)	(9)
Euro/UK pound sterling	+10.3%	180	8	9
Euro/bolivar fuerte	-69.8%	(29)	(13)	5

During Fiscal 2015, the U.S. dollar and the UK pound sterling strengthened considerably against the euro, gaining 17.4% and 10.3% respectively, while the Brazilian real declined 6%.

With effect from the fiscal year ended August 31, 2010, for the preparation of the consolidated financial statements the Group applied the specific IFRS accounting requirements to the transactions of its subsidiaries operating in Venezuela that use the local currency as their functional currency. On February 10, 2015, the Venezuelan government announced that it was setting up a new foreign exchange platform called SIMADI (Marginal Currency System). In mid-July 2015, Sodexo decided to transition to the new platform and started bidding for U.S. dollars on SIMADI. The Group considers that the best estimate of the exchange rate at which funds from its activities in Venezuela could be repatriated is the rate observed on August 28, 2015 on the SIMADI platform. The exchange rate used for the year ended August 31, 2015 is therefore 1 U.S. dollar = 198.96 bolivars (1 euro = 223.14 bolivars). The effect of this depreciation (including on the consolidated statement of financial position in which year-end exchange rates are used) is not material at Group level, as the Group's operations in Venezuela now represent just 0.1% of consolidated revenues and less than 0.5% of consolidated operating profit.

3.1.2.2 REVENUE GROWTH

Consolidated revenue for Fiscal 2015 amounted to 19.8 billion euro, an increase of 10% including organic growth of 2.5%. Favorable changes in exchange rates had a positive impact not only on revenues but also on all other income statement items.

Organic growth for the **On-site Services** activity was 2.2%. In a global economy that saw moderate growth, with some emerging economies particularly in Latin America experiencing a loss of momentum, this growth rate primarily reflected heightened demand for Sodexo's integrated Quality of Life Services offers in all geographic regions. These offers include a significant facilities management component, which lessened the effect of lower foodservices volumes resulting from headcount reductions and other cost-saving measures undertaken by clients, particularly in Europe.

Organic growth for the **Benefits and Rewards Services** activity was 9.5%, reflecting further double-digit growth in Latin America – despite a slowdown in Brazil in the second half of the year – and a healthy increase in revenues in Asia.

3.1.2.3 OPERATING PROFIT

Reported operating profit amounted to 1,143 million euro, an increase of 21.7% at current currencies and 15.1% excluding currency effects.

Note that Fiscal 2014 reported operating profit was stated net of 27 million euro in exceptional costs related to the program to improve operational efficiency and reduce costs. **Based on Fiscal 2014 operating profit before these exceptional costs, year-on-year growth was 18.3% at current exchange rates and 11.9% excluding currency effects, while operating margin was 5.8% compared to 5.4% in Fiscal 2014.** This performance was better than the objective of 10% growth in operating profit announced by the Group in November 2014.

All of the On-site Services geographic regions contributed to the high overall rate of growth, with operating profit increases of:

- 39.4% in North America (18.7% at constant currencies);
- 42.4% in the United Kingdom and Ireland (28.8% at constant currencies);
- 15% in the Rest of the World (Latin America, Middle East, Asia, Africa, Australia and Remote Sites) (7.1% at constant currencies);
- 3% in Continental Europe (3.9% at constant currencies).

In Benefits and Rewards Services, higher issue volumes and tight control over costs drove a 15.3% increase in operating profit excluding currency effects and 6.3% at current exchange rates.

This performance also reflected the benefits over a full year of the program to improve operational efficiency and reduce costs, which generated annual savings of 170 million euro compared to the Fiscal 2013 baseline. This program, which was launched in September 2012 and completed in February 2014, focused on reducing both on-site operating expenses and overheads. The exceptional expenses recorded during the implementation period consisted mainly of i) the net cost of withdrawing from certain unprofitable contracts or activities and ii) restructuring costs and costs related to various measures to reduce administrative expenses in many countries around the world.

3.1.2.4 FINANCE INCOME AND EXPENSE, NET

Finance income and expense represented a net expense of 107 million euro, reflecting a 66 million euro improvement compared to Fiscal 2014.

Net borrowing costs decreased by nearly 13 million euro, following the refinancing operations carried out during Fiscal 2014.

In addition, the sale of the Group's interest in a special purpose entity set up in connection with a Private Finance Initiative (Public-Private Partnership) in the United Kingdom had a 23 million euro favorable impact on net finance expense for the year.

3.1.2.5 INCOME TAX EXPENSE

Income tax expense amounted to 320 million euro in Fiscal 2015. The 55 million euro increase compared to the prior year was due to the increase in pre-tax profit. The effective tax rate for Fiscal 2015 was exceptionally low at 31.1%, due in particular to the use of previously unrecognized tax loss carry-forwards.

3.1.2.6 GROUP NET INCOME AND EARNINGS PER SHARE

The solid increase in operating profit, both before and after taking into account the exceptional expenses recorded in Fiscal 2014, the reduction in net finance expense and the low effective tax rate combined to drive a 42.9% increase in Group net income (32.4% excluding currency effects), to 700 million euro.

Earnings per share totaled 4.60 euro compared to 3.23 euro in Fiscal 2014, representing an increase of 42.4% (32.2% excluding currency effects) in line with the growth in Group net income.

3.1.2.7 PROPOSED DIVIDEND

At the Annual Shareholders' Meeting to be held on January 26, 2016, the Board of Directors will recommend paying a dividend of 2.20 euro per share(1) for Fiscal 2015, an increase of 22.2% over the prior year. This proposal is in line with Sodexo's policy of allowing shareholders to benefit from the increase in Group net income; it also reflects the Board's great confidence in the Group's future and takes into consideration Sodexo's solid cash-generating financial model. The proposed dividend represents a payout ratio of 50% of Group net income.

Furthermore, confident in the future while maintaining the financial flexibility needed to invest in future development, the Board has also decided to implement a 300 million

(1) In addition, shares held in registered form since at least four years as of August 31, 2015 and still held when the Fiscal 2015 dividend becomes payable in February 2016, will automatically be entitled to a 10% dividend premium, provided they do not represent over 0.5% of the capital per shareholder.

euro (approximately 2.4% of the share capital) share repurchase and cancellation program in Fiscal 2016. This transaction is expected to be accretive to earnings per share starting in 2016.

3.1.2.8 ANALYSIS OF CHANGES IN REVENUES AND OPERATING PROFIT BY ACTIVITY

Revenues by activity *(in millions of euro)*	Fiscal 2015	Fiscal 2014	Organic Growth(1)	Change at current exchange rates	Change at constant exchange rates
On-site Services					
North America	7,972	6,759	+1.5%	+17.9%	+1.2%
Continental Europe	5,686	5,702	+0.6%	-0.3%	+0.5%
Rest of the World	3,504	3,327	+1.7%	+5.3%	+1.7%
United Kingdom and Ireland	1,832	1,483	+12.8%	+23.5%	+12.8%
Total On-site Services	18,994	17,271	+2.2%	+10.0%	+2.1%
Benefits and Rewards Services	827	751	+9.5%	+10.1%	+15.3%
Intragroup eliminations	(6)	(6)			
TOTAL	**19,815**	**18,016**	**+2.5%**	**+10.0%**	**+2.6%**

(1) Organic growth: change in revenue based on a constant scope of consolidation and constant currency exchange rates, except for the bolivar fuerte in the case of the Benefits and Rewards Services activity, for which an exchange rate of 1 dollar = 198.96 bolivars (1 euro = 223.14 bolivars) was used in Fiscal 2015.

Operating profit by activity(1) *(in millions of euro)*	Fiscal 2015	Fiscal 2014(1)	Change at current exchange rates	Change at constant exchange rates
On-site Services				
North America	499	358	+39.4%	+18.7%
Continental Europe	238	231	+3.0%	+3.9%
Rest of the World	161	140	+15.0%	+7.1%
United Kingdom and Ireland	94	66	+42.4%	+28.8%
Total On-site Services	992	795	+24.8%	+13.2%
Benefits and Rewards Services	285	268	+6.3%	+15.3%
Corporate expenses	(128)	(91)		
Eliminations	(6)	(6)		
TOTAL	**1,143**	**966**	**+18.3%**	**+11.9%**

(1) Operating profit before the costs recorded in Fiscal 2014 in connection with the program to improve operational efficiency and reduce costs.

The On-site Services activity represents 96% of consolidated revenues and 78% of consolidated operating profit before eliminations and corporate expenses. The Benefits and Rewards Services activity accounts for 4% of consolidated revenues and 22% of consolidated operating profit before eliminations and corporate expenses.

On-site Services

REVENUES

GROWTH BY REGION:

(in millions of euro)	Fiscal 2015	Fiscal 2014	Organic growth	Acquisitions	Currency effect	Total growth
North America	7,972	6,759	+1.5%	-0.3%	+16.7%	+17.9%
Continental Europe	5,686	5,702	+0.6%	-0.1%	-0.8%	-0.3%
Rest of the World	3,504	3,327	+1.7%	0%	+3.6%	+5.3%
United Kingdom and Ireland	1,832	1,483	+12.8%	0%	+10.7%	+23.5%
TOTAL ON-SITE SERVICES	**18,994**	**17,271**	**+2.2%**	**-0.1%**	**+7.9%**	**+10.0%**

GROWTH BY SEGMENT:

(in millions of euro)	Fiscal 2015	Fiscal 2014	Organic growth	Acquisitions	Currency effect	Total growth
Corporate Services	9,989	9,208	+3.9%			
Health Care and Seniors	4,786	4,280	+1.2%			
Education	4,219	3,783	-0.7%			
TOTAL ON-SITE SERVICES	**18,994**	**17,271**	**+2.2%**	**-0.1%**	**+7.9%**	**+10.0%**

On-site Services revenues totaled 19 billion euro and organic growth for the fiscal year was **2.2%.**

This performance reflected:

- strong demand for facilities management services that drove more than 7% growth during the year. Of particular note were Sodexo's performances in the United Kingdom and Ireland, the robust growth dynamic in the Corporate Services segment in North America and the return to growth, albeit modest, in Continental Europe;
- more limited revenue growth in the Health Care and Seniors segment in North America, reflecting the expected consequence of the Group's decision at the end of Fiscal 2014 to scale down its services to a major American retirement home operator, HCR ManorCare;
- a significantly more challenging economic environment in Latin America, particularly Brazil and Chile, as well as in the Remote Sites segment which was affected by deepening budget cuts by clients in the oil and mining sectors;
- decisions made to withdraw from unprofitable contracts, as part of the program to improve operational efficiency and reduce costs, weighed 0.9% on growth.

Organic growth in the **Corporate Services** segment amounted to **3.9%,** representing the result of several different trends:

- strong demand for integrated Quality of Life Services offers in all regions, led by the United Kingdom and North America;
- the ramp-up of new contracts in the Justice segment in the United Kingdom;
- 5.1% growth in the Remote Sites segment, which benefited – in particular, in the first half of Fiscal 2015 – from the many contracts signed at the end of the prior year, particularly in Australia.

Health Care and Seniors revenues grew by **1.2%,** a performance that reflected the generally unfavorable operating environment in Europe and the voluntary withdrawal from part of the HCR ManorCare contract in the United States at the end of Fiscal 2014. Sodexo nonetheless successfully leveraged its expertise in this segment, and continued to enjoy strong growth in Latin America, especially Brazil, as well as in China.

Education segment revenues were **down 0.7%** based on a comparable consolidation scope and at constant currency exchange rates. The decline was partly due to the Group's decision to withdraw from a contract with Detroit Public Schools in North America, in light of the city's financial difficulties, and reflected the more selective approach to new business in Europe. In contrast, Education revenues in emerging markets grew over the year, lifted by Sodexo's global expertise in this client segment.

The Group's key growth indicators were as follows:

- **93.1% client retention rate,** little changed from Fiscal 2014. The retention rate remained very high in the United Kingdom and Ireland but declined slightly in other geographic regions;
- **2.2% growth for existing sites,** compared to 2.5% for the prior year. Foodservices volumes continued to decline in Europe, and slower economic growth and inflation in certain emerging economies also weighed on growth;
- **7.5% development rate** (new contract wins) compared to 7.1% in Fiscal 2014, reflecting contract wins for integrated service offers, particularly in the United Kingdom. New contracts won during the fiscal year represented 1.3 billion euro in annual revenues.

OPERATING PROFIT

Operating profit from On-site Services was 992 million euro, up **24.8%** (13.2% excluding currency effects) over the prior year. Sodexo made gains in all geographic regions, with operating profit up 39.4% in North America (18.7% excluding currency effects), 42.4% in the United Kingdom and Ireland (28.8% excluding currency effects), 15% in the Rest of the World (7.1% excluding currency effects) and 3% in Continental Europe (3.9% excluding currency effects).

The On-site Services activity's **operating margin** rose by **0.6** points from 4.6% to 5.2%.

ANALYSIS BY GEOGRAPHIC REGION

North America

Revenues

(in millions of euro)	Fiscal 2015	Fiscal 2014	Organic growth	Acquisitions	Currency effect	Total growth
Corporate Services	2,040	1,704	+5.4%			
Health Care and Seniors	2,889	2,439	+1.1%			
Education	3,043	2,616	-0.6%			
TOTAL	**7,972**	**6,759**	**+1.5%**	**-0.3%**	**+16.7%**	**+17.9%**

On-site Services revenue in North America totaled 8 billion euro, up 18% over Fiscal 2014. Organic growth for the year was 1.5%.

Organic growth in the **Corporate Services** segment was **5.4%,** reflecting high business volumes in facilities management services for clients such as Bloomberg, Citigroup and Alcatel-Lucent, along with robust growth in On-site Services in the Defense segment. Sodexo won a large number of contracts during the year, notably with the House of Representatives, Chevron and Zurich Insurance.

In the **Health Care and Seniors** segment, revenue increased by just **1.1%,** due to the adverse impact during most of the year of Sodexo's withdrawal in the prior year from part of the HCR ManorCare contract, and of the sale of certain laundry activities. However, new contracts won with clients such as Vidant Health and Tenet Health System, and faster growth at existing sites confirmed the market's potential and led to a return to growth in the latter part of the year. Other contract wins included LHP Hospital Group (Texas), Erlanger Health System (Tennessee), Avalon Woodland Park Rehab and Care Center (Utah) and UMass Memorial Medical Center (3 sites in Massachusetts).

In **Education,** the **0.6% decline** in revenue reflected mixed trends, with the increase in sales of full board meal plans to universities partially offset by the voluntary withdrawal from a contract with Detroit Public Schools at the end of the prior fiscal year, due to the city's financial difficulties and the risk of non-payment. In the schools segment, growth in existing site revenues reflected changes in students' eating habits in response to the recently enacted Healthy and Hunger Free Kids Act (HHFKA). Following disappointing sales performances and contract wins in Fiscal 2015, a series of measures to improve the sales teams' efficiency was decided at the end of the year. Recent contract wins included Dakota State University, San Francisco State University and State University of New York at Stony Brook.

Operating profit

Operating profit totaled 499 million euro, an increase of 39.4% (18.7% excluding currency effects) compared to Fiscal 2014.

Numerous productivity improvement measures paid off in Fiscal 2015 thanks to the systematic deployment of standardized on-site contract management methods, particularly in the Education segment, leading to improved management of the effects of inflation. Off-site administrative cost efficiencies also contributed to this good performance. In all, these two factors accounted for 40% of the increase in Fiscal 2015 operating profit, with the other 60% attributable to the low basis of comparison in Fiscal 2014 when operating profit was temporarily affected by problems in deploying the HCR ManorCare contract and by the provisions set aside for doubtful receivables and risks on certain contracts.

Boosted by all of these factors, **operating margin** in North America rose to 6.3% from 5.3% in Fiscal 2014.

Continental Europe

Revenues

(in millions of euro)	Fiscal 2015	Fiscal 2014	Organic growth	Acquisitions	Currency effect	Total growth
Corporate Services	3,463	3,404	+2.9%			
Health Care and Seniors	1,327	1,380	-3.4%			
Education	896	918	-2.3%			
TOTAL	**5,686**	**5,702**	**+0.6%**	**-0.1%**	**-0.8%**	**-0.3%**

In Continental Europe, revenues totaled nearly 5.7 billion euro.

Organic growth in the **Corporate Services** segment was **2.9%.** However, this performance reflected mixed situations:

- foodservices volumes declined, notably in France, Italy, the Netherlands and Finland, and revenues were also adversely affected by Sodexo's withdrawal from certain contracts as part of the program to improve operational efficiency and reduce costs;
- these effects were offset by sustained demand for Quality of Life Services, particularly services that required deployment of a variety of technical skills. The ramp-up of multi-site contracts signed in Fiscal 2014, among them Carlsberg and Johnson & Johnson, also acted as a growth driver.

New contracts signed during the year included *Institut Pasteur* and GE Power Conversion in France, and the National Police Service in the Netherlands.

The **3.4% contraction** in **Health Care and Seniors** revenues was mainly due to lower client retention rates, especially in France, and limited business development in recent quarters. These markets continue to offer considerable medium-term growth potential despite the current economic and political environment. The transition to an organization by global client segment currently in progress should enable the Group to leverage its expertise and deep understanding of its clients and consumers, in order to steadily improve the effectiveness of its sales initiatives.

New contracts signed during the year included Ospedale San Matteo Pavia in Italy and Forcilles Hospital in France.

In **Education,** the **2.3% decline** in revenue was mainly attributable to Sodexo's decision in Fiscal 2014 not to renew certain major contracts in several countries, as a result of budget cuts for schools. Sodexo nonetheless enjoyed a modest return to growth in the fourth quarter and expects a modest improvement in the next twelve months.

New contracts signed during the year included Conseil Général des Yvelines and École Supérieure d'Art et de Design in France and Tampere University of Technology (TTY) in Finland.

Operating profit

At 238 million euro, **operating profit** was up by 3% (3.9% excluding currency effects) over Fiscal 2014. **Operating margin** was up 0.1% compared with the previous year, at 4.2%. The effects of client cost-saving drives and non-recurring contract mobilization costs recorded in the first half were more than offset in the second half, as expected, by the benefits of the program to improve operational efficiency launched in September 2012.

Rest of the World (Latin America, Middle East, Asia, Africa, Australia and Remote Sites)

Revenues

(in millions of euro)	Fiscal 2015	Fiscal 2014	Organic growth	Acquisitions	Currency effect	Total growth
Corporate Services	3,154	3,030	+0.6%			
Health Care and Seniors	211	172	+20.2%			
Education	139	125	+4.0%			
TOTAL	**3,504**	**3,327**	**+1.7%**	**+0%**	**+3.6%**	**+5.3%**

Revenues in the Rest of the World region (Latin America, Africa, Middle East, Asia, Australia and Remote Sites) totaled 3.5 billion euro in Fiscal 2015, an increase of 5.3% over Fiscal 2014. Organic revenue growth was 1.7%.

The Remote Sites segment, which accounted for 45% of the region's total revenues in Fiscal 2015, reported organic revenue growth of 2.2%, driven by significant contract wins in Fiscal 2014, including Woodside Energy and BHP Billiton subsidiary GemCo for Groote Eylandt, Mineral Resources/Jerriwah Village in Australia, Petrex in Peru and Compania Minera Nevada in Chile. Revenue growth in the second half of the year was nonetheless adversely affected by mine closures, particularly in Latin America.

Excluding Remote Sites, organic growth in the Rest of the World region was 1.4%.

Organic revenue growth in the **Corporate Services** segment was **0.6%,** reflecting both the developments in the Remote Sites segment described above and the consequences of the severe economic slowdown in Brazil, as well as the difficult fiscal and social environment in Chile. Growth nonetheless remained satisfactory in Asia, with near-double digit increases particularly in India and Southeast Asia.

Many contracts were signed in emerging markets, including JBS, Valeo, FMC Technologies and Braskem in Brazil, Vodafone and Adobe in India, and deployment of the Unilever contract in Asia began during the year.

In **Health Care and Seniors,** organic growth of **20.2%** was attributable to contract wins in Latin America, especially in Brazil., and strong growth in Asia. Driven by Sodexo's expertise in Health Care and Seniors services, this steady, sustained growth confirms the of the Group's global approach by client segment. During the year, Sodexo won a number of contracts including for the Mater Dei Belo Horizonte hospital in Brazil, and Rumah Sakit Pondok Indah Hospital in Indonesia.

In **Education,** the **4%** organic growth in revenue was primarily attributable to operations in Latin America, India and China. New contracts signed during the year included Nord Anglia International School in Hong Kong and Sri Utama Schools in Malaysia.

Operating profit

Operating profit in the Rest of the World region increased by 15% (7.1% excluding currency effects) to 161 million euro. **Operating margin** was 4.6% compared to 4.2% in the prior year, maintaining the pattern of growth established over the last two fiscal years. The further improvement was the result of major productivity gains achieved in most of the countries in the region, and also reflected the impact of additional one-off projects in the offshore sector.

United Kingdom and Ireland

Revenues

(in millions of euro)	Fiscal 2015	Fiscal 2014	Organic growth	Acquisitions	Currency effect	Total growth
Corporate Services	1,332	1,070	+13.9%			
Health Care and Seniors	359	289	+12.7%			
Education	141	124	+4.1%			
TOTAL	**1,832**	**1,483**	**+12.8%**	**+0%**	**+10.7%**	**+23.5%**

Revenues in the United Kingdom and Ireland totaled 1.8 billion euro, an increase of 23.5% over Fiscal 2014 including organic growth of 12.8%.

Corporate Services revenue growth accelerated sharply to **13.9%.** This performance was attributable to the provision of services, including for one-off projects with a large facilities management component, for clients such as GSK, Rexam, Carlsberg and Zurich. It also reflects the initial months' revenue from a contract awarded to Sodexo in six regions under the UK government's Transforming Rehabilitation program to help prepare prison inmates for a successful return to mainstream society.

Another highlight of Fiscal 2015 was the contract with Diageo to provide an array of integrated Quality of Life Services at 68 sites in the United Kingdom and Ireland.

In **Health Care and Seniors,** organic growth accelerated to **12.7%** thanks to the ramp-up of several contracts and the extension of services provided to several hospitals such as the five in London operated by Imperial College Healthcare.

In **Education,** the **4.1%** growth in revenues for the year was principally due to the contract with the prestigious University College London won in Fiscal 2014.

Operating profit

Operating profit increased to 94 million euro, up 42.4% or 28.8% excluding currency effects. The increase was partly attributable to the leverage provided by revenue growth but it also reflected improved margins on several major integrated services contracts that were still in the start-up phase in Fiscal 2014. **Operating margin** increased from 4.5% in Fiscal 2014 to 5.1%.

Benefits and Rewards Services

Issue volume

(in millions of euro)	Fiscal 2015	Fiscal 2014	Organic growth	Acquisitions	Currency effect	Total growth
Latin America	7,526	7,323	+11.1%			
Europe and Asia	8,894	8,171	+4.3%			
TOTAL	**16,420**	**15,494**	**+7.5%**	**+1.7%**	**-3.2%**	**+6.0%**

Revenues

(in millions of euro)	Fiscal 2015	Fiscal 2014	Organic growth	Acquisitions	Currency effect	Total growth
Latin America	431	410	+14.4%			
Europe and Asia	396	341	+3.8%			
TOTAL	**827**	**751**	**+9.5%**	**+4.1%**	**-3.5%**	**+10.1%**

In the **Benefits and Rewards Services** activity, the growth dynamic remained satisfactory in emerging markets (Latin America and Asia), despite the gradual but nonetheless significant economic slowdown observed in Latin America. This trend was illustrated by the **9.5%** organic revenue growth for Fiscal 2015.

Digital-based issue volume accounted for 65% of total issue volume for the year, reflecting the strong innovation culture that prevails at Sodexo and underpins the service offer for clients.

In **Latin America,** organic growth continued at a satisfactory rate of **11.1%** for issue volume and **14.4%** for revenues, led mainly by solid advances in Brazil and Venezuela. This performance was supported by higher face values on vouchers and cards and rising interest rates in Brazil. Sodexo continued to deepen its market penetration, thanks to its relevant service offers, and continued development of its expense management activities. Contract wins included Hospital Santa Paula and CEFOR Segurança Privada in Brazil, and Municipio de Xochitepec Morelos in Mexico.

In **Europe and Asia,** organic growth accelerated to **4.3%** for issue volume and **3.8%** for revenues. These gains reflected the success of Sodexo's Quality of Life offers, double-digit growth in Turkey, India and China, and more encouraging growth rates in the rest of Europe.

Contract wins included Hindustan Zinc Limited and Willis Processing in India, Régie nationale des Tabacs et Allumettes in Tunisia, Kiloutou in France and Vitaldent in Spain.

Operating profit

Operating profit amounted to 285 million euro, up 6.3% compared to the prior year (15.3% excluding currency effects). The increase reflected higher issue volumes and tight operating cost management with a particular focus on voucher and card processing costs. The Group continued to invest in research, innovation and development of Quality of Life Services during the year, while also launching operations in four new countries (Portugal, Panama, Singapore and Taiwan) at the end of the fiscal year.

Excluding the effect of changes in the exchange rates used to translate operating profit generated in Venezuela(1), **operating margin** was 34.5%, stable compared to Fiscal 2014.

(1) *Starting in mid-July 2015, Sodexo decided to transition to the new SIMADI foreign exchange platform and started bidding for U.S. dollars on this platform. The Group therefore considers that the currency exchange rate observed on the SIMADI on August 28, 2015 corresponds to the rate at which funds from its Venezuelan operations could be repatriated at the period end. Consequently, the exchange rate used for the fiscal year ended August 31, 2015 is 1 dollar = 198.96 bolivars (1 euro = 223.14 bolivars). Use of this rate had the effect of reducing operating profit for the year by 13 million euro.*

3.1.3 CONSOLIDATED FINANCIAL POSITION

3.1.3.1 CASH FLOWS

Presented below are the key components of the consolidated cash flow statement:

(in millions of euro)	Year ended	
	August 31, 2015	August 31, 2014
Net cash provided by operating activities	1,017	825
Net cash used in investing activities	(378)	(337)
Net cash (used in)/provided by financing activities	(1,365)	920
(Decrease)/increase in net cash and cash equivalents	(726)	1,408

Net cash provided by operating activities amounted to 1,017 million euro, representing some 200 million euro or 23% more than in Fiscal 2014. This good performance was mainly due to the sharp 203 million euro rise in operating profit from fully consolidated companies, part of which was attributable to the favorable currency effect.

The change in working capital, which had a more limited positive effect than in the prior year, reflected two opposing developments, with an increase in trade receivables in North America and Latin America that was partly offset by significant client advances related to the Rugby World Cup in the United Kingdom.

Net cash used in investing activities increased to 378 million euro and included:

- net capital expenditure and client investments for 346 million euro, representing approximately 1.8% of revenues;
- acquisitions of companies for 49 million euro, corresponding for the most part to the November 2014 acquisition of Motivcom, a leading provider of employee motivation and recognition services for companies in the United Kingdom.

Net cash from financing activities, representing a negative 1,365 million euro, and net cash and cash equivalents were significantly affected by the 1,048 million euro in debt repayments carried out during the year, including the 880 million bond issue redeemed in January 2015. Net cash used in financing activities also included dividends paid by Sodexo SA (in February 2015 in the amount of 276 million euro).

3.1.3.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euro)	August 31, 2015	August 31, 2014		August 31, 2015	August 31, 2014
Non-current assets	7,334	6,852	Shareholders' equity	3,710	3,189
Current assets excluding cash	4,396	4,120	Non-controlling interests	34	32
Financial assets related to the Benefits and Rewards Services activity	739	758	Non-current liabilities	3,593	3,830
Cash	2,008	2,748	Current liabilities	7,140	7,427
TOTAL ASSETS	**14,477**	**14,478**	**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**	**14,477**	**14,478**
			Net debt	339	371
			Net debt ratio	9%	12%

As of August 31, 2015, favorable currency effects (mainly due to the U.S. dollar and the UK pound sterling against the euro), partly offset by unfavorable currency effects (related to the Brazilian real), led to an overall increase in all statement of financial position items compared to August 31, 2014.

As of August 31, 2015, the Group had total borrowings of 3,047 million euro. The main borrowings are two euro-denominated bond issues for a total of 1,100 million euro and three U.S. private placements for a total of 2,060 million U.S. dollars. The remaining balance includes various bank loans and facilities, capital leases and derivative financial instruments.

Cash and cash equivalents net of bank overdrafts totaled 1,969 million euro as of August 31, 2015. Benefits and Rewards Services cash invested in instruments with maturities of more than three months amounted to 299 million euro and the activity's restricted cash stood at 440 million euro.

The operating cash position (which includes Benefits and Rewards Services cash investments and restricted cash) totaled 2,708 million euro, including 1,476 million euro relating to the Benefits and Rewards Services activity.

As of August 31, 2015, net debt was 339 million euro, representing 9% of shareholders' equity, compared to 12% as of August 31, 2014. This extremely sound financial position allows the Board of Directors to propose to the Annual Shareholders' Meeting a 22.2% increase in the dividend, to 2.20 euro, and a 300 million euro share repurchase and cancellation program, representing the equivalent of 2.4% of the capital, while retaining the necessary financial flexibility to invest in future development.

As of August 31, 2015, the Group had unused bank credit facilities of 1,100 million euro.

The average interest rate on borrowings was 3.8% as of August 31, 2015. The reduction compared to the prior year-end was due to the redemption of the 880 million euro bond issue, which paid interest at an average rate of 5.9%, and the repayment of borrowings denominated in Brazilian reals.

3.1.4 SUBSEQUENT EVENTS

On November 17, 2015, the Board of Directors decided to launch a share repurchase and cancellation program for an amount of 300 million euro, which will be realized over a 12-month period.

3.1.5 OUTLOOK

At the November 17, 2015 meeting of the Board of Directors, Michel Landel, Chief Executive Officer, reminded the Board of the relevance of the Group's long-term strategy, built on its unique integrated Quality of Life Services offer, its unparalleled global network and its uncontested leadership position in emerging countries.

During the meeting, Michel Landel also discussed the profound changes the world is currently undergoing, sources of opportunity for long-term growth for the Group. Sodexo's future success will depend on its ability to convert these changes into opportunities to create value as an even more agile, innovative and flexible partner.

Sodexo is starting Fiscal 2016 in a highly volatile global economy: with low forecasted GDP growth in the short-term in developing economies, in particular in Brazil; oil, gas and mining sectors strongly affected by the decline in commodity prices; uncertainty surrounding currency trends; and a halting recovery in Europe.

Faced with these short-term challenges, the Chief Executive Officer confirms that his Executive Committee is reinforcing the measures needed to adapt. In Fiscal 2016, the Group will **continue to pursue its efforts for simplification and standardization,** notably through the following efforts:

- reinforced adaptation of operating costs on site;
- simplification of the organization; and
- greater pooling of Group expertise on an international scale in both operations and support functions.

The measures taken will progressively generate annual savings of around 200 million euro, between now and Fiscal 2018, when the full benefit will be realized. The implementation of certain of these initiatives will result in exceptional costs over the next 18 months, which are estimated at 200 million euro.

For these reasons, the Group has set the following objectives for Fiscal 2016:

- **organic revenue growth of around 3%; and**
- **growth in operating profit excluding currency effects and before exceptional items of around 8%.**

In the **medium-term,** the Group's growth will be supported by several major trends:

Outsourcing of services by clients in both the private and public sectors continues to represent outstanding growth potential in all markets and geographic regions. The potential for further outsourcing remains significant, particularly in client segments such as Health Care, Seniors, Education, Defense and Justice. At the same time, our clients are increasingly demanding integrated services performed by a reduced number of contractors, thereby offering additional growth opportunities for the Group.

"Seniorization" of populations throughout the world – By 2025, the population over 65 will have doubled to 800 million people worldwide. This trend combined with urbanization will lead to exponential growth in the market for senior care services in the home, in a hospital or an assisted living facility.

Robotics – New technologies can contribute to automating the Group's processes and services, but the human factor remains essential to consumers' quality of life, throughout the world.

Digital – the Group will take advantage of digital technologies which today are revolutionizing the world and transforming relations between Sodexo and its consumers.

In this context, the Group has committed to a reorganization whose progressive deployment started September 1, 2015. Sodexo will evolve from a company organized by country to an organization by client segment. This will allow the Group to continue to deepen its knowledge of consumer expectations in the area of quality of life specific to each segment, and to standardize and pool its expertise thanks to the implementation of operational platforms. This new organization will create enhanced value for Sodexo's clients and consumers, and will thus allow the Group to progressively accelerate growth.

The Board of Directors, confident in the future, confirms the medium-term objectives of:

- **average annual revenue growth, excluding currency effects, of between 4% and 7%;**
- **average annual growth in operating profit, excluding currency effects, of between 8% and 10%; and**
- **an average annual cash conversion ratio[1] of around 100%.**

Lastly, the Board reiterated Sodexo's core strengths:

- significant potential market;
- a unique range of Quality of Life Services particularly well aligned with evolving client demand;
- a global network spanning 80 countries;
- an unchallenged leadership in emerging countries;
- a robust financial model;
- its independence; and
- a strong culture and engaged teams.

In conclusion, the Board added, "We would like to take this opportunity to thank our clients for their loyalty, our shareholders for their confidence, and the Group's 420,000 employees for their efforts in Fiscal 2015 and for their daily commitment to improving the quality of life of our consumers and the performance of our clients."

(1) Free cash flow divided by reported net income.

3.2 Consolidated financial statements as of August 31, 2015

3.2.1 CONSOLIDATED INCOME STATEMENT

(in millions of euro)	Notes	Fiscal 2015	Fiscal 2014
Revenues	3	19,815	18,016
Cost of sales	4.1	(16,657)	(15,265)
Gross profit		3,158	2,751
Administrative and Sales Department costs	4.1	(1,978)	(1,816)
Other operating income	4.1	12	44
Other operating costs	4.1	(56)	(46)
Operating profit(1)	3	1,136	933
Share of profit of companies consolidated by the equity method that directly contribute to the Group's business	3 and 4.9	7	6
Operating profit after share of profit of companies consolidated by the equity method that directly contribute to the Group's business		1,143	939
Interest income	4.2	65	20
Financing costs	4.2	(172)	(193)
Share of profit of other companies consolidated by the equity method	3 and 4.9	7	8
Profit for the period before tax		1,043	774
Income tax expense	4.3	(320)	(265)
Profit for the year		723	509
Of which:			
Non-controlling interests		23	19
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		700	490
Earnings per share *(in euro)*	4.4	4.60	3.23
Diluted earnings per share *(in euro)*	4.4	4.54	3.19

(1) Including 27 million euro in costs recorded in Fiscal 2014 in connection with the program to improve operational efficiency and reduce costs (see note 2.22.4).

3.2.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euro)	Notes	Fiscal 2015	Fiscal 2014
Profit for the year		**723**	**509**
Components of other comprehensive income to be reclassified subsequently to profit or loss			
Change in fair value of available for sale financial assets	4.11.2 and 4.14	(1)	
Change in fair value of Cash Flow Hedge instruments	4.16 and 4.14	(5)	(14)
Change in fair value of Cash Flow Hedge instruments reclassified to profit or loss	4.16 and 4.14	3	13
Currency translation differences		37	29
Tax on components of other comprehensive income to be reclassified subsequently to profit or loss	4.14	1	
Share of other components of comprehensive income of companies consolidated by the equity method, net of tax	4.14	3	
Components of other comprehensive income that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan obligation	4.17.1 and 4.14	56	(75)
Tax on components of other comprehensive income that will not be reclassified subsequently to profit or loss	4.14	(13)	16
Total other comprehensive income (loss), after tax		**81**	**(31)**
COMPREHENSIVE INCOME		**804**	**478**
Of which:			
Equity holders of the parent		782	467
Non-controlling interests		22	11

3.2.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(in millions of euro)	Notes	August 31, 2015	August 31, 2014
NON-CURRENT ASSETS			
Property, plant and equipment	4.5	594	555
Goodwill	4.6	5,300	4,971
Other intangible assets	4.7	505	524
Client investments	4.8	485	361
Companies consolidated by the equity method	4.9	71	60
Financial assets	4.11	122	122
Derivative financial instrument assets	4.16	3	17
Other non-current assets	4.12	22	16
Deferred tax assets	4.20	232	226
Total non-current assets		**7,334**	**6,852**
CURRENT ASSETS			
Financial assets	4.11	24	8
Derivative financial instrument assets	4.16	35	35
Inventories		270	265
Income tax receivable		176	185
Trade and other receivables	4.12	3,891	3,627
Restricted cash and financial assets related to the Benefits and Rewards Services activity	4.11	739	758
Cash and cash equivalents	4.13	2,008	2,748
Total current assets		**7,143**	**7,626**
TOTAL ASSETS		**14,477**	**14,478**

LIABILITIES AND SHAREHOLDERS' EQUITY

(in millions of euro)	Notes	August 31, 2015	August 31, 2014
SHAREHOLDERS' EQUITY			
Common stock		628	628
Additional paid in capital		1,109	1,109
Reserves and retained earnings		1,973	1,452
Equity attributable to equity holders of the parent		**3,710**	**3,189**
Non-controlling interests		**34**	**32**
Total shareholders' equity	**4.14**	**3,744**	**3,221**
NON-CURRENT LIABILITIES			
Borrowings	4.15	2,765	2,895
Derivative financial instrument liabilities	4.16		1
Employee benefits	4.17	418	449
Other non-current liabilities	4.19	192	233
Provisions	4.18	88	104
Deferred tax liabilities	4.20	130	148
Total non-current liabilities		**3,593**	**3,830**
CURRENT LIABILITIES			
Bank overdrafts	4.13	39	61
Borrowings	4.15	315	957
Derivative financial instrument liabilities	4.16	5	15
Income tax payable		133	132
Provisions	4.18	83	88
Trade and other payables	4.19	4,069	3,592
Vouchers payable		2,496	2,582
Total current liabilities		**7,140**	**7,427**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**14,477**	**14,478**

3.2.4 CONSOLIDATED CASH FLOW STATEMENT

(in millions of euro)	Notes	Fiscal 2015	Fiscal 2014
Operating activities			
Operating profit		1,136	933
Elimination of non-cash and non-operating items			
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		277	250
Provisions		(11)	(21)
(Gain)/loss on disposal and other non-cash items			(30)
Dividends received from companies consolidated by the equity method		10	12
Change in working capital from operating activities		44	117
Change in inventories		5	5
Change in trade and other receivables		(239)	(138)
Change in trade and other payables		202	218
Change in vouchers payable		100	103
Change in financial assets related to the Benefits and Rewards Services activity		(24)	(71)
Interest paid		(189)	(159)
Interest received		39	24
Income tax paid		(289)	(301)
Net cash provided by operating activities		**1,017**	**825**
Investing activities			
Acquisitions of property, plant and equipment and intangible assets		(302)	(245)
Disposals of property, plant and equipment and intangible assets		18	26
Change in client investments	4.8	(62)	(68)
Change in financial assets		17	
Acquisitions of subsidiaries		(56)	(50)
Dispositions of subsidiaries		7	
Net cash used in investing activities		**(378)**	**(337)**
Financing activities			
Dividends paid to parent company shareholders	4.14	(276)	(248)
Dividends paid to non-controlling shareholders of consolidated companies		(25)	(18)
Purchases of treasury shares	4.14	(84)	(74)
Disposition of treasury shares		59	57
Increase in share capital		2	
Proceeds from borrowings		7	1,903
Repayment of borrowings		(1,048)	(700)
Net cash provided by/(used in) financing activities		**(1,365)**	**920**
CHANGE IN NET CASH AND CASH EQUIVALENTS		**(726)**	**1,408**
Net effect of exchange rates and other effects on cash		8	(28)
Net cash and cash equivalents, beginning of period		2,687	1,307
NET CASH AND CASH EQUIVALENTS, END OF PERIOD	**4.13**	**1,969**	**2,687**

3.2.5 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euro)	Shares outstanding	Share capital	Share premium	Treasury shares	Reserves and comprehensive income	Translation adjustments	Total shareholders' equity: Attributable to equity holders of the parent	Non-controlling interests	Total
Notes	4.14			4.14	4.14				
Shareholders' equity as of August 31, 2013	157,132,025	628	1,109	(392)	2,099	(494)	2,950	37	2,987
Profit for the year					490		490	19	509
Other comprehensive income (loss), net of tax					(60)	37	(23)	(8)	(31)
Comprehensive income					430	37	467	11	478
Dividends paid					(248)		(248)	(19)	(267)
Treasury shares				(17)			(17)		(17)
Share-based payment (net of income tax)					33		33		33
Other[1]					4		4	3	7
Shareholders' equity as of August 31, 2014	157,132,025	628	1,109	(409)	2,318	(457)	3,189	32	3,221
Profit for the year					700		700	23	723
Other comprehensive income (loss), net of tax					44	38	82	(1)	81
Comprehensive income					744	38	782	22	804
Dividends paid					(276)		(276)	(24)	(300)
Treasury shares				(25)			(25)		(25)
Share-based payment (net of income tax)					38		38		38
Change in ownership interest without any change of control					(2)		(2)		(2)
Other[1]					4		4	4	8
Shareholders' equity as of August 31, 2015	**157,132,025**	**628**	**1,109**	**(434)**	**2,826**	**(419)**	**3,710**	**34**	**3,744**

(1) Including the effects of hyperinflation.

3.3 Notes to the consolidated financial statements

DETAILED LIST OF NOTES

Sodexo is a *société anonyme* (a form of limited liability company) domiciled in France, with its headquarters located in Issy-les-Moulineaux.
Sodexo's consolidated financial statements for the fiscal year ended August 31, 2015 were approved by the Board of Directors on November 17, 2015 and will be submitted to the Annual Shareholders' Meeting on January 26, 2016.

1. SIGNIFICANT EVENTS

On January 30, 2015, Sodexo SA redeemed the bonds issued in 2009 for a total amount of 880 million euro. With the refinancing transactions carried out in 2014, including the U.S. Private Placement completed in March 2014 for an amount of 1.1 billion U.S. dollars and a bond issue carried out in June 2014 for 1.1 billion euro, the Group has significantly extended the life of its debt and gradually reduced its borrowing costs.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1.1 Basis of preparation of financial information for Fiscal 2015

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 period end. A comprehensive list of accounting standards adopted by the European Union is available for consultation on the European Commission website at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

Information for the comparative year presented has been prepared using the same principles.

The IFRS application dates as approved by the European Union are the same as those for the IFRS standards published by the IASB during the past three years, except for IFRS 10, IFRS 11 and IFRS 12, which are applicable in accounting periods beginning on or after January 1, 2013 according to the IASB and in accounting periods beginning on or after January 1, 2014 in the European Union. The Group early-adopted these standards as from September 1, 2013 (see note 2.1.2). Any difference between the two sets of standards arising out of delays in approval by the European Union had no impact on the consolidated financial statements.

2.1.2 New accounting standards and interpretations required to be applied

The new standards, interpretations or amendments whose application was mandatory for the Group effective for the fiscal year beginning September 1, 2014 had no material impact on the consolidated financial statements. In particular, retrospective application of IFRIC 21 "Levies," which describes the criteria for recognizing a liability for the payment of a levy other than income tax, had no material impact on the consolidated income statement or statement of financial position for Fiscal 2014.

The Group elected to early adopt IFRS 10 "Consolidated Financial Statements," IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities," as well as the amendments to IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" in the consolidated financial statements for the fiscal year beginning September 1, 2013.

2.1.3 Accounting standards and interpretations issued but not yet applicable

The Group has not elected to early adopt any standards, interpretations or amendments not required to be applied in Fiscal 2014.

The Group has not applied any IFRSs that had not yet been approved by the European Union as of August 31, 2015.

The impacts of applying IFRS 15 "Revenue from Contracts with Customers" are currently under review. This standard will be applicable to the Group as from Fiscal 2019, provided that it has been adopted for use in the European Union.

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 evaluations 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.

Actual results 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 4.10 to 4.12);
- fair value of derivative financial instruments (note 4.16);
- provisions and litigation (notes 4.18 and 4.28);
- valuation of post-employment defined benefit plan assets and liabilities (note 4.17);
- recognition of deferred tax assets (note 4.20);
- share-based payment (note 4.22);
- valuation of goodwill and intangible assets acquired as part of a business combination, as well as their estimated useful lives (note 4.23).

2.3 PRINCIPLES AND METHODS OF CONSOLIDATION

2.3.1 Intragroup transactions

Intragroup transactions and balances, and unrealized losses and gains between Group companies, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, unless they represent an impairment loss.

2.3.2 Consolidation methods

A subsidiary is an entity directly or indirectly controlled by Sodexo SA. 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 SA 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 SA directly or indirectly exercises joint control and has rights to the net assets of the arrangement. Associates and joint ventures are consolidated by 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, 2015 is provided in note 6.

2.3.3 Foreign currency translation

The exchange rates used are derived from rates quoted on the Paris Bourse and other major international financial markets.

2.3.3.1 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.

2.3.3.2 FINANCIAL STATEMENTS DENOMINATED IN FOREIGN CURRENCIES

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 differences". At the time of the transition to IFRS, the cumulative translation adjustments recognized as of September 1, 2004 were reclassified to consolidated reserves.

Statutory monetary adjustments are maintained in the financial statements of subsidiaries in countries that were previously hyperinflationary (Argentina, Chile, Colombia, Mexico and Turkey). The residual translation differences between the monetary adjustment and the use of closing exchange rates are reported in shareholders' equity.

Countries with hyperinflationary economies

For these countries, the difference between profit or loss for the period translated at the average rate and profit or loss for the period translated at the closing rate is recognized in financial income or expense.

Subsidiaries operating in Venezuela

At the end of calendar 2009, Venezuela joined the list of countries considered hyperinflationary according to the criteria in IAS 29. Consequently, with effect from the fiscal year ended August 31, 2010, for the preparation of the consolidated financial statements the Group applied the specific accounting requirements of this standard to the transactions of its subsidiaries operating in Venezuela that use the local currency as their functional currency.

Effective from Fiscal 2010, the Group no longer uses the official exchange rate published by the Venezuelan government, and translated the financial statements of subsidiaries operating in Venezuela at the actual rate obtained for the most recent currency transactions. Accordingly, based on the rates obtained for transactions carried out in June 2014 and August 2014 on the SICAD II platform, the exchange rate used for the year ended August 31, 2014 was 1 U.S. dollar = 51.06 bolivars (1 euro = 67.34 bolivars).

On February 10, 2015, the Venezuelan government announced that it was setting up a new foreign exchange platform called SIMADI (Marginal Currency Exchange System) to replace the SICAD II platform. In mid-July 2015, Sodexo decided to transition to the new platform and started bidding for dollars on SIMADI. In the absence of any other transactions carried out during the year, the Group considers that the best estimate of the exchange rate at which funds from its activities in Venezuela could be repatriated at the fiscal year-end is the rate observed on August 28, 2015 on the SIMADI platform. The exchange rate used for the year ended August 31, 2015 is therefore 1 U.S. dollar = 198.96 bolivars (1 euro = 223.14 bolivars).

2.4 BUSINESS COMBINATIONS AND GOODWILL

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 evaluations 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 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 2.8. Goodwill impairment losses recognized in the income statement are irreversible.

2.4.1 Goodwill

2.4.1.1 ACQUISITIONS MADE SINCE SEPTEMBER 1, 2009

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 acquired assets or 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.

2.4.1.2 ACQUISITIONS MADE BETWEEN SEPTEMBER 1, 2004 AND AUGUST 31, 2009

Any excess of the cost of an acquisition over the Group's interest in the fair value at the acquisition date of the identifiable assets, liabilities and contingent liabilities has been recognized as goodwill in the statement of financial position. Costs incurred and directly related to the acquisition were included in the acquisition cost and therefore in goodwill.

2.4.2 Bargain purchases

When the fair value of the net 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.

2.4.3 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.

Prior to September 1, 2009, goodwill was recognized as of the date of acquisition of non-controlling interests, representing the excess of the cost of acquisition of the shares over their carrying value as of the transaction date.

2.4.4 Adjustments and/or earn-outs

Since September 1, 2009, 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 are adjusted to goodwill only if they occur within the time period 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 and loss except when the consideration transferred consists of an equity instrument.

2.4.5 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 and 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.

2.5 INTANGIBLE ASSETS

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 losses.

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	3-5 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 name recognition) are not amortized.

In view of the legal characteristics of French commercial leases, lease rights are considered as having an indefinite useful life and are not amortized.

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.

2.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, except for land, which is measured at cost less accumulated impairment losses. 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 and, if necessary, adjusted at each period end.

The carrying amounts of items of property, plant and equipment are tested for impairment if there is an indication that an item has become impaired.

2.7 LEASES

Finance leases, under which substantially all the risks and rewards incidental to ownership of an asset are transferred to Sodexo, are accounted for as follows:

- at inception of the lease term, the leased asset is recognized as an asset at the lower of fair value or the present value of the minimum lease payments;
- the corresponding liability is recognized in borrowings;
- lease payments are apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the remaining balance of the liability.

An asset held under a finance lease is depreciated over its estimated useful life, or if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, over the shorter of the lease term and its useful life.

Leases under which the lessor retains substantially all the risks and rewards incidental to ownership of the asset are treated as operating leases. Payments made under operating leases are expensed as an operating item on a straight-line basis over the term of the lease.

2.8 IMPAIRMENT OF ASSETS

2.8.1 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 an objective indication of impairment. Impairment losses are recognized in the income statement, and may be reversed subsequently.

2.8.2 Impairment of assets with indefinite useful lives

Goodwill and other intangible assets considered to have an indefinite useful life (such as 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 data as of August 31.

2.8.2.1 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. This level generally corresponds to one of the Group's two main operating segments, with the On-site Services activity further segmented into geographic regions. Goodwill is not tested for impairment at a higher level than the operating segment (see note 3).

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.

2.8.2.2 INDICATIONS OF IMPAIRMENT

The main indicators that a CGU may be impaired are a significant decrease in the CGU's revenues and operating profit or material changes in market trends.

2.8.2.3 METHODS USED TO DETERMINE THE RECOVERABLE AMOUNT

An impairment loss is recognized in the income statement when the carrying amount of an asset or CGU is greater than its recoverable amount.

Recoverable amount is the greater of:

- fair value less costs to sell, *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.

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 three years, but the planning period may be extended to five years by decision of management.

Management both at Group and subsidiary levels prepares operating profit forecasts on the basis of past performance and expected market trends. The growth rate used beyond the initial period of the business plan reflects the growth rate for the business sector and region involved.

Expected future cash flows are discounted at the average cost of capital calculated for the Group. For certain CGUs or groups of CGUs a premium is added to the average cost of capital in order to reflect the greater risk factors affecting certain countries.

The growth and discount rates used for impairment tests during the period are provided in note 4.10.

2.8.2.4 RECOGNITION OF IMPAIRMENT LOSSES

An impairment loss recognized with respect to a CGU 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 in proportion to the carrying amount of each asset.

2.8.3 Reversal of impairment losses

Impairment losses recognized with respect to goodwill cannot be reversed.

Impairment losses recognized with respect to any other asset may only be reversed if there is an indication that the impairment loss is lower or no longer exists. The amount reversed is based on new estimates of the recoverable amount.

The increased carrying amount of an asset resulting from the reversal of an impairment loss cannot exceed the carrying amount that would have been determined for that asset had no impairment loss been recognized.

2.9 CLIENT INVESTMENTS

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. These assets are generally amortized over a period of less than 10 years, but may be amortized over a longer period depending on the contract duration. The amortization is recognized as a reduction to revenues over the life of the contract.

In the cash flow statement, changes in the value of these investments are presented as a component of investing cash flows.

2.10 INVENTORIES

Inventories are measured at the lower of cost or net realizable value. Cost is determined by the FIFO (First In First Out) method.

2.11 TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognized at fair value, and are subsequently measured at amortized cost less impairment losses recognized in the income statement.

Impairment is recognized when there is objective evidence of the Group's inability to recover the full amount due under the initial contract terms. The impairment recognized represents the difference between the carrying amount of the asset and the discounted future cash flow, estimated using the initial effective interest rate. The resulting impairment loss is recognized in the income statement.

2.12 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 or of valuations carried out by the depositary bank.

2.12.1 Financial assets

Financial assets are measured and recognized in three main categories:

- **available-for-sale financial assets** include equity investments in non-consolidated entities, marketable securities with maturities greater than three months, and restricted cash. They are measured at fair value, with changes in fair value recognized in other comprehensive income. When an available-for-sale financial asset is sold or impaired, the cumulative fair value adjustment recognized in other comprehensive income is transferred to the income statement. For securities listed on an active market, fair value is considered to equal market value. If no active market exists, fair value is generally determined based on appropriate financial criteria for the specific security. If the fair value of an available-for-sale financial asset cannot be reliably measured, it is recognized at cost;
- **loans and receivables** include financial and security deposits, and loans to non-consolidated equity investees. These financial assets are recognized in the statement of financial position at fair value and subsequently at amortized cost, which is equivalent to acquisition cost as no significant transaction costs are incurred in acquiring such assets. They are tested for impairment if there is an indication that they may be impaired, and an impairment loss is recognized if the carrying amount of the asset is greater than its estimated recoverable amount;
- **financial assets at fair value through profit or loss** include other financial assets held for trading and acquired for the purpose of resale in the near term. Subsequent changes in the fair value of these assets are recognized in financial income or expense in the income statement.

2.12.2 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.

Most of the Group's variable-rate borrowings are converted to fixed-rate using interest rate swaps. In most cases where borrowings are made in a currency other than that of the acquired entity, currency swaps are contracted.

These 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 on the ineffective portion of the hedge are recognized in the income statement.

The fair value of these derivative instruments is generally determined based on valuations provided by the bank counter-parties.

2.12.3 Commitments to purchase non-controlling interests

As required by IAS 32, 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 canceled;
- additional goodwill is recognized for the balance.

2.12.4 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.

2.13 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 which either 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.

2.14 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.

2.15 SODEXO TREASURY SHARES

Sodexo shares held by Sodexo SA 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 period.

2.16 PROVISIONS

A provision is recognized if the Group has a legal or constructive obligation at the period end 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.

Loss-making contracts

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.

2.17 EMPLOYEE BENEFITS

2.17.1 Short-term benefits

Group employees receive short-term benefits such as vacation pay, sick pay, bonuses and other benefits (other than termination benefits), payable within 12 months of the related service period.

These benefits are reported as current liabilities.

2.17.2 Post-employment 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).

Remeasurements 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, are 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 multi-employer plans, primarily in Sweden and 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.

2.17.3 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.

2.18 VOUCHERS PAYABLE

Vouchers payable are recognized as a current liability at fair value, which is the face value of vouchers in circulation or returned to Sodexo but not yet reimbursed to affiliates.

2.19 SHARE-BASED PAYMENT

Some Group employees receive compensation in the form of share-based payment, 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.

Each year, Sodexo reassesses the number of potentially exercisable stock options that are expected to vest as well as the number of shares that will likely be delivered to beneficiaries of free 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.

The features of the Group's share-based payment plans are set out in note 4.22.

2.20 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.

2.21 TRADE AND OTHER PAYABLES

Trade and other payables are measured at fair value on initial recognition, and subsequently at amortized cost.

2.22 INCOME STATEMENT

2.22.1 Income statement by function

Sodexo presents its income statement by function.

Operating profit comprises the following components:

- gross profit;
- Administrative and Sales Department costs; and
- other operating income and expense.

Other operating income and expenses include amortization and impairment losses on client relationships and trademarks, impairment losses on goodwill, and gains and losses on disposals of property, plant and equipment, intangible assets and consolidated subsidiaries.

The Group's share of the profits of companies consolidated by the equity method is included in "Operating profit after share of profit of companies consolidated by the equity method that directly contribute to the Group's business" or below this line in "Profit for the period before tax" depending on the nature of each of these companies' activities.

2.22.2 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 the contract, taking into account whether Sodexo acts as principal (the vast majority of cases) or agent;
- Benefits and Rewards Services: revenues include 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.

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. Revenues are recognized when it is probable that future economic benefits will flow to Sodexo and these benefits can be measured reliably. No income is recognized if there is significant uncertainty about recoverability of the costs incurred or to be incurred in meeting the service obligation.

Foodservices and other On-site Services revenues are recognized when the service is rendered.

Commissions received from clients in the Benefits and 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.

2.22.3 Income tax expense

In connection with the introduction of the *contribution économique territoriale* (CET – "Local Economic Contribution") under the 2010 Finance Bill in France, which applies to French subsidiaries, Sodexo has elected to recognize in income tax expense the portion of the CET related to the *cotisation sur la valeur ajoutée des entreprises* (tax on corporate value added).

Tax credits that do not affect taxable profit and 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 reduce the expenses to which they relate.

2.22.4 Program to improve operational efficiency and reduce costs

In early Fiscal 2013, the Group launched a program to improve its operational efficiency and reduce costs over an 18-month period ended February 28, 2014, in order to strengthen its competitiveness. The expenses incurred in connection with this program are presented under various operating expense captions in the income statement depending on the functions concerned. In the Group's segment information they are presented in the "Unallocated" column. They mainly relate to net contract termination costs (including impairments of assets dedicated to the contracts and any losses and provisions related to loss-making contracts) and reorganization costs.

2.23 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.

A reconciliation between the weighted average number of ordinary shares for the period and the weighted average number of shares for the period adjusted for the effects of potentially dilutive ordinary shares is presented in note 4.4.

2.24 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.

3. OPERATING SEGMENTS

The Group's activities are monitored by the chief operating decision maker as follows: On-site Services and Benefits and Rewards Services. The On-site Services activity is further segmented by geographic region.

Operating segments with similar economic characteristics, including similar long-term average operating margins, are aggregated in a single operating segment.

The On-site Services – Rest of the World segment aggregates activities of three operating segments: On-site Services – Latin America, On-site Services – Africa, Middle East, Asia and Australia and On-site Services – China. These three operating segments aggregate countries and regions located in emerging economies and therefore have certain shared economic characteristics. In addition, none of these countries or regions meets the quantitative threshold for separate reporting under paragraph 13 of IFRS 8.

The Group's operating segments are as follows:

- On-site Services operating segments:
  - North America,
  - Continental Europe,
  - United Kingdom and Ireland,
  - Rest of the World;
- Benefits and Rewards Services.

No single Group client or contract accounts for more than 2% of consolidated revenues.

3.1 BY OPERATING ACTIVITY

Fiscal 2015 *(in millions of euro)*	On-site Services North America	Continental Europe	United Kingdom and Ireland	Rest of the World	Total	Benefits and Rewards Services	Corporate expenses	Eliminations	Unallocated	Total
Revenues (third-party)	7,972	5,686	1,832	3,504	18,994	821				19,815
Inter-segment sales (Group)						6		(6)		
TOTAL	**7,972**	**5,686**	**1,832**	**3,504**	**18,994**	**827**		**(6)**		**19,815**
Segment operating profit[1]	499	238	94	161	992	285	(128)	(6)		1,143
Share of profit of other companies consolidated by the equity method										7
Net financing costs										(107)
Income tax expense										(320)
Non-controlling interests										23
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT										**700**
Depreciation/amortization of property, plant and equipment and intangible assets	49	107	30	40	226	31	20			277
Other non-cash items	9	8	2	4	23	3	12			38

(1) Including share of profit of companies consolidated by the equity method that directly contribute to the Group's business.

Fiscal 2014 *(in millions of euro)*	On-site Services North America	Continental Europe	United Kingdom and Ireland	Rest of the World	Total	Benefits and Rewards Services	Corporate expenses	Eliminations	Unallocated[2]	Total
Revenues (third-party)	6,759	5,702	1,483	3,327	17,271	745				18,016
Inter-segment sales (Group)						6		(6)		
TOTAL	**6,759**	**5,702**	**1,483**	**3,327**	**17,271**	**751**		**(6)**		**18,016**
Segment operating profit[1]	358	231	66	140	795	268	(91)	(6)	(27)	939
Share of profit of other companies consolidated by the equity method										8
Net financing costs										(173)
Income tax expense										(265)
Non-controlling interests										19
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT										**490**
Depreciation/amortization of property, plant and equipment and intangible assets	47	98	20	41	206	31	17		(4)	250
Other non-cash items	6	5	2	3	16	2	10			28

(1) Including share of profit of companies consolidated by the equity method that directly contribute to the Group's business.
(2) Corresponding to the costs recorded in connection with the program to improve operational efficiency and reduce costs (see note 2.22.4).

3.2 BY SIGNIFICANT COUNTRY

The Group's operations are spread across 80 countries, including two that each represent over 10% of consolidated revenues: France (the Group's home country) and the United States. Revenues and non-current assets in these countries are as follows:

August 31, 2015 *(in millions of euro)*	France	United States	Other	Total
Revenues (third-party)	2,796	7,588	9,431	19,815
Non-current assets(1)	1,092	3,277	2,515	6,884

(1) Property, plant and equipment, goodwill, other intangible assets, client investments.

August 31, 2014 *(in millions of euro)*	France	United States	Other	Total
Revenues (third-party)	2,827	6,385	8,804	18,016
Non-current assets(1)	1,084	2,715	2,612	6,411

(1) Property, plant and equipment, goodwill, other intangible assets, client investments.

3.3 BY TYPE OF SERVICE

Revenues by type of service are as follows:

(in millions of euro)	Fiscal 2015	Fiscal 2014
Foodservices	13,356	12,327
Facilities management services	5,638	4,944
Total On-site Services revenues	**18,994**	**17,271**
Benefits and Rewards Services	827	751
Eliminations	(6)	(6)
TOTAL CONSOLIDATED REVENUES	**19,815**	**18,016**

4. NOTES TO THE FINANCIAL STATEMENTS AS OF AUGUST 31, 2015

4.1 OPERATING EXPENSES BY NATURE

(in millions of euro)	Fiscal 2015	Fiscal 2014[3]
Depreciation, amortization and impairment losses	(253)	(263)
Employee costs		
• Wages and salaries	(7,350)	(6,580)
• Other employee costs[1]	(2,137)	(1,960)
Purchases of consumables and change in inventory	(5,716)	(5,332)
Other operating expenses[2]	(3,223)	(2,948)
TOTAL	**(18,679)**	**(17,083)**

(1) Primarily payroll taxes, but also including costs associated with defined benefit plans (note 4.17), defined contribution plans (note 4.17), and stock options and free shares (note 4.22).
(2) Other operating expenses mainly include operating lease expenses (318 million euro for Fiscal 2015 and 288 million euro for Fiscal 2014), professional fees, other purchases of consumables, sub-contracting costs and travel expenses.
(3) Including 27 million euro in costs recorded in Fiscal 2014 in connection with the program to improve operational efficiency and reduce costs.

4.2 FINANCE INCOME AND EXPENSE

(in millions of euro)	Fiscal 2015	Fiscal 2014
Gross borrowing cost[1]	(150)	(157)
Interest income from short-term bank deposits and equivalent	22	16
Net borrowing cost	**(128)**	**(141)**
Interest income from loans and receivables at amortized cost	5	4
Other interest income	13	
Other interest expense	(6)	(4)
Net foreign exchange gains/(losses)	9	(6)
Net interest cost on net defined benefit plan obligation	(9)	(7)
Monetary adjustment for hyperinflation	(7)	(8)
Change in fair value of derivative financial instruments not qualified for hedge accounting	1	(1)
Other	15	(10)
Net financing costs	**(107)**	**(173)**
Interest income component	65	20
Financial expense component	(172)	(193)

(1) Gross borrowing cost represents interest expense on financial liabilities at amortized cost and interest expense on hedging instruments.

4.3 INCOME TAX EXPENSE

4.3.1 Income tax rate reconciliation

(in millions of euro)	Fiscal 2015	Fiscal 2014
Profit for the period before tax	1,043	774
Share of profit of companies consolidated by the equity method	(14)	(14)
Accounting profit before tax	**1,029**	**760**
Tax rate applicable to Sodexo SA[1]	38.0%	38.0%
Theoretical income tax expense	**(391)**	**(289)**
Effect of jurisdictional tax rate differences	68	55
Additional tax on dividends paid	(8)	(7)
Permanently non-deductible expenses or non-taxable income	30	17
Other tax repayments/(charges), net	(7)	(17)
Tax loss carry-forwards used or recognized during the period but not recognized as a deferred tax asset in prior periods	7	1
Tax loss carry-forwards arising during the period but not recognized as a deferred tax asset	(15)	(16)
Actual income tax expense	**(316)**	**(256)**
Withholding taxes	(4)	(9)
TOTAL INCOME TAX EXPENSE	**(320)**	**(265)**

(1) The tax rate includes the temporary surtax introduced in December 2011 for companies whose revenues (or those of the tax group of which they are a member) exceed 250 million euro, payable by Sodexo for the fiscal years ended August 31, 2012 through August 31, 2016.

4.3.2 Components of income tax expense

(in millions of euro)	Fiscal 2015	Fiscal 2014
Current income taxes	(328)	(256)
Adjustments to current income tax payable in respect of prior periods	4	1
Provision for tax exposures	1	(1)
Utilization of tax credits, tax losses and temporary difference carry-forwards	(13)	(32)
Current income taxes	**(336)**	**(288)**
Deferred taxes on temporary differences arising or reversing during the period	15	15
Deferred taxes on changes in tax rates or liability for taxes at new rates	4	2
Utilization of tax credits, tax losses and tax loss carry-forwards	1	15
Deferred income taxes	**20**	**32**
ACTUAL INCOME TAX EXPENSE	**(316)**	**(256)**

The effective tax rate, calculated on the basis of the profit for the period before taxes and excluding the share of profit of companies consolidated by the equity method, decreased from 34.8% for Fiscal 2014 to 31.1% for Fiscal 2015.

4.4 EARNINGS PER SHARE

The table below presents the calculation of basic and diluted earnings per share:

	Fiscal 2015	Fiscal 2014
Profit for the period attributable to equity holders of the parent	700	490
Basic weighted average number of shares	152,087,430	151,893,759
Basic earnings per share[(1)]	**4.60**	**3.23**
Average dilutive effect of stock option and free share plans	2,053,869	1,712,862
Diluted weighted average number of shares	154,141,299	153,606,621
Diluted earnings per share[(1)]	**4.54**	**3.19**

(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 4.14. Based on the number of registered shares as of August 31, 2015, such shares total 6,270,193 shares (3,144,120 shares as of August 31, 2014).

All of the stock option plans and free share plans have a dilutive impact in both Fiscal 2014 and Fiscal 2015.

4.5 PROPERTY, PLANT AND EQUIPMENT

4.5.1 Analysis of property, plant and equipment

The tables below include assets held under finance leases.

(in millions of euro)	Land and buildings	Plant and equipment	Construction in progress and other	Total
Carrying amount – August 31, 2013	86	381	73	540
Increases during the fiscal year	5	137	63	205
Decreases during the fiscal year	(5)	(15)	(5)	(25)
Newly consolidated companies	6			6
Newly deconsolidated companies			(1)	(1)
Depreciation expense	(13)	(146)	(19)	(178)
Impairment losses reversed in profit or loss		7		7
Translation adjustment	1			1
Other	1	28	(29)	
Carrying amount – August 31, 2014	81	392	82	555
Increases during the fiscal year	9	205	19	233
Decreases during the fiscal year	(4)	(11)	(5)	(20)
Newly consolidated companies		11		11
Newly deconsolidated companies	(3)	(1)		(4)
Depreciation expense	(2)	(171)	(13)	(186)
Translation adjustment	2	6	2	10
Other	(11)	34	(28)	(5)
Carrying amount – August 31, 2015	72	465	57	594

(in millions of euro)	August 31, 2015	August 31, 2014
Cost	1,834	1,691
Accumulated depreciation and impairment	(1,240)	(1,136)
Carrying amount	594	555

No item of property, plant and equipment is pledged as collateral for a liability.

Depreciation and impairment losses are reported under either cost of sales or administrative and sales department costs.

4.5.2 Analysis of assets held under finance leases

Sodexo holds property, plant and equipment under a large number of finance leases on sites throughout the world. These leases relate mainly to kitchens and kitchen equipment, and office equipment; the terms are negotiated locally.

Carrying amount *(in millions of euro)*	Buildings	Plant and equipment	Construction in progress and other	Total
August 31, 2013	7	38	1	46
August 31, 2014	7	14		21
August 31, 2015	6	14		20

(in millions of euro)	August 31, 2015	August 31, 2014
Cost	49	59
Accumulated depreciation and impairment	(29)	(38)
Carrying amount	**20**	**21**

Maturities of payments under finance leases are provided in note 4.15.5.

4.6 GOODWILL

Changes in goodwill, aggregated by operating segment, were as follows during the fiscal year:

(in millions of euro)		August 31, 2014	Additions during the period	Disposals during the period	Translation adjustment	Other	August 31, 2015
On-site Services North America	Gross	2,226	6		391		2,623
	Impairment						
On-site Services United Kingdom and Ireland	Gross	597			55		652
	Impairment						
On-site Services Continental Europe	Gross	1,055		(2)	(6)		1,047
	Impairment						
On-site Services Rest of the World	Gross	509			(76)		433
	Impairment						
Benefits and Rewards Services	Gross	584	53		(92)		545
	Impairment	(2)					(2)
Holding companies	Gross	2					2
	Impairment						
TOTAL	**GROSS**	**4,973**	**59**	**(2)**	**272**		**5,302**
	IMPAIRMENT	**(2)**					**(2)**

Goodwill recognized in Fiscal 2015 on acquisitions made during the year mainly concerned the acquisition of 100% of Motivcom plc in the United Kingdom.

Changes in goodwill, aggregated by operating segment, were as follows in Fiscal 2014:

(in millions of euro)		August 31, 2013	Additions during the period	Disposals during the period	Translation adjustment	Other	August 31, 2014
On-site Services North America	Gross	2,216	2		8		2,226
	Impairment						
On-site Services United Kingdom and Ireland	Gross	557			40		597
	Impairment						
On-site Services Continental Europe	Gross	982	79		(6)		1,055
	Impairment						
On-site Services Rest of the World	Gross	485			24		509
	Impairment						
Benefits and Rewards Services	Gross	563	6		11	4	584
	Impairment	(2)					(2)
Holding companies	Gross	2					2
	Impairment						
TOTAL	**GROSS**	**4,805**	**87**		**77**	**4**	**4,973**
	IMPAIRMENT	**(2)**					**(2)**

Goodwill recognized in Fiscal 2014 on acquisitions made during the year mainly concerned the increase in ownership to 100% of Crèche Attitude in France.

4.7 OTHER INTANGIBLE ASSETS

The tables below show movements in other intangible assets during Fiscal 2014 and Fiscal 2015.

(in millions of euro)	Licenses and software	Client relationships, trademarks and other	Total
Carrying amount – August 31, 2013	109	419(1)	528
Increases during the fiscal year	41	5	46
Decreases during the fiscal year	(2)		(2)
Newly consolidated companies		22	22
Amortization expense	(40)	(34)	(74)
Impairment losses recognized in profit or loss		(5)	(5)
Translation adjustment		12	12
Other	3	(6)	(3)
Carrying amount – August 31, 2014	111	413(1)	524
Increases during the fiscal year	57	5	62
Decreases during the fiscal year		(1)	(1)
Newly consolidated companies		20	20
Amortization expense	(45)	(39)	(84)
Impairment losses recognized in profit or loss		(7)	(7)
Translation adjustment	2	(14)	(12)
Other	18	(15)	3
Carrying amount – August 31, 2015	143	362(1)	505

(1) Including trademarks and lease rights with an indefinite useful life for 50 million euro as of August 31, 2014 and 2015.

(in millions of euro)	August 31, 2015	August 31, 2014
Cost	1,063	1,032
Accumulated amortization and impairment	(558)	(508)
Carrying amount	**505**	**524**

Amortization and impairment losses are reported under either cost of sales or general and administrative costs, except for amortization and impairment of client relationship and trademark intangible assets, which are recognized in "Other operating expenses".

4.8 CLIENT INVESTMENTS

(in millions of euro)	Fiscal 2015	Fiscal 2014
Carrying amount – September 1	361	288
Increases during the fiscal year	139	129
Decreases during the fiscal year	(77)	(61)
Translation adjustments	62	5
Carrying amount as of August 31	**485**	**361**

4.9 COMPANIES CONSOLIDATED BY THE EQUITY METHOD

When Sodexo is legally or constructively obligated to make payments on behalf of companies consolidated by the equity method, provision is made under liabilities in the consolidated statement of financial position for its share in the negative shareholders' equity of the said companies (cf. note 4.18). Changes in the Group's share of the net assets of companies consolidated by the equity method in Fiscal 2014 and Fiscal 2015 are shown below:

	Fiscal 2015			Fiscal 2014		
(in millions of euro)	Joint ventures	Associates	Total	Joint ventures	Associates	Total
As of September 1	43	4	47	56	4	60
Positive amounts	56	4	60	73	5	78
Negative amounts	(13)		(13)	(17)	(1)	(18)
Share of profit for the period	11	3	14	13	1	14
Other comprehensive income[(1)]	3		3			
Dividend paid for the period	(8)	(1)	(9)	(11)	(1)	(12)
Changes in scope of consolidation				(14)		(14)
Translation adjustments	5		5	(1)		(1)
Other movements	1		1			
AS OF AUGUST 31	**55**	**6**	**61**	**43**	**4**	**47**
Positive amounts	65	6	71	56	4	60
Negative amounts	(10)		(10)	(13)		(13)

(1) Corresponding to changes in fair value of derivative financial instrument hedges, net of tax (note 4.16).

4.10 IMPAIRMENT OF ASSETS

Impairments of 50 million euro and 43 million euro were recognized on property, plant and equipment and intangible assets (including goodwill) as of August 31, 2015 and 2014 respectively. Movements for the year represented a net charge of 7 million euro in Fiscal 2015 and a net release of 2 million euro in Fiscal 2014.

Assets with indefinite useful lives were tested for impairment as of August 31, 2015 using the methods described in note 2.8.2.

The main assumptions used rely on the macro-economic outlook for the geographic regions in which the CGUs or groups of CGUs defined by Sodexo operate. They are as follows (any impairment loss is recognized in other operating expense):

Economic region	Fiscal 2015		Fiscal 2014	
	Discount rate(1)	Long-term growth rate(2)	Discount rate(1)	Long-term growth rate(2)
Continental Europe	8.7%	1.75%	9.0%	2.0%
North America	7.9%	2.0%	8.2%	2.5%
United Kingdom and Ireland	7.9%	2.1%	8.2%	2.3%
Latin America	10.6%	4.0%	10.9%	4.0%
Rest of the World (excluding Latin America)	9.4%	3.0%	9.2%	3.3%
Benefits and Rewards Services	9.9%	3.4%	10.2%	3.6%

(1) The discount rate defined by the Group has been increased for certain regions in order to incorporate more significant risk factors affecting certain countries.
(2) The long-term growth rate serves to extrapolate the terminal value based on data in the management plans.

Sensitivity analysis

Sodexo has analyzed the sensitivity of impairment test results to different long-term growth rates and discount rates.

The results of this 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 a CGU or group of CGUs 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 of the CGUs or groups of CGUs tested.

The Group also performed a sensitivity analysis on the operational assumptions used in order to determine whether a 5% decrease in projected net cash flows over the time period of the business plans prepared by management and in terminal value would result in the recognition of an impairment loss in the Group's consolidated financial statements at August 31, 2015. The results of this analysis indicated no risk of impairment for any of the CGUs or groups of CGUs.

The Group is particularly attentive to economic trends in Latin America, which accounted for approximately 10% of consolidated revenue in Fiscal 2015, especially trends in Brazil where GDP is expected to contract by around 3% in 2015 (source: International Monetary Fund) and may continue to decline in 2016. This situation has been taken into account in the business plans prepared by management, but actual results may nonetheless differ from business plan estimates if assumptions or conditions change.

4.11 FINANCIAL ASSETS

4.11.1 Current and non-current financial assets

(in millions of euro)	August 31, 2015		August 31, 2014	
	Current	Non-current	Current	Non-current
Available-for-sale financial assets				
Investments in non-consolidated companies				
Cost		46		43
Impairment		(2)		(2)
Carrying amount		44		41
Restricted cash and financial assets related to the Benefits and Rewards Services activity				
Cost	739		758	
Impairment				
Carrying amount	739		758	
Loans and receivables				
Receivables from investees				
Cost		32		38
Impairment		(1)		(1)
Carrying amount		31		37
Loans and deposits				
Cost	26	55	9	54
Impairment	(2)	(8)	(1)	(10)
Carrying amount	24	47	8	44
TOTAL FINANCIAL ASSETS	**763**	**122**	**766**	**122**
Cost	765	133	767	135
Impairment	(2)	(11)	(1)	(13)
Carrying amount	763	122	766	122

PRINCIPAL INVESTMENTS IN NON-CONSOLIDATED COMPANIES

The Group holds an 18.50% interest in Bellon SA, the parent company of Sodexo SA, carried at a value of 32.4 million euro. This available-for-sale financial asset is an investment in a company that does not have a quoted market price on an active market, and whose value cannot be reliably measured. In addition, this investment is not a liquid instrument. Consequently, it is carried at cost. Any eventual decrease in the value of the Bellon SA shares would be recognized as an impairment.

RESTRICTED CASH

Restricted cash of 439 million euro included in “Restricted cash and financial assets related to the Benefits and Rewards Services activity” primarily includes funds set aside to comply with regulations governing the issuance of service vouchers in France (262 million euro), India (70 million euro), Romania (39 million euro) and Belgium (23 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.

4.11.2 Changes in current and non-current financial assets

(Carrying value in millions of euro)	August 31, 2014	Increase/ (decrease) during the period	Impairment	Change in scope of consolidation	Change in fair value	Translation adjustment and other items	August 31, 2015
Available-for-sale financial assets	799	23		13	(1)	(51)	783
Loans and receivables	89	7				6	102
TOTAL	**888**	**30**		**13**	**(1)**	**(45)**	**885**

(Carrying value in millions of euro)	August 31, 2013	Increase/ (decrease) during the period	Impairment	Change in scope of consolidation	Change in fair value	Translation adjustment and other items	August 31, 2014
Available-for-sale financial assets	768	72				(41)	799
Loans and receivables	91	(1)	(6)			5	89
TOTAL	**859**	**71**	**(6)**			**(36)**	**888**

4.12 TRADE AND OTHER RECEIVABLES

(in millions of euro)	August 31, 2015			August 31, 2014		
	Gross amount	Allowance	Carrying amount	Gross amount	Allowance	Carrying amount
Other non-current assets	22		22	16		16
Advances to suppliers	16		16	5		5
Trade receivables	3,416	(106)	3,310	3,300	(129)	3,171
Other operating receivables	365	(4)	361	322	(5)	317
Prepaid expenses	199		199	130		130
Non-operating receivables	5		5	4		4
TOTAL TRADE AND OTHER RECEIVABLES	**4,001**	**(110)**	**3,891**	**3,761**	**(134)**	**3,627**

The maturities of trade receivables as of August 31, 2015 and August 31, 2014 respectively were as follows:

Breakdown of trade receivables due as of August 31:	August 31, 2015		August 31, 2014	
	Gross amount	Allowance	Gross amount	Allowance
Less than 3 months due	522	(4)	479	(7)
More than 3 months and less than 6 months due	55	(9)	62	(22)
More than 6 months and less than 12 months due	127	(22)	113	(25)
More than 12 months due	72	(62)	77	(66)
TOTAL TRADE RECEIVABLES DUE AS OF AUGUST 31	**776**	**(97)**	**731**	**(120)**
TOTAL TRADE RECEIVABLES NOT YET DUE AS OF AUGUST 31	**2,640**	**(9)**	**2,569**	**(9)**
TOTAL TRADE RECEIVABLES AS OF AUGUST 31	**3,416**	**(106)**	**3,300**	**(129)**

During the fiscal years presented, the Group was not affected by any significant change resulting from client bankruptcies. In addition, given the geographic dispersion of the Group's activities and the wide range of client industries, there is no material concentration of risks in individual receivables due but not written down.

4.13 CASH AND CASH EQUIVALENTS

(in millions of euro)	August 31, 2015	August 31, 2014
Marketable securities	355	782
Cash	1,653	1,966
Total cash and cash equivalents	2,008	2,748
Bank overdrafts	(39)	(61)
NET CASH AND CASH EQUIVALENTS	**1,969**	**2,687**

Marketable securities comprised:

(in millions of euro)	August 31, 2015	August 31, 2014
Short-term notes	188	282
Term deposits	143	168
Listed bonds		8
Mutual funds and other	24	324
Total marketable securities	355	782

Around 83% of the Group's cash and cash equivalents, together with the restricted cash and financial assets of the Benefits and Rewards Services activity, is held with A1 or A2-rated financial institutions.

Cash and cash equivalents at the period end were not subject to any restrictions.

4.14 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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 flows.

Contributing to decisions made may be objectives for earnings per share or estimated future cash flows, or 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, notably a net debt to equity ratio of less than 75%. Net financial debt is defined as the difference between financial debt and total cash, which is further defined as cash and cash equivalents plus restricted cash and financial assets of the Benefits and Rewards Services activity less bank overdrafts.

The Group holds 4,862,456 Sodexo shares (versus 5,298,649 as of August 31, 2014) with a carrying amount of 326 million euro (318 million euro as of August 31, 2014) to cover its obligations under stock option and free share plans for Group employees. These treasury shares are deducted from shareholders' equity at cost.

During the fiscal year, the Group purchased 84 million euro of Sodexo SA shares in preparation for the future exercise of stock options by employees and the delivery of free shares granted to employees. In Fiscal 2014, 74 million euro of Sodexo SA shares were purchased.

The par value of Sodexo SA shares is 4 euro per share.

Company bylaws confer double voting rights on shares held in registered form for more than four years.

Further, 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.

Total dividends paid out in Fiscal 2015, adjusted for treasury shares, amounted to 276 million euro, for a dividend of 1.8 euro per share and, where applicable, a dividend premium of 0.18 euro per share.

Items recognized directly in other comprehensive income (OCI) (Group share) are shown below:

	Fiscal 2015			Fiscal 2014		
(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
Available-for-sale financial assets	(1)		(1)			
Cash Flow Hedges	2		2	(1)		(1)
Remeasurements of net defined benefit obligation	56	(13)	43	(75)	16	(59)
Translation adjustment	38		38	37		37
TOTAL OTHER COMPREHENSIVE INCOME (GROUP SHARE)	**95**	**(13)**	**82**	**(39)**	**16**	**(23)**

4.15 BORROWINGS

Changes in borrowings during Fiscal 2015 and Fiscal 2014 were as follows:

(in millions of euro)	August 31, 2014	Increases	Repayments	Discounting effects and other	Translation adjustments	Changes in scope of consolidation	August 31, 2015
Bond issues	2,014		(880)	(29)			1,105
Bank borrowings	1,811	4	(158)	4	278	5	1,944
Finance lease obligations	14	6	(7)				13
Other borrowings	13	1	(1)		(1)	6	18
TOTAL EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**3,852**	**11**	**(1,046)**	**(25)**	**277**	**11**	**3,080**
Net fair value of derivative financial instruments	(36)	2	(2)	(8)	11		(33)
TOTAL INCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**3,816**	**13**	**(1,048)**	**(33)**	**288**	**11**	**3,047**

(in millions of euro)	August 31, 2013	Increases	Repayments	Discounting effects and other	Translation adjustments	Changes in scope of consolidation	August 31, 2014
Bond issues	1,425	1,097	(500)	(8)			2,014
Bank borrowings	1,127	806	(160)	14	21	3	1,811
Finance lease obligations	41	6	(33)				14
Other borrowings	14	2	(3)				13
TOTAL EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**2,607**	**1,911**	**(696)**	**6**	**21**	**3**	**3,852**
Net fair value of derivative financial instruments	(88)	(2)	2	19	33		(36)
TOTAL INCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**2,519**	**1,909**	**(694)**	**25**	**54**	**3**	**3,816**

4.15.1 Borrowings by currency

(in millions of euro)	August 31, 2015 Current	August 31, 2015 Non-current	August 31, 2014 Current	August 31, 2014 Non-current
Bond issues				
Euro	9	1,096	918	1,096
Total	**9**	**1,096**	**918**	**1,096**
Bank borrowings(1)				
U.S. dollar	296	1,576	31	1,560
Euro		68		220
Other currencies	2	2		
Total	**298**	**1,646**	**31**	**1,780**
Finance lease obligations				
Euro	3	7	3	8
Other currencies	1	2	1	2
Total	**4**	**9**	**4**	**10**
Other borrowings(2)				
Euro	1	3	1	5
Other currencies	3	11	3	4
Total	**4**	**14**	**4**	**9**
TOTAL EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**315**	**2,765**	**957**	**2,895**
Net fair value of derivative financial instruments(3)	(30)	(3)	(20)	(16)
TOTAL INCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**285**	**2,762**	**937**	**2,879**

(1) Including the proceeds of the three private bond placements with U.S. private investors (respectively 360 million U.S. dollars, 600 million U.S. dollars and 1,100 million U.S. dollars).
(2) Including 9 million euro as of August 31, 2015 and 4 million euro as of August 31, 2014 corresponding to liabilities recognized in connection with the commitments to repurchase the non-controlling interests in certain subsidiaries.
(3) Described in note 4.16.

For borrowings other than bond issues, amortized cost is equivalent to historical cost (nominal amount) insofar as no significant transaction costs are incurred.

4.15.2 Bond issues

4.15.2.1 2009 BOND ISSUE – 880 MILLION EURO

The bonds issued by Sodexo SA on January 30, 2009 for 650 million euro and the additional bonds issued on June 24, 2009 for 230 million euro were redeemed on January 30, 2015.

4.15.2.2 2014 BOND ISSUES – 500 MILLION EURO AND 600 MILLION EURO

On June 24, 2014, Sodexo SA completed a bond issuance structured in two tranches:

- 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;
- 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.

The effective interest rate is 1.79% for the 600 million euro tranche and 2.54% for the 500 million euro tranche.

Accrued interest on these bonds amounted to 9 million euro as of August 31, 2015.

None of these bond issues is subject to financial covenants.

4.15.3 Other borrowings from financial institutions

4.15.3.1 JULY 2011 MULTI-CURRENCY CONFIRMED CREDIT FACILITY

On July 18, 2011, Sodexo SA contracted a multicurrency credit facility for a maximum of 600 million euro plus 800 million U.S. dollars. The facility, which originally matured on July 18, 2016, was extended in July 2013 until July 18, 2018. On July 2, 2015, it was further extended until July 2, 2020 for amounts of 531 million euro plus 709 million U.S. dollars. This maturity is extendable on application by Sodexo SA and subject to lenders' consent until July 2021, and then until July 2022.

Amounts drawn on this facility carry floating interest indexed on the LIBOR and EURIBOR rates. This credit facility is not subject to any covenants.

As of August 31, 2015, the euro tranche had been utilized in the amount of 65 million euro (compared to 215 million euro as of August 31, 2014).

4.15.3.2 U.S. PRIVATE PLACEMENT

The Group has obtained three loans in private placements with U.S. investors, as follows:

Date of the loan	Principal *(in millions of U.S. dollars)*	Interest rate	Maturity
September 29, 2008	290	5.99%	September 2015
	70	6.43%	September 2018
TOTAL	**360**		
March 29, 2011	250	4.24%	March 2018
	225	4.85%	March 2021
	125	4.95%	March 2023
TOTAL	**600**		
March 4, 2014	150	2.71%	March 2019
	150	3.44%	March 2021
	525	3.99%	March 2024
	175	4.14%	March 2026
	100	4.34%	March 2029
TOTAL	**1,100**		
TOTAL	**2,060**		

These three loans are subject to two financial covenants that are calculated by reference to the consolidated financial statements of the Group:

- net debt (excluding restricted cash) must not exceed 3.5 times EBITDA (operating profit plus amortization and depreciation) for the past 12 months;
- net assets adjusted for cumulative foreign exchange gains or losses since August 31, 2007 must not be less than 1.3 billion euro.

If the covenants are not met, the lenders may, with a qualified majority, require early reimbursement of these borrowings.

The Group was compliant with these covenants as of August 31, 2015, February 28, 2015 and August 31, 2014.

4.15.4 Interest rate

In order to comply with the Group's financing policy, substantially all borrowings are at fixed rates of interest. Where acquisition financing is arranged in a currency other than that of the acquired entity, the debt is hedged by the use of currency swaps.

As of August 31, 2015, nearly 100% of Sodexo's borrowings were at fixed rate. The average rate of interest as of the same date was 3.8%. As of August 31, 2014, nearly 100% of Sodexo's borrowings were at fixed rate. The average rate of interest as of the same date was 4.3%.

The bond issues and borrowings from financial institutions described above include customary clauses for early reimbursement that, as of the close of the fiscal year, do not present any significant risk of being exercised. These early reimbursement clauses include cross-default and change-in-control clauses which apply to all of the borrowings.

4.15.5 Maturity of borrowings

August 31, 2015 Carrying amounts	Less than 3 months	More than 3 months and less than 6 months	More than 6 months and less than 1 year	1 to 5 years	More than 5 years	Total
Bond issues		6	3		1,096	1,105
Bank borrowings	287	1	10	489	1,157	1,944
Finance lease obligations		1	3	8	1	13
Other borrowings		1	3	14		18
TOTAL	**287**	**9**	**19**	**511**	**2,254**	**3,080**

Excluding the impact of derivative financial instruments described in note 4.16.
For borrowings expressed in a foreign currency, amounts are translated at the year-end closing rate.
Maturities include interest incurred as of the balance sheet date.
Credit facility renewal rights are taken into account in setting maturities.

August 31, 2015 Undiscounted contractual maturities, including payment of future interest not yet due	Less than 3 months	More than 3 months and less than 6 months	More than 6 months and less than 1 year	1 to 5 years	More than 5 years	Total
Bond issues		8	16	95	1,204	1,323
Bank borrowings	287	1	47	719	1,312	2,366
Finance lease obligations		1	3	9	1	14
Other borrowings		1	3	15		19
Impact of derivative financial instruments excluding those related to the PPP companies	1	6		5		12
TOTAL	**288**	**17**	**69**	**843**	**2,517**	**3,734**

August 31, 2014 Carrying amounts	Less than 3 months	More than 3 months and less than 6 months	More than 6 months and less than 1 year	1-5 years	More than 5 years	Total
Bond issues		915	3		1,096	2,014
Bank borrowings	31			795	985	1,811
Finance lease obligations	1	1	2	9	1	14
Other borrowings	1		3	9		13
TOTAL	**33**	**916**	**8**	**813**	**2,082**	**3,852**

Excluding the impact of derivative financial instruments described in note 4.16.
For borrowings expressed in a foreign currency, amounts are translated at the year-end closing rate.
Maturities include interest incurred as of the balance sheet date.
Credit facility renewal rights are taken into account in setting maturities.

August 31, 2014 Undiscounted contractual maturities, including payment of future interest not yet due	Less than 3 months	More than 3 months and less than 6 months	More than 6 months and less than 1 year	1-5 years	More than 5 years	Total
Bond issues		941	15	95	1,227	2,278
Bank borrowings	35		35	1,021	1,179	2,270
Finance lease obligations	1	1	3	9	2	16
Other borrowings	1		3	9	1	14
Impact of derivative financial instruments excluding those related to the PPP companies	13	2	1	9		25
TOTAL	**50**	**944**	**57**	**1,143**	**2,409**	**4,603**

4.16 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, 2015	August 31, 2014
Currency instruments		2	(3)
Assets	*Trading*	*7*	*1*
Liabilities	*Trading*	*(5)*	*(4)*
Cross-currency swaps(1)		31	39
Assets	*Cash Flow Hedge*	*30*	*52*
Assets	*Trading*	*5*	
Liabilities	*Cash Flow Hedge*	*(3)*	*(13)*
Liabilities	*Trading*	*(1)*	
Net derivative financial instruments		33	36

(1) Relates to cross-currency euro-BRL swaps with notional value of 220 million BRL as of August 31, 2015 and 490 million BRL as of August 31, 2014 for which accrued interest of 4 million euro was recognized as a liability as of August 31, 2015 (13 million euro as of August 31, 2014).

The face values and fair values of cross-currency swaps are as follows by maturity:

(in millions of euro)	August 31, 2015				August 31, 2014			
	< 1 year	1-5 years	> 5 years	Total	< 1 year	1-5 years	> 5 years	Total
Currency lender positions	92	11		103	69	22		91
UK Sterling/Euro								
Brazilian Real/Euro								
Czech Crown/Euro	*72*	*11*		*83*	*53*	*22*		*75*
Polish Zloty/Euro	*20*			*20*	*16*			*16*
Currency borrower positions	(75)	(81)	(17)	(173)	(188)	(111)	(22)	(321)
UK Sterling/Euro	*(4)*	*(18)*	*(13)*	*(35)*	*(49)*	*(2)*	*(10)*	*(61)*
Brazilian Real/Euro	*(58)*			*(58)*	*(128)*	*(50)*		*(178)*
Czech Crown/Euro	*(1)*	*(2)*		*(3)*		*(3)*		*(3)*
Mexican Peso/Euro	*(8)*	*(21)*		*(29)*	*(9)*	*(31)*		*(40)*
Other	*(4)*	*(40)*	*(4)*	*(48)*	*(2)*	*(25)*	*(12)*	*(39)*
TOTAL	**17**	**(70)**	**(17)**	**(70)**	**(119)**	**(89)**	**(22)**	**(230)**
Fair value	32	5	(4)	33	20	15	1	36

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.

Changes in fair value of cash flow hedging instruments, recognized in other comprehensive income (in millions of euro), were as follows:

Cumulative changes in fair value of instruments designated as hedges as of August 31, 2013	(30)
Change in fair value for the period	(14)
Share in the change in fair value of derivative instruments held by companies consolidated by the equity method(1)	
Fair value items recognized in financial income or expense	13
Total changes recognized in other comprehensive income	(1)
Translation adjustments and other	
Cumulative changes in fair value of instruments designated as hedges as of August 31, 2014	(31)
Change in fair value for the period	(5)
Share in the change in fair value of derivative instruments held by companies consolidated by the equity method(1)	4
Fair value items recognized in financial income or expense	3
Total changes recognized in other comprehensive income	2
Translation adjustments and other	
Cumulative changes in fair value of instruments designated as hedges as of August 31, 2015	**(29)**

(1) Certain companies consolidated by the equity method have hedged their variable rate debt. The impact of the measurement of these instruments on the Group interest in the profit and shareholders' equity of these entities is reflected in the above table.

The impacts of derivative financial instruments on the financial statements are described in note 5.1.

4.17 LONG-TERM EMPLOYEE BENEFITS

(in millions of euro)	August 31, 2015	August 31, 2014
Net defined benefit plan asset[(1)]	(3)	(3)
Net defined benefit plan obligation	236	298
Other long-term employee benefits	182	151
Employee benefits	**415**	**446**

(1) Included in "Other non-current assets" in the consolidated statement of financial position.

4.17.1 Post-employment benefits

4.17.1.1 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 recognized in operating expenses were 386 million euro for Fiscal 2015, compared to 346 million euro for Fiscal 2014.

Contributions made by the Group are expensed in the period to which they relate.

4.17.1.2 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 evaluation 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 trustees 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 trustees 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. Sodexo UK also agreed to pay annual contributions of 10 million pounds over the five years from January 1, 2013 as part of the 12-year plan to address the funding shortfall. Over the same period, it is expected that the regular contributions made by Sodexo UK will decrease given that only public sector members will be able to obtain new benefits under the terms of the agreement. Lastly, in October 2012, Sodexo SA 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. The next evaluation should be completed by September 2016.

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 Italy, there is a legal obligation to pay a lump-sum retirement benefit ("TFR").

Sodexo also contributes to multi-employer plans, mainly in Sweden and the United States. These plans are accounted for as defined-contribution plans.

Changes in the present value of the defined benefit plan obligation and fair value of the plan's assets are shown below:

	Fiscal 2015			Fiscal 2014		
	Benefit obligation	Plan assets	Net benefit obligation	Benefit obligation	Plan assets	Net benefit obligation
As of September 1	1,169	(874)	295	979	(753)	226
Expense/(income) recognized in the income statement	56	(33)	23	61	(34)	27
Current service cost	*30*		*30*	*26*		*26*
Past service cost	*(15)*		*(15)*	*(5)*		*(5)*
Effect of settlements				*(1)*		*(1)*
Interest cost/(income)	*41*	*(33)*	*8*	*41*	*(34)*	*7*
Remeasurement losses/(gains)	(28)	(28)	(56)	109	(34)	75
Actuarial losses/(gains) arising from changes in demographic assumptions	*1*		*1*	*3*		*3*
Actuarial losses/(gains) arising from changes in financial assumptions	*(18)*	*(28)*	*(46)*	*114*	*(34)*	*80*
Experience adjustments	*(11)*		*(11)*	*(8)*		*(8)*
Effect of asset ceiling						
Translation adjustments	70	(63)	7	48	(44)	4
Contributions made by plan members	2	(2)		2	(2)	
Employer contributions		(26)	(26)		(28)	(28)
Benefits paid from plan assets	(42)	42		(21)	21	
Benefits paid other than from plan assets	(10)		(10)	(9)		(9)
Changes in scope of consolidation						
Other						
AS OF AUGUST 31	**1,217**	**(984)**	**233**	**1,169**	**(874)**	**295**
Of which:						
Partially funded plans	1,071	(984)	87	1,026	(874)	152
Unfunded plans	146		146	143		143

The amounts recorded in the income statement for defined benefit plans amounted to 23 million euro in Fiscal 2015 (27 million euro in Fiscal 2014), as follows:

- net expense of 12 million euro in Fiscal 2015 (net expense of 11 million euro in Fiscal 2014) in cost of sales;
- net expense of 3 million euro in Fiscal 2015 (net expense of 9 million euro in Fiscal 2014) in Administrative and Sales Department costs;
- net expense of 8 million euro in interest expense (see note 4.2).

Defined benefit plan assets comprise:

(in millions of euro)	August 31, 2015	August 31, 2014
Equities	177	167
Bonds	116	97
Real estate	61	60
Cash	16	5
Derivative instruments	1	1
Investment funds	121	108
Insurance and other	492	436
TOTAL	**984**	**874**

Recognized net actuarial gains arising from changes in financial assumptions amounted to 18 million euro, of which 30 million euro in the Netherlands, and were due mainly to a change in assumptions concerning the rate of future benefit increases.

The following assumptions were used for actuarial valuations for the principal countries as of August 31, 2015 and 2014:

August 31, 2015	France	Netherlands	United Kingdom	Italy
Discount rate[1]	1% - 1.75%	2%	4%	0.75% - 1.25%
Salary inflation rate[2]	2.25% -2.75%	2%	3.6%	N/A
General long-term inflation rate	1.75%	1.75%	2.1% - 3.1%[3]	1.75%
Net liability *(in millions of euro)*	84	17	26	28
Average term of the plans *(in years)*	11	23	22	7

(1) Discount rates in each country have been adapted to reflect the term of the plans. For the euro zone, the Group uses the iBoxx indices for AA-rated corporate bonds. For the United Kingdom, the Group uses a discount rate based on a yield curve 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): 3.1%; consumer price index (CPI): 2.1% for Fiscal 2015.

August 31, 2014	France	Netherlands	United Kingdom	Italy
Discount rate(1)	2% - 3%	2%	4%	1.25% - 1.50%
Salary inflation rate(2)	2.5% - 3%	2%	3.6%	N/A
General long-term inflation rate	2%	2%	2.1% - 3.1%(3)	2%
Net liability *(in millions of euro)*	75	50	60	29
Average term of the plans *(in years)*	10	22	22	6

(1) Discount rates in each country have been adapted to reflect the term of the plans. For the euro zone, the Group uses the iBoxx indices for AA-rated corporate bonds. For the United Kingdom, the Group uses a discount rate based on a yield curve 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): 3.1%; consumer price index (CPI): 2.1% for Fiscal 2014.

With respect to the assumptions provided in the above table, a reduction of 1% in the discount rate would bring the gross obligation to 1,499 million euro (compared to 1,217 million euro with the assumptions used as of August 31, 2015), while an increase of 0.5% in the long-term inflation rate would increase the gross obligation to 1,318 million euro.

Based on estimates derived from reasonable assumptions, Sodexo will pay 26 million euro into defined benefit plans in Fiscal 2016.

4.17.2 Other employee benefits

Other employee benefits, in the amount of 182 million euro as of August 31, 2015 (151 million as of August 31, 2014), 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 2015 was 25 million euro (15 million euro in Fiscal 2014), of which 1.7 million euro (1.3 million euro in Fiscal 2014) relates to a deferred compensation program in the United States, reported in financial expense.

4.18 PROVISIONS

(in millions of euro)	August 31, 2014	Increases/ charges	Reversals with utilization	Reversals without utilization	Translation adjustment and other items	Changes in scope of consolidation	Discounting impact on long-term provisions	August 31, 2015
Tax and social security exposures	54	16	(7)	(11)	(5)			47
Employee claims and litigation	35	15	(7)	(4)	(4)			35
Contract termination and loss-making contracts	21	11	(16)	(6)	4			14
Reorganization costs	24	5	(16)	(2)				11
Client/supplier claims and litigation	29	3	(2)	(5)	1			26
Negative net assets of associates*	13				(2)			11
Other provisions	16	16	(2)		(3)			27
TOTAL	**192**	**66**	**(50)**	**(28)**	**(9)**			**171**

* *Investments in companies consolidated by the equity method that have negative net assets (see note 4.9).*

(in millions of euro)	August 31, 2013	Increases/ charges	Reversals with utilization	Reversals without utilization	Translation adjustment and other items	Changes in scope of consolidation	Discounting impact on long-term provisions	August 31, 2014
Tax and social security exposures	46	19	(4)	(9)	2			54
Employee claims and litigation	35	15	(11)	(2)	(2)			35
Contract termination and loss-making contracts	31	16	(18)	(9)	1			21
Reorganization costs	52	5	(28)	(6)	1			24
Client/supplier claims and litigation	25	7	(1)	(2)				29
Negative net assets of associates*	18				(5)			13
Other provisions	8	9	(2)		1			16
TOTAL PROVISIONS	**215**	**71**	**(64)**	**(28)**	**(2)**			**192**

* *Investments in companies consolidated by the equity method that have negative net assets (see note 4.9).*

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 year.

Current and non-current provisions are as follows:

(in millions of euro)	August 31, 2015		August 31, 2014	
	Current	Non-current	Current	Non-current
Tax and social security exposures	7	40	9	45
Employee claims and litigation	17	18	14	21
Contract termination and loss-making contracts	8	6	10	11
Reorganization costs	11		24	
Client/supplier claims and litigation	23	3	26	3
Negative net assets of associates*		11		13
Other provisions	17	10	5	11
TOTAL PROVISIONS	**83**	**88**	**88**	**104**

* *Investments in companies consolidated by the equity method that have negative net assets (see note 4.9).*

4.19 TRADE AND OTHER PAYABLES

(in millions of euro)	August 31, 2015	August 31, 2014
Other non-current liabilities	192	233
TOTAL OTHER NON-CURRENT LIABILITIES	**192**	**233**
Advances from clients	418	299
Trade payables	1,953	1,768
Employee-related liabilities	1,126	1,022
Tax liabilities	266	267
Other operating liabilities	100	95
Deferred revenues	126	109
Other non-operating liabilities	80	32
TOTAL TRADE AND OTHER CURRENT PAYABLES	**4,069**	**3,592**
TOTAL TRADE AND OTHER PAYABLES	**4,261**	**3,825**

Employee-related liabilities include mainly short-term employee benefits.

Maturities of trade and other payables	Carrying value	Undiscounted contractual value
Less than three months	2,897	2,897
More than three months and less than six months	328	328
More than six months and less than twelve months	791	791
More than one year and less than five years	186	199
More than five years	59	71
TOTAL TRADE AND OTHER PAYABLES	**4,261**	**4,286**

4.20 DEFERRED TAXES

Movements in deferred taxes were as follows in Fiscal 2015:

(in millions of euro)	August 31, 2014	Deferred tax benefit/ (expense)	Deferred tax recognized in other comprehensive income	Translation adjustments and other	August 31, 2015
• Employee-related liabilities	205	2	(13)	18	212
• Fair value of financial instruments	5		1	(6)	
• Intangible assets	(61)	8		(16)	(69)
• Other temporary differences	(155)	9		36	(110)
• Tax loss carry-forwards	84	1		(16)	69
TOTAL	**78**	**20**	**(12)**	**16**	**102**
Of which deferred tax assets	226				232
Of which deferred tax liabilities	(148)				(130)

Movements in deferred taxes were as follows in Fiscal 2014:

(in millions of euro)	August 31, 2013	Deferred tax benefit/ (expense)	Deferred tax recognized in other comprehensive income	Translation adjustments and other	August 31, 2014
• Employee-related liabilities	161	22	16	6	205
• Fair value of financial instruments	3	1		1	5
• Intangible assets	(57)	3		(7)	(61)
• Other temporary differences	(138)	(10)		(7)	(155)
• Tax loss carry-forwards	66	16		2	84
TOTAL	**35**	**32**	**16**	**(5)**	**78**
Of which deferred tax assets	188				226
Of which deferred tax liabilities	(153)				(148)

Deferred tax assets not recognized because their recovery is not considered probable totaled 65 million euro (69 million euro as of August 31, 2014), including 7 million euro generated by subsidiaries prior to their acquisition (7 million euro as of August 31, 2014).

Temporary differences on employee-related liabilities relate primarily to post-employment benefits.

The other temporary differences mainly include deferred taxes recognized on the portion of goodwill amortization that is tax deductible in certain countries.

4.21 FINANCIAL INSTRUMENTS

The table below presents the categories of financial instruments, their carrying value and their fair value, by item in the consolidated statement of financial position.

The levels used for the classification of financial instruments are as follows:

- level 1: Instruments traded on an active market;
- level 2: Instruments measured through inputs other than quoted prices included within Level 1 and that are observable;
- level 3: Instruments whose fair value is determined using valuation techniques based on unobservable inputs.

Financial assets *(in millions of euro)*	Category	Note	August 31, 2015 Carrying value	Fair value	Fair value level Level 1	Level 2	Level 3	Total
Cash and cash equivalents	Financial assets at fair value through profit and loss	4.13	355	355	24	331		355
Restricted cash and financial assets related to the Benefits and Rewards Services activity	Available-for-sale financial assets	4.11	739	739	75	664		739
Trade and other receivables	Loans and receivables at amortized cost	4.12	3,891	3,891				
Other financial assets	Available for sale financial assets	4.11	44	N/A				
	Loans and receivables at amortized cost	4.11	102	102				
Derivative financial instruments, assets		4.16	38	38		38		38

Financial liabilities *(in millions of euro)*	Category	Note	August 31, 2015 Carrying value	Fair value	Fair value level Level 1	Level 2	Level 3	Total
Bond issues(1)	Financial liabilities at amortized cost	4.15	1,105	1,150	1,150			1,150
Bank borrowings	Financial liabilities at amortized cost	4.15	1,944	1,988		1,916	72	1,988
Other borrowings and financial debts	Financial liabilities at amortized cost	4.15	31	31				
Bank overdrafts	Financial liabilities at amortized cost		39	39				
Trade and other payables	Financial liabilities at amortized cost	4.19	4,069	4,069				
Vouchers payable	Financial liabilities at amortized cost		2,496	2,496				
Derivative instruments, liabilities		4.16	5	5		5		5

(1) Fair value is calculated on the basis of listed bond prices as of August 31, 2015.

Financial assets *(in millions of euro)*	**Category**	**Note**	**August 31, 2014** Carrying value	Fair value	**Fair value level** Level 1	Level 2	Level 3	Total
Cash and cash equivalents	Financial assets at fair value through profit and loss	4.13	782	782	333	449		782
Restricted cash and financial assets related to the Benefits and Rewards Services activity	Available-for-sale financial assets	4.11	758	758	112	646		758
Trade and other receivables	Loans and receivables at amortized cost	4.12	3,627	3,627				
Other financial assets	Available for sale financial assets	4.11	41	N/A				
	Loans and receivables at amortized cost	4.11	89	89				
Derivative financial instruments, assets		4.16	52	52		52		52

Financial liabilities *(in millions of euro)*	**Category**	**Note**	**August 31, 2014** Carrying value	Fair value	**Fair value level** Level 1	Level 2	Level 3	Total
Bond issues(1)	Financial liabilities at amortized cost	4.15	2,014	2,086	2,086			2,086
Bank borrowings	Financial liabilities at amortized cost	4.15	1,811	1,875		1,655	220	1,875
Other borrowings and financial debts	Financial liabilities at amortized cost	4.15	27	27				
Bank overdrafts	Financial liabilities at amortized cost		61	61				
Trade and other payables	Financial liabilities at amortized cost	4.19	3,592	3,592				
Vouchers payable	Financial liabilities at amortized cost		2,582	2,582				
Derivative instruments, liabilities		4.16	16	16		16		16

(1) Fair value is calculated on the basis of listed bond prices as of August 31, 2014.

There was no transfer between the different levels between Fiscal 2014 and Fiscal 2015.

4.22 SHARE-BASED PAYMENT

4.22.1 Stock option plans

PRINCIPAL FEATURES OF STOCK OPTION PLANS

Rules governing stock option plans are as follows:

- the option exercise price has no discount;
- contractual life of options: 6-7 years;
- vesting of options is conditional on employment by the Group and, for plans after 2007, on attainment of average annual growth in Group net income (excluding currency effects) of at least 6% over a period of three years. However, this performance condition applies only to a portion (varying between 0 and 50%) of the stock options granted to each beneficiary, with the exception of the Chief Executive Officer, whose entire grant is conditional on performance, with the remaining options vesting in equal tranches over a period of four years.

ESTIMATION OF FAIR VALUE AT DATE OF GRANT

The fair value of options granted and settled by delivery of equity instruments is estimated at the date of grant using a binomial model, which takes into consideration the terms and conditions of grant and assumptions about exercise behavior.

The table below shows the data used in the valuation model for each plan measured under IFRS 2.

Date of grant	Exercise price	Expected volatility *(in %)*	Contractual life *(in years)*	Risk-free interest rate *(in %)*	Expected dividend yield *(in %)*	Expected life *(in years)*
December 13, 2010	48.37 euro	25.00%	7	3.27%	3.00%	6
December 13, 2010	48.37 euro	25.00%	6	2.63%	3.00%	5
December 13, 2011	51.40 euro	24.00%	7	3.48%	3.00%	6
December 13, 2011	51.40 euro	24.00%	6	2.85%	3.00%	5

The expected life of the options is incorporated into the binomial model based on option holders' behavior expected over the contractual life of the options and based on historical data, and is not necessarily indicative of future exercises.

The expected volatility is based on the assumption that volatility calculated using regression analysis of daily returns over the five- or six-year period (the expected life of the options) prior to the date of grant, excluding the share price fluctuations of September 2002, is an indicator of future trends.

For plans granted as from 2008, the expected volatility is based on a weighted average of the historical volatility of the shares observed over periods corresponding to the expected life of the options granted and the implicit volatility expected in the marketplace.

The risk-free interest rate is the rate on Government bonds (with reference to iBoxx rates in the euro zone) for a maturity similar to the life of the options.

The assumptions with respect to the exercise behavior of grantees used in determining the fair value of the options are also based on historical data, which may not be indicative of future exercise behavior, and are as follows:

- grantees resident in France for tax purposes:
  - 50% of grantees will exercise their options once the share price exceeds the exercise price by 20%,
  - 50% of grantees will exercise their options once the share price exceeds the exercise price by 40%;
- grantees not resident in France for tax purposes:
  - 30% of grantees will exercise their options once the share price exceeds the exercise price by 20%,
  - 30% of grantees will exercise their options once the share price exceeds the exercise price by 40%,
  - 30% of grantees will exercise their options once the share price exceeds the exercise price by 70%,
  - 10% of grantees will exercise their options once the share price exceeds the exercise price by 100%;

MOVEMENTS DURING FISCAL 2015 AND FISCAL 2014

The table below provides the quantity, weighted average exercise price (WAP) and movements of stock options during the period.

	Fiscal 2015		Fiscal 2014	
	Number	WAP *(in euro)*	Number	WAP *(in euro)*
Outstanding at the beginning of the period	3,600,156	47.78	5,007,293	46.76
Forfeited during the period	(23,398)	46.40	(134,133)	45.72
Exercised during the period	(1,236,214)[(1)]	47.08	(1,273,004)[(2)]	43.99
Outstanding at the end of the period	2,340,544	48.17	3,600,156	47.78
Exercisable at the end of the period	2,055,294	47.72	2,090,670	45.52

(1) The weighted average share price at the exercise date of options exercised in the period was 83.69 euro.
(2) The weighted average share price at the exercise date of options exercised in the period was 74.47 euro.

The weighted average residual life of options outstanding as of August 31, 2015 was 2.2 years (August 31, 2014: 3 years).

The exercise prices and exercise period for options outstanding as of August 31, 2015 are provided in the table below:

Date of grant	Start date of exercise period	Expiration date of exercise period	Exercise price	Number of options outstanding as of August 31, 2015
January 2009	January 2010	January 2016	39.40 euro	172,582
January 2010	January 2011	January 2017	39.88 euro	240,225
January 2010	January 2011	January 2016	39.88 euro	97,231
December 2010	December 2011	December 2017	48.37 euro	320,700
December 2010	December 2011	December 2016	48.37 euro	210,541
December 2011	December 2012	December 2018	51.40 euro	758,740
December 2011	December 2012	December 2017	51.40 euro	540,525
TOTAL				**2,340,544**

4.22.2 Free share plans

PRINCIPLE FEATURES OF FREE SHARE PLANS

Rules governing free share plans are as follows:

- free 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 a performance condition;
- for beneficiaries resident in France, the vesting period is two years for shares not subject to any performance condition and three years for performance shares, subject in both cases to the beneficiary still working for the Group on the vesting date. For beneficiaries resident outside France, the vesting period is four years;
- the proportion of shares subject to a performance condition ranges from 0 to 50%, except for the shares granted to the Chief Executive Officer which consist solely of performance shares;
- free shares awarded to beneficiaries resident in France for tax purposes are also subject to a two-year lock-up period as from the vesting date.

The performance condition is based on annual growth in Group net income over a three-year period, except for part of the share grant made to Group Executive Committee members in April 2015 for which the performance condition is based on Total Shareholder Return (TSR). TSR is a measure of the performance of different companies' stocks and shares over time. It combines share price appreciation and dividends paid to show the total return to the shareholder. For the shares to vest, TSR must have increased by at least 20% between August 31, 2014 and the Annual Shareholders' Meeting called to approve the Fiscal 2017 financial statements.

ESTIMATED FAIR VALUE AT DATE OF GRANT

The fair value of free 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 and a lock-up discount for beneficiaries resident in France for tax purposes. The lock-up discount is determined based on the cost for the employee of a two-step strategy consisting of selling the shares forward for delivery at the end of the lock-up period and purchasing the same number of shares for immediate delivery, with the purchase financed by a loan, taking into account market inputs.

The fair value of free shares subject to a performance condition based on Total Shareholder Return is estimated using a binomial model that takes into account the vesting conditions.

MOVEMENTS IN FISCAL 2015 AND FISCAL 2014

The table below shows movements in free shares granted in Fiscal 2015 and Fiscal 2014:

	Fiscal 2015	Fiscal 2014
Outstanding at the beginning of the period	**1,656,455**	**838,305**
Granted during the period	848,875	840,000
Forfeited during the period	(37,455)	(21,850)
Delivered during the period	(134,380)	
Outstanding at the end of the period	**2,333,495**	**1,656,455**

The weighted average fair value of the free shares was 79.67 euro for shares granted in Fiscal 2015 (68.31 euro for shares granted in Fiscal 2014).

The table below shows the grant dates of free shares outstanding as of August 31, 2015, the assumptions used to estimate their fair value at the grant date and the number of free shares outstanding at the period end:

Date of grant		Vesting period *(in years)*	Lock-up period *(in years)*	Expected dividend yield *(%)*	Risk-free interest rate *(%)*	Loan interest rate *(%)*	Volatility[(1)] *(%)*	Number of shares outstanding as of August 31
April 25, 2013	France	3	2	2.5%	0.40%	6%		104,245
April 25, 2013	International	4	N/A	2.5%	0.60%	6%		553,650
March 11, 2014	France	2	2	2.5%	0.50%	5.8%		145,472
March 11, 2014	France	3	2	2.5%	0.50%	5.8%		110,868
March 11, 2014	International	4	N/A	2.5%	0.80%	5.8%		570,385
April 27, 2015	France	2	2	2.5%	0.10%	5.2%		157,326
April 27, 2015	France	3	2	2.5%	0.10%	5.2%	21%	118,814
April 27, 2015	International	4	N/A	2.5%	0.20%	5.2%	21%	572,735
TOTAL								**2,333,495**

(1) Applicable for the portion of the April 2015 free share grant for which the performance condition is based on TSR. Volatility is determined by reference to the share's historical weighted average volatility over five years and the implicit volatility expected by the market.

4.22.3 Expense recognized during the year

The expense recognized in the Fiscal 2015 income statement for stock options and free shares was 38 million euro (28 million euro in Fiscal 2014).

4.23 BUSINESS COMBINATIONS

No significant acquisitions were made in Fiscal 2015.

4.24 COMMITMENTS AND CONTINGENCIES

4.24.1 Sureties

Commitments arising from surety arrangements (pledges, charges secured against plant and equipment, and real estate mortgages) contracted by Sodexo SA and its subsidiaries in connection with operating activities during Fiscal 2015 are not material.

4.24.2 Operating lease commitments

Outstanding commitments arising in respect of operating leases are as follows:

(in millions of euro)	August 31, 2015	August 31, 2014
Less than 1 year	115	119
1 to 5 years	217	231
More than 5 years	92	73
TOTAL	**424**	**423**

These commitments arise under a large number of contracts worldwide, the terms of which are negotiated locally. They relate primarily to:

- equipment on sites, office equipment and vehicles for 102 million euro (120 million euro as of August 31, 2014);
- the rent for office premises of 306 million euro (283 million euro as of August 31, 2014), related mainly to the corporate headquarters in Issy-les-Moulineaux (43 million euro) and the offices of Sodexo France (21 million euro) and Sodexo, Inc. (65 million euro).

4.24.3 Other commitments given

	August 31, 2015				August 31, 2014
(in millions of euro)	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Financial guarantees to third parties	1		1	2	14
Site management commitments		1		1	2
Performance bonds given to clients		55	167	222	180
Other commitments	13	1	137	151	149
TOTAL	**14**	**57**	**305**	**376**	**345**

Financial guarantees to third parties mainly comprise bank subordinated debt commitments under Public-Private Partnership (PPP) contracts (see note 2.3.2.) totaling 1 million euro.

The performance bonds given to clients relate to around twenty 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 would be capable of deploying 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 needed 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 for a maximum of 100 million pounds sterling given by Sodexo SA in October 2012 to the Trustee of the UK pension plan in order to cover Sodexo UK's obligations in connection with the plan.

4.25 RELATED PARTIES

4.25.1 Principal shareholder

As of August 31, 2015, Bellon SA held 37.71% of the capital of Sodexo SA.

Bellon SA invoiced 6.5 million euro to Sodexo SA in Fiscal 2015 (5.8 million euro in Fiscal 2014) for assistance and advisory services under a contract between the two companies.

Bellon SA received dividends of 106.8 million euro on its Sodexo shares in February 2015.

The Group received dividends of 1.8 million euro from Bellon SA during Fiscal 2015.

4.25.2 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, 2015			August 31, 2014
(in millions of euro)	Gross	Impairment	Carrying amount	Carrying amount
Loans	78		78	61

Off-balance sheet commitments	August 31, 2015	August 31, 2014
Financial guarantees to third parties	2	14
Performance bonds given to clients	222	180

Transactions	Fiscal 2015	Fiscal 2014
Revenues	405	327
Operating expenses		
Financial income and expense, net	4	4

4.26 COMPENSATION, LOANS, POST-EMPLOYMENT BENEFITS AND OTHER EMPLOYEE BENEFITS GRANTED TO BOARD MEMBERS, THE EXECUTIVE COMMITTEE, AND THE CHIEF EXECUTIVE OFFICER OF SODEXO

(in euro)	Fiscal 2015	Fiscal 2014
Short-term employee benefits	19,696,486	13,297,514
Post-employment benefits	875,581	557,335
Fair value of free shares at the grant date	13,152,098	12,398,013

These benefits include directors' fees, and all forms of compensation and benefits paid (or earned during the period for offices held) by Bellon SA, Sodexo SA and/or other Sodexo Group companies.

During Fiscal 2015, the Group did not grant any severance benefit or other long-term benefit to members of the Board of Directors, the Executive Committee or the Chief Executive Officer.

The increase in the total compensation of Executive Committee members is due to the fact that the Committee comprised 14 members throughout the fiscal year. The number of members was increased from 8 to 14 in January 2014.

4.27 GROUP EMPLOYEES

The following table shows the breakdown of Group employees:

	August 31, 2015	August 31, 2014
Executives, middle management, site managers and supervisory staff	50,116	51,780
Front-line service staff and other employees	372,728	367,737
TOTAL	**422,844**	**419,317**

Group employees by activity and region were as follows:

	On-site Services							
	North America	Continental Europe	United Kingdom and Ireland	Rest of the World	Total	Benefits and Rewards Services	Holding companies	Total
August 31, 2015	132,510	99,267	37,311	149,203	418,291	4,095	458	422,844
August 31, 2014	132,030	99,073	34,641	149,134	414,878	3,983	456	419,317

4.28 LITIGATION

Sodexo is involved in litigation arising from its ordinary activities. The Group does not believe that liabilities relating to such litigation will in aggregate be material to its activities or to its consolidated financial position.

To the best of the Company's knowledge, there have been no governmental, judicial or arbitral proceedings (including any such proceedings which are pending or threatened of which Sodexo is aware) which may have, or have had in the past 12 months, material effects on Sodexo and/or the Group's financial position or profitability.

4.29 SUBSEQUENT EVENTS

On November 17, 2015, the Board of Directors decided to launch a share repurchase and cancellation program for 300 million euro, which will be realized over a twelve-month period.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

5.1 EXPOSURE TO FOREIGN EXCHANGE AND INTEREST RATE RISK

Because Sodexo has operations in 80 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 SA uses derivative instruments to manage the Group's exposure to interest rate and foreign exchange rate risk.

The policies approved by the Board of Directors, the Chief Executive Officer and the Chief Financial Officer are designed to prevent speculative positions. Further, under these policies:

- 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.

5.1.1 Analysis of sensitivity to interest rates

As of August 31, 2015 and 2014, a 0.5% increase or decrease in interest rates would have had no material impact on net profit before tax or on shareholders' equity as substantially all liabilities at those dates were at a fixed rate of interest.

5.1.2 Analysis of sensitivity to foreign exchange rates and exchange rate exposures on principle currencies

EXPOSURE TO CURRENCY RISK

Before currency derivatives *(in millions of euro)*	August 31, 2015				August 31, 2014			
	Dollar USD	Real BRL	Sterling GBP	Bolivar Fuerte VEF	Dollar USD	Real BRL	Sterling GBP	Bolivar Fuerte VEF
Closing rate as of August 31	*0.892*	*0.246*	*1.375*	*0.004*	*0.758*	*0.338*	*1.257*	*0.015*
Monetary assets								
Working capital items and other receivables	950	379	372	1	770	459	249	1
Deferred tax assets	106	25	20		91	46	19	
Restricted cash and financial assets of the Benefits and Rewards activity	2	113	15	6	1	151		20
Cash and cash equivalents net of overdrafts	699	245	395	12	724	350	301	23
TOTAL MONETARY ASSETS	**1,757**	**762**	**802**	**19**	**1,586**	**1,006**	**569**	**44**
Monetary liabilities								
Financial liabilities	1,872	3	7		1,592		4	
Working capital items and other liabilities	1,546	628	730	13	1,297	816	477	30
Deferred tax liabilities	28	71	11		31	99		
TOTAL MONETARY LIABILITIES	**3,446**	**702**	**748**	**13**	**2,920**	**915**	**481**	**30**
Net position[(1)]	(1,689)	60	54	6	(1,334)	91	88	14

(1) This net position does not include currency positions on intragroup transactions.

After currency derivatives *(in millions of euro)*	August 31, 2015				August 31, 2014			
	Dollar USD	Real BRL	Sterling GBP	Bolivar Fuerte VEF	Dollar USD	Real BRL	Sterling GBP	Bolivar Fuerte VEF
Closing rate as of August 31	*0.892*	*0.246*	*1.375*	*0.004*	*0.758*	*0.338*	*1.257*	*0.015*
Monetary assets								
Working capital items and other receivables	950	379	372	1	770	459	249	1
Deferred tax assets	106	25	20		91	46	19	
Restricted cash and financial assets of the Benefits and Rewards activity	2	113	15	6	1	151		20
Cash and cash equivalents net of overdrafts	699	245	395	12	724	350	301	23
TOTAL MONETARY ASSETS	**1,757**	**762**	**802**	**19**	**1,586**	**1,006**	**569**	**44**
Monetary liabilities								
Financial liabilities	1,872	61	24		1,592	178	48	
Working capital items and other liabilities	1,546	628	730	13	1,297	816	477	30
Deferred tax liabilities	28	71	11		31	99		
TOTAL MONETARY LIABILITIES	**3,446**	**760**	**765**	**13**	**2,920**	**1,093**	**525**	**30**
Net position[(1)]	(1,689)	2	37	6	(1,334)	(87)	44	14

(1) This net position does not include currency positions on intragroup transactions.

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, 2015				August 31, 2014			
	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
Dollar USD	763	50	33	167	651	34	20	130
Real BRL	107	23	21	57	107	19	15	70
Sterling GBP	193	8	12	82	151	5	7	64
TOTAL	**1,063**	**81**	**66**	**306**	**911**	**59**	**42**	**265**

A 10% increase in the Bolivar/Euro exchange rate would not have had a material impact on revenues, operating profit, profit before tax or shareholders' equity for Fiscal 2015.

5.2 EXPOSURE TO LIQUIDITY RISK

The nature of the Group's borrowings and bond issuances as of August 31, 2015 is described in detail in note 4.15 of the consolidated financial statements.

As of August 31, 2015, more than 98% of the Group's consolidated borrowings was borrowed on capital markets and bank financing was less than 2% of the Group's financing needs. As of August 31, 2014, more than 94% of the Group's consolidated borrowings was borrowed on capital markets and bank financing was less than 6% of the Group's financing needs. The reimbursement maturity dates of the main borrowings range between Fiscal 2016 and Fiscal 2029. The Group has a confirmed multi-currency line of credit for 531 million euro plus 709 million U.S. dollars which expires in July 2020. This line of credit had been utilized in the amount of 65 million euro as of August 31, 2015 (215 million euro as of August 31, 2014).

5.3 EXPOSURE TO COUNTERPARTY RISK

Exposure to counterparty risk is limited to the carrying value of financial assets.

Group policy is to manage and spread counterparty risk. For derivative financial instruments, each transaction with a bank is required to be based on a master contract modeled on the standard contract issued by the French Bankers' Association (AFB) or the International Swaps and Derivatives Association (ISDA).

Counterparty risk relating to customer 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. Moreover, the Group has not observed any significant change in impacts relating to customer default during the year.

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, reducing the amount of liquidity held by third parties by concentrating it in the Group's financial holding companies.

The maximum counterparty is approximately 11% (12% as of August 31, 2014) of the Group's operating cash (including restricted cash and financial assets of the Benefits and Rewards Services activity) with a banking group whose rating is A-1.

6. SCOPE OF CONSOLIDATION

The main companies consolidated as of August 31, 2015 and presented in the table below together represent over 80% of consolidated revenues. The other entities represent individually less than 1% of each of revenues, operating profit and the Group share of net income and of shareholders' equity.

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 Entreprises (consolidated)			On-site	France
Sodexo Santé Médico Social			On-site	France
Société Française de Restauration et Services (consolidated)			On-site	France
Sodexo Justice Services			On-site	France
Sogeres (consolidated)			On-site	France
Lenôtre SA (consolidated)			On-site	France
Bateaux Parisiens (consolidated)			On-site	France
Score Groupe			On-site	France
Sodexo Pass France SA			Benefits and Rewards	France
Groupe Crèche Attitude (consolidated)			On-site	France
Sodexo SA			Holding	France
Americas				
Sodexo do Brasil Comercial SA (consolidated including Puras)			On-site	Brazil
Sodexo Pass do Brasil Serviços e Comercio SA			Benefits and Rewards	Brazil
Sodexo Pass do Brasil Serviços de Inovação Ltda			Benefits and Rewards	Brazil
Sodexo Canada Ltd (consolidated)			On-site	Canada
Sodexo Chile (consolidated)			On-site	Chile
Sodexo Soluciones de Motivacion Chile SA			Benefits and Rewards	Chile
Sodexo Colombia SA	65%	65%	On-site	Colombia
Sodexo, Inc. (consolidated)			On-site	United States
Roth Bros., Inc. (consolidated)			On-site	United States
Sodexo Remote Sites Partnership			On-site	United States
CK Franchising, Inc.			On-site	United States
Circle Company Associates, Inc.			On-site	United States

	% interest	% voting rights	Principal activity	Country
Europe				
Sodexo Services GmbH (consolidated)			On-site	Germany
Sodexo Beteiligungs BV & Co. KG			On-site	Germany
Sodexo Belgium SA (consolidated)			On-site	Belgium
Imagor SA			Benefits and Rewards	Belgium
Sodexo Pass Belgium SA (consolidated)			Benefits and Rewards	Belgium
Compagnie Financière Aurore International			Holding	Belgium
Sodexo Iberia SA (consolidated)			On-site	Spain
Sodexo Italia SA (consolidated)			On-site	Italy
Sodexo Nederland BV (consolidated)			On-site	Netherlands
Sodexo Pass Ceska Republika AS			Benefits and Rewards	Czech Republic
Sodexo Pass Romania SRL			Benefits and Rewards	Romania
Sodexo Services Group Ltd			Holding	United Kingdom
Sodexo Ltd (consolidated)			On-site	United Kingdom
Sodexo Prestige Ltd (consolidated)			On-site	United Kingdom
Sodexo Remote Sites Scotland Ltd			On-site	United Kingdom
Motivcom plc			Benefits and Rewards	United Kingdom
Sodexo AB			On-site	Sweden
Sodexo Avantaj Ve Odullendirme Hizmetleri AS			Benefits and Rewards	Turkey
Asia, Pacific, Middle East				
Sodexo Australia Pty Ltd (consolidated)			On-site	Australia
Sodexo Remote Sites Australia Pty Ltd			On-site	Australia
Sodexo Food Solutions India Private Limited			On-site	India
Sodexo Shanghai Management Services			On-site	China
Kelvin Catering Services (Emirates) LLC	49%	49%	On-site	United Arab Emirates

3.4 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. The Statutory Auditors' Report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

SODEXO
255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9, France

For the year ended August 31, 2015

To the shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby report to you, for the year ended August 31, 2015, on:

- the audit of the accompanying consolidated financial statements of Sodexo;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I- OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2015 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.

II- JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- the Company has tested goodwill and intangible assets with an indefinite useful life for impairment, and has assessed whether assets with a finite useful life presented an indication of impairment, in accordance with the methods set out in notes 2.8 and 4.10 to the consolidated financial statements.

  We have reviewed the methods used for the aforementioned tests, as well as the methodology applied to assess value in use based on the present value of future cash flows, after tax. We have also reviewed the documentation prepared for this purpose and the consistency of the data used, particularly the assumptions used to prepare the business plans;
- the provisions for pension and other post-employment benefits as described in notes 2.17 and 4.17 to the consolidated financial statements have chiefly been assessed by independent actuaries. We have reviewed the data and assumptions used by these actuaries as well as their conclusions, and have verified that note 4.17 provides appropriate information.

The aforementioned items are based on estimates and underlying assumptions which are uncertain by nature. As stated in note 2.2 to the consolidated financial statements, actual results may differ materially from such estimates in different conditions.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III- SPECIFIC VERIFICATION

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's Management Report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, November 18, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG Audit
		Department of KPMG SA
Jean-Christophe Georghiou	Frédéric Charcosset	Hervé Chopin

3.5 Supplemental information

3.5.1 FINANCIAL RATIOS

		Fiscal 2015 Reported data	Fiscal 2014 Excluding exceptional items[4]	Fiscal 2014 Reported data
Gearing ratio	Borrowings[1] – operating cash[2] / Shareholders' equity and non-controlling interests	9%	12%	12%
Net debt ratio	Borrowings[1] – operating cash[2] / Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)	0.2	0.3	0.3
Debt coverage	Borrowings[1] / Cash from operations[3]	3.1 years	3.8 years	4.1 years
Financial independence	Non-current borrowings / Shareholders' equity and non-controlling interests	73.8%	89.9%	89.9%
Return on equity	Profit attributable to equity holders of the parent / Equity attributable to equity holders of the parent (before profit for the period)	23.3%	18.8%	18.2%
Return on capital employed (ROCE)	Operating profit after tax / Total of tangible and intangible assets + goodwill + client investments + working capital, as of the end of the year	19.7%	17.7%	17.2%
Interest cover	Operating profit / Net interest expense	9.0	6.8	6.6

(1) Borrowings = non-current borrowings + current borrowings excluding overdrafts – derivative financial instruments recognized as assets.
(2) Cash and financial assets related to the Benefits and Rewards Services activity – bank overdrafts.
(3) Net cash provided by operating activities - changes in working capital.
(4) Financial ratios for Fiscal 2014 have been computed to exclude the effect of exceptional costs relating to the operational efficiency improvement and cost reduction program.

3.5.2 TWO-YEAR FINANCIAL SUMMARY

	Fiscal 2015	Fiscal 2014
Total shareholders' equity	**3,744**	**3,221**
Equity attributable to equity holders of the parent	3,710	3,189
Profit attributable to non-controlling interests	34	32
Borrowings(1)		
Non-current borrowings	2,762	2,879
Current borrowings	285	937
Cash and equivalent, net of bank overdrafts	**1,969**	**2,687**
Restricted cash and financial assets (Benefits and Rewards Services)	**739**	**758**
Net borrowings(2)	**(339)**	**(371)**
Revenue	**19,815**	**18,016**
Operating profit after share of profit of companies consolidated by the equity method that directly contribute to the Group's business	1,143	939
Profit for the period	723	509
Profit attributable to non-controlling interests	23	19
Profit attributable to equity holders of the parent	**700**	**490**
Average number of shares outstanding	**152,087,430**	**151,893,759**
Earnings per share *(in euro)*	4.60	3.23
Dividend per share paid during the fiscal year *(in euro)*	1.80	1.62
Share price at August 31 *(in euro)*	78.43	74.97
Highest share price in the fiscal year *(in euro)*	95.76	80.56
Lowest share price in the fiscal year *(in euro)*	69.49	66.69

(1) Including financial instruments, excluding bank overdrafts.
(2) Cash and cash equivalents + restricted cash and financial assets of the Benefits and Rewards Services activity – borrowings.

3.5.3 EXCHANGE RATES

ISO codes	Countries	Currency	Closing exchange rate at August 31, 2015 1 euro =	Average exchange rate Fiscal 2015 1 euro =
CFA	Africa	CFA (thousands)	0.655957	0.655957
ZAR	South Africa	Rand	14.954600	13.646088
DZD	Algeria	Dinar (thousands)	0.117944	0.107253
SAR	Saudi Arabia	Rial	4.191500	4.351656
ARS	Argentina	Peso	10.377110	10.178361
AUD	Australia	Dollar	1.575300	1.453647
BRL	Brazil	Real	4.067100	3.302033
BGN	Bulgaria	Lev	1.955800	1.955800
CAD	Canada	Dollar	1.486300	1.403403
CLP	Chile	Peso (thousands)	0.772270	0.719642
CNY	China	Yuan	7.157900	7.190661
COP	Colombia	Peso (thousands)	3.433000	2.773053
KRW	South Korea	Won (thousands)	1.326960	1.278353
CRC	Costa Rica	Colon (thousands)	0.589370	0.616323
DKK	Denmark	Krone	7.462900	7.454139
AED	United Arab Emirates	Dirham	4.104600	4.260479
USD	United States	Dollar	1.121500	1.159405
GNF	Guinea	Guinea Franc (thousands)	8.219210	8.277121
HKD	Hong Kong	Dollar	8.692000	8.991041
HUF	Hungary	Forint (thousands)	0.314700	0.308752
INR	India	Rupee (thousands)	0.074469	0.072843
IDR	Indonesia	Rupiah (thousands)	15.769290	14.857413
ILS	Israel	Shekel	4.409400	4.467238
JPY	Japan	Yen (thousands)	0.136070	0.137161
KZT	Kazakhstan	Tenge (thousands)	0.268680	0.216117
KWD	Kuwait	Dinar	0.337300	0.343937
LBP	Lebanon	Pound (thousands)	1.680720	1.747097
MGA	Madagascar	Ariary (thousands)	3.654000	3.291216
MYR	Malaysia	Ringgit	4.699800	4.143033
MAD	Morocco	Dirham	10.868200	10.886342
MXN	Mexico	Peso	18.913000	17.206678
MZN	Mozambique	Metical	45.590000	39.678660
NOK	Norway	Kroner	9.358500	8.657970
NZD	New Zealand	Dollar	1.753600	1.569705

			Closing exchange rate at August 31, 2015	Average exchange rate Fiscal 2015
ISO codes	Countries	Currency	1 euro =	1 euro =
OMR	Oman	Rial	0.430100	0.446558
PEN	Peru	Sol	3.596500	3.537455
PHP	Philippines	Peso	52.487000	51.961363
PLN	Poland	Zloty	4.228900	4.169247
QAR	Qatar	Rial	4.069400	4.224798
CZK	Czech Republic	Koruna (thousands)	0.027021	0.027494
RON	Romania	New Lei	4.430700	4.430475
GBP	United Kingdom	Pound	0.727530	0.746289
RUB	Russia	Ruble (thousands)	0.074858	0.061358
SGD	Singapore	Dollar	1.584200	1.546692
SEK	Sweden	Krona	9.503200	9.324049
CHF	Switzerland	Swiss Franc	1.082500	1.103285
TZS	Tanzania	Shilling (thousands)	2.385860	2.146459
THB	Thailand	Baht	40.200000	38.448222
TND	Tunisia	Dinar	2.191200	2.202506
TRY	Turkey	New Lira	3.273100	2.883601
UYU	Uruguay	Peso	31.804000	29.551193
VEF	Venezuela	Bolivar (thousands)	2.231365	2.231365
VND	Vietnam	Dong	25,099.050000	24,947.075514

3.5.4 INVESTMENT POLICY

(in millions of euro)	Fiscal 2015	Fiscal 2014
Acquisitions of property, plant equipment and intangible assets, plus client investments	352	294
Acquisitions of equity interests	49	50

Investments in progress as of August 31, 2015:

- post-balance sheet acquisitions of equity interests: the Group has made investments to acquire equity interests in the amount of 66 million euro since the closing date, with notably the acquisition at the beginning of September 2015 of Sistemas de Incentivos Emresariales (Siempre), SA, in Panama (Benefits and Rewards Services) and Elder Home Care Limited and Home Care Training Limited in Ireland (Personal and Home Services);
- other firm commitments to acquire equity interests: 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 32,170 sites, which are used to support operating activities and are financed by operating cash. None of these investments is individually significant.

No significant acquisitions were made during Fiscal 2015.

A detailed description of changes in investments is provided in notes 3.1, 4.5 and 4.7 of the Notes to the Consolidated Financial Statements.

3.5.5 RISK FACTORS

3.5.5.1 RISKS RELATED TO THE GROUP'S ACTIVITIES

Commercial Risks related to On-site Services

On-site Services contracts fall into two main categories: profit and loss and fee-based. The two categories are differentiated by the level of commercial risk assumed by the service provider.

In a profit and loss contract, the service provider is paid for the service provided and bears the risks related to the costs of providing the service. Profit and loss contracts usually include periodic indexation clauses which allow for price increases (such as labor or food costs) to be passed on to clients, taking into account changes in economic conditions. The absence of such contractual clauses could have significant effect on the profitability of the related contract.

In a fee-based contract, the client bears all of the costs incurred in providing the service, either directly or by reimbursing the service provider, and regardless of the patronage on site. The service provider is paid a fixed or variable management fee. Sodexo's purchasing expertise ensures a stable supply of quality products at competitive prices pursuant to agreements negotiated with suppliers. In certain specific cases, Sodexo is required to remit to clients negotiated amounts received from suppliers.

In practice, Sodexo's contracts often combine features of both of these contract types.

Client retention risk

Sodexo's business depends on retaining and renewing contracts with existing clients, and bidding successfully for new contracts. This generally depends on various factors including the quality, cost and suitability of its services, and its ability to deliver competitive services that are differentiated from those of the competitors. As of August 31, 2015, the client retention rate for On-site Services was 93.1%.

Competition risk

At the international level, Sodexo has relatively few competitors in its activities.

However, in every country where it operates, Sodexo faces significant competition from international, national, and sometimes local operators. In addition, some existing or potential clients may opt to self-operate their On-site Services rather than outsource them.

The international, national and sometimes local operators competing against Sodexo in On-site Services may be companies offering a single type of service (such as foodservices, cleaning or technical maintenance) or a range of services. They may come from the foodservices sector or other facilities management sectors or offer other specialized technical services or even be companies specializing in property management services which sub-contract the services to various third parties.

In the 36 countries where Sodexo offers Benefits and Rewards Services, it may be faced with competition from a single global competitor or from several regional or local companies. It is important to have a solid network of affiliates. In this activity, growth is reliant on geographic expansion, the development of new service offerings, and brand recognition.

Dependency risk

Although business depends on Sodexo's ability to renew existing contracts and win new ones on favorable economic terms, no single client represents more than 2% of total Group revenues.

In addition, no industrial supplier represents more than 3% of the total volume of the Group's purchases. However, the Group's ability to organize its supply systems, including purchasing and logistics, significantly affects its performance.

Sodexo's activities are not dependent on any patent or licensed brand name of which Sodexo is not the legal owner.

Food, services and workplace safety risk

Every day, Sodexo serves a vast number of consumers worldwide, and it is committed to the safety of the food and services provided.

In addition, workplace accidents may occur in foodservices and in facilities management services.

In order to protect against shortcomings in this area, Sodexo has implemented control procedures designed to ensure strict compliance with applicable regulations, sector standards and client requirements. Global food and workplace safety policies are rolled out in all countries in which the Group operates and include appropriate training requirements for all employees.

However, if there were to be a significant incident at one or more of the Group's sites, there could be impacts on its activities, its profits and its reputation.

Risks related to food cost inflation and access to food commodities

Sodexo could be exposed to fluctuations in food prices and difficulties in the supply of certain products. The price of food and its availability in the marketplace may vary in different regions of the world.

Sodexo's contracts include certain clauses allowing for increases in prices or menu changes, but given the delays in implementing such measures, a temporary reduction in margins cannot be ruled out. Although most contracts include a minimum annual increase in the pricing of products and services provided by the Group, Sodexo could be affected during inflationary periods if the contracted increase rate is lower than the actual inflation rate.

Risks related to facilities management

Although facilities management services have long been a part of the business, Sodexo's strategy is to accelerate the development of these services, resulting in a larger contribution to revenue. These services require skilled personnel, particularly in the areas of building maintenance, electrical engineering, plumbing, heating systems and air conditioning. Consequently, the Group faces certain operational risks and has a need for qualified human resources. The Group's capacity to grow in this highly specialized environment depends on its knowledge of these markets and its ability to find, attract, recruit and train suitable employees.

Risks related to acquisitions

Sodexo has acquired and may in the future acquire businesses. These acquisitions will enhance earnings only if Sodexo can successfully integrate the acquired businesses into its management organization, purchasing operations, distribution network and information systems. The Group's ability to integrate acquired businesses may be adversely affected by factors that include failure to retain management and sales personnel, the size of the acquired business and the allocation of limited management resources among various integration efforts. In addition, the benefits of synergies expected at the time of selecting acquisition candidates may fall short of those originally anticipated. Difficulties in integrating acquired businesses, as well as liabilities or adverse operating issues relating to acquired businesses, could have a material adverse effect on our business, operating results and financial condition.

As explained in note 4.10 of the notes to the consolidated financial statements, the Group performs annual impairment tests on assets, including intangible assets and goodwill recognized on business combinations. If the carrying amount of these assets were to be less than their recoverable amount, an impairment loss would be recognized with an adverse effect on the Group's operating results and financial condition.

3.5.5.2 HUMAN RESOURCES MANAGEMENT RISKS

Service quality is largely dependent on the ability to attract, develop, motivate and retain the best talent, and to provide a sufficient level of training in order to raise standards continuously. For this reason, Sodexo has developed training policies at every level of the organization, with a particular focus on prevention and safety.

The diversity of backgrounds, cultures and skills among its people represents both a challenge and a major opportunity. Sodexo is committed to capitalizing on this diversity to gain a competitive edge and become a genuine worldwide player, so that its people – at every level – reflect the diversity of the Group's clients and consumers

Sodexo senior management is currently transforming the organizational structure of the On-site Services activity to change from a country-based organization to one that is based on worldwide client segments. This reorganization is intended to improve alignment with the needs of our clients and consumers, to accelerate growth and to enhance efficiency. The design and subsequent progressive implementation of such a reorganization requires an important investment of management time and attention. Any significant diversion of management resources could be disruptive and impact the Group's ongoing business and operating results. Accordingly, Sodexo's Group Executive Committee and Board of Directors have put in place governance to closely monitor and mitigate this risk.

As far as it is aware Sodexo is not exposed to any specific labor-related risk other than those arising in the ordinary course of business for an international group of its size.

3.5.5.3 ENVIRONMENTAL RISKS

Sodexo is aware of the potential environmental impact of its activities, even though it operates on its clients' sites. Rather than underestimate its importance, the Group makes every effort to manage and limit environmental risk.

The environmental impact of its activities arises mainly from:

- consumption of water and energy in foodservices facilities, food preparation and cleaning;

- production of waste from food preparation and cleaning (packaging, organic matter, waste fats and oils, and waste water from cleaning);
- climate change leading to exceptional weather incidents having an impact on the cost of commodities.

As part of its role as a corporate citizen, Sodexo launched The Better Tomorrow Plan in 2009. This continuous improvement plan identifies 18 commitments of which eight focus on the environment.

3.5.5.4 RISKS ASSOCIATED WITH TECHNOLOGY

The Group is increasingly dependent on information technology infrastructure and applications in its activities. The main risks are related to the availability of information technology services, data security and data privacy. Any failure in infrastructure, application or data communication or breakdown in security, as well as any loss in data, whether accidental or intentional, as well as the use of data by third parties, could inhibit the Group's ability to serve its clients, delay decision-making, and in general have a negative effect on the Group's activities.

3.5.5.5 REGULATORY RISK

The nature of Sodexo's business and its worldwide presence mean that it is subject to a wide variety of laws and regulations including labor law, antitrust law, corporate law, anti-corruption law, data protection and privacy, and health, safety and environmental law.

Sodexo has the legal structures in place at the appropriate levels to ensure compliance with these laws and regulations.

Most services in the Benefits and Rewards Services activity benefit from favorable tax treatment in certain countries. These tax incentives may be adjusted to varying degrees by the governments concerned. A change in the related laws or regulations could have a direct impact on Sodexo's business, either by creating opportunities or by posing a threat to existing services. As such, if tax incentives were to be reduced or abolished, this could lead to a significant reduction in issue volume for some of the services concerned. However, Sodexo offers more than 250 different services in 36 countries and therefore considers that this risk is largely dispersed.

3.5.5.6 LIQUIDITY, INTEREST RATE, FOREIGN EXCHANGE AND COUNTER-PARTY RISK

Sodexo has access to a wide variety of bank funding sources in addition to raising funds directly from investors on the commercial paper and bond markets. Because it has operations in 80 countries, all components of the financial statements are inevitably influenced by foreign currency translation effects, and in particular by fluctuations in the U.S. dollar, the British pound Sterling, the Swedish crown, the Brazilian real, and the Venezuelan Bolivar Fuerte. However, exchange rate fluctuations do not generate operational risk, because each subsidiary bills its revenues and incurs its expenses in the same currency.

Sodexo uses derivative instruments to manage its exposure to interest rate and foreign exchange risk.

Additional information about these risks is provided in notes 5.1, 5.2 and 5.3 to the consolidated financial statements.

3.5.5.7 ECONOMIC DOWNTURN RISK

Adverse economic conditions could affect the Group's operations and earnings. The weight of national debt and continued unemployment could lead to significant pressures on economic activity both in the public and private sectors, leading to a decline in demand for the services Sodexo offers its clients – in particular in the Corporate segment – and thus have a negative impact on operations. The Group also is particularly attentive to economic trends in Latin America, which represented approximately 10% of consolidated revenue in Fiscal 2015, especially in Brazil where GDP is expected to contract by around 3% in 2015 (source: International Monetary Fund) and may continue to decline in 2016.

Nonetheless, Sodexo's clients are predominantly (around two-thirds of annual revenues) in less cyclical sectors such as Education, Healthcare, Justice and Defense.

The Remote sites activity is dependent on the petroleum and mining industries. Lastly, unfavorable economic conditions could result in a lengthening of payment times or impair the solvency of Sodexo's clients. Conversely, the economic situation could lead clients to increase outsourcing in order to achieve cost savings.

3.5.5.8 LITIGATION RISK

Refer to note 4.28 of the notes to the consolidated financial statements for information on these risks.

No additional risk was identified during Fiscal 2015.

3.5.6 RISK COVERAGE

3.5.6.1 INSURANCE COVER

Sodexo's general policy is to transfer non-retained risks, especially intensity risks[1], to the insurance market. Insurance programs are contracted with reputable insurers.

The main insurance programs are as follows:

- liability insurance, which covers against personal injury, property damage or consequential loss caused to third parties. This category notably includes operational, product, after-delivery and professional liability insurance. The amounts insured depend on the nature of Sodexo's activities, the country where it operates, and the extent of cover available in the insurance market;
- 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.

The cover provided under these programs complies with the relevant legal requirements in each country.

3.5.6.2 DEDUCTIBLES

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.

In North America, deductibles range from 5,000 U.S. dollars to 5,000,000 U.S. dollars per occurrence and some of the corresponding self-insured risks have been managed by a captive insurance company since June 1, 2006. Outside North America, deductibles generally range from 7,500 euro to 2,000,000 euro per occurrence.

3.5.6.3 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 is approximately 45 million euro, representing less than 0.25% of consolidated revenue.

(1) See glossary for definition.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INFORMATION ON THE ISSUER

4.1 Sodexo SA Individual Company Financial Statements

4.1.1 INCOME STATEMENT

(in thousands of euro)	Note	Fiscal 2015	Fiscal 2014
Revenues	3	**86,221**	**84,594**
Other income		254,185	233,753
Purchases		(724)	(619)
Employee costs		(59,527)	(51,778)
Other external charges		(137,945)	(130,112)
Taxes other than income taxes		(12,676)	(13,339)
Depreciation, amortization and increase in provisions		(1,252)	(1,840)
Operating profit		**128,282**	**120,659**
Financial income/(expense), net	4	353,380	196,351
Exceptional income/(expense), net	5	(143,679)	(53,179)
Employee profit sharing		(45)	(7)
Income taxes	6	(13,809)	4,963
Net income		**324,129**	**268,787**

4.1.2 BALANCE SHEET

ASSETS

(in thousands of euro)	Note	August 31, 2015	August 31, 2014
FIXED AND INTANGIBLE ASSETS, NET			
Intangible assets	7	15,408	15,446
Property, plant and equipment	7	1,579	2,014
Financial investments	7	5,073,647	5,019,700
Total fixed and intangible assets	**7**	**5,090,634**	**5,037,160**
CURRENT AND OTHER ASSETS			
Accounts receivable	9	43,948	54,723
Prepaid expenses, other receivables and other assets	9	541,119	282,041
Marketable securities	11	325,700	617,423
Cash		226,015	722,306
Total current and other assets		**1,136,782**	**1,676,493**
TOTAL ASSETS		**6,227,416**	**6,713, 653**

LIABILITIES AND EQUITY

(in thousands of euro)	Note	August 31, 2015	August 31, 2014
SHAREHOLDERS' EQUITY			
Common stock		628,528	628,528
Additional paid in capital		1,108,954	1,108,954
Reserves and retained earnings		1,427,133	1,378,508
Restricted provisions		16,746	16,596
Total shareholders' equity	**13**	**3,181,361**	**3,132,586**
Provisions for contingencies and losses	10	284,948	216,977
LIABILITIES			
Borrowings	14	2,018,876	2,940,189
Accounts payable		18,674	21,099
Other liabilities		723,557	402,802
Total liabilities and provisions		**3,046,055**	**3,581,067**
TOTAL LIABILITIES AND EQUITY		**6,227,416**	**6,713,653**

4.2 Notes to the Individual Company Financial Statements

DETAILED LIST OF NOTES

DETAILED LIST OF NOTES

1. SIGNIFICANT EVENTS

1.1 CAPITAL TRANSACTIONS

During Fiscal 2015, Sodexo SA repurchased 937,051 treasury shares for 83.7 million euro, to be used primarily for stock options and free shares granted in prior fiscal years as well as to free shares granted in April 2015.

1.2 BORROWINGS

On January 30, 2015, Sodexo SA redeemed the bonds issued in 2009 for a total amount of 880 million euro.

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).

The accounting policies applied in preparing the individual company financial statements in Fiscal 2015 are the same as those applied in Fiscal 2014. The financial statements have been prepared using the historical cost convention.

Amounts in tables are in thousands of euro.

Exceptional items comprise items that do not relate to 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 SA include amounts for branches in metropolitan France and in French overseas departments and regions.

2.1 FIXED ASSETS

Fixed 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 four to five years, depending on its useful life.

The difference between the accounting and tax amortization of intangible assets is recognized as exceptional amortization.

2.1.2 Property, plant and equipment

The principal straight-line depreciation rates used are:

Buildings	5%
General fixtures and fittings	10% to 20%
Plant and machinery	10% to 25%
Vehicles	25%
Office and computer equipment	20% to 25%
Other property, plant and equipment	10%

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 is less than the net carrying amount.

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 three years, but may be extended to five years by decision of management;
- 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.

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 – FREE SHARE AND STOCK OPTION PLANS

A provision is recorded when it is probable that stock option or free 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. For stock option plans, the provision is net of the option exercise price.

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, less the option exercise price in the case of shares delivered upon exercise of stock options.

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, receivables and cash are translated in the balance sheet at the 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.

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 complementary 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.

2.8 FRENCH TAX CONSOLIDATION

Sodexo SA is the lead company in the French tax consolidation, and has sole liability for income taxes for the whole of this 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 SA financial statements.

In connection with position statement no. 2005-G issued on October 12, 2005 by the Urgent Issues Committee of the *Conseil national de la comptabilité* on the conditions under which a provision may be recognized by a parent company covered by a French tax consolidation, Sodexo SA has elected the following accounting treatment: a provision for taxes is recognized in the financial statements of Sodexo SA to cover tax losses of subsidiaries which are used to offset income in the French tax consolidation and which will probably be reclaimed by the subsidiary. All tax losses incurred by operating subsidiaries are regarded as probable of being reclaimed by the subsidiary, given that the subsidiary will be able to offset such losses against income once it returns to profitability.

3. ANALYSIS OF NET REVENUES

(in thousands of euro)	Fiscal 2015	Fiscal 2014
Revenues by business activity		
On-site Services	3,566	3,678
Holding company services	82,655	80,916
TOTAL	**86,221**	**84,594**
Revenues by geographic region		
France	82,655	80,851
French overseas departments and regions	3,566	3,743
TOTAL	**86,221**	**84,594**

4. FINANCIAL INCOME AND EXPENSE, NET

(in thousands of euro)	Fiscal 2015	Fiscal 2014
Dividends received from subsidiaries and equity investments	402,688	656,839
Interest income	27,422	30,124
Interest expense	(107,871)	(137,226)
Intra-group debt forgiveness		
Net foreign exchange gain/(loss)	4,436	(326,960)
Net change in provisions for financial items	26,705	(26,426)
TOTAL	**353,380**	**196,351**

The net foreign exchange loss for Fiscal 2014 includes a 313 million euro loss arising from the repayment by Sodexo, Inc. of a capital contribution made in June 2001.

5. EXCEPTIONAL ITEMS, NET

(in thousands of euro)	Fiscal 2015	Fiscal 2014
Net change in provision for negative net assets of subsidiaries and equity investments	(5,595)	(75)
Net expense on treasury shares and commitments under stock option plans	(15,522)	(28,123)
Net change in restricted provisions and exceptional depreciation	(150)	(1,047)
Net change in provisions for tax losses reclaimable by subsidiaries included in French tax consolidation	(8,537)	(13,255)
Debt forgiveness/subsidies given	(4,281)	(4,894)
Net gain/(loss) on asset disposals	(109,594)	(5,788)
Other increases and releases in provisions, and impairment losses		3
TOTAL	**(143,679)**	**(53,179)**

The net loss on asset disposals includes gains and losses on equity investments sold in connection with an internal legal reorganization.

The net loss of 15.5 million euro on treasury shares and purchase commitments for stock option plans comprises:

- a net increase of 5.6 million euro in the provision for free share grants;
- a loss on the sale of treasury shares in connection with the exercise of stock options and delivery of free shares for 16.9 million euro;
- a release of 7 million euro of the provision on the stock option plans.

6. ANALYSIS OF INCOME TAX EXPENSE

(in thousands of euro)	Pre-tax income	Income taxes	After-tax income
Operating income	128,282	(44,612)	83,670
Financial income and expense, net	353,380	10,851	364,231
Exceptional income/(expense), net	(143,679)	19,939[(1)]	(123,740)
Employee profit-sharing	(45)	13	(32)
TOTAL	**337,938**	**(13,809)**	**324,129**

(1) This amount includes the 253 thousand euro tax loss arising from the French tax consolidation.

7. FIXED AND INTANGIBLE ASSETS

(in thousands of euro)	Gross value at August 31, 2014	Additions in the period	Decreases in the period	Gross value at August 31, 2015	Net value at August 31, 2015
Intangible assets	20,831	603	115	21,319	15,408
Property, plant and equipment	9,823	118	22	9,919	1,579
Financial investments					
• Equity investments	4,887,680	236,967	192,286	4,932,361	4,754,323
• Receivables related to equity investments	336,056	138,319	159,813	314,562	314,562
• Other financial assets	5,610	915	1,761	4,764	4,762
Total financial investments	**5,229,346**	**376,201**	**353,860**	**5,251,687**	**5,073,647**
TOTAL	**5,260,000**	**376,922**	**353,997**	**5,282,925**	**5,090,634**

Financial investments include merger deficits for a total of 10.9 million euro, allocated in full to equity investments.

EQUITY INVESTMENTS

Companies created and acquired

Sodexo SA created and acquired new foreign subsidiaries in connection with the Group's international expansion during the fiscal year.

8. DEPRECIATION AND AMORTIZATION

(in thousands of euro)	Accumulated depreciation and amortization August 31, 2014	Increases during the period	Decreases during the period	Accumulated depreciation and amortization August 31, 2015
Intangible assets	5,384	627	100	5,911
Property, plant and equipment	7,810	552	22	8,340
TOTAL	**13,194**	**1,179**	**122**	**14,251**

9. AMOUNTS AND MATURITIES OF RECEIVABLES AND OTHER ASSETS

(in thousands of euro)	Gross value	Less than 1 year	More than 1 year	Amortization and provisions	Carrying amount
Equity investments	4,932,361		4,932,361	178,038	4,754,323
Receivables related to equity investments	314,562	64,620	249,942		314,562
Other financial assets	4,764	4,663	101	2	4,762
Total financial investments	**5,251,687**	**69,283**	**5,182,404**	**178,040**	**5,073,647**
Accounts receivable	44,115	44,115		167	43,948
Prepaid expenses, other receivables and other assets	541,577	436,787	104,790	458	541,119
Total accounts and other receivables	**585,692**	**480,902**	**104,790**	**625**	**585,067**
TOTAL	**5,837,379**	**550,185**	**5,287,194**	**178,665**	**5,658,714**

There is no commercial paper included in accounts receivable.

10. PROVISIONS AND IMPAIRMENT

(in thousands of euro)	August 31, 2014	Increases and charges in the period	Decreases, releases and reclassifications in the period	August 31, 2015
Provisions for contingencies and losses	216,977	92,714	24,743	284,948
Impairment				
• financial investments	209,647	99,006	130,611	178,042
• current assets	629	546	5	1,170
Total impairment	**210,726**	**99,552**	**130,616**	**179,212**
TOTAL	**427,253**	**192,266**	**155,359**	**464,160**
Increases and decreases				
• operating items		6,607	1,262	
• financial items		113,082	138,979	
• exceptional items		72,577	15,118	

As of August 31, 2015, the main provisions for contingencies and losses were for the following:

- stock options and free share grants for 171 million euro;
- losses reclaimable by subsidiaries included in the French tax consolidation for 83 million euro;
- subsidiaries with net liabilities for 17 million euro;
- foreign exchange losses for 13 million euro.

11. MARKETABLE SECURITIES

(in thousands of euro)	Gross value August 31, 2015	Net value August 31, 2015	Net value August 31, 2014
Money market funds			299,813
TREASURY SHARES	**326,245**	**325,700**	**317,610**
TOTAL	**326,245**	**325,700**	**617,423**

12. TREASURY SHARES

MOVEMENTS IN TREASURY SHARES DURING THE FISCAL YEAR

(in thousands of euro)	Marketable securities	Other financial assets
Number of shares held		
September 1, 2014	5,298,649	
Acquisitions	937,051	
Disposals	1,373,244 (1)	
August 31, 2015	4,862,456	
Gross value of shares held		
September 1, 2014	317,611	
Acquisitions	83,700	
Disposals	75,066 (1)	
August 31, 2015	326,245	

(1) Disposals of treasury shares held as marketable securities resulted from the exercise of stock options and delivery of free shares granted to employees in prior years.

13. SHAREHOLDERS' EQUITY

13.1 ISSUED CAPITAL

As of August 31, 2015, common stock totaled 628,528,100 euro and comprised 157,132,025 shares, including 57,332,046 with double voting rights.

Since Fiscal 2013, 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, provided that they do not represent over 0.5% of the capital per shareholder.

13.2 CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of euro)	
Shareholders' equity at end of previous fiscal year	3,132,586
Dividends approved by Annual Shareholders' Meeting and paid	(283,410)
Dividends on treasury shares	7,906
Net income for the fiscal year	324,129
Restricted provisions	150
SHAREHOLDERS' EQUITY AT END OF FISCAL YEAR	**3,181,361**

Sodexo is in compliance with article L.225-210 of the French Commercial Code because in addition to the legal reserve, it has other reserves at least equal to the value of treasury shares held.

14. AMOUNT AND MATURITY OF LIABILITIES

Liabilities *(in thousands of euro)*	Gross amount	Less than 1 year	1 to 5 years	More than 5 years
Bond issues	1,108,610	8,610		1,100,000
Bank overdrafts				
Borrowing from related companies	540	540		
Other borrowings	909,726	247,305	285,340	377,081
Sub-total borrowings	**2,018,876**	**256,455**	**285,340**	**1,477,081**
Accounts payable(1)	18,674	18,674		
Other liabilities	723,557	723,557		
TOTAL	**2,761,107**	**998,686**	**285,340**	**1,477,081**

(1) 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 thousands of euro)*	Total	< 30 days	31-44 days	45-75 days	76-90 days	> 90 days
Non-Group accounts payable(2)	7,190	7,146		44		
Group accounts payable	5,905	5,905				
TOTAL	**13,095**	**13,051**		**44**		

(2) Amounts in this line item represent non-Group accounts payable including those related to fixed and intangible assets.

15. BOND ISSUES AND OTHER BORROWINGS

15.1 BOND ISSUES

15.1.1 Bond issue for 880 million euro

The bonds issued by Sodexo SA on January 30, 2009 for 650 million euro and the additional bonds issued on June 24, 2009 for 230 million euro were redeemed on January 30, 2015.

15.1.2 Bond issue for 500 million euro and 600 million euro

On June 24, 2014, Sodexo SA completed a bond issuance structured in two tranches:

- 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;
- 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.

None of these bond issues is subject to financial covenants.

15.2 OTHER BORROWINGS

15.2.1 Multicurrency confirmed facility, July 2011

On July 18, 2011, Sodexo SA contracted a multicurrency credit facility for a maximum of 600 million euro plus 800 million U.S. dollars. The facility, which originally matured on July 18, 2016, was extended in July 2013 until July 18, 2018. On July 2, 2015, this credit facility, in the amount of 531 million euro plus 709 million U.S. dollars, was further extended until July 2, 2020. This maturity is extendable on application by Sodexo SA and subject to lenders' consent until July 2021, and then until July 2022.

Amounts drawn on this facility carry floating interest indexed on the LIBOR and EURIBOR rates. This credit facility is not subject to financial covenants.

As of August 31, 2015, the amount of 65 million euro was utilized on the euro tranche (215 million euro as of August 31, 2014).

15.2.2 U.S. Private Placement Bond issues

Sodexo SA has obtained two loans in private placements with U.S. investors, as follows:

Date of the loan	Principal *(in millions of U.S. dollars)*	Fixed interest rate	Maturity
September 29, 2008	290	5.99%	September 2015
	70	6.43%	September 2018
Total	**360**		
March 29, 2011	250	4.24%	March 2018
	225	4.85%	March 2021
	125	4.95%	March 2023
Total	**600**		
TOTAL	**960**		

These bond issues carry two financial covenants calculated with reference to the Group's consolidated financial statements:

- net debt (excluding restricted cash) no higher than 3.5 times EBITDA (operating profit plus amortization and depreciation) for the past 12 months;
- net assets adjusted for cumulative currency translation effects since August 31, 2007 not lower than 1.3 billion euro.

If the covenants are not met, the lenders may, with a qualified majority, require early reimbursement of these borrowings.

The Group was in compliance with these covenants as of August 31, 2015 and 2014.

The bond issues and borrowings from financial institutions described above include customary clauses for early reimbursement that, as of the close of the fiscal year, do not present any significant risk of being exercised. They include cross-default and change in control clauses which apply to all borrowings.

16. ACCRUED EXPENSES

(in thousands of euro)	
Borrowings	31,926
Accounts payable	9,994
Tax and employee-related liabilities	23,643
TOTAL	**65,563**

17. RELATED PARTY INFORMATION

(in thousands of euro)	Related parties	Associated companies	Other	Total
Assets – Gross values				
Equity investments	4,931,150	1,211		4,932,361
Receivables related to equity investments	314,562			314,562
Other investment securities	53		3	56
Advances to suppliers				
Accounts receivable	38,288			38,288
Other operating receivables	620			620
Due from related companies	8,437			8,437
Non-operating receivables	104,790			104,790
TOTAL	**5,397,900**	**1,211**	**3**	**5,399,114**
Liabilities				
Advances from clients				
Accounts payable	6,032			6,032
Other operating liabilities				
Due from related companies	477,524			477,524
TOTAL	**483,556**			**483,556**
Income statement				
Financial income	402,631	57		402,688
Financial expenses	104,059			104,059

Related parties: fully consolidated companies.

Associated companies: companies accounted for under the equity method, and non-consolidated companies with an equity interest of more than 10%.

There has been no related party transaction that is both material and falls outside the framework of normal business dealings.

18. FINANCIAL COMMITMENTS

18.1 COMMITMENTS MADE BY SODEXO SA

(in thousands of euro)	August 31, 2015	August 31, 2014
Performance bonds given to Sodexo Group clients	1,431,342	1,031,037
Financial guarantees to third parties	1,823,589	1,699,551
Retirement benefit commitments	7,356	6,373
Other commitments	183,495	157,476
TOTAL	**3,445,782**	**2,894,434**

Virtually all financial guarantees to third parties relate to loans to Sodexo SA subsidiaries.

Sodexo SA has issued a guarantee for the repayment of bonds for 1,100 million U.S. dollars issued in March 2014 by Sodexo, Inc. in a private placement with U.S. investors.

The 23-year leases signed on October 19, 2006 for the Group's corporate headquarters in Issy-les-Moulineaux, as amended on August 5, 2015, increased commitments for office leases by 43.4 million euro.

Other commitments notably include the guarantee issued by Sodexo SA in October 2012 to cover Sodexo UK's retirement plan obligation in the United Kingdom. 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 SA

(in thousands of euro)	August 31, 2015	August 31, 2014
Commitments received	2,156,329	2,908,268

Certain borrowings by Sodexo SA are counter-guaranteed by Sodexo, Inc.

18.3 FINANCIAL INSTRUMENT COMMITMENTS

Sodexo SA did not enter into any new financial instrument commitments during the fiscal year. The only 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, 2015
Two swaps hedging the currency and interest rate risk on loans to Sodexo do Brasil	September 2011 and February 2015	February 2016	220 million BRL	31 million EUR
Forward currency purchase	April 2011	April 2021	703 million USD	90 million EUR
Forward currency purchase	March 2012	April 2021	100 million USD	6 million EUR

Sodexo may use derivative financial instruments in order to hedge its exposure to volatility in interest and currency exchange rates.

19. PRINCIPAL FUTURE ADJUSTMENTS TO THE TAX BASIS

Increases *(in thousands of euro)*	
Exceptional amortization	16,746

Decreases *(in thousands of euro)*	
Employee profit sharing	226
Other non-deductible provisions, including provisions for French social solidarity contribution tax	16

The future tax liability related to this unrealized tax difference was 6.3 million euro, calculated at a rate of 38%.

20. RETIREMENT BENEFIT COMMITMENTS

20.1 RETIREMENT BENEFITS PAYABLE BY LAW OR UNDER COLLECTIVE AGREEMENTS

Sodexo SA 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, is estimated at 2.3 million euro.

20.2 COMMITMENTS RELATED TO A COMPLEMENTARY RETIREMENT PLAN

Commitments related to the complementary retirement plan of 5.1 million euro were estimated using the projected unit credit method based on final salary and net of funding for the plan. They are not recognized in the financial statements.

21. DIRECTORS' FEES

Directors' fees paid to Board members during the fiscal year represented less than 1 million euro.

22. FRENCH TAX CONSOLIDATION

22.1 CHARGE ARISING FROM FRENCH TAX CONSOLIDATION

Sodexo SA recognized a charge of 0.3 million euro from the French tax consolidation for Fiscal 2015. This charge represents the difference between the aggregate of the income tax charges recognized by the French subsidiaries included in the French tax consolidation and the income tax liability of Sodexo SA as lead company in the French tax consolidation.

22.2 TAX LOSSES RECLAIMABLE AS OF AUGUST 31, 2015

The amount of potentially reclaimable tax losses from subsidiaries included in the French tax consolidation as of August 31, 2015 was 241 million euro, resulting in a provision of 83 million euro (using a rate of 34.43%).

23. AVERAGE NUMBER OF EMPLOYEES

	Fiscal 2015	Fiscal 2014
Managers	233	226
Supervisors	27	26
Other	40	40
Apprentices	1	1
TOTAL	**301**	**293**

The average number of employees is an average of the number of employees who were present at the end of each quarter, and includes employees working at Sodexo SA branches in France and the French overseas departments and regions.

24. CONSOLIDATION

Sodexo SA is consolidated in the financial statements of Bellon SA, which has its registered office at 2, place d'Arvieux, Marseilles, France.

25. POST-BALANCE SHEET EVENTS

On November 17, 2015, the Board of Directors decided to launch a share repurchase and cancellation program for 300 million euro, which will be realized over a 12-month period.

26. LIST OF SUBSIDIARIES AND OTHER EQUITY INVESTMENTS

(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
Detailed information										
French subsidiaries										
Sodexo Pass International	406,656	123,844	93.46%	380,057	380,057				106,562	78,346
Score Groupe	10,069	18,818	100.00%	148,455	148,455				4,591	
Sofinsod	82,683	5,563	100.00%	133,860	133,860				16,058	90,918
Holding Sogeres	6,098	36,395	100.00%	104,702	104,702				388	
Sodexo GC	17,552	(12,417)	100.00%	72,218	36,688				(2,516)	
Lenôtre	2,606	(1,597)	100.00%	60,896	31,521			103,955	(1,872)	
Sodexo Amecaa	31,712	37,247	100.00%	31,400	31,400				9,047	
Société Française de Restauration et Services	1,899	7,006	90.92%	21,782	21,782		2,140	235,096	5,717	
Sodexo Entreprises	17,030	28,903	97.41%	21,108	21,108			580,144	18,790	746
ONE SAS	7,225	(8,513)	100.00%	20,525					(563)	
Sodexo Afrique	5,880	(4,579)	99.80%	14,539	2,611		16		(3,609)	

(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					
SoTech Services	2,025	(737)	100.00%	12,500	12,500				(1,074)	748
Ouest Catering	516	(217)	100.00%	7,900	7,900				1,970	
French equity investments										
Sogeres	1,987	12,841	37.05%	72,570	72,570			448,245	10,459	233
Foreign subsidiaries										
Sodexo, Inc.	4	1,154,163	100.00%	2,120,232	2,120,232		1,427,796	7,324,888	223,872	138,283
Sodexo Holdings Ltd	429,948	320,685	100.00%	751,028	751,028		1,375		33,052	35,302
Sodexo Beteiligungs BV & Co. KG	175,846	(21,302)	100.00%	195,456	195,456				(9,510)	
Sodexo do Brasil Comercial SA	47,981	316,927	51.24%	159,393	159,393		10,222	653,652	14,071	
Sodexo Scandinavian Holding AB	55,771	13,129	100.00%	86,089	86,089		45,774			
Sodexo Food Solutions India Private Limited	2,686	(1,293)	98.00%	97,678	97,678		5,271	104,987	(56)	
Compagnie Financière Aurore International	58,010	197,442	100.00%	68,918	68,918				6,755	
Sodexo Awards	13	4,604	100.00%	45,684	4,434				36	
Sodexo Belgium	10,625	21,122	88.54%	38,560	38,560		3,958	314,019	914	1
Sodexo Australia	30,321	(1,398)	100.00%	36,378	36,378		4,333	77,686	15,542	
Sodexo Iberia	3,467	15,018	98.86%	26,804	26,804			200,763	3,571	3,118
Sodexo Entegre Hizmet Yonetimi AS	7,697	(3,109)	100.00%	19,036	4,588			42,151	(1,548)	
Sodexo Mexico	3,979	71	100.00%	11,434	11,434			48,188	79	
Sodexo Chile	11,962	17,641	99.61%	10,911	10,911			362,485	(5,745)	
Kalyx Ltd	21	123,877	100.00%	9,430	9,430			217,206	34,654	
Sodexo Facilities Management Services India Private Ltd	6,789	(2,443)	97.80%	7,345	7,345		5,271	64,388	923	
Sodexo OY	5,046	(3,477)	100.00%	7,054	7,054			128,641	235	
Sodexo Italia	1,898	49,189	100.00%	7,029	7,029			383,898	11,843	10,534
Sodexo Argentina	3,594	3,169	99.39%	6,832	6,832		3,782	114,614	3,169	
Foreign equity investments										
Sodexo Gmbh	308	308,225	37.40%	38,702	38,702				8,271	
Aggregate information										
Other French subsidiaries				25,501	22,507		85,809			24,555
Other foreign subsidiaries				45,635	25,499	3,140	39,100			16,645
Other French equity investments				475	7		1,786			117
Other foreign equity investments				14,300	12,915		4,223			3,579
TOTAL				**4,932,415**	**4,754,376**	**3,140**	**1,640,856**			**403,125**

4.3 Supplemental Information on the Individual Company Financial Statements

4.3.1 FIVE-YEAR FINANCIAL SUMMARY

(in euro)	Fiscal 2015[1]	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Capital at end of period					
Issued capital	628,528,100	628,528,100	628,528,100	628,528,100	628,528,100
Number of ordinary shares outstanding	157,132,025	157,132,025	157,132,025	157,132,025	157,132,025
Number of non-voting preferred shares outstanding					
Maximum number of potential new shares issuable					
By conversion of bonds					
By exercise of warrants and options					
Warrants					
Stock options					
Income statement data					
Revenues excluding taxes	86,220,958	84,594,216	77,175,406	63,336,905	80,469,639
Earnings before income tax, employee profit sharing, depreciation, amortization and provisions	369,855,443	363,475,307	397,787,059	370,162,664	295,399,759
Income tax	(13,808,673)	4,963,697	2,071,317	22,363,609	15,061,259
Employee profit-sharing	45,596	7,200	6,400	131,452	62,480
Earnings after income tax, employee profit-sharing, depreciation, amortization and provisions	324,129,494	268,787,333	341,642,070	340,498,609	301,668,265
Dividend payout	347,069,897	283,403,569	255,192,660	249,839,920	229,412,757
Per share data					
Earnings after income tax and employee profit-sharing but before depreciation, amortization and provisions	2.27	2.34	2.54	2.50	1.98
Earnings after income tax, employee profit-sharing, depreciation, amortization and provisions	2.06	1.71	2.17	2.17	1.92
Net dividend per share[2]	2.20	1.80	1.62	1.59	1.46
Dividend premium per eligible share[2]	0.22	0.18	0.16		

(1) Subject to approval by the Annual Shareholders' Meeting to be held on January 26, 2016.
(2) The Board of Directors proposes that the Shareholders' Meeting on January 26, 2016 approve the distribution of a cash dividend of 2.20 euro per share. In addition, and in accordance with the system adopted by the Shareholders' Meeting held on January 24, 2011, shares held in registered form since at least August 31, 2011 and still held when the dividend becomes payable in February 2016, will automatically be entitled, without any additional formality, to a 10% dividend premium, representing an additional 0.22 euro per share (provided that they do not represent over 0.5% of the capital per shareholder).

(in euro)	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Employee data					
Average number of employees during the fiscal year	301	293	285	279	268
Salary expense for the fiscal year	38,786,911	33,804,922	28,898,315	16,202,743	31,831,493
Social security and other employee benefits paid during the fiscal year	20,740,524	17,972,987	16,419,324	12,591,005	10,423,028

4.3.2 APPROPRIATION OF EARNINGS

(in thousands of euro)	Fiscal (1)	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Net income	324,129	268,787	341,642	340,499	301,668
Retained earnings	980,728	987,575	891,353	790,921	716,014
Retained earnings(2)	7,905	7,637	9,773	9,773	4,104
Retained earnings(3)	(5)	133			
Transfer to legal reserve					
Transfer to long-term capital gains reserve					
Transfer from long-term capital gains reserve					
Distributable earnings	1,312,757	1,264,132	1,242,768	1,141,193	1,021,786
Net dividend	345,691	282,838	254,554	249,840	229,413
Dividend premium(4)	1,379	566	639		
Reserves					
Retained earnings	965,687	980,728	987,575	891,353	792,373
Number of shares outstanding	157,132,025	157,132,025	157,132,025	157,132,025	157,132,025
Number of shares entitled to a dividend	157,132,025	157,132,025	157,132,025	157,132,025	157,132,025
Earnings per share *(in euro)*	2.06	1.71	2.17	2.17	1.92

(1) Subject to approval by the Annual Shareholders' Meeting to be held on January 26, 2016.
(2) Corresponding to dividends not distributed on treasury shares.
(3) Corresponding to 10% dividend premium not distributed.
(4) The Board of Directors proposes that the Shareholders' Meeting on January 26, 2016 approve the distribution of a cash dividend of 2.20 euro per share. In addition, shares held in registered form since at least August 31, 2011 and still held when the dividend becomes payable in February 2016, will automatically be entitled, without any additional formality, to a 10% dividend premium, representing an additional 0.22 euro per share (provided that they do not represent over 0.5% of the capital per shareholder).

4.4 Statutory Auditors' Reports

4.4.1 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. The Statutory Auditors' Report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

SODEXO
255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9, France

For the year ended August 31, 2015

To the shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby report to you, for the year ended August 31, 2015, on:

- the audit of the accompanying financial statements of SODEXO;
- the justification of our assessments;
- the specific verification required by the law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 as at August 31, 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II - JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matter:

- your Company has valued financial investments held in accordance with the accounting principles set out in the note 2.1.3 "Financial investments" to the financial statements. We performed procedures, on a test basis, in order to review the data and assumptions on which the valuations were based and the calculations made by your Company.

The assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III - SPECIFIC VERIFICATIONS AND INFORMATION

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Management Report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code relating to remuneration and benefits received by 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 your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of the voting rights has been properly disclosed in the Management Report.

Neuilly-sur-Seine and Paris La Défense, November 18, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG Audit
		Department of KPMG SA
Jean-Christophe Georghiou	Frédéric Charcosset	Hervé Chopin

4.4.2 STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

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 should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

SODEXO
255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9, France

Shareholders' Meeting held to approve the financial statements for the year ended August 31, 2015

In our capacity as Statutory Auditors of Sodexo, we hereby present our report on regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us or those that we could have found in the course of our engagement. We are not required to comment as to whether they are beneficial or appropriate neither to ascertain whether any other agreements and commitments exist. It is your responsibility, in accordance with article R.225-31 of the French Commercial Code *(Code de commerce),* to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, if applicable, in accordance with article R.225-31 of the French Commercial Code, to inform you of the agreements and commitments, which were authorized during previous years and which were applicable during the period.

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 AND COMMITMENTS TO BE APPROVED BY THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been advised of any agreement or commitment authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to article L.225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Continuing agreements and commitments entered into in prior years

In accordance with article R.225-30 of the French Commercial Code, we have been informed of the following agreements and commitments, which were already approved by the Shareholders' Meetings in previous years, and which were applicable during the year.

1 TRANSACTIONS WITH MICHEL LANDEL, CHIEF EXECUTIVE OFFICER

- Purpose:

The Board of Directors of SODEXO decided on November 6, 2008, decision approved by the Combined Annual Shareholders' Meeting on January 19, 2009, that in the event of the termination of his employment as Chief Executive Officer (unless for reasons of resignation or retirement, and barring his removal from office for serious misconduct or gross negligence), SODEXO will pay Michel Landel an indemnity equal to two times the gross annual compensation (fixed and variable) he received in the 12 months preceding such termination. The payment of this indemnity is subject to the SODEXO Group achieving a minimum 5% year-on-year increase in consolidated operating income, at constant consolidation scope and exchange rates, in each of the three financial years preceding the termination of his appointment.

In addition, BELLON SA has granted Michel Landel entitlements to the SODEXO Group executive retirement benefit plan. This supplemental retirement plan provides, with a five year presence in the plan condition, for payment of a pension amounting to 15% of his average fixed salary paid to him during the three years preceding his retirement, to which are added the pensions due to him under compulsory retirement plans, provided that he is employed by the Company at the time of his retirement.

- Terms and conditions:

The total commitment corresponding to Michel Landel's supplemental retirement plan as of August 31, 2015 was 2,878,855 euro.

CONTINUING AGREEMENTS AND COMMITMENTS ENTERED INTO IN PRIOR YEARS AND NOT APPROVED BY THE SHAREHOLDERS' MEETING

In accordance with article R.225-30 of the French Commercial Code, we have been informed of the following commitment, which was applicable during the year.

This commitment, authorized during the year ended August 31, 2013, which was included in our report on regulated agreements and commitments for the year ended August 31, 2013, was not approved by the Shareholders' Meeting held to examine the August 31, 2013 accounts.

2 SERVICE AGREEMENT BETWEEN BELLON SA AND SODEXO

- Directors affected by the agreement:

Pierre Bellon, Bernard Bellon, François-Xavier Bellon, Sophie Bellon, Nathalie Bellon-Szabo and Astrid Bellon, members of the Board of Directors of SODEXO and members of the Management Board or of the Supervisory Board of BELLON SA; Michel Landel, Chief Executive Officer of SODEXO and employee of BELLON SA.

- Purpose:

A services agreement has been in place between SODEXO and BELLON SA since 1991, under which BELLON SA provides assistance and advisory services to SODEXO and other Group companies – both directly and through qualified specialists – in a number of different areas, including strategy, finance, accounting, human resources and investment policies. Under the agreement, BELLON SA also provides SODEXO with assistance and advisory services on developing the Group's general policies in these areas and on implementing these policies in a coordinated way throughout the Group's various activities in order to ensure that its business is conducted in the best possible conditions.

As per the service agreement, invoices from BELLON SA to SODEXO are based on the expenses incurred by BELLON SA, plus a 5% mark-up for the following services:

- the salaries of Michel Landel (Chief Executive Officer), Elisabeth Carpentier (Group Chief Human Resources Officer), and Siân Herbert-Jones (Group Executive Vice President and Chief Financial Officer), employed and paid directly by BELLON SA, as well as payroll taxes relating thereto;
- studies and analyses of the SODEXO Group's strategic developments and their guiding principles, including the cost of consultants relating thereto;
- administrative expenses.

During the fiscal year ended August 31, 2013, SODEXO decided to change the terms and conditions of this service agreement and its duration which is now set for 5 years with an automatic renewal. The scope of services and related compensation were not changed. The new contract, signed on April 16, 2013 with a retroactive application from April 1, 2013, was authorized beforehand by the Board of Directors at its meeting held on April 16, 2013 (with Michel Landel and the directors who are members of the Bellon family not taking part in the vote). This contract is reexamined each year by the Board of Directors.

The annual fees payable to BELLON SA under this agreement is approved annually by the Board of Directors of SODEXO (with Michel Landel and the directors who are members of the Bellon family not taking part in the vote).

- Terms and conditions:

For the year ended August 31, 2015, BELLON SA invoiced SODEXO under this agreement a total of 6,517,595 euro excluding VAT.

Neuilly-sur-Seine and Paris La Défense, November 18, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG Audit
		Department of KPMG SA
Jean-Christophe Georghiou	Frédéric Charcosset	Hervé Chopin


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5

LEGAL INFORMATION

5.1 General information about Sodexo and its Issued Capital

5.1.1 GENERAL INFORMATION ABOUT SODEXO

5.1.1.1 LEGAL NAME AND REGISTERED OFFICE

Legal name: Sodexo.

Registered office: 255, quai de la Bataille-de-Stalingrad, 92130 Issy-les-Moulineaux (Hauts-de-Seine), France.

Telephone: +33 (0)1 30 85 75 00.

5.1.1.2 LEGAL FORM

Sodexo is a *société anonyme* (joint stock corporation), subject to all of the laws and regulations governing commercial corporations in France, and in particular to the provisions of the French Commercial Code.

5.1.1.3 NATIONALITY

French.

5.1.1.4 DATE OF INCORPORATION AND EXPIRATION (ARTICLE 5 OF THE BYLAWS)

"The Company has a life of 99 years from December 31, 1974, save earlier termination or winding up."

The date of expiration of the Company is December 30, 2073.

5.1.1.5 CORPORATE PURPOSE (ARTICLE 2 OF THE BYLAWS)

"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."*

5.1.1.6 REGISTRATION

Sodexo is registered in the Nanterre Register of Commerce and Companies as no. 301 940 219.

5.1.1.7 BUSINESS IDENTIFIER CODE (APE CODE)

5629B.

5.1.1.8 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 Registration Document) are available on our website www.sodexo.com and may also be consulted at our registered offices at 255, quai de la Bataille-de-Stalingrad – 92130 Issy-les-Moulineaux, France, preferably by appointment.

5.1.1.9 MATERIAL CONTRACTS

During the last two years, the Company has not entered into any material contracts, other than those signed in the ordinary course of business, creating a material obligation or commitment for the entire Group.

5.1.1.10 FISCAL YEAR (ARTICLE 17 OF THE BYLAWS)

"The fiscal year commences on September 1 of each year and ends on August 31 of the following year."

5.1.1.11 APPROPRIATION OF EARNINGS (EXCERPT FROM ARTICLE 18 OF THE BYLAWS)

"(…) 2. 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 obligatory 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.

3. 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:

a) 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;

b) 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 balance sheet date, and who remain registered at the dividend 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 round 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 balance sheet date, 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 foregoing terms and conditions will apply for the first time to payment of the dividend payable for the fiscal year ended August 31, 2013 (to be set by the Ordinary Shareholders' Meeting expected to be called in January 2014)."

5.1.1.12 SHAREHOLDERS' MEETINGS (EXCERPT FROM ARTICLE 16 OF THE BYLAWS)

"1. 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 the meeting.

For the purposes of calculating quorum and majority at 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.

2. The General Shareholders' Meetings comprise all shareholders whose shares have been paid for in full and for which proof is given of entitlement to attend General Shareholders' Meetings by registration of the shares in the share registry in the name of either the shareholder or, for shareholders not domiciled in French territory, of the *registered intermediary for said shareholder's account, by midnight (Paris time) on the third business day preceding the meeting at the latest*[1]*.*

Shares shall 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 law and the regulations.

Equally, all shareholders may take part in discussions when meetings are in session and vote via electronic data.

3. 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."

5.1.1.13 DOUBLE VOTING RIGHTS (EXCERPT FROM ARTICLE 16 OF THE BYLAWS)

"Double voting rights, having regard to the percentage of issued capital that they represent, are conferred on:

- *all fully paid shares registered in the name of the same shareholder for at least four years;*
- *registered shares allotted free of charge to a shareholder in the event of an increase in the share capital by conversion of earnings, reserves or additional paid in capital in proportion to existing shares held by that shareholder that enjoy double voting rights."*

5.1.1.14 SHARE OWNERSHIP DECLARATION THRESHOLDS (EXCERPT FROM ARTICLE 9 OF THE BYLAWS)

"Any shareholder whose direct or indirect shareholding reaches 2.50% of the Company's issued capital or any multiple thereof is required to inform the Company by registered letter with acknowledgment of receipt within fifteen days. Failure to make such declaration may result in the shares exceeding the threshold being stripped of voting rights on the terms stipulated by law. This declaration requirement applies equally when a shareholding passes below any of the declaration thresholds."

5.1.1.15 KNOWN SHAREHOLDERS (EXCERPT FROM ARTICLE 9 OF THE BYLAWS)

"The Company can make use of the legal framework available for identifying the holders of shares which have, either immediately or in the future, voting rights at Annual Shareholders' Meetings."

5.1.1.16 MODIFICATION OF SHAREHOLDERS' RIGHTS

All modifications to share capital or voting rights attached to the shares therein are subject to legal requirements, as the by-laws do not contain specific provisions.

(1) Pursuant to a change made to the record date by the decree 2014-1466 of December 8, 2014, which amended to the second business day preceding the Shareholders' Meeting, a resolution will be submitted to a vote at the Shareholders Meeting of January 26, 2016 in order to modify this article of the bylaws to reflect the applicable regulations.

5.1.2 GENERAL INFORMATION ABOUT THE ISSUED CAPITAL

5.1.2.1 FIVE-YEAR SUMMARY OF CHANGES IN ISSUED CAPITAL

Sodexo's issued capital has not undergone any change since September 18, 2008.

5.1.2.2 SECURITIES GIVING ACCESS TO CAPITAL

As of the date of this Registration Document, there are no securities outstanding, other than existing equity securities, which would give immediate or future access to the capital of Sodexo.

5.1.2.3 CAPITAL AUTHORIZED BUT NOT ISSUED

The Extraordinary Shareholders' Meetings of January 21, 2013 and January 21, 2014 authorized the Board of Directors to increase the Company's share capital on one or more occasions by issuance of ordinary shares, and/or all other securities giving immediate or future access to Sodexo shares, or by the capitalization of earnings, reserves or additional paid-in capital, subject to the following limits:

Currently valid delegations of authority relating to capital increase	Maximum aggregate par value	Date of authorization	Date of expiry
Authorizations with pre-emptive rights			
• Issuance of shares and/or all other securities giving access to Sodexo shares	€100 million	January 21, 2014	March 21, 2016(1)
• Issuance of debt securities giving access to Sodexo shares	€1 billion	January 21, 2014	March 21, 2016(1)
Authorizations to issue shares to employees and managers			
• Issuance of ordinary shares and/or all other securities reserved for members of Employee Savings Plans	1.5% of the share capital (approximately €9.4 million)	January 21, 2014	March 21, 2016(1)
• Grant of free shares and performance shares(2)	2.5% of the share capital (approximately €15.7 million)	January 21, 2013	March 21, 2016(1)
Issuance of shares by capitalization of earnings, reserves or additional paid-in capital	**€200 million**	**January 21, 2014**	**March 21, 2016(1)**

(1) The Board of Directors will propose a renewal of these authorizations at the Shareholders' Meeting of January 26, 2016.
(2) The use of this delegation by the Board of Directors in Fiscal 2015 is explained in section 7.3.4.2 of this document. The other delegations have not been used.

5.1.2.4 SHARE OWNERSHIP OF SODEXO

In compliance with article L.233-8 II of the French Commercial Code and article 223-16 of the General Regulation of the *Autorité des marchés financiers* (AMF), each month Sodexo communicates to the AMF and publishes – notably on its website www.sodexo.com – the total number of voting rights and the number of shares comprising the issued capital of Sodexo, if these have changed relative to the previously published information.

Issued capital as of August 31, 2015

Sodexo had issued capital of 628,528,100 euro divided into 157,132,025 shares with a par value of 4 euro each, all fully paid and of the same class. Of these 157,132,025 shares, 57,332,046 carried double voting rights.

Holders of fully-paid Sodexo shares may elect to hold them either as registered shares or as bearer shares identifiable under the relevant laws and regulations, in particular article L.228-2 of the French Commercial Code.

Share ownership as of August 31, 2015

	Number of shares	% of share capital	Theoretical voting rights(1)	% of theoretical voting rights(1)	Actual voting rights(2)	% of actual voting rights(2)
Bellon SA	59,252,063	37.71	111,099,509	51.80	111,099,509	53.01
First Eagle Investment Management(3)	3,874,173	2.47	3,874,173	1.81	3,874,173	1.85
Allianz Global Investors Europe(4)	4,451,664	2.83	4,451,664	2.08	4,451,664	2.12
Employees(5)	1,174,979	0.75	1,993,869	0.93	1,993,869	0.95
Treasury shares	4,862,456	3.09	4,862,456	2.26	0	0
Public	83,516,690	53.15	88,182,400	41.12	88,182,400	42.07
TOTAL	**157,132,025**	**100.00**	**214,464,071**	**100.00**	**209,601,615**	**100.00**

(1) The Company bylaws confer double voting rights on shares that have been registered for more than four years. In addition, in compliance with article 223-11 of the General Regulation of the Autorité des marchés financiers (AMF), the number of voting rights is calculated on the basis of the total number of shares carrying voting rights, including those not entitled to vote such as shares held by the Company and treasury shares.
(2) The number of actual voting rights is calculated without taking into account shares which do not have voting rights, such as treasury shares.
(3) Acting on behalf of its managed funds (including First Eagle Funds, Inc.).
(4) Acting on behalf of its managed funds.
(5) In accordance with law nº2015-990 of August 6, 2015 for growth, activity and equal economic opportunities, these numbers now include the free shares held in registered form by employees and still subject to a lock-up period.

The members of the Board of Directors, including the Chief Executive Officer, together held directly less than 0.50% of the Company's share capital.

During Fiscal 2015, First Eagle Investment Management LLC, acting on behalf of the funds it manages, notified the Company on June 1, 2015 that it had crossed below the statutory threshold of 2.5% of the Company's share capital. As of May 28, 2015 it held 2.48% of the capital representing 1.84% of the voting rights. This threshold crossing resulted from the sale of 40,073 Sodexo shares at that date.

The Company is not aware of any other shareholder having increased or decreased its shareholding above any legal or statutory ownership level during Fiscal 2015. Since the beginning of Fiscal 2016, First Eagle Investment Management LLC, acting on behalf of the funds it manages, notified the Company on September 25, 2015 that it had crossed above the statutory threshold of 2.5% of the Company's share capital. As of September 17, 2015, it held 2.53% of the capital representing 1.85% of the voting rights. This threshold crossing resulted from the acquisition of 100,000 Sodexo shares at that date.

As of the date of this document, Sodexo is not aware of:

- any other shareholder holding 2.50% or more of the capital or voting rights of Sodexo directly or indirectly, individually, or in concert;
- any shareholders' agreement or other agreement which, if implemented, could result in a change of control of Sodexo.

Changes in share ownership during the last three fiscal years

Shareholders	August 31, 2015				August 31, 2014				August 31, 2013			
	Number of shares	% of capital	% of theoretical voting rights	% of actual voting rights	Number of shares	% of capital	% of theoretical voting rights	% of actual voting rights	Number of shares	% of capital	% of theoretical voting rights	% of actual voting rights
Bellon SA	59,252,063	37.71	51.80	53.01	59,252,063	37.71	52.42	53.77	59,252,063	37.71	50.91	52.28
First Eagle Investment Management(1)	3,874,173	2.47	1.81	1.85	4,403,576	2.80	2.09	2.14	5,818,003	3.70	4.99	5.13
Allianz Global Investors Europe(2)	4,451,664	2.83	2.08	2.12	4,249,974	2.70	2.02	2.07	N/A(3)	N/A(3)	N/A(3)	N/A(3)
Employees	1,174,979	0.75	0.93	0.95	1,087,951	0.69	0.92	0.94	1,560,461	0.99	1.16	1.19
Treasury shares	4,862,456	3.09	2.26	0	5,298,649	3.37	2.51	0	5,620,453	3.58	2.62	0
Public	83,516,690	53.15	41.12	42.07	82,839,812	52.73	40.04	41.08	84,881,045	54.02	40.32	41.40

(1) Acting on behalf of its managed funds (including First Eagle Funds, Inc.).
(2) Acting on behalf of its managed funds.
(3) Not applicable because the percentage shareholding and/or voting rights is less than 2.50% for the period under consideration.
(4) In accordance with law n°2015-990 of August 6, 2015 for growth, activity and equal economic opportunities, this number now includes, as of Fiscal 2015, the free shares held in registered form by employees and still subject to a lock-up period.

Repurchases and disposals of Sodexo shares

During Fiscal 2015:

- at its meeting on January 19, 2015, the Board of Directors decided to implement the Company's share repurchase program as authorized by the Combined Annual Meeting held on the same date;
- Sodexo repurchased 937,051 shares (representing 0.6% of the share capital) at an average price of 89.32 euro per share plus trading fees of 33,480 euros excluding VAT. Sodexo also transferred 1,373,244 shares upon exercise of stock purchase options and shares vested in the context of performance share plans, and directly held 4,862,456 treasury shares (representing 3.09% of the share capital) as of August 31, 2015 intended to cover the various stock option and free and performance share grant plans benefiting Group managers;
- the total carrying value of the treasury shares portfolio was 326 million euro as of August 31, 2015.

Since August 31, 2015 Sodexo has not purchased any Sodexo shares.

Description of the new share repurchase plan (pursuant to article 241-2 of the General Regulation of the AMF) subject to authorization by the Shareholders' Meeting of January 26, 2016

- In its tenth resolution, the Board of Directors will propose to the Shareholders' Meeting of January 26, 2016 that it renew the authorization given to the Board to repurchase Sodexo's shares pursuant to articles L.225-209 *et seq.* of the French Commercial Code. This authorization would be valid for a period of 18 months, replacing the authorization of the same nature given by the Shareholders' Meeting of January 19, 2015.
- The treasury shares held as of August 31, 2015 in connection with the share repurchase program are intended to cover the various stock option and free and performance share grant programs benefiting Group managers (for further details concerning stock options, free shares and performance shares, please refer to section 7.3.4 of this document).
- The purposes of the repurchase program, as well as the maximum percentage of the share capital, the maximum number and characteristics of the shares that the Company intends to purchase, together with the maximum purchase price, are provided in the resolution submitted for approval by the January 26, 2016 Shareholders' Meeting in section 8.2 of this document.

5.1.2.5 EMPLOYEE SHARE OWNERSHIP

As of August 31, 2015, employees held 0.75% of the Company's share capital (approximately 81% of which was held in a holding entity for Company employee share purchase plans (FCPE)).

As of August 31, 2015, an estimated 30,523 employees held Sodexo shares.

COMPANY EMPLOYEE SAVINGS PLANS

The various profit-sharing agreements in force allow employees of the Group's French subsidiaries to pay 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 charges treatment, amounts due to employees are subject to a five-year lock-up period.

INTERNATIONAL EMPLOYEE SHARE PURCHASE PLAN

On a regular basis, the Group arranges international employee share purchase plans. The most recent of these, "Sodexo with me", was introduced in 2008 and allowed employees of French and foreign subsidiaries of the Group in more than 20 countries to subscribe to a special share capital issuance at a favorable share price. In connection with this plan, eligible employees were offered a choice of two formulas:

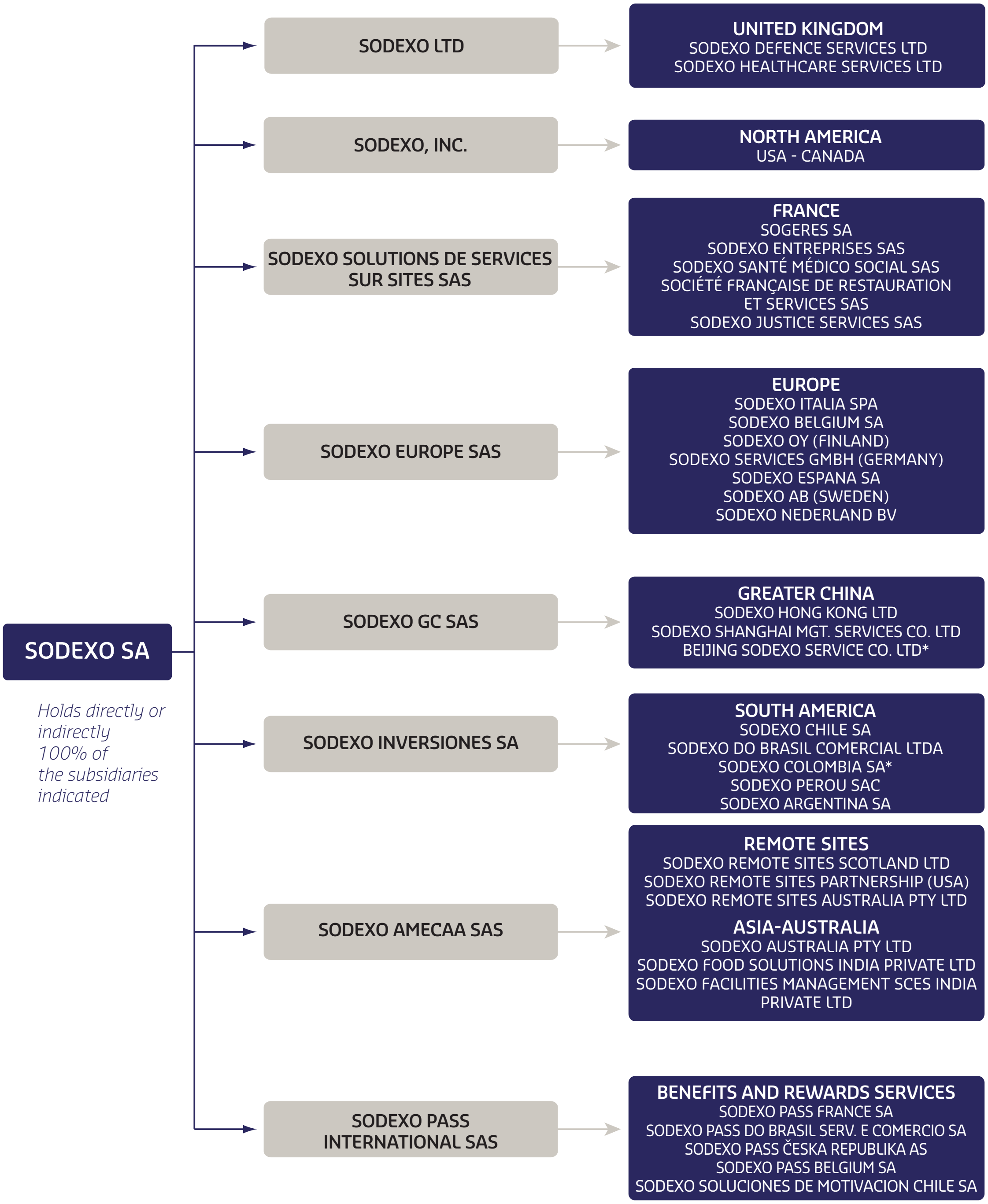
- the "Plus" plan allowed employees to invest up to 2.5% of their annual gross compensation and to benefit from a multiplier effect on the increase in the share price, or a guaranteed return in the absence of an increase in the share price;
- the "Classic" plan allowed employees to invest up to 25% of their annual gross compensation and to receive all of any increase in Sodexo's share price, while assuming the risk of any fall in the share price.

In September 2013, the amounts due to employees became available.

In accordance with the provisions of the plan and depending on the country, employees having chosen the "Plus" plan have received the cash value of their assets or have transferred their assets invested in this plan to the Classic fund or a monetary fund. Following this legal deadline, the FCPE *Sodexo with me* was renamed FCPE *Sodexo with me Classic*. The assets held in this fund are still available.

In addition, since 2006, employees of the Group's North American subsidiaries were able to invest between 1% and 8% of their annual gross compensation in the Company's shares through an Employee Share Purchase Plan. Participating employees qualified for a 10% discount on the share price. In light of the participation rate and administrative fees, this plan was suspended as of September 1, 2012. Investments made prior to such suspension date will continue to benefit from the same advantages as before; however, new payments cannot be made to the plan. The related employees did not participate in the 2008 International Employee Share Purchase Plan.

5.2 Condensed Group Organization Chart



Shareholding
Managment

* Third party non-controlling interest

Note: The operating subsidiaries indicated for each geographic area or activity are those with the highest revenues for Fiscal 2015.


Contacts
YouTube
App Store
Vidéos
Kiosque
19
Mail
sodexo
索迪斯餐厅

6

SHAREHOLDERS – FINANCIAL COMMUNICATION

6.1 Financial Communication

6.1.1 LISTENING TO OUR SHAREHOLDERS AND THE FINANCIAL COMMUNITY

To respond more effectively to the expectations of individual and institutional shareholders, Sodexo is continuously working to improve its investor relations programs by developing new information channels and organizing regular meetings with shareholders.

Sodexo's investor relations policy is based on four core principles:

- **equal treatment**: all financial press releases are issued simultaneously in real time to all our stakeholders, in both French and English. These press releases are simultaneously published on the Group's website www.sodexo.com and disseminated in France and around the world through the press, email 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;
- **accessibility**: The General Shareholders' Meeting and annual earnings presentation are broadcast *via* live webcast and archived on the website. Releases of interim earnings and quarterly revenue figures (first and third quarter) are accompanied by conference calls to give the financial community rapid access to the information and an opportunity to question senior management about performance. These conference calls are simultaneously broadcast over the internet as an "audio webcast" and are retained on the Group's website. All financial communications are available and archived on Sodexo's website;
- **transparency**: all information pertaining to the Group, including the bylaws, Registration Document, Annual Report, press releases and share price trends, is available on the website: www.sodexo.com.

Sodexo regularly makes available to the financial community a comprehensive package of dedicated, interactive communication channels.

6.1.2 INVESTOR RELATIONS POLICY

In order to meet the Group's own transparency goals and to comply with all applicable regulations in connection with its listing on Euronext Paris, the French stock exchange, Sodexo and all those involved in preparing financial communications have committed to a set of principles designed to ensure equal treatment of all shareholders.

6.1.2.1 GROUP SPOKESPERSON

Only the Chairman, the Chief Executive Officer and members of the Executive Committee are authorized to provide financial communications. The Chief Executive Officer appoints the Director of Financial Communication to act as spokesperson for the Group, within specific delegated powers.

6.1.2.2 PREPARATION OF FINANCIAL COMMUNICATIONS

All financial communications are reviewed prior to publication by a Group Disclosure Committee comprising representatives from the Group Finance, Communications and Human Resources Departments.

6.1.2.3 PUBLICATION OF FINANCIAL INFORMATION

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:

- thirty calendar days preceding the Board of Directors' meeting to approve the annual and half-year financial statements up to and including the date of release of its consolidated annual and interim results;
- fifteen calendar days before the release of its first and third quarters' consolidated revenue figures up to and including the date of release of these quarterly publications.

6.1.2.4 CODE OF CONDUCT FOR SENIOR MANAGERS

To underscore Sodexo's commitment to transparency and regulatory compliance, the Board of Directors adopted a Code of conduct for Senior Managers in 2003. The Group's Executive Committee members and key finance executives have formally agreed to this Code and to abide by its principles.

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 proprietary information;
- to conduct all business fairly;
- to hold managers accountable for their behavior, and create an environment 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 about the Group's financial condition and profits. The Group is committed to timely communication and to complete, accurate, reliable and comprehensible reporting.

6.1.3 HOW TO OBTAIN INFORMATION

On the Sodexo website
www.sodexo.com, ("Finance" section, "Presentations and publications" subsection)

By phone or fax
Investor Relations
Tel. and Fax: +33 (0) 1 57 75 80 54

By e-mail
financial.communication.group@sodexo.com

By mail
Sodexo, Investor Relations
255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9
France

6.1.4 REGISTRATION DOCUMENT

This document is an English-language version of the *Document de référence* filed with the *Autorité des marchés financiers* (AMF) in accordance with its General Regulation. The French-language *Document de référence* can be consulted on the AMF website (www.amf-france.org). It is also available, along with the English language Registration Document, at www.sodexo.com ("Finance" section, "Presentations and publications" tab).

An interactive version of the Registration Document is also available on the Group's website to facilitate reading.

6.1.5 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 agenda is available in French and English at least 15 days before the meeting. 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 observe the voting on resolutions.

6.1.6 REGULAR MEETINGS AND ONGOING DIALOGUE

Sodexo is committed to genuine dialogue with its shareholders and with the broader financial community.

The two major scheduled events mark the publication of the full-year results and the Annual Shareholders' Meeting. The Group's Chief Executive Officer and Chief Financial Officer moderate quarterly conference calls for financial analysts in connection with half-year earnings and quarterly revenue publications.

In addition, the Group's Chief Executive Officer and the Chief Financial Officer regularly meet investors in private or in group sessions in Europe (in particular, in Paris, London, and Frankfurt) but also in the United States and Canada, which creates opportunities for more informal dialogue.

"Investor Days" or themed briefings are held periodically to give analysts insight into front-line operations.

Sodexo also regularly participates in industry presentations and conferences organized by brokerage firms in France and abroad.

6.1.7 BENEFITS OF BEING A REGISTERED SHAREHOLDER

Registered Sodexo shareholders enjoy the following benefits:

- reduced administration costs (for pure registered shares only);
- personalized information on all financial transactions (capital increases, bond issues, *etc*.);
- automatic invitation to Shareholders' Meetings;
- double voting rights for registered shares held for at least four years;
- and since 2014, a dividend premium of 10%(1) for registered shares held for more than four years and limited to 0.5% of issued capital per shareholder. The January 24, 2011 Shareholders' Meeting had adopted the proposal of the Board of Directors to introduce a dividend premium in order to reward shareholders who have held their Sodexo shares continuously and for an extended period, for their confidence and loyalty.

Sodexo share price codes

Up until August 31, 2011, Sodexo's shares were registered under a single reference code: FR0000121220.

Since September 1, 2011, different share price codes have been introduced to reflect the period in which the shares were acquired and to determine eligibility for the dividend premium. The use of different share registration codes does not alter the negotiability of the shares.

Shares that were held for sale will remain as such (shares that were blocked or pledged will also remain as they are). When selling shares, it is advisable to sell the most recently acquired shares first in order to maintain the loyalty dividend rights on the highest number of remaining shares.

Reference date for registration of shares to qualify for the dividend premium	Right to dividend premium on dividend for the fiscal year ended:	Dividend premium of 10% earned if the shares are registered continuously since at least the reference date up until the dividend payment date*:	ISIN codes for managing registered shares
August 31, 2011	August 31, 2015	February 2016	FR0011532431**
August 31, 2012	August 31, 2016	February 2017	FR0011285121
August 31, 2013	August 31, 2017	February 2018	FR0011532415
August 31, 2014	August 31, 2018	February 2019	FR0012033199
August 31, 2015	August 31, 2019	February 2020	FR0012891414
August 31, 2016	August 31, 2020	February 2021	FR0000121220

* *Dates provided for indicative purposes only and are subject to the approval to pay a dividend by the Annual Shareholders' Meeting.*
** *On September 1, 2015 Euroclear proceeded to merge shares held under the code SODEXO ACTIONS PRIME DE FIDÉLITE 2016 – FR0011071893 into the code FR0011532431 (which will benefit from the 10% dividend premium for the February 2016 payment of dividend).*

CONTACTS

Registered shareholders' 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 (previously, www.nominet.socgen.com)

(1) *Sodexo's fiscal year starts on September 1 of each year. The dividend premium payment will be made in February 2016 for the fiscal year ended August 31, 2015 for shareholders holding registered shares (directly or indirectly) since August 31, 2011 and up until the payment of the dividend.*

6.2 Financial communications calendar

First quarter revenues, Fiscal 2016	January 13, 2016
Annual Shareholders' Meeting 2016	January 26, 2016
Ex-date	February 8, 2016
Record date	February 9, 2016
Payment of dividend	February 10, 2016
Half-year interim results, Fiscal 2016	April 14, 2016
Nine month revenues, Fiscal 2016	July 8, 2016
Annual results, Fiscal 2016	November 17, 2016
Annual Shareholders' Meeting 2017	January 24, 2017

These dates are purely indicative, and are subject to change without notice. Regular updates are available in the calendar on our website www.sodexo.com.

6.3 Sodexo Share Performance

Sodexo shares are listed on Euronext Paris (Euroclear code: FR0000121220) and are included in the Next 20 index. 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. As of August 31, 2015, Sodexo had a Standard & Poor's rating of A-long-term and A-2 short-term.

ADJUSTED SODEXO SHARE PRICE TRENDS FROM INITIAL LISTING THROUGH AUGUST 31, 2015 *(IN EURO)*

* *Theoretical trend of Sodexo share price assuming it had tracked the CAC 40 index(1) (the main stock market index of Paris).*
Source: Sodexo.

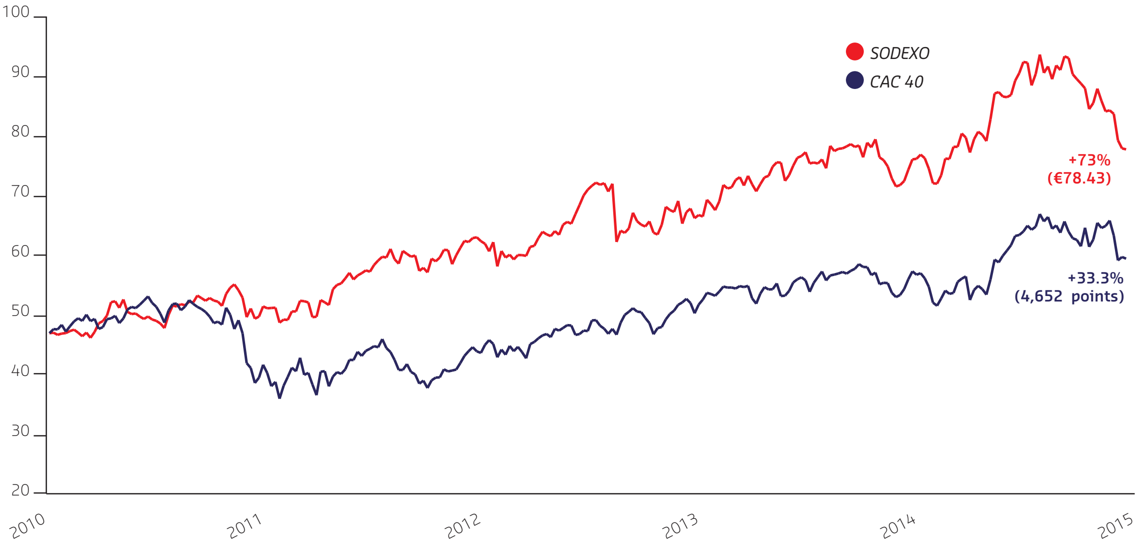
The initial listing was on March 2, 1983 at an adjusted price of 1.55 euro. As of August 31, 2015 (last trading day of Fiscal 2015), the closing share price was 78.43 euro.

Since its first listing, the value of Sodexo share has been multiplied by 50.7, whereas the CAC 40 index has been multiplied by only 12.5 over the same period, which means Sodexo's shares have outperformed the CAC 40 by a wide margin.

Since listing on the stock exchange in 1983, Sodexo's shares have registered an average annual appreciation of 12.8%, excluding dividends.

(1) CAC 40 index reconstituted from 1983 to 1987.

ADJUSTED SODEXO SHARE PRICE TRENDS OVER THE LAST FIVE FISCAL YEARS *(IN EURO)*



Source: Sodexo.

Over the last five fiscal years, Sodexo's share price increased by 73%, whereas the CAC 40 index increased by 33.3% during the same period.

ADJUSTED SODEXO SHARE PRICE TRENDS FROM SEPTEMBER 1, 2014 THROUGH AUGUST 31, 2015 (IN EURO)

Source: Sodexo.

During the last fiscal year, Sodexo's share price increased by 4.5% compared with a 6.1% increase for the CAC 40 index.

As of August 31, 2015 the market capitalization of Sodexo was 12.3 billion euro.

SHARE AND DIVIDEND PERFORMANCE

	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012
Share Price *(euro)*				
Opening price as of September 1	75.03	67.30	63.12	52.11
Closing price as of August 31	78.43	74.97	66.77	62.87
Market capitalization as August 31 *(in billions of euro)*	12.3	11.8	10.5	9.9
12-month low	69.49	66.69	58.50	48.13
12-month high	95.76	80.58	74.91	64.85
Daily average volume of share trading				
In securities	232,550	178,656	233,258	264,387
In equity *(thousands of euro)*	19,800	13,333	15,207	15,028
Dividend and share performance				
Total payout *(thousands of euro)*	347,070(1)	275,504	247,423	240,067
Dividend per share *(euro)*	2.20(1)	1.80	1.62	1.59
10% dividend premium *(euro)*	0.22	0.18	0.16	N/A
Earnings per share(2) *(euro)*	4.60	3.23	2.91	3.48
Payout ratio(3)	49.6%	56.2%	56.4%	45.7%
TOTAL SHAREHOLDER RETURN (TSR)(4)	**7.5%**	**15%**	**8.8%**	**24.4%**

(1) Subject to approval at the Annual Shareholders' Meeting on January 26, 2016.
(2) Based on an average number of shares (quarterly average).
(3) Dividend per share as a percentage of earnings per share, excluding the impact of the dividend premium.
(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)/market price at the beginning of the period.

The Board of Directors proposes that the shareholders approve the payment of a dividend of 2.20 euro per share at the Annual Shareholders' Meeting on January 26, 2016, an increase of 22.2% over the prior year.

In addition, shares held in registered form for the past four years (that is at least since August 31, 2011) and which are still held in such form when the dividend becomes payable in February 2016, will automatically be granted, without any further formality, a 10% dividend premium of an additional 0.22 euro per share (provided that they do not represent over 0.5% of the capital per shareholder).

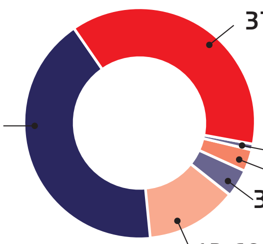
The dividend, along with the dividend premium for shares which are entitled to it, will be paid as of February 10, 2016, with an ex-dividend date on Euronext Paris of February 8, 2016. The date to determine the shares that shall be entitled to dividends shall be the close of business on February 9, 2016 (the record date).

Dividends not claimed within five years of the date on which they were payable to shareholders are forfeited.

6.4 Capital

6.4.1 SODEXO: AN INDEPENDENT GROUP

Sodexo remains an independent group. As of August 31, 2015, its share capital was held as follows:



* *Treasury shares: as of August 31, 2015, Sodexo directly held 4,852,456 treasury shares (representing 3.09% of the share capital) and intended to cover the various stock option and free share plans benefiting Group managers.*

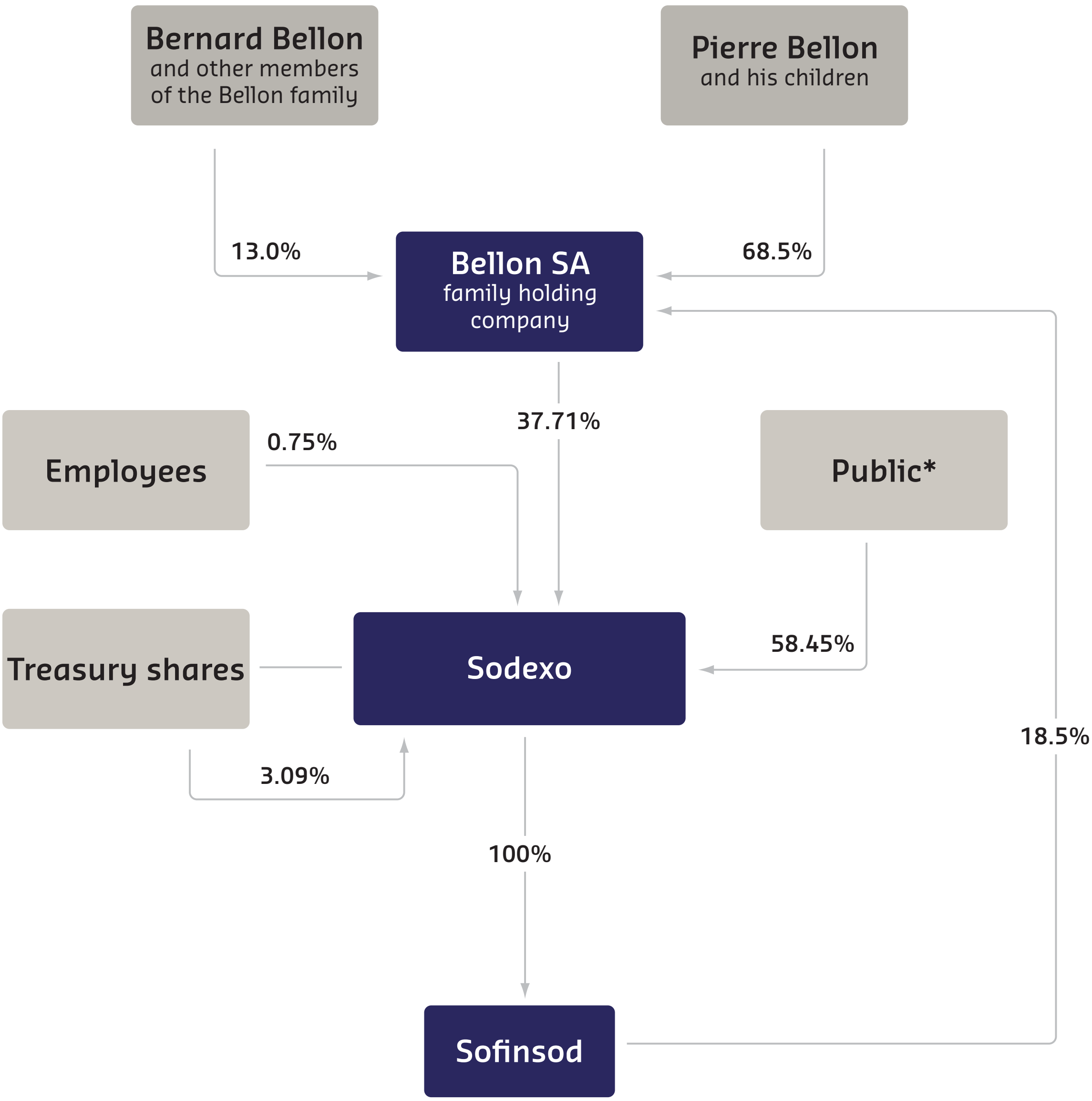
Source: According to the most recent report identifying shareholders: source Euroclear for bearer shareholders and source Société Générale for registered shareholders.

SHAREHOLDERS IDENTIFIED AS OF AUGUST 31, 2015

	Number of shares	% of share capital	Theoretical voting rights(1)	% of theoretical voting rights(1)	Actual voting rights(2)	% of actual voting rights(2)
Bellon SA	59,252,063	37.71	111,099,509	51.80	111,099,509	53.01
First Eagle Investment Management(3)	3,874,173	2.47	3,874,173	1.81	3,874,173	1.85
Allianz Global Investors Europe(4)	4,451,664	2.83	4,451,664	2.08	4,451,664	2.12
Employees(5)	1,174,979	0.75	1,993,869	0.93	1,993,869	0.95
Treasury shares	4,862,456	3.09	4,862,456	2.26	0	0
Public	83,516,690	53.15	88,182,400	41.12	88,182,400	42.07
TOTAL	**157,132,025**	**100.00**	**214,464,071**	**100.00**	**209,601,615**	**100.00**

(1) The Company bylaws confer double voting rights on shares that have been registered for more than four years. In addition, in compliance with article 223-11 of the General Regulation of the Autorité des marchés financiers (AMF), the number of voting rights is calculated on the basis of the total number of shares carrying voting rights, including those temporarily not entitled to vote such as treasury shares.
(2) The number of actual voting rights is calculated without taking into account shares which do not have voting rights, such as treasury shares.
(3) Acting on behalf of its managed funds (including First Eagle Funds, Inc.).
(4) Acting on behalf of its managed funds.
(5) In accordance with law n°2015-990 of August 6, 2015 for growth, activity and equal economic opportunities, these numbers now include the free registered shares held in registered form by employees and still subject to a lock-up period.

6.4.2 SHAREHOLDERS AS OF AUGUST 31, 2015 (PERCENTAGE OF CAPITAL)



** Including First Eagle Investment Management, which holds 2.5% of the share capital and Allianz Global Investors which hold 2.8% of the share capital.*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7

CORPORATE GOVERNANCE

7.1 Chairman's Report on the Operating Procedures of the Board of Directors and on Internal Control and Risk Management Procedures

In accordance with article L.225-37 of the French Commercial Code, the Chairman of the Board of Directors is required to report on the composition, preparation and organization of the work of the Board of Directors and on internal control and risk management procedures put in place by the Group. This report has been prepared by the Chairman of the Board of Directors after consultation with the Chief Executive Officer, the members of the Executive Committee and the Group's various support functions. It was reviewed by the Audit Committee and approved by the Board of Directors at the November 17, 2015 meeting. This report will be presented to the shareholders at the next Shareholders' Meeting on January 26, 2016.

7.1.1 COMPOSITION AND OPERATING PROCEDURES OF THE BOARD OF DIRECTORS

The rules and operating procedures of the Board of Directors are defined by the law, the Company's by-laws and the internal rules of the Board. In addition, specialized Committees have been established in accordance with these rules.

The sections of the Company's by-laws concerning directors are compliant with legal requirements. They include specific provisions concerning the maximum term of office (three years) and the age limit (85 for the Chairman and the Chief Executive Officer). Further, the internal rules of the Board of Directors require each director to own at least 400 Sodexo shares, except for directors representing employees to whom no such requirement applies under French law.

7.1.1.1 COMPOSITION AS OF AUGUST 31, 2015

		First Elected	Term Expires	Independent directors(1)
Pierre Bellon	Chairman of the Board of Directors, Sodexo	Nov. 14, 1974	2016(3)	
Sophie Bellon	Vice Chairman of the Board of Directors, Sodexo Chairman of the Management Board, Bellon SA	Jul. 26, 1989	2018	
Robert Baconnier	Director	Feb. 8, 2005	2016(2)	X
Patricia Bellinger	Executive Director, Harvard Kennedy School's Center for Public Leadership	Feb. 8, 2005	2017	X
Astrid Bellon	Member of the Management Board, Bellon SA	Jul. 26, 1989	2016(2)	
Bernard Bellon	Member of the Supervisory Board, Bellon SA	Feb. 26, 1975	2018	
François-Xavier Bellon	Member of the Management Board, Bellon SA Chief Executive Officer, Bright Yellow Group Plc	Jul. 26, 1989	2016(2)	
Nathalie Bellon-Szabo	Member of the Management Board, Bellon SA	Jul. 26, 1989	2018	
Philippe Besson	Director representing employees	Jun. 18, 2014	2017	
Françoise Brougher	Business Lead, Square	Jan. 23, 2012	2018	X
Soumitra Dutta	Dean and Professor of Management and Organizations, Samuel Curtis Johnson Graduate School of Management, Cornell University	Jan. 19, 2015	2018	X
Paul Jeanbart	Chief Executive Officer, Rolaco	Feb. 13, 1996	2017	X
Michel Landel	Chief Executive Officer, Sodexo	Jan. 19, 2009	2017	
Peter Thompson	Director	Feb. 8, 2005	2016(3)	X

(1) Independent director as defined by the AFEP-MEDEF Code of corporate governance of listed corporations, except for the recommendation that a director should not serve on the Board for more than 12 years (in the case of Paul Jeanbart).
(2) The Board of Directors will propose the renewal of these mandates at the Shareholders' Meeting of January 26, 2016.
(3) Peter Thompson has informed the Board of Directors of his decision not to stand for re-election at the upcoming Shareholders' Meeting.
Note: Cathy Martin joined the Board of Directors on September 10, 2015 as a director representing employees for a term which will expire in 2018.

7.1.1.2 INFORMATION ABOUT THE DIRECTORS AS OF AUGUST 31, 2015

PIERRE BELLON

Born January 24, 1930.
4 children.
Nationality: French.
Graduate of the École des hautes études commerciales (HEC).

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

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 Sodexho SA. He served as Chairman and Chief Executive Officer until August 31, 2005, when Michel Landel was named Chief Executive Officer following the Board decision to separate the roles of Chairman and Chief Executive Officer. Pierre Bellon remained as Chairman of the Board of Directors, a position he still holds at Sodexo SA (new name since January 2008).

In 1988, he was appointed Chairman and Chief Executive Officer of Bellon SA, the family holding company that controls Sodexo, before serving as Chairman of the Management Board from 1996 to 2002 and Chairman of the Supervisory Board since February 2002.

Since 1976, he has been a member of the Executive Council of CNPF, the French employers' federation, now known as MEDEF.

Pierre Bellon has also served as:

- Vice President of CNPF (subsequently MEDEF), 1980-2005;
- National 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.

Number of Sodexo shares held: 12,900.

Other positions and corporate offices held

- Chairman of the Supervisory Board: Bellon SA;
- Member 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: Association Pierre Bellon.

Past corporate offices

- Member of the Board of Directors: Kering (formerly PPR)*, CMA-CGM and Air Liquide*; Association nationale des sociétés par actions (ANSA).

* *Listed company.*

SOPHIE BELLON

Born August 19, 1961.
4 children.
Nationality: French.
Graduate of the École des hautes études commerciales du Nord (EDHEC).

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

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 Chairman of the Sodexo Board of Directors (replacing Robert Baconnier in this role), with specific responsibility for increasing the pace of Research, Development and Innovation, particularly in Quality of Life Services.

Number of Sodexo shares held: 7,964.

Other positions and corporate offices held

- Chairman: PB Holding SAS;
- Chairman of the Management Board: Bellon SA[(1)];
- Founding member: Association Pierre Bellon;
- Member of the Board of Directors: L'Oréal*; Association nationale des sociétés par actions (ANSA).

Other corporate offices held within the past five years but no longer held

- Chief Executive Officer: Sodexo Facilities Management SAS**;
- Chief Executive Officer: Sodexo Entreprises SAS**;
- Chairman of the Board of Directors: Altys Multiservices SA**;
- Legal Manager: Baumira; SORESCOM SARL**;
- Member of the Management Board: Société Française de Restauration et Services SAS**; Société Française de Propreté SAS**; Sodexo Santé Médico-Social**.

*   *Listed company.*
** *Sodexo Group company.*
(1) *At the beginning of September 2015, François-Xavier Bellon took over from Sophie Bellon as Chairman of the Management Board of Bellon SA.*

ROBERT BACONNIER

Born April 15, 1940.
3 children.
Nationality: French.
Degree in Literature, Graduate of the Institut d'études politiques de Paris and of the École nationale d'administration (1965-1967).

Address:
11, avenue Théophile-Gautier
75016 Paris (France)

Background

Robert Baconnier began his career in 1967 as a civil servant at the French Ministry of Economy and Finance, and was assigned to the Internal Revenue Service *(Direction Générale des Impôts).* From 1977 to 1979 he was Technical Advisor to the office of the Minister of Economy and Finance, then Deputy Director in the office of the Minister for the Budget. From 1979 to 1983 he was Deputy Director in charge of the International Division of the Tax Legislation Department. In 1983, he was appointed head of the Litigation Department of the French Internal Revenue Service. In 1986 he became head of the French Internal Revenue Service. From 1990 to 1991 he was Paymaster General at the French Treasury.

In 1991, he joined the law firm Bureau Francis Lefebvre, where he served as Chairman of the Management Board until 2004.

He then held office as Chairman and Chief Executive Officer of Association nationale des sociétés par actions (ANSA) until January 2012, when he was named Honorary Chairman. From 2010 to November 2013, he was Vice Chairman of the Board of Directors of Sodexo.

Number of Sodexo shares held: 410.

Other positions and corporate offices held

- Non-voting Board member and member of the Audit Committee: Siparex Associés.

Other positions and corporate offices held within the past five years but no longer held

- Chairman and Chief Executive Officer: Association nationale des sociétés par actions (ANSA);
- Board member: Lafarge Ciments*;
- Supervisory Board member: ELS (Éditions Lefebvre Sarrut);
- Other position: Member of the *Conseil des Prélèvements Obligatoires* (the French Tax and Social Charges Board).

* *Listed company.*

PATRICIA BELLINGER

Born March 24, 1961.
4 children.
Nationality: dual American and British.
BA in Literature, Harvard University.

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Background

Patricia Bellinger began her career in Madrid, Spain in 1986 by founding a casting agency, and she continued to work in media and communications in Spain until 1995. In 1995, she returned to the USA and joined Bristol Myers Squibb (BMS), the pharmaceutical company, where she was successively Associate Director for Communications and Associate Director for Public Affairs. In 1998 she became the Corporate Director of Culture and Human Resources Diversity. In 2000, she joined BP in London as Vice President for Diversity and Inclusion; she was Group Vice President and director of the BP Leadership Academy until 2007. In March 2011, she was appointed Executive Director of Executive Education, Harvard Business School. In August 2013, she was also appointed Executive Director at Harvard Kennedy School's Center for Public Leadership (CPL) as well as an adjunct lecturer at the School.

Number of Sodexo shares held: 400.

Other positions and corporate offices held

- Member of the Board of Trustees: Facing History and Ourselves; U Aspire;
- Member of the Board of Directors: Pattern Energy Inc.;
- Other: Member of the Advisory Board of Program in Education, Afterschool and Resiliency (PEAR); McLean Hospital (Harvard Medical School); Diversity and Inclusion Advisory Board of Barilla SA.

Other corporate offices held within the past five years but no longer held

- Chairman of the Board of Directors: Nordic Windpower, Ltd. (UK);
- Member of the Board of Directors: YMCA of Greater Boston (USA);
- Member of the Business Advisory Board: Sodexo, Inc.

ASTRID BELLON

Born April 16, 1969.
Graduate of ESLSCA.
Nationality: French.
Master of Arts in Cinema Studies, New York.

Business address:
Bellon SA
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Background

Astrid Bellon is a member of the Management Board of Bellon SA.

Number of Sodexo shares held: 36,723.

Other positions and corporate offices held

- Chairman: Sofrane SAS;
- Member of the Management Board: Bellon SA;
- Managing Partner: Sobelnat SCA (Permanent Representative of Sofrane SAS);
- Founding member: Association Pierre Bellon.

Other corporate offices held within the past five years but no longer held

None.

BERNARD BELLON

Born August 11, 1935.
5 children.
Nationality: French.
Degree in French Literature from IAE Aix-Marseille.

Business address:
14, rue Saint Jean
1260 Nyon (Switzerland)

Background

Bernard Bellon was director of Compagnie Hôtelière du Midi (part of the Compagnie de Navigation Mixte Group) from 1962 to 1970 and then held various managerial positions in banking at CIC-Banque de l'Union européenne Group from 1970 to 1988. He founded Finadvance SA, a venture capital company of which he was Chairman from its creation in 1988 until 2013.

Number of Sodexo shares held: 319,782.

Other positions and corporate offices held

- Member of the Supervisory Board: Bellon SA;
- Founding member: Association Pierre Bellon.

Other corporate offices held within the past five years but no longer held

- Chairman of the Board of Directors: Finadvance SA;
- Board member: Copelia.

FRANÇOIS-XAVIER BELLON

Born September 10, 1965.
4 children.
Nationality: French.
Graduate of the European Business School.

Business address:
Bright Yellow Group Plc
2 East Throp House, 1 Paddock Road
Reading RG4 5BY (United Kingdom)

Background

François-Xavier Bellon is the CEO of Bright Yellow Group, a company he acquired in 2007. This company based in the United Kingdom specializes in providing in-home services to dependent persons.

Previously, François-Xavier Bellon was Sales and Marketing Director of the Global Temporary Work Division of the Adecco Group, where he spent more than seven years. His last posting was in London.

Francois-Xavier Bellon also spent ten years with Sodexo, where he was Chief Executive of Sodexo United Kingdom at the time of his resignation in 2004. After joining the Healthcare subsidiary in 1995, he was successively Head of Sector, Head of Development, based in Paris, and then Chief Executive Officer of the Mexican subsidiary for five years.

Number of Sodexo shares held: 36,383.

Other positions and corporate offices held

- Chief Executive Officer: PB Holding SAS; Bright Yellow Group Plc;
- Board member: Footprint Ltd; LifeCarers Ltd; Bright Yellow Group Plc;
- Member of the Management Board: Bellon SA(1);
- Advisor: French Foreign Trade Commission; U1st Sports SA; The home of HR.

Other corporate offices held within the past five years but no longer held

- Advisor: Dr Clic Sociedad Limitada.

NATHALIE BELLON-SZABO

Born January 26, 1964.
3 children.
Nationality: French.
Graduate of the European Business School.

Business address:
Sodexo Prestige Sports and Leisure/Sodexo Prestige Sites and Brands
Tour Horizons
CP H 200
30, cours de l'Île Seguin
92777 Boulogne Billancourt (France)

Background

Nathalie Bellon-Szabo began her career in the foodservices industry in 1987. From 1989, she was 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 Chairman 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 Chairman of the Management Board of Lenôtre in 2012. She is also Chairman of Sodexo Prestige Sites and Brands.

On September 1, 2015, she was appointed Chief Operating Officer of Sodexo Sports and Leisure worldwide.

Number of Sodexo shares held: 1,147.

Other positions and corporate offices held

- Chairman: Yachts de Paris SAS**; Compagnie d'Armateur Fluvial et Maritime SAS**; Société d'Exploitation des Vedettes Paris Tour Eiffel (SEVPTE) SAS**; Excel SAS**; Gedex**;
- Chairman of the Board of Directors: L'Affiche SA**; Millenia SA**;
- Chairman of the Management Board: Société du Lido (SEGSHMI)**; Lenôtre SA**;

*** Sodexo Group company.*

(1) At the beginning of September 2015, François-Xavier Bellon took over from Sophie Bellon as Chairman of the Management Board of Bellon SA.

- Member of the Board of Directors: Altima SA**;
- Member of the Management Board: Bellon SA;
- Chief Executive Officer: Sodexo Prestige Sports and Leisure in France.

Other corporate offices held within the past five years but no longer held

- Chief Executive Officer: SAS Lenôtre Cote d'Azur;
- Managing Director: Millenia SA**; L'Affiche SA**;
- Chairman of the Board of Directors: Holding Bungener et Compagnie SAS**;
- Chairman of the Supervisory Board: Lenôtre SA**;
- Legal Manager: Courcelles Miromesnil SARL**; LBCV Sarl**.

PHILIPPE BESSON

Born September 21, 1956.
4 children.
Nationality: French.

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Background

Philippe Besson joined the Sodexo Healthcare Division in 1981, as foodservices manager for the Paris Ile 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 and Sponsorship and has served as a director representing employees since June 2014.

Other positions and corporate offices held

None.

** *Sodexo Group company.*

FRANÇOISE BROUGHER

Born September 2, 1965.
3 children.
Nationality: dual French and American.
Graduate of ICAM-Lille (Institut catholique d'arts et métiers) (France) and Harvard University (United States).

Business address:
Square
1455 Market Street
San Francisco, CA 94103 USA

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 Charles Schwab & Co. In March 2005, she joined Google, where she managed the Business Operations Group for four years, becoming Vice President, Global SMB Sales & Operations in 2009. In April 2013, she joined San Francisco-based Square as Business Lead.

Number of Sodexo shares held: 400.

Other positions and corporate offices held

- Business Lead, Square.

Other corporate offices held within the past five years but no longer held

None.

SOUMITRA DUTTA

Born August 27, 1963.
1 child.
Nationality: Indian
Doctorate in Computer Sciences, Artificial Intelligence, University of California, Berkeley, USA.

Business address:
Samuel Curtis Johnson Graduate School of Management
Cornell University
Ithaca, New York, USA

Background

Soumitra Dutta began his career in 1985 as a research assistant at University of California, Berkeley, USA. Between 1988 and 1990, he gained further research experience at General Electric. He then joined Insead, the international management school based in Fontainebleau (France), where he served as lecturer then dean of technology and e-learning. In 1999 he set up eLab@ Insead, the school's research and analytics center focused on big data analytics for businesses, which he headed until 2012. In 2002, he was named dean of executive education at Insead. During his tenure at Insead, Soumitra Dutta also participated in setting up and managing three strategy consultancies specialized in new technologies and innovation, which he developed before selling them. Since 2012, he has been dean and professor of management and organizations in the Samuel Curtis Johnson Graduate School of Management at Cornell University, Ithaca, New York.

Other positions and corporate offices held

- Board member: The Association to Advance Collegiate Schools of Business (AACSB), USA.

Number of Sodexo shares held: 400.

Other corporate offices held within the past five years but no longer held

- Chairman of the Board of Directors: Fisheye Analytics Ltd, Singapore.

PAUL JEANBART

Born August 23, 1939.
3 children.
Nationality: dual Canadian and Swiss.
Civil engineer.

Business address:
Immeuble Président Mouawad
Rue Pierre Hélou, Hazmié, Beirut (Lebanon)

Background

Co-founder, partner and Chief Executive Officer of the Rolaco Group since 1967.

Number of Sodexo shares held: 400.

Other positions and corporate offices held

- **Chairman:** Oryx Finance Limited;
- **Chairman of the Board of Directors:** Hôtels Intercontinental Genève SA; Luxury Brand Development SA, parent company of Orfèvrerie Christofle;
- **Board member:** Semiramis Hotel Co.; Rolaco Holding SA (Executive Director) and subsidiaries/affiliates of the Rolaco Group.

Other corporate offices held within the past five years but no longer held

- **Member of the Supervisory Board:** Club Méditerranée SA*.

MICHEL LANDEL

Born November 7, 1951.
3 children.
Nationality: French.
Graduate of the European Business School.

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Background

Michel Landel began his career in 1977 with Chase Manhattan Bank, then in 1980 became manager of a building materials plant belonging to the Poliet Group.

He was recruited by Sodexo in 1984 as Head of Operations for East and North Africa, and was promoted in 1986 to Vice President for Remote Site Management in Africa. In 1989 he took over the management of activities in North America, where he notably worked on the 1998 merger with Marriott Management Services and creation of Sodexho Marriott Services. In 1999, he became Chief Executive Officer of Sodexho Marriott Services, now Sodexo, Inc.

Michel Landel was named Vice Chairman of the Executive Committee of Sodexo in February 2000.

From June 2003 through August 2005, Michel Landel served as Group Co-President and Co-Chief Operating Officer in charge of North America, the United Kingdom and Ireland, together with Remote Site Management.

He has been Chief Executive Officer of Sodexo since September 1, 2005.

Number of Sodexo shares held: 109,360.

Other positions and corporate offices held

- **Chief Executive Officer:** Sodexo**;
- **Board member:** Sodexo, Inc.**; Catalyst in the United States; Louis Delhaize, a Franco-Belgian food company;
- **Member of the Supervisory Board:** One SCA**;
- **Member of the Management Board:** Sodexo Pass International SAS**; One SAS**;
- **Chairman:** Executive For Excellence Association;
- **Permanent representative of Sodexo SA,** corporate Chairman of the Board of Directors of Stop Hunger.

Other corporate offices held within the past five years but no longer held

- **Chairman:** Stop Hunger.

* *Listed company.*
** *Sodexo Group company.*

CATHY MARTIN

Born June 5, 1972.
3 children.
Nationality: Canadian

Business address:
740 Rue Saint-Maurice, bureau 106
Montreal, Quebec
Canada H3C 1L5

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 15 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.

Other positions and corporate offices held

None.

Note: Cathy Martin joined the Board of Directors at its meeting on September 10, 2015, as Director representing employees.

PETER THOMPSON

Born September 15, 1946.
3 children.
Nationality: American.
BA Modern Languages, Oxford University; MBA, Columbia University.

Business address:
Thompson Holdings LLC
251 Island Creek Drive
Vero Beach, FL 32963 (United States)

Background

Peter Thompson began his career in marketing in 1970. In 1974, he became a Product Manager at General Foods Corp. He joined Grand Met Plc in 1984, where he held management positions (Green Giant, Häagen-Dazs, Pillsbury, *etc*.). In 1992 he became Chairman and CEO of GrandMet Foods Europe, based in Paris. In 1994 he joined the PepsiCo Group where he successively held the following positions: President of Walkers Crisps in the UK; CEO Europe, Middle East, Africa for Frito-Lay International; and finally CEO of Pepsi-Cola International (1996-2004).

Number of Sodexo shares held: 400.

Other positions and corporate offices held

None.

Other corporate offices held within the past five years but no longer held

- Chairman: Vero Beach Museum of Art.
- Board member: Syngenta* AG;

* *Listed company.*

Election of a new member of the Board of Directors

At the Annual Meeting on January 26, 2016, shareholders will be asked to elect Emmanuel Babeau as a director for a three-year term expiring at the close of the Annual Meeting to be called to approve the financial statements for the fiscal year ending August 31, 2018. On the recommendation of the Nominating Committee, the Board of Directors considers that Mr. Babeau will qualify as an independent director based on the criteria in the AFEP-MEDEF Code of corporate governance for listed companies.

EMMANUEL BABEAU

Born February 13, 1967.
3 children.
Nationality: French.
Graduate of École Supérieure de Commerce de Paris (ESCP, 1989); degree in accounting and finance (DESCF)

Business address:
Schneider Electric
35, rue Joseph-Monier
92500 Rueil-Malmaison

Background

Emmanuel Babeau is Deputy Chief Executive Officer of Schneider Electric, in charge of Finance and Legal Affairs.

He began his career at Arthur Andersen in late 1990. In 1993, he joined the Pernod Ricard Group as Internal Auditor. He 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 Group Deputy Managing Director of Finance. He joined Schneider Electric during the first half of 2009.

Number of Sodexo shares held: 400.

Other positions and corporate offices held

- Board member: Schneider Electric Industries SAS; Schneider Electric USA; Schneider Electric China; Samos Acquisition Company; Schneider Electric Holdings; Invensys; Custom Sensors & Technologies Topco;
- Supervisory Board member: Custom Sensors & Technologies SAS; Schneider Electric Energy Access (representative of Schneider Electric Industries SAS, corporate member);
- Strategy Committee Member: Aster Capital Partners SAS.

Other corporate offices held within the past five years but no longer held

- Chairman of the Managing Board: Schneider Electric Services International;
- Member of the Management Board: Schneider Electric SA;
- Board member: Schneider Electric Taiwan, Telvent GIT SA and Transformateurs SAS.

7.1.1.3 PRINCIPLES GOVERNING THE COMPOSITION OF THE BOARD OF DIRECTORS

As of August 31, 2015, the Board of Directors had fourteen members, of which five (38.4% of all Board members[(1)]) are women, evidence that women are well represented on the Board. Eight Board members are French nationals and the others are nationals of the United States, the United Kingdom, Switzerland or India.

The Board takes particular care in the selection of its members. Directors are chosen for their ability to act in the interests of all shareholders and for their expertise, experience and understanding of the strategic challenges in markets where Sodexo operates. The composition of the Board 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.

During Fiscal 2015, six Board members were deemed independent directors as defined above (see paragraph 7.1.1.1). No independent director has material business ties with the Company or any other Group entity.

Directors hold office for a term of three years and may be re-elected. Exceptionally, the Ordinary Shareholders' Meeting may, on the recommendation of the Board of Directors, appoint or re-elect one or several directors for a period of one or two years, to enable the re-election of directors to be staggered. To comply with French law, the number of directors over the age of 70 is limited to a third of all directors.

In accordance with the French Act of June 14, 2013 relating to employment protection, the Annual Shareholders' Meeting of January 21, 2014 decided on the conditions of appointment to the Board of Directors of one or more directors representing employees. Directors representing employees are appointed for three-year terms. A first 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 took his seat on the Board at its meeting on June 18, 2014. 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.

7.1.1.4 PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

Sodexo is governed by a Board of Directors chaired by Mr. Pierre Bellon.

Role of the Chairman of the Board of Directors

The Chairman of the Board of Directors represents the Board and organizes and directs its work, on which he reports to the shareholders at the Annual Meeting. He also represents the Board in matters concerning third parties such as employee representatives, the external auditors and shareholders. The Chairman oversees the functioning of all of the Company's Corporate Governance structures and, in particular, ensures that the Board members are able to fulfill their mission. The Board of Directors may appoint a Vice Chairman to chair Board meetings in the Chairman's absence.

Operating procedures of the Board of Directors

In addition to the Company's bylaws, the Board of Directors is governed by the Board's Internal Rules, which set forth the Board's mission, the required number of Board members, the Directors' Charter, the minimum number of Board meetings and the rules for allocating directors' fees. The Internal Rules also set the criteria for assessing the performance of the Board, organize the delegation of powers to the Chief Executive Officer, and define the policy for issuing guarantees. The principal elements of the Board's Internal Rules are described in this section 7.1.1.4.

Mission of the Board of Directors

The Board of Directors defines Sodexo's strategy, long-term objectives and overall policies.

(1) In accordance with the law and the AFEP-MEDEF Code of corporate governance for listed companies, the Board members representing employees are not included in the determination of the following items: the minimum and maximum number of Board members, the representation of men to women on the Board, and the number of independent Board members.

It regularly supervises the management of the business and in particular progress made on metrics it has identified.

It appoints corporate officers to manage Group policies.

It ensures the existence and effectiveness of risk management and internal control procedures, and oversees the quality of information provided to shareholders and to the financial markets in the financial statements and in connection with major financial transactions.

As required by law, the Board of Directors approves the financial statements for publication, proposes dividends, and makes decisions on significant investments and financial policy.

At least three days ahead of Board meetings, each Board member 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, in particular at the beginning of September, when the budget, the three-year plans and the 10-year financing plan are discussed:

- the Chief Executive Officer and the other operations executives in each area of responsibility discuss the potential for growth, competitive positions, the ambition, the strategy for achieving it and the principal elements of their action plans;
- Group executives in each functional area (Human Resources, Finance, Brand and Communication, Marketing and Strategic Planning, and Social and Environmental Responsibility) present their recommendations regarding strategy and policy developments, progress achieved and to be achieved, and action plans for implementation in 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 is also kept regularly informed of questions, comments or critiques from shareholders, whether at meetings with shareholders or by mail, e-mail or telephone.

The Directors' Charter

The main elements of the Directors' Charter are described below.

Each director should constantly keep in mind 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. Each director should also be focused, active and engaged, and act with integrity.

Each director must personally own at least 400 Sodexo shares (except for directors representing employees to whom no such requirement applies under French law).

Except in cases of *force majeure,* all directors of Sodexo must attend Shareholders' Meetings.

Directors are required to disclose to the Board all actual or potential conflicts of interest and must abstain from voting on those matters.

Any director of Sodexo who obtains unpublished information during the course of his or her duties is bound by a duty of confidentiality.

Directors are also prohibited from trading in Sodexo securities as follows:

- during the period commencing thirty calendar days before the Board meeting that approves the interim and annual consolidated financial statements for publication and up to and including the date of publication of those interim and annual financial statements;
- during the period commencing fifteen 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 by directors in the Company's shares must be disclosed to the public. Consequently, directors are required to inform the Group Legal Department of all transactions in Sodexo shares.

Induction and training of directors

Upon joining the Board, all directors receive training aligned with their specific needs. They meet the Chairman of the Board of Directors, the Chief Executive Officer and the Group's senior 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 one. Board members continue to receive training for as long as they remain on the Board on a continuous basis.

In addition, in accordance with decree no. 2015-606 of June 3, 2015 intended to ensure that directors representing employees are given the necessary time and training to enable them to fulfill their duties, at its meeting in November 2015, the Board of Directors decided that directors representing employees would be allowed the time necessary to prepare their participation in each Board meeting and would also be given at least twenty hours' training per year during their mandate. Since joining Sodexo's Board of Directors, Philippe Besson has participated in two 20-hour training seminars organized by the French Institute of Directors (IFA).

Board Committees

To support its decision-making process, the Board has created three Committees, each with its own Charter approved by the Board of Directors. Broadly, their role is to examine specific issues ahead of Board meetings, and to submit opinions, proposals and recommendations to the Board.

AUDIT COMMITTEE

Composition as of August 31, 2015:

- Robert Baconnier – the Committee Chairman – in his capacity as a "financial expert";
- Sophie Bellon;
- Soumitra Dutta;
- Paul Jeanbart.

All Audit Committee members have recognized expertise in finance and accounting, as confirmed by their professional background (see section 7.1.1.2).

The Audit Committee is responsible for ensuring that the Group's accounting policies are appropriate and consistently applied. It periodically reviews Senior Management reports on risk exposure and prevention, and ensures that effective internal controls are applied.

The Committee assesses proposals from external auditor firms and submits candidate firms for approval by the Annual Shareholders' Meeting.

It also performs an annual review of the fees paid to the external auditors of Sodexo and its subsidiaries, and assesses auditor independence. In addition, it reviews the annual payment due under the service contract signed between Sodexo and Bellon SA (detailed in section 7.2), as well as any changes in its amount from one year to the next.

To perform its role, the Audit Committee is assisted by the Chief Executive Officer, the Group Chief Financial Officer, the Group Internal Audit Director and the external auditors. It may also make inquiries of any Group employee and seek advice from outside experts.

During Fiscal 2015, Michel Landel (Chief Executive Officer of Sodexo), Siân Herbert-Jones (Group Chief Financial Officer) and Laurent Arnaudo (Group Internal Audit Director) were regularly invited to attend Audit Committee meetings to discuss their activities and answer questions.

The Audit Committee met four times during the fiscal year, with a 93% attendance rate.

Issues addressed by the Committee included:

- review of the main risks and the risk management process;
- progress report on the evaluation of internal control;
- approval of the Internal Audit Plan for Fiscal 2015;
- reports issued by the Internal Audit Department, and progress reports on the implementation of its recommendations;
- supervision of the independence, terms of engagement and fees of the auditors of Sodexo and its subsidiaries in connection with the audit of the consolidated financial statements for Fiscal 2015. The Audit Committee also approved in advance all other engagements performed by the Group's external auditors and by member firms of their networks;
- review of the compensation to be paid under the service contract signed between Sodexo and Bellon SA for Fiscal 2016;
- review of the consolidated financial statements and notes, including note 4.24 on off-balance sheet commitments.

The Audit Committee also reviewed the annual consolidated financial statements for Fiscal 2014, and the interim consolidated financial statements for the first half of Fiscal 2015. In addition to four formal meetings, the Chairman of the Audit Committee also had periodic meetings during the fiscal year with the Group Chief Executive Officer, the Group Internal Audit Director, the Group Chief Financial Officer and the external auditors.

NOMINATING COMMITTEE

Composition at August 31, 2015:

- Patricia Bellinger, the Committee Chairman;
- Nathalie Bellon-Szabo;
- Sophie Bellon;
- Francoise Brougher;
- Peter Thompson.

This Committee:

- examines proposals made by the Chairman of the Board and advises the Board on the appointment of directors. The Nominating Committee assesses the knowledge and experience represented on the Board, as well as directors' level of independence, and prepares a description of the skills that should be sought in new candidates for election to the Board. The Group may retain the services of external executive search firms to identify a certain number of candidates, while ensuring that the backgrounds of short-listed candidates are sufficiently diversified;
- provides an opinion to the Board on the nomination of directors. The Committee reviews nominees prior to their election as directors, and where it sees fit assesses the situation of directors in relation to the criteria concerning the composition of the Board specified in the relevant legislation and in the Board's Internal Rules. For compliance reasons, the Committee also provides the Board of Directors from time to time with a list of directors qualifying as independent;
- provides an opinion to the Board on the nomination of the Chief Executive Officer and as appropriate one or more Chief Operating Officers.

It also:

- examines proposals made by the Chief Executive Officer on succession plans for members of the Executive Committee and other key executives, and advises the Board on these proposals; and
- ensures that the Chief Executive Officer is able to propose potential replacements to the Board at any time if a position suddenly becomes vacant, while maintaining confidentiality.

The Nominating Committee met four times in Fiscal 2015, notably to review Group Executive Committee succession plans and organizational changes. The average attendance rate at these meetings was 91%.

COMPENSATION COMMITTEE

Composition at August 31, 2015:

- Patricia Bellinger, the Committee Chairman;
- Sophie Bellon;
- Philippe Besson, director representing employees;
- Robert Baconnier.

This Committee makes proposals relating to compensation packages for corporate officers, executive compensation policy, performance-based incentives, and in particular, stock option plan policies and free and performance share grants (including the related performance conditions), as well as employee stock ownership plans. The principles and rules applied by the Board of Directors in determining the compensation and benefits of any nature provided to the executive officers are described in section 7.3 of this document.

The Compensation Committee met twice during the fiscal year and the attendance rate was 100%.

The Compensation Committee made recommendations to the Board on issues such as free and performance share grants and the related performance conditions, a review of executive incentive programs, and compensation packages for the Chairman and the Chief Executive Officer. Accordingly the Committee proposed to the Board that 848,875 free shares should be granted to 1,299 people in April 2015 (with some of the shares subject to performance conditions), and expressed its opinion on individual grants and the performance conditions proposed by the Chief Executive Officer.

PUBLIC-PRIVATE PARTNERSHIP (PPP) AND PRIVATE FINANCE INITIATIVE (PFI) PROJECTS COMMITTEE

The Board of Directors has also set up a Committee to conduct in-depth studies of commitments the Group may need to make within the framework of Public-Private Partnership and Private Finance Initiative contracts. These include any commitments to acquire interests in a special purpose entity formed for a particular project and subcontracting contracts with a minimum duration of five years in connection with the Public-Private Partnership. Recommendations made by this Committee are used by the Board in deciding whether to authorize the investments and issue any related guarantees.

The working group is chaired by Siân Herbert-Jones, Group Chief Financial Officer, and consists of four directors (Sophie Bellon, Robert Baconnier, Paul Jeanbart and Michel Landel) and members of her staff, together with the operational managers who propose and will manage these projects. During the year, this Committee met once to review the Group's commitments in connection with a PPP project in Europe.

Board meetings during the year

BOARD MEETINGS

The Board of Directors met ten times during Fiscal 2015, fulfilling the minimum requirement of four meetings per year as stated in the Internal Rules. The Board of Directors has decided that its annual September meeting would include a review not only of the annual budget but also of the largest entities' strategic plans. Plans not reviewed during the September meeting are examined at subsequent Board meetings held during the fiscal year.

The average attendance rate at Board meetings during Fiscal 2015 was 92%.

Date	Main items on the agenda	Attendance rate
September 9, 2014	Presentation by the Chief Executive Officer and Group senior management of the three-year plan covering the period 2014-2017. Approval of the Fiscal 2015 budget and the three-year plan. Policy for equal opportunities and equal pay.	100%
November 10, 2014	Approval of the Fiscal 2014 financial statements for publication. Finalization of the Board Report. Review of the annual earnings press release. Re-examination of regulated related-party agreements and commitments. Convening and preparation of the Combined Shareholders' Meeting.	92%
January 19, 2015	Business update for opening months of the fiscal year. Presentation of investment projects.	85%
January 19, 2015	Renewal of Sophie Bellon's appointment as Vice Chairman of the Board of Directors. Membership of the various Committees of the Board.	86%
March 10, 2015	Approval of the fee payable under the services agreement between Bellon SA and Sodexo for the period April 2015 to March 2016. Business update for the first five months of the fiscal year. Update on the preparation of the succession plan between Pierre Bellon and Sophie Bellon.	100%
April 1, 2015	Approval of an investment project.	86%
April 14, 2015	Approval of the interim consolidated financial statements for the first half of Fiscal 2015 for publication. Approval of the Interim Report for the first half of Fiscal 2014. Review of the first-half results press release. Review of the competition. Refinancing plan. Update on the preparation of the succession plan between Pierre Bellon and Sophie Bellon.	100%
April 27, 2015	Adoption of a plan to grant free shares.	100%
June 15, 2015	Presentation of the On-site Services activity in the United States. Business update for the first nine months of Fiscal 2014. Update on the succession plan for Pierre Bellon and the proposed future appointment of Sophie Bellon as Chairman of the Board of Directors.	100%
July 15, 2015	Approval of an investment project.	79%

DIRECTORS' PARTICIPATION RATES

	Participation rate
Pierre Bellon	100%
Robert Baconnier	90%
Patricia Bellinger	80%
Astrid Bellon	80%
Bernard Bellon	100%
François-Xavier Bellon	100%
Nathalie Bellon-Szabo	90%
Sophie Bellon	100%
Philippe Besson	100%
Françoise Brougher	100%
Soumitra Dutta	86%
Paul Jeanbart	100%
Michel Landel	100%
Peter Thompson	70%

ASSESSMENT OF BOARD OPERATING PROCEDURES

During Fiscal 2014, an assessment of the Board's operating procedures was performed by an external consultant in February and March 2014, through individual interviews of each of the individual Board members.

The new assessment provided confirmation that the Board's operating procedures were generally considered satisfactory and that the number of directors was deemed adequate. The directors expressed satisfaction with the significant role played by the Audit Committee. They also expressed their confidence in the work of the Nominating Committee and the Compensation Committee, but suggested that these Committees' expertise should be broadened, bearing in mind the need to plan the succession of their respective Chairmen.

It was suggested that the Board reinforce its international dimension and progressively renew its membership to bring in new expertise and better reflect the generations. In this regard, the recommendation was made to set up an induction process for new directors.

The directors all considered that their fellow members participate actively in the work of the Board. They appreciate the atmosphere at meetings of the Board and the climate of trust that prevails among its members. They are willing to become even more involved, suggesting in particular that strategic issues be discussed in more detail, that human resources policies be discussed once a year, along with the main risk factors, and that post mortem analyses of the main investments be performed.

The directors were unanimous in their appreciation of the strategic review conducted at the September meeting, welcoming this unique opportunity for an exchange of views with the senior management team. However, many directors consider that this meeting focuses too much on short-term action plans rather than on broader strategic issues. A majority of directors would like to see more discussion of the organization and succession plans for Group senior managers, together with a detailed annual presentation of the human resources policy (including evaluation procedures, succession plans, and oversight of high-potential executives).

To further improve its procedures, the Board now conducts a systematic assessment of all meetings at which strategic issues are discussed. A questionnaire on strategic plans helps directors to participate more effectively in the strategic planning process and to improve the form and substance of management presentations to the Board.

At the Board meeting held in June 2014, the Chairman of the Board presented the following action plan in response to the suggestions made by directors during the assessment process:

- the dates of Compensation Committee and Nominating Committee meetings and the related agendas will be announced in advance;
- an update on the succession plan for the Chairman will be presented systematically at each Board meeting;
- ongoing discussions of strategic issues will be pursued during one Board meeting annually to enable each director to express his or her views on the Group's strategy;
- a detailed review of human resources policy will be included on the agenda of one Board meeting during the year;
- the induction process for new directors will be subject to specific follow-up.

SOPHIE BELLON'S PREPARATIONS TO SUCCEED PIERRE BELLON

During Fiscal 2015, Sophie Bellon regularly informed the members of the Board of Directors of the ways in which she was preparing to take over from her father as Chairman of the Board of Directors. In particular, she informed the Board that she had been working on:

1) deepening her knowledge of the various Group entities, in particular by participating in meetings of the Strategy Committees of the Benefits and Rewards Services and Personal and Home Services activities, and having regular meetings with the subsidiaries' management and operational teams;

2) renewing the membership of the Board of Directors and strengthening its role, with input from the various functional and operational governance structures at Sodexo.

- She continued to look for potential candidates for election to the Board and devoted time to facilitating the integration of the new directors who recently joined the Board.
- She pursued her consideration of ways in which the Board of Directors should emulate the best practices of major international companies, in order to become a governance structure capable of more effectively challenging and more efficiently guiding Sodexo's management. For example, the Board and its Committees should become more closely involved in defining Sodexo's strategy and helping the business to adapt to current major trends (digital, growing consumer power, demographic changes, more powerful emerging economies, the depletion of natural resources, *etc*.);

3) in line with the role assigned to her by the Board of Directors, Sophie Bellon also pursued the work underway on two strategic issues that are critical for the Group's future: innovation and quality of life.

Role of the Chief Executive Officer and the Executive Committee

On September 1, 2005, the roles of the Chairman of the Board of Directors and the Chief Executive Officer were separated and Michel Landel became the Chief Executive Officer of Sodexo, succeeding Pierre Bellon. This governance structure creates a clear separation 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.

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 Chairman of the Board. The Chief Executive Officer must obtain the prior consent of the Board to pledge corporate assets as collateral (for amounts exceeding 25 million euro for a duration of less than 5 years, for an amount exceeding 15 million euro per unit for a duration of between 5 and 10 years, and for all guarantees covering a longer period), or to bind the Company beyond specific limits as regards the acquisition of shareholdings exceeding 25 million euro per transaction, disposals of shareholdings exceeding 20 million euro per transaction, or additional medium and long-term borrowings exceeding 50 million euro. The Chief Executive Officer must also obtain the prior consent of the Board for decisions relating to the start-up of new activities. These limits are not enforceable against third parties, as the Chief Executive Officer has the broadest powers to bind the Company in its dealings with third parties.

In his role as Chief Executive Officer, Michel Landel is supported by an Executive Committee.

The Executive Committee had fourteen members as of August 31, 2015 (including Michel Landel).

The Executive Committee meets once a month, and is the linchpin of the management structure. It is responsible not only for discussing and developing strategies to be recommended to the Board of Directors, but also for monitoring implementation of these strategies once the Board has approved them. The Executive Committee tracks implementation of action plans, monitors business unit performance, and assesses the potential benefits of growth opportunities and the risks inherent in its business operations.

Members of the Group Executive Committee as of August 31, 2015:

- **Michel Landel**, Chief Executive Officer and member of the Board of Directors of Sodexo, Chairman of the Executive Committee;
- **Ana Busto,** Group Chief Brand and Communication Officer;
- **Élisabeth Carpentier,** Group Chief Human Resources Officer;
- **George Chavel,** Chief Executive Officer, North America, On-site Services;
- **Patrick Connolly,** President, Health Care Market, North America, On-site Services;
- **Lorna Donatone,** President, Education Market, North America, On-site Services;
- **Pierre Henry,** Vice Chairman of the Group Executive Committee, Chief Executive Officer Europe, On-site Services, President of Benefits and Rewards and Personal and Home Services;
- **Siân Herbert-Jones,** Group Chief Financial Officer;
- **Nicolas Japy,** Chief Executive Officer, Remote Sites and Asia-Australia, On-site Services;
- **Denis Machuel,** Chief Executive Officer, Benefits and Rewards Services;
- **Satya-Christophe Menard,** Chief Executive Officer, South America, On-site Services;
- **Sylvia Métayer,** President, International Large Accounts, On-site Services;
- **Damien Verdier,** Group Chief Marketing and Strategic Planning Officer;
- **Debbie White,** Chief Executive Officer, United Kingdom and Ireland, On-site Services.

The Group's gradual transition from an organization by country to an organization by global client segment, has led to a realignment of the responsibilities of the Executive Committee members effective September 1, 2015 (see Chapter 1 of this Registration Document). In addition, George Chavel has informed the Group of his decision to retire at the end of 2015.

The Executive Committee is supported by an **International Committee** comprising approximately 60 operational and staff managers representing three segments and businesses of the Group. The International Committee assists the Executive Committee in identifying market trends and growth opportunities, both in general and for each customer segment. It translates strategic decisions into action plans and mobilizes the teams necessary for their execution. Each member is also expected to share information and best practices, and to foster acceptance of the Group's values.

Additionally, the Group Chief Executive Officer is supported by a **Group Investment Committee** whose members comprise the Chief Executive Officer, the Group Chief Financial Officer and one or more than one of the Chief Operating Officers concerned. The Committee considers and approves:

- significant new contracts (corresponding to all new contracts with estimated annual revenues of higher than an amount between 25 and 45 million euro depending on the business unit);
- all plans to acquire shareholdings or any other plan to invest in property, plant and equipment or intangible assets exceeding an amount in the range of between 2 and 6 million euro, depending on the business unit, as well as cumulative over-runs of any investment budget approved at the beginning of the fiscal year; and
- disposals of shareholdings exceeding 1 million euro.

This Committee formally met fifteen times during Fiscal 2015 and its members also reviewed a number of time-sensitive items.

Compliance with the AFEP-MEDEF Code of corporate governance for listed companies

Currently, the term "independent director" has no definition in French law. However, the AFEP-MEDEF Code of corporate governance for listed companies specifies that *"a Board member is independent if he or she has no relationship of any kind whatsoever with the Company, its group, or the management of either that is such as to compromise his or her judgment."*

Based on this definition, the Board of Directors considers that all Sodexo directors are independent insofar as considering them not to be independent would be tantamount to questioning their loyalty and integrity.

This is because the Board of Directors is a collegiate body that collectively represents all shareholders. Each Board member has a duty to act in the interest of Sodexo and all shareholders.

However, to comply with the criteria of director independence stated in the AFEP-MEDEF Code mentioned above, the Nominating Committee periodically provides the Board of Directors with a list of directors considered independent under those criteria (see section 7.1.1.1).

Sodexo refers to the AFEP-MEDEF Code of corporate governance for listed companies, except for the following recommendations:

AFEP-MEDEF Recommendations	Sodexo practice/Explanations
Independence criteria for Board members (section 9.4 of the Code) – Among the criteria to be evaluated in considering whether a Board member is independent is not having been a Board member for more than 12 years.	The Board of Directors decided not to apply the independence criteria limiting Board members' mandates to 12 years (with respect to Paul Jeanbart). In accordance with the advice of the Nominating Committee, the Board of Directors considers that such seniority is a positive factor for his knowledge of the Group, its history and its activities, and also that the ability to make independent decisions is the main criterion for a Board member to be independent.
Time available for the Audit Committee's review of the financial statements (section 16.2.1 of the Code) – The Code states that the time available for reviewing the financial statements should be sufficient and recommends that the Audit Committee should receive them no less than two days before review by the Board.	In view of the fact that certain Audit Committee members travel from abroad to attend meetings, the meetings to review the accounts are held the day before their review by the Board. However, briefing files are sent to the Audit Committee members several days in advance to allow them to perform a satisfactory review ahead of the Board meeting.
Termination of employment contract in case of appointment as a corporate officer (section 22 of the Code) – When an executive becomes a corporate officer of the Company, he or she should terminate his or her employment contract with the Company or related company.	For Fiscal 2015, the Board of Directors, on the recommendation of the Compensation Committee, had decided to retain Michel Landel's employment contract entered into with Bellon SA. However, in order to avoid any boundary issues between the prerogatives of the Bellon SA holding company and those of its subsidiary, Sodexo and following the recommendation of the Compensation Committee, the Board of Directors decided at its November 17, 2015 meeting that Michel Landel will no longer be remunerated by Bellon SA effective January 1, 2016, from which time he will be remunerated by Sodexo. This will terminate the employment contract linking Michel Landel to Bellon SA.
Performance shares[1] (section 23.2.4 of the Code) – The Code recommends that corporate officers be required to purchase a defined quantity of shares when the performance shares become available.	The Chief Executive Officer is already subject to presence and performance conditions; in addition he is required to hold in registered form a defined number of these shares for the duration of his mandate when exercising stock options and acquiring performance shares. Consequently, the Board of Directors did not wish to add an additional requirement for the Chief Executive Officer to acquire additional shares on the market when the performance shares become available.

(1) See glossary.

Attendance of shareholders at the Shareholders' Meeting

Specific procedures pertaining to the participation of shareholders at the Shareholders' Meeting are indicated in article 16 of Sodexo's bylaws (see section 5.1.1.12 of this document).

Information that could have a material impact in the event of a public tender offer

The share ownership and voting rights in the Company, provided in section 5.1.2.4 of this document, are considered to be the decisive factors among those referred to in article L.225-100-3 of the French Commercial Code.

7.1.2 RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES IMPLEMENTED BY THE COMPANY

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, it has established an organization and policies intended to identify, evaluate, prevent and manage these risks in order to limit any adverse impacts.

Internal control procedures are established by the Company and implemented under its responsibility, and are intended to ensure:

- compliance with laws and regulations and application of Group policies;
- the effectiveness of the Company's internal processes, notably those concerning the safeguarding of its assets;
- the reliability 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 prevention and management of risks.

7.1.2.1 STRATEGY, LONG-TERM OBJECTIVES AND OVERALL POLICIES OF THE GROUP

The Group's strategy, long-term objectives and overall policies, as defined at the outset by Pierre Bellon and subsequently adjusted over the years by the Board of Directors, the Chief Executive Officer and the Executive Committee, are presented at the start of each Annual Shareholders' Meeting. They are set out in this Registration Document.

The Group's internal control procedures rely on these principles and on the related policies.

7.1.2.2 OVERALL POLICIES OF THE GROUP

Group policies cover such areas as strategic planning, human resources development, finance, supply chain, consumer and customer focus, food safety and hygiene, sustainable development and internal audit. They comprise four parts: goals, procedures, improvement metrics, and research and innovation. The policies are in the process of being re-drafted in simpler terms to make them easier to understand and apply. The Group also plans to add policies concerning internal and brand communication, research and innovation and the development of new technologies.

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

In the past five years, the Board of Directors and senior management have worked together to improve the strategic planning process and promote buy-in at all levels of the organization.

Seven fundamental principles demonstrate how Sodexo was able to start from nothing in 1966 and then become a major international group with 420,000 employees, in 80 different countries, and the world leader in Quality of Life Services. In a profoundly changing world, Sodexo has defined five priorities to enable it to continue to grow its operating profit and revenues in the future.

Periodically, and particularly during the September Board meeting, the Group Chief Executive Officer, the Group Executive Vice Presidents in charge of the corporate functions and the Chief Executive Officers of the main entities present their three-year plans, which are then discussed by the Board. For the last four years, Board members have given their opinion on the plans using a questionnaire prepared by the Strategic Planning team. The Chairman and the Secretary of the Board prepare a blind summary of the questionnaire results that is distributed to all directors. The head of each entity receives the directors' assessment of the entity's plan. Through this process, directors and senior executives all contribute to evolving the strategy and policies of the Group.

The process leads to the preparation of a three-year strategic plan and a consolidated annual budget. In addition, a 10-year consolidated financing plan is prepared by the Group Finance Department. All of these documents are submitted to the Board of Directors for approval.

Human resources development policy

The Group's three overriding human resources priorities are:

- to meet staffing requirements in terms of numbers, quality and competencies;
- to rank among the world's employers most appreciated by its employees;
- to promote the emergence of a growing number of internal entrepreneurs by giving priority to internal promotions.

The main human resources policies are focused on: the profile of Sodexo's Chief Executive Officer, Group organizational rules, succession planning for senior managers, international mobility, senior managers' further training, engagement surveys, senior managers' 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 should serve to validate action plans aimed at advancing these policies, including engagement surveys, employee retention, internal promotion, and the representation of women in senior management.

Sodexo is also making significant advances in the area of diversity, by promoting women within the organization and establishing partnerships with organizations for people with disabilities.

Financial policies

The Group's financial objectives are twofold, namely:

To preserve the Group's 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 shareholder family. As of August 31, 2015, Sodexo's holding company, Bellon SA, held 37.71% of the shares and 53.01% of the exercisable voting rights. It 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.

Enhancing the attractiveness of Sodexo 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.

Group financial policies require all decisions involving external financing to be made by the Group Chief Financial Officer, Chief Executive Officer or the Board of Directors, depending on the amount and type of the transaction.

The Group Finance Department prepares a 10-year financing plan for the Group each year.

Group 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 Group's supply chain function are spelled out in its Procurement Policy. The performance of Sodexo's purchasing teams in the main countries where Sodexo does business is measured through the "5 Star" program, which is used to improve its bargaining power with its suppliers. Products purchased are required to satisfy a number of predefined quality criteria in terms of food safety and traceability, and listed suppliers are audited regularly. In line with the Group's responsible purchasing policy, suppliers are asked to sign the Sodexo Supplier Code of conduct, while Purchasing Department employees adhere to the Sodexo Integrity Principles, after receiving appropriate training.

Sustainable development policy

Since its creation in 1966, Sodexo's vocation has been to "improve the Quality of Life" and contribute to the economic, social and environmental development of local communities. In 2003, the Group formalized a sustainable development strategy and policy that sets the following priorities:

- improve **nutrition for the health and wellness of consumers:** Sodexo is committed to food safety and the promotion of a balanced diet for its consumers. Sodexo plays a critical role in the fight against obesity and malnutrition and provides solutions that make health and wellness a priority. Sodexo employs approximately 4,900 dieticians worldwide;

- contribute to the **social, economic, and environmental development in the cities, regions or countries where Sodexo is present:**

  For some 20 years, Sodexo has been supporting the fight against hunger and malnutrition through Stop Hunger. The Group's aim is to make Stop Hunger a major player in the worldwide fight against hunger and malnutrition, with three goals for the next three years: sign up 50,000 volunteers per year, provide 5 million free meals (or equivalent) per year and raise 5 million U.S. dollars per year. All Sodexo stakeholders are taking part: employees, consumers, customers, suppliers and their staff; and
- **protect the environment:** implement a responsible purchasing policy, reduce energy and water consumption and cut food waste, battle against waste and reduce waste materials.

Sodexo, world leader in Quality of Life Services, has been named Global Sustainability Industry Leader in its sector for the 11th year in a row by the Dow Jones Sustainability Index (DJSI).

Information systems policies

The Group Information Systems and Technologies Department (Global IS&T) has defined three core objectives:

- improve the productivity of the Group's teams and bring them closer to their clients by leveraging new information and communication technologies;
- resolutely focus on serving users and keep pace with their changing needs and expectations;
- standardize information systems in order to continue partnering the Sodexo Group's growth, while also developing more robust performance measurement systems and control environments for our activities.

To meet these three core objectives, the Information Systems and Technologies Department has deployed numerous procedures, notably in the following areas:

- Group Information Systems Governance;
- Systems Security;
- Mobile Terminal Allocation and Security;
- IS&T Capital Expenditure Programs.

Health and safety policies

Sodexo's commitment to Health and Safety is an integral part of its mission to improve quality of life. In addition to ensuring the protection of people and property, it is the basis for the trust of Sodexo's clients and consumers that the Company will provide them with safe services. Health and Safety is a global strategic priority for Sodexo. All employees are expected to personally demonstrate their commitment to support and strengthen the Company's health and safety culture.

Sodexo's Health and Safety Policy defines the Company's expectations and guides its actions in this area. Sodexo's global Health and Safety management system, which defines standards for each business entity, is based on the OHSAS 18001 standard(1) and includes 18 mandatory core processes.

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; and
- the effectiveness of operations and the resources used.

The internal audit team is also responsible for warning the Chairman of the Board of Directors, the Audit Committee and the Executive Committee of 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, covering 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 training and rotation rates, the satisfaction rate among audited units, *etc.*

(1) See glossary.

7.1.2.3 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 powers to the members of the Group Executive Committee, who themselves delegate to members of their executive teams.

Delegations of authority cover development, human resources, supply chain, investments and finance.

Delegations of authority are generally implemented *via* "accountability contracts" in the form of one-, three- and five-year plans, and must comply with the Group's general policies.

7.1.2.4 IMPROVEMENT METRICS

All progress can be measured. Accordingly, Sodexo has developed improvement metrics allowing for progress to be measured in five main areas: Development, Management, Supply Chain, Human Resources and Sustainable Development.

The Group Finance Department coordinates the process and monitors operational improvement metrics for activities and subsidiaries using a Group scorecard.

Making progress in these areas is critical for future growth of 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:

- total growth potential for the Group over the next ten years, separated into potential by activity, by country and by client segment;
- client retention rate;
- client and consumer satisfaction rates;
- comparable unit growth;
- new business development rate compared to competitors;
- return on investments in development (particularly non tangible investments).

Management metrics:

- contract profitability;
- profitability of the different activities and client segments;
- gross operating margin and on-site costs;
- reduction in general and administrative expenses by subsidiary, by client segment and by function.

Purchasing metrics:

- percentage of purchases made from referenced suppliers;
- reduction in the number of referenced products, reduction in the number of deliveries on a site, *etc*.

Human Resources metrics, including:

- employee engagement rate: the Group has targeted a level comparable to that of firms ranked as the best employers worldwide;
- employee retention for all personnel and for site managers. This rate was 66% overall in Fiscal 2015 and 81% for on-site managers;
- internal promotion, which is measured by the number of employees promoted to site manager, to a middle management or a senior management position; 2,334 staff members were promoted to a managerial position passing from one category to the next in Fiscal 2015;
- representation of women in senior management, with a target for women in senior management positions of 25% by 2015, versus 18% in 2009. This proportion reached 31% in Fiscal 2015. In addition, it should also be noted that 38% of the members of the Board of Directors and 43% of the Executive Committee members are women.

Sustainable development metrics, including:

- percentage of Group revenues derived from activities with ISO 22000-certified food safety management systems;
- number of countries fighting hunger and malnutrition through Stop Hunger;
- percentage of Group revenues derived from activities with ISO 14001-certified environmental management systems;
- percentage of suppliers having signed a supplier Code of conduct;

- percentage of sites implementing heightened awareness and behavior steps to reduce their consumption of water and energy;
- percentage of sites implementing equipment and processes to reduce their waste;
- number of dieticians employed by Sodexo;
- certified sustainable fish and seafood as a percentage of total fish and seafood purchases.

In accordance with the April 24, 2012 decree on implementing the provisions of the January 12, 2010 "Grenelle II" act, 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 2.6.3 of this document.

Occupational Health and Safety metrics, including:

- percentage of Group revenues in countries having at least one OHSAS 18001 certification;
- number of work related accidents.

7.1.2.5 DESCRIPTION OF THE INTEGRATED RISK MANAGEMENT AND INTERNAL CONTROL PROCESS

Sodexo has put in place a robust procedure for the identification 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 local or the Group level, depending on their nature.

The Group's internal control procedures rely on the fundamental principles defined by the Board of Directors.

The risk identification process is carried out in parallel at the central level for the Group, and locally

- The Group risk matrix is regularly updated and submitted to the Audit Committee and the Board of Directors.
- The Chief Executive Officers of the main Group subsidiaries identify the ten to fifteen main risks and rank them by order of importance, describe the controls in place in order to manage them, and evaluate their effectiveness.
- These self-assessments are aggregated at Group level and presented annually to the Audit Committee.

The Group is putting in place internal control procedures to manage newly identified risks.

The main risk factors to which the Group is exposed are described in section 3.5.5 of this Registration Document.

Internal control procedures are part of an ongoing process of identifying, evaluating and managing the Group's risk exposures. The internal control and risk management process is based on the internal control reference framework recommended by the *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). In the coming years, further action will be taken to strengthen internal control, based increasingly on the COSO (Committee of Sponsoring Organizations) framework published in May 2013 (see glossary). Strongly endorsed by the Chief Executive Officer and Group Chief Financial Officer, the internal control and risk management initiative was approved by the Board of Directors and the Audit Committee, and also has the backing of the Group's Executive Committee.

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 control points both in subsidiaries and at Group level; and
- independent testing of the effectiveness of these control points, by independent persons.

A very large number of Group subsidiaries, representing more than 95% of Sodexo's revenues, prepare a detailed report (Company Level Control Report) on their control environment, described in accordance with the five components of the reference framework and including an evaluation of the subsidiary's principal risks, a description of risk management measures and an assessment of their effectiveness.

The most significant Group subsidiaries together representing more than 95% of Group revenues, go beyond this initial phase, and evaluate the effectiveness of their 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. In nine main areas, 2,400 controls were independently tested in different subsidiaries. Twenty-three percent of the recommendations made in Fiscal 2015 have already been satisfactorily implemented and confirm actual progress, while action plans are underway to implement the other recommendations.

Description of internal controls relating to the preparation of accounting and financial disclosure

The **Group Finance Department** is responsible for ensuring the reliability of financial and accounting information.

The production and analysis of financial information is conducted through a collection of procedures put in place at both operational sites and in the Group and subsidiaries' Finance Departments.

The subsidiaries' Finance Departments produce monthly a cumulative income statement since the beginning of the fiscal year, a balance sheet, and a statement of cash flows. They also produce quarterly projections for the full year.

At the end of the first half, the external auditors conduct a limited review of the interim financial statements for the most significant subsidiaries.

At the end of the fiscal year, the Chief Executives and Chief Financial Officers of the business units certify the reliability of their financial statements, prepared in accordance with the IFRS standards adopted by the European Union. The external auditors of the main subsidiaries express a view on these financial statements in connection with the mission referred to them by the Group auditors. The Group Finance Department ensures that the accounting treatments applied by all subsidiaries are compliant with Group rules. Financial statements are consolidated on a monthly basis by the Group Finance Department.

At the end of the first half and at the fiscal year-end, the Group Finance Department 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.

The Group continues to reinforce its finance teams in its subsidiaries as well as in the Group Finance Department. This reinforcement includes the strengthening of resources with technical expertise in the area of financial reporting. The ability to meet reporting deadlines, and the quality and reliability of financial information, are factors in assessing the performance of managers, especially that of the Chief Executive Officers and Chief Financial Officers of the Group's subsidiaries.

Operational and financial reporting (comprising improvement metrics for client retention, sales development and revenue growth on existing comparable sites) is discussed within each business unit by its Chief Operating Officer and Executive Committee and is then presented to the Group Executive Committee, and then to the Chairman of the Board of Directors. In addition, Quarterly reviews with each of the Group's business units give the Group's Chief Executive Officer and Chief Financial Officer insight into performance trends for the business unit or subsidiary 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; and commitments under call or put options, *etc*. Off-balance sheet commitments are presented regularly to the Board of Directors.

The Group Legal Department is part of the Group Finance Department. Supported by the legal teams at local levels, it works pro-actively with the operational teams. It oversees compliance with legal requirements. It also ensures that contractual negotiations are handled in a balanced manner and that risks pertain solely to contractual obligations for services and are limited in value and duration.

The Group Insurance Department works closely with the relevant executives in the subsidiaries to:

- put in place insurance coverage to protect the interests of the Group;
- identify and evaluate the key risk exposures faced by Sodexo, with particular attention to the emergence of new risk factors associated with changes in our activities, especially in facilities management;
- reduce contractual risk, in particular by means of limitation of liability clauses or hold-harmless agreements; and
- achieve the appropriate balance between risk retention (self-insurance) and the insurance market in covering the potential financial consequences of Sodexo's risk exposure.

Lastly, using the financial information reported and consolidated, the Chief Executive Officer, assisted by the Group Finance Department, prepares the Group's financial communication. The Chief Executive Officer also relies on the operating data required to prepare the Registration Document. Press releases announcing the interim and annual results 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 Group corporate functions reviews all financial information prior to publication. Members include the managers responsible for Consolidation, Financial Planning and Analysis, Accounting, Financial Communications, Legal, Human Resources, Sustainable Development and Communications.

7.1.2.6 GROUP INTERNAL AUDIT DEPARTMENT

The Senior Vice President and director of Internal Audit reports directly to the Chairman of the Board, thus ensuring Group Internal Audit's independence within the organization. The Internal Audit Director and the Chairman of the Board meet on a monthly basis. The Internal Audit Director works closely with the Chairman of the Audit Committee, holding informal meetings (approximately four times per year).

In March 2015, Sodexo's Group Internal Audit activities were 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, continuous assurance program, *etc*.).

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; and
- unites employees around a challenging project.

The Internal Audit Department performs internal audits of Group entities based on an Internal Audit Plan. A review of potential risks, conducted by the Chairman of the Board of Directors, the Group Chief Executive Officer, the Group Chief Financial Officer and the Internal Audit Director (with input from the external auditors and the Executive Committee), is used to prepare an annual list of organizational structures, subsidiaries, and issues eligible for internal audit. 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; and
- helping to assess subsidiaries' 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 Chairman of the Board, the Audit Committee, the Chief Executive Officer or the Executive Committee.

Most (77%) of the Group Internal Audit Plan approved by the Audit Committee at the start of Fiscal 2015 was completed during the year. The Group Internal Audit Department, with an average of 25 staff, conducted 93 audits in 32 countries. In addition to this central team, some 40 operational controllers report to the Finance Directors who report to the regional general management, and report functionally to the Group Internal Audit Department. This allows the Group Internal Audit Department to co-ordinate their work and provide technical assistance.

The Internal Audit Department regularly tracks implementation of post-audit action plans by Group companies. An overall progress report is updated regularly and submitted on a semi-annual basis to the Chief Executive Officer, the Group Chief Financial Officer, the Chairman of the Board and the Audit Committee. Further progress was achieved in following up recommendations in Fiscal 2015. All audits are followed up on the ground within a maximum of 12 months.

Around 85% of recommendations made in years prior to Fiscal 2014 have been implemented by the subsidiaries' management. For Fiscal 2015, 23% of the 1,626 recommendations made by the Group Internal Audit Department have already been implemented and the other recommendations are addressed in action plans. The Audit Committee does not accept any refusal by a subsidiary to implement an internal audit recommendation. In Fiscal 2015, the Internal Audit Department carried out a survey of a sample of entities. The vast majority (97%) of them considered that the quality of audits was satisfactory; however, there were calls for Audit Reports to be issued more quickly.

Every year, the Group Internal Audit team measures the savings made and the losses avoided through its audits. In Fiscal 2015, investigations, assistance engagements and process efficiency audits generated value added of 17.4 million euro (representing the sum of avoided costs and cost savings less internal audit costs).

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.

However, 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 subsidiaries.

In the preparation of this report, and in compliance with the recommendation issued by the French securities regulator, the *Autorité des marchés financiers* (AMF), in July 2010, Sodexo has notably relied on the "Reference Framework" produced by the French Market Advisory Group and published by the AMF.

Pierre Bellon
Chairman of the Board of Directors

7.1.3 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L.225-335 OF THE FRENCH COMMERCIAL CODE *(CODE DE COMMERCE)*, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF SODEXO

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

To the shareholders,

SODEXO
255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9

For the year ended August 31, 2015

In our capacity as Statutory Auditors of SODEXO, and in accordance with article L.225-235 of the French Commercial Code *(Code de commerce),* we hereby report to you on the report prepared by the Chairman of your Company in accordance with article L.225-37 of the French Commercial Code for the year ended August 31, 2015.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by article L.225-37 of the French Commercial Code in particular relating to Corporate Governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's Report on internal control and risk management procedures relating to the preparation and processing of the financial and accounting information; and
- to attest that the report sets out the other information required by article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's Report. These procedures mainly consisted in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the financial and accounting information on which the information presented in the Chairman's Report is based, and of the existing documentation;

- obtaining an understanding of the work performed to support the information given in the report and of the and existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's Report.

On the basis of our work, we have no matter to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's Report, prepared in accordance with article L.225-37 of the French Commercial Code.

Other disclosures

We attest that the Chairman's Report sets out the other disclosures required by article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris La Défense, November 18, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG Audit
		Department of KPMG SA
Jean-Christophe Georghiou	Frédéric Charcosset	Hervé Chopin

7.2 Other information concerning the Corporate Officers and Senior Management of the Company

Family relationships within the Board of Directors are as follows:

- Astrid Bellon, Sophie Bellon, Nathalie Bellon-Szabo and François-Xavier Bellon (directors) are the children of Pierre Bellon, Chairman of the Board of Directors;
- Bernard Bellon (director) is the brother of Pierre Bellon.

There are no other family relationships between members of the Board of Directors and members of the Executive Committee of Sodexo.

No loans or guarantees have been made or given to either 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 either 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:

- Pierre Bellon and his four children control 68.5% of Bellon SA, which in turn holds 37.71% of the share capital of Sodexo and 53.01% of the exercisable voting rights. Agreements prevent them from selling their shares to third parties; Pierre Bellon and his children created a 50-year *société en participation* (joint venture) in 2008 to prevent direct descendants of Pierre Bellon from freely disposing of their Bellon SA shares. Bellon SA's only asset is its holding in Sodexo; Bellon SA has no intention of selling this holding to a third party;
- Bernard Bellon, with other members of his family, holds 13% of the shares of Bellon SA.

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 to act as a Board member, a Supervisory Board member, or a member of senior management of an issuer, or to participate in the management or business affairs of an issuer.

As required under article 223-26 of the AMF's General Rules, transactions on Company shares by management and related persons declared to the AMF in connection with article L.621-18-2 of the French Monetary and Financial Code were as follows during Fiscal 2015:

- Michel Landel, Chief Executive Officer, exercised 50,035 stock options on December 3, 2014 for an exercise price of 42.27 euro per share and immediately sold 26,235 shares for 81.1166 euro each.
- Bellon SA (a company with close ties to Pierre Bellon, Astrid Bellon, Bernard Bellon, François-Xavier Bellon, Sophie Bellon and Nathalie Bellon-Szabo, directors of Sodexo SA) carried out two refinancing transactions, on June 19 and July 10, 2015 for a total of 500 million euro. Each transaction comprises a forward sale contract that may be settled in cash or in shares at Bellon SA's option and an equity swap with Sodexo shares as the underlying. The equity swap has no impact on Bellon SA's exposure to changes in the Sodexo share price. These transactions enabled Bellon SA to refinance its debt at lower rates of interest and to extend the average life of its debt.

CONTROLLING SHAREHOLDER MEASURES

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 six independent directors among the fourteen members of the Board of Directors as of August 31, 2015;

(b) the existence of three Board Committees, the majority of whose members are independent directors;

(c) the separation of the roles of Chairman of the Board and Chief Executive Officer. Effective September 1, 2005, Michel Landel – neither a member of Pierre Bellon's family, nor a corporate officer of Bellon SA – succeeded Pierre Bellon as Chief Executive Officer of Sodexo. Pierre Bellon remained as Chairman of the Board;

(d) the disclosures within this document of the relationship between Sodexo and Bellon SA:
- these include the ownership interest of Bellon SA in Sodexo (changes in which are disclosed in section 5.1.2.4 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 interests,
- since 1991 a service agreement between Bellon SA and Sodexo has been in operation (this agreement is described below in the paragraph concerning regulated related-party agreements). The fees payable under this agreement and changes in these fees are reviewed annually by the Audit Committee.

REGULATED RELATED-PARTY AGREEMENTS

- The special report of the Statutory Auditors on regulated related-party agreements is presented in section 4.4.2 of this document.

  Since 1991, a service agreement between Sodexo and Bellon SA, Sodexo's managing holding company, has been in operation whereby Bellon SA provides assistance and advice in areas including strategy, finance, accounting, human resources, and investment strategy, either directly or via qualified experts.

  Benefits of the agreement for Sodexo

  Under the terms of this agreement, Sodexo receives advice and assistance in defining general strategies in these different areas, and in their coordinated implementation across all Group businesses, in order to ensure they are developed in the best possible conditions.

  Financial terms of the agreement

  Under the terms of the agreement, Bellon SA invoices Sodexo on a cost-plus basis with a 5-percent mark-up for the following services:
  - the salaries and related payroll taxes for Michel Landel (Chief Executive Officer), Elisabeth Carpentier (Chief Human Resources Officer), and Siân Herbert-Jones (Chief Financial Officer), who are employed and paid directly by Bellon SA;
  - studies and analyses of the Sodexo Group's strategic developments and their guiding principles, including the cost of related external consultancy services;
  - administrative expenses.

  The fees due under this agreement, and changes compared with the prior year, were reviewed by the Audit Committee in its April 13, 2015 meeting. In addition, and in compliance with the law, the contract is reviewed every year by the Board of Directors.

  The annual fee payable to Bellon SA is approved each year by the Board of Directors of Sodexo (without directors who are members of the Bellon family or Michel Landel taking part in the vote).

  The fees billed by Bellon SA under this agreement amounted to 6.5 million euro excluding taxes for Fiscal 2015, a higher amount than the 5.8 million euro billed for Fiscal 2014. Of this amount, 6.2 million euro was for compensation (including payroll taxes) and 0.3 million euro for the 5% mark-up. No external consulting costs and no administrative costs were incurred in Fiscal 2015.

  This agreement is referred to in the Auditors' Special Report each year.

  The terms and conditions of this service agreement were modified in April 2013 (change in the term of the agreement).
- The Company is not aware of any service contract (other than employment contracts) between a Corporate Officer and the Company or one of its subsidiaries granting benefits over the term of such contract.

7.3 Compensation

The disclosures within this document comply with the recommendations contained in the AFEP-MEDEF Code of corporate governance for listed companies as revised in June 2013, and the recommendations of the *Autorité des marchés financiers* (AMF – Financial Markets Authority) on Corporate Governance and corporate officers' compensation at listed companies.

7.3.1 COMPENSATION OF THE CORPORATE OFFICERS

7.3.1.1 COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Pierre Bellon only receives directors' fees for his mandate as Chairman of the Board of Directors of Sodexo SA. However, Sodexo provides the Chairman of the Board of Directors the use of a car, an office and administrative assistance. In addition, Pierre Bellon will not receive any payment upon expiration of his corporate appointment. No free shares or stock options have been granted to him.

COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Pierre Bellon Chairman of the Board of Directors *(in euro)*	Fiscal 2015		Fiscal 2014	
	Gross amounts due (before tax)	Gross amounts paid (before tax)	Gross amounts due (before tax)	Gross amounts paid (before tax)
Fixed compensation	-	-	-	-
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees paid by Sodexo SA in his capacity as Chairman of the Board of Directors	43,000	43,000	50,875	50,875
Fringe benefits	-	-	-	-
For information, amounts paid by Bellon SA in his capacity as Chairman of the Supervisory Board:				
• Fixed compensation	70,000	70,000	70,000	70,000
• Directors' fees	200,000	200,000	200,000	200,000
TOTAL	**313,000**	**313,000**	**320,875**	**320,875**

SUMMARY OF COMMITMENTS TO THE CHAIRMAN OF THE BOARD OF DIRECTORS AS OF AUGUST 31, 2015

	Employment contract		Supplemental retirement plan		Actual or potential liability for compensation or benefits resulting from termination or change of position		Compensation in connection with a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Pierre Bellon Chairman of the Board of Directors First elected: November 14, 1974 Expiration of current term: 2016 Annual Shareholders' Meeting		X		X		X		X

7.3.1.2 CHIEF EXECUTIVE OFFICER'S COMPENSATION

The compensation policy applicable to the Chief Executive Officer, Michel Landel, is designed to reward both long- and short-term performance in a balanced manner, in order to promote development of the business for the benefit of all stakeholders. The Board of Directors, pursuant to the Compensation Committee's recommendations, decided to change the Chief Executive Officer's compensation package with respect to its grant of performance shares by introducing a stock market performance indicator – a Total Shareholder Return[1] (TSR) objective – into the performance share plan's conditions.

This change was made in order to better respond to shareholders' expectations.

The Chief Executive Officer's compensation package comprises:

- **a fixed salary,** which has been unchanged since January 1, 2011 in line with Sodexo's policy of favoring performance-based compensation;
- **an annual performance bonus** that is based on a specific set of criteria and objectives proposed at the beginning of each fiscal year by the Compensation Committee and approved by the Board of Directors.

  The annual performance bonus for Fiscal 2015 may represent up to:

  - 100% of the Chief Executive Officer's fixed salary upon fulfillment of all the targets set;
  - 150% of the fixed salary if the targets are exceeded;
  - 200% of the fixed salary if all the targets are exceeded and if the high-end of the growth target for operating profit is also exceeded.

  The bonus breaks down as follows:

  - 80% of the bonus depends on quantitative targets based on the Group's financial performance for the fiscal year. For Fiscal 2015, the quantitative targets were as follows: growth in consolidated net income, operating profit, revenue, operating free cash flow and achievement of savings relating to the program to improve operational efficiency,
  - 20% of the bonus depends on non-financial objectives. For Fiscal 2015, these objectives were in particular:
    - Be the worldwide leader in Quality of Life Services: objective measured by Sodexo's ranking within DJSI (Dow Jones Sustainability Index).
    - Be one of the companies most appreciated by its employees: objective measured by the internal engagement survey.

  These criteria and the level achieved for each are presented in the tables below.

  The bonus is calculated and paid after the close of the fiscal year to which it applies and the related approval of the financial statements by the Board of Directors;
- **a long-term incentive plan** consists solely of performance shares (stock options were granted for the last time in January 2011).

(1) *Total Shareholder Return (TSR) is a measure of the performance of different companies' stocks and shares over time. It combines share price appreciation and dividends paid to show the total return to the shareholder.*

Vesting for all of the performance shares granted to the Chief Executive Officer is contingent on continued employment with the Group[1] and the meeting of certain growth targets over a three-year period. The Board of Directors has limited the value of performance share grants to 150% of the Chief Executive Officer's maximum total annual compensation (comprising the fixed salary and the maximum annual performance bonus).

Under article L.225-197-1 of the French Commercial Code, Michel Landel is required to hold in registered form a number of these shares equal in value to 30% of his base salary at the date of delivery of the said shares for the duration of his mandate.

Michel Landel has not used and has agreed not to use, as long as he remains in office, hedging instruments on any performance shares or stock options (or on shares arising from the exercise of options) granted to him.

Michel Landel was granted 40,000 performance shares on April 27, 2015:

- 50% of these shares will vest only if the average annual growth in Group net income is at least 6% in Fiscal 2017 compared to a base amount of 490 million euro in Fiscal 2014. The growth rate will be calculated by applying the average exchange rates used to prepare the Fiscal 2017 financial statements[2],
- the other 50% of shares will vest only if the TSR increases by at least 20% between August 31, 2014 and the Annual Shareholders' Meeting called to approve the Fiscal 2017 financial statements. This target assumes annual average growth in the share price in line with that of net income.

This additional vesting condition, linking acquisition of performance shares to the Company's stock market performance as measured by TSR, has been added this year. In line with the Compensation Committee's recommendation, the Board of Directors decided that it would be appropriate to add this parameter, reflecting Sodexo's stock market performance and dividend record over a three-year period, because it aligns shareholders' interests with those of executive management over the long term.

As such, the vesting conditions are evenly balanced between the Company's performance and investor confidence;

- **a travel allowance,** the amount of which varies depending on the countries visited and the length of stay;
- **a defined benefit pension plan.**

  Michel Landel is a beneficiary of the supplemental defined benefit pension plan established for the most senior executives employed by a French company of the Group. The supplemental plan provides for payment of a pension amounting to 15% of the average fixed salary paid to him during the last three years of employment preceding his retirement, provided that he has participated in the plan for at least five years. This is in addition to the pensions due him under compulsory retirement plans, provided that he is employed by, or is a corporate officer of, the Company at the time of his retirement.

  The cumulative liability for Michel Landel as of August 31, 2015 was 2,878,855 euro and the charge recognized for Fiscal 2015 was 180,015 euro. Based on Michel Landel's current compensation, this would represent an annual pension of 140,010 euro. Consequently, on the basis of actual data, the total aggregate amount of the pensions to be paid to Michel Landel – gross amounts before tax and also including the pensions due to him under compulsory retirement plans – would amount to approximately 237,000 euro per year;
- **compensation in the event of termination of appointment.**

  As decided by the Board of Directors on November 6, 2008 and approved by the Combined General Shareholders' Meeting of January 19, 2009, Michel Landel is entitled to compensation, subject to certain performance conditions being fulfilled, in the event of termination of his appointment as Chief Executive Officer (excluding voluntary termination or retirement

(1) *The Chief Executive Officer must still be employed on the date of delivery of the shares.*

(2) *Note that for performance shares granted under the April 2014 plan, the average annual growth target for Group net profit was at least 15% at constant currency exchange rates for the period from Fiscal 2013 (when profit was affected by the cost of the program to improve operational efficiency) and Fiscal 2016.*

and unless revoked for cause), for which a payment will be made to him in an amount equal to twice the gross annual compensation (fixed and variable) received during the 12 months preceding the termination.

This indemnity will only be paid if, at constant consolidation scope and currency exchange rates, the annual increase in the Sodexo Group's consolidated operating profit is equal to or higher than 5% for each of the three fiscal years ended prior to the termination of the appointment.

In the event of incapacity, disability or death, the benefits paid to Michel Landel will be based on his total monetary compensation.

Michel Landel is not paid a director's fee for his mandate as a director of Sodexo SA.

Michel Landel's compensation (excluding stock options and performance shares, granted by the Board of Directors of Sodexo) is determined under his employment contract with Bellon SA.

In Fiscal 2015, his short-term compensation represented 49% of the total and his long-term compensation represented 51%.

In addition to his monetary compensation, he receives fringe benefits (company car).

The amounts paid in Fiscal 2015 for the above components, including measurement of the value of the performance shares granted, are provided in detail in the tables below.

SUMMARY OF COMPENSATION GRANTED TO THE CHIEF EXECUTIVE OFFICER

Michel Landel Chief Executive Officer *(in euro)*	Fiscal 2015		Fiscal 2014	
	Gross amounts due (before tax)	**Gross amounts paid (before tax)**	**Gross amounts due (before tax)**	**Gross amounts paid (before tax)**
Fixed compensation	933,400	933,400	933,400	933,400
Variable compensation[1]	1,432,491	1,906,893	1,950,129	901,598
Exceptional compensation	-	-	-	-
Director's fees[2]	-	-	-	-
Fringe benefits[3]	2,400	2,400	2,400	2,400
TOTAL	**2,368,291**	**2,842,692**	**2,885,929**	**1,837,398**

(1) Variable compensation corresponds to Michel Landel's bonus for the year, to be paid the following year, and to travel allowances paid during the year (see table below for details).
(2) Michel Landel is not paid a director's fee for his mandate as a director of Sodexo SA.
(3) Michel Landel has the use of a company car.

DETAILS OF VARIABLE COMPENSATION DUE FOR FISCAL 2015

		Weighting of objectives	Maximum in % of objective	Achievement level	Corresponding amount in euro
80% based on quantitative targets	Organic revenue growth	10%	100%	42%	38,783
	Growth in operating profit	30%	250%	233%	653,564
	Growth in net income	10%	250%	250%	233,350
	Free cash flow	10%	200%	200%	186,680
	Achievement of the savings related to the program to improve operational efficiency	20%	100%	100%	93,340
	Total quantitative targets	80%	150%	129%	1,205,717
20% based on non-financial objectives	Implementation of the Group's strategic priorities	20%	100%	100%	186,680
	Total non-financial objectives	20%	20%	100%	186,680
Subtotal before high-end operating profit growth target		**100%**	**170%**	**149%**	**1,392,397**
Cap on subtotal before high-end operating profit growth target		**100%**	**150%**	**149%**	**1,392,397**
Achievement of high-end operating profit growth target		**50%**	**50%**	**0%**	**0**
Total performance bonus for Fiscal 2015		**150%**	**200%***	**149%**	**1,392,397**
Travel allowance paid in December 2014					40,094
TOTAL VARIABLE COMPENSATION FOR FISCAL 2015					**1,432,491**

* *Capped at 200%.*

DETAILS OF VARIABLE COMPENSATION DUE FOR FISCAL 2014

		Weighting of objectives	Maximum in % of objective	Achievement level	Corresponding amount in euro
80% based on quantitative targets	Organic revenue growth	15%	100%	67%	€93,107
	Growth in operating profit	30%	250%	250%	€700,050
	Growth in net income	15%	300%	300%	€420,030
	Free cash flow	20%	250%	250%	€466,700
	Total quantitative targets	80%	185%	180%	€1,679,887
20% based on qualitative targets	Implementation of the Group's strategic priorities	20%	100%	100%	€186,680
	Total qualitative targets	20%	20%	20%	€186,680
Total performance bonus for Fiscal 2014		**100%**	**205%***	**200%**	**€1,866,567**
Travel allowance paid in December 2013					**€83,562**
TOTAL VARIABLE COMPENSATION FOR FISCAL 2014					**€1,950,129**

* *Capped at 200%.*

PERFORMANCE SHARES GRANTED TO THE CHIEF EXECUTIVE OFFICER IN FISCAL 2015

	Date of plan	Number of shares granted in the fiscal year	Value of shares(1) *(in euro)*	Vesting date	End of lock-up period(2)	Performance condition
Michel Landel Chief Executive Officer	April 27, 2015	40,000(3)	2,468,400	April 27, 2018	April 27, 2020	Yes(4)

(1) Performance shares are measured at fair value at the grant date, taking into account the terms and conditions of grant (see note 4.22 to the consolidated financial statements). An accounting charge for the share grants is recognized over a period of three years.
(2) The shares are subject to a two-year lock-up after the vesting date.
(3) Representing 0.03% of share capital and 4.71% of all free shares granted during the fiscal year by the Board of Directors (within the limits defined in the 12th resolution of the Shareholders' Meeting of January 21, 2013). The grants have no dilutive impact as only existing shares have been allocated to the plan.
(4) 50% of the shares is subject to a vesting condition based on growth in Group net income over a three-year period and the other 50% is subject to a vesting condition based on three-year growth in TSR (as described in the first part of section 7.3.1.2).

STOCK OPTIONS EXERCISED BY THE CHIEF EXECUTIVE OFFICER IN FISCAL 2015

	Date of plan	Number of options exercised during the year(1)	Exercise price(1)
Michel Landel Chief Executive Officer	January 7, 2008	50,035	42.27 euro

(1) Number of options and exercise price adjusted for capital transactions carried out since the grant date.

SUMMARY OF COMPENSATION AND PERFORMANCE SHARES GRANTED TO THE CHIEF EXECUTIVE OFFICER DURING THE FISCAL YEAR

Michel Landel Chief Executive Officer *(in euro)*	Fiscal 2015	Fiscal 2014
Compensation due (gross, before tax)	2,368,291	2,885,929
Value of options	N/A	N/A
Value of performance shares granted	2,468,400	2,589,200
TOTAL	**4,836,691**	**5,475,129**

SUMMARY OF COMMITMENTS MADE TO THE CHIEF EXECUTIVE OFFICER AS OF AUGUST 31, 2015

	Employment contract		Supplemental retirement plan		Actual or potential liability for compensation or benefits resulting from termination or change of position		Compensation in connection with a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Michel Landel Chief Executive Officer Date appointed: September 1, 2005 No fixed term	X		X		X			X

Employment contract

For Fiscal 2015, the Board of Directors, on the recommendation of the Compensation Committee, decided to maintain Michel Landel's employment contract with Bellon SA.

In order to avoid any boundary issue between the prerogatives of the Bellon SA holding company and those of its subsidiary, Sodexo, the Board of Directors, on the recommendation of the Compensation Committee, decided at its November 17, 2015 meeting that Michel Landel will no longer be remunerated by Bellon SA effective January 1, 2016, from which time he will be remunerated by Sodexo. This will terminate the employment contract between Michel Landel and Bellon SA. There is no contractual indemnity if the employment contract were to be terminated.

7.3.2 COMPENSATION OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors are the members of the Board of Directors of Sodexo, excluding the Chairman of the Board and the Chief Executive Officer.

7.3.2.1 DIRECTORS' FEES PAID TO NON-EXECUTIVE DIRECTORS

The total annual amount of directors' fees available for payment to the directors of Sodexo was set at 700,000 euro by the Combined Shareholders' Meeting of January 19, 2015. The total amount of directors' fees actually paid to all directors (directors, executive and non-executive corporate officers) for Fiscal 2015 was 599,000 euro, as compared to 575,603 euro for Fiscal 2014.

Directors' fees were calculated and paid in accordance with the Board's Internal Rules, based on the following criteria established for Fiscal 2015:

- 13,000 euro fixed fee to each director;
- 3,000 euro per attendance at Board meetings;
- 3,000 euro fixed fee to each member of a Board Committee;
- 2,000 euro per attendance at Committee meetings;
- directors traveling from the United States receive a travel allowance of 1,000 euro per Board meeting attended;
- the Chairmen of the Board Committees (Audit, Compensation and Nominating Committees) each receive a fee of 17,500 euro in addition to their fee as a Committee member.

Directors' fees paid to non-executive corporate officers in office as of August 31, 2015 for Fiscal 2015 and Fiscal 2014 were as follows:

Members of the Board of Directors (other than the Chairman of the Board of Directors and the Chief Executive Officer)	Fiscal 2015 *(in euro)*	Fiscal 2014 *(in euro)*
Robert Baconnier	62,500	62,100
Patricia Bellinger	88,000	91,875
Astrid Bellon	34,000	34,000
Bernard Bellon(1)	39,500	43,140
Nathalie Bellon-Szabo	45,000	43,735
François-Xavier Bellon	34,000	34,000
Sophie Bellon	63,000	61,475
Philippe Besson(2)	41,000	5,333
Françoise Brougher	46,000	46,735
Soumitra Dutta	23,000	N/A
Paul Jeanbart	43,000	36,240
Alain Marcheteau	N/A	24,360
Peter Thompson	39,000	43,735

(1) This total includes 2,000 euro in directors' fees paid by Bellon SA in Fiscal 2015 and Fiscal 2014 for his appointment as member of the Supervisory Board of Bellon SA.
(2) The directors' fees due to Philippe Besson for his mandate as director representing employees were paid to his trade union.

7.3.2.2 COMPENSATION PAID TO NON-EXECUTIVE DIRECTORS

The compensation due to Non-Executive Directors is paid exclusively by Bellon SA. No stock options or free shares have been granted to Non-Executive Directors and they are not eligible for any supplemental retirement plan or compensation or benefits potentially resulting from the assumption, termination or change of duties.

	Fiscal 2015 *(in euro)*			Fiscal 2014 *(in euro)*		
	Total annual compensation			Total annual compensation		
	Fixed	Variable(1)	Fringe benefits	Fixed	Variable(1)	Fringe benefits
Astrid Bellon(2)	150,000	-	-	118,334	-	-
François-Xavier Bellon(2)	150,000	-	-	118,334	-	-
Sophie Bellon(3)	453,799	24,000	2,028	311,873	14,579	2,091
Nathalie Bellon-Szabo(4)	392,000	-	3,075	324,503	-	3,275

(1) Variable compensation is conditioned upon meeting quantitative and qualitative targets.
(2) Compensation paid for membership on the Management Board of Bellon SA.
(3) Compensation paid for her position as Chairman of the Management Board of Bellon SA (255,335 euro for Fiscal 2015) and 222,464 euro for her position as Group Special Advisor – Research, Development and Innovation. Sophie Bellon has the use of a company car.
(4) Compensation paid for her membership on the Management Board of Bellon SA (228,000 euro for Fiscal 2015) and for her position as Chief Executive Officer of Sodexo Prestige (164,000 euro for Fiscal 2015). Nathalie Bellon-Szabo has the use of a company car.

7.3.3 EXECUTIVE COMMITTEE COMPENSATION

The compensation of members of the Executive Committee comprises a fixed salary, a variable annual bonus, a long-term incentive (free share) plan and a travel allowance, the amount of which varies depending on the countries visited and the length of stay.

As for the Chief Executive Officer, the compensation policy applicable to members of the Executive Committee has been changed by decision of the Board of Directors, pursuant to the Compensation Committee's recommendations. The modifications were as follows:

- weight the compensation package more heavily towards rewarding long-term performance;
- raise the various qualification thresholds in order to increase the level required to attain the maximum annual bonus; and
- increase the non-financial objectives from 20% to 30% of the bonus in order to reflect the importance of the steps necessary to implement an organization by global client segment;
- introduce a stock market performance indicator – a Total Shareholder Return (TSR) [1] objective – into the performance share plan's performance conditions.

  These changes were made in order to better respond to shareholders' expectations.

  The compensation of members of the Executive Committee comprises the following:

- a fixed salary;
- an annual performance bonus.

  Depending on the Executive Committee member, the annual performance-based bonus represents between 60% and 100% of the fixed salary. It may represent:

  - 100% of the basic bonus if the targets are met,
  - 150% of the basic bonus if the quantitative targets are exceeded,
  - 200% of the basic bonus if all the targets are exceeded and a high-end growth target for operating profit is also exceeded.

  The bonus breaks down as follows:

  - 70% of the bonus depends on quantitative targets based on the Group's financial performance for the fiscal year,
  - 30% of the bonus depends on non-financial objectives.

  The bonus is calculated and paid following the close of the fiscal year to which it applies and after completion of the audit of the financial statements;

- a long-term incentive plan, consisting of free and performance share grants, the vesting of which is contingent on continued employment by the Group. 50% of the shares are subject to the following vesting conditions:

  - 50% of the shares (i.e. 25% of the total shares granted) will vest only if the average annual growth in Group net income is at least 6% in Fiscal 2017 compared to a base amount of 490 million euro in Fiscal 2014[2]. The growth rate will be calculated by applying the average exchange rates used to prepare the Fiscal 2017 financial statements,
  - the other 50% of the shares (i.e. 25% of the total shares granted) will vest only if the TSR increases by at least 20% between August 31, 2014 and the Annual Shareholders' Meeting called to approve the Fiscal 2017 financial statements. This target assumes annual average growth in the share price in line with that of net income.

In addition to this monetary compensation, Executive Committee members receive fringe benefits (primarily, a car), and retirement plan contributions are paid on behalf of members under employment contract with one of the Group's foreign companies.

Total compensation paid during Fiscal 2015 by the Group to members of the Executive Committee in their position as of August 31, 2015 (including the Chief Executive Officer, details of whose compensation are provided in section 7.3.1.2 of this document), amounted to 17,734,586 euro.

(1) Total Shareholder Return (TSR) is a measure of the performance of different companies' stocks and shares over time. It combines share price appreciation and dividends paid to show the total return to the shareholder.

(2) Note that for performance shares granted under the April 2014 plan, the average annual growth target for Group net income was at least 15% at constant currency exchange rates for the period from Fiscal 2013 (when profit was affected by the cost of the program to improve operational efficiency) and Fiscal 2016.

This amount comprises:

- a fixed portion of 7,814,272 euro, including 52,915 euro of contributions to the above-mentioned retirement plans;
- a variable portion of 9,920,314 euro (comprising the Fiscal 2014 performance-based bonus and the travel allowances of 143,818 euro paid in Fiscal 2015).

The increase in the total compensation of Executive Committee members is due to the fact that the Committee comprised 14 members throughout the fiscal year. The number of members was increased from 8 to 14 in January 2014.

7.3.4 CHANGES IN THE LONG TERM INCENTIVE PLAN FOR MANAGERS

The Group's incentive compensation policy for managers has two objectives:

- linking the financial interests of managers to those of the shareholders;
- attracting and retaining the entrepreneurs needed to expand and strengthen its market leadership.

STOCK OPTION PLANS

Until Fiscal 2012, as part of this policy stock options were granted at regular intervals in accordance with resolutions adopted at Annual Shareholders' Meetings. The plans met the following requirements:

- options were generally granted at the same time of the year and their exercise price was not discounted;
- option lives were six to seven years;
- vesting of options is contingent upon the beneficiary's continued employment with the Sodexo Group and, for plans subsequent to 2007, to the achievement of an annual increase in Group net profit at constant currency exchange rates of at least 6% over three years. However, this latter condition applied only to a certain portion of the stock options granted to each beneficiary (between 0 and 50%, except for the Chief Executive Officer, whose grant was wholly subject to the performance condition), the remainder of the options vesting in equal increments over four years.

The number of unexercised stock options issued by the Company to managers in the Group in connection with various plans still in effect as of August 31, 2015 was 2,340,294 (around 1.49% of the capital at that date) for a total amount of 124,713,766 euro. The number of options exercisable as of August 31, 2015 was 2,055,294 options, each entitling the holder to one Sodexo share if exercised.

FREE SHARE PLANS

Since Fiscal 2013, long-term incentive plans have consisted exclusively of free share plans. The rules governing free share grants within the Group are as follows:

- all free share grants are made in the same period of the year;
- vesting of shares granted under this long-term incentive program is contingent upon the beneficiary's **employment with the Group through the vesting date;**
- a **performance condition** applies to a certain proportion of the grant, as follows:
  - 100% of the free shares granted to the Chief Executive Officer, as explained above,
  - 50% of the free shares granted to members of the Executive Committee (excluding the Chief Executive Officer), as explained above,
  - tranches of the free shares granted to other beneficiaries, as explained below:

Number of shares granted to beneficiary	% of shares subject to a performance condition
Up to 250 shares	The vesting of 100% of these shares is only contingent upon continued employment
Between 251 and 7,500 shares	The vesting of all of these shares is contingent upon continued employment; 30% of these shares are also subject to a performance condition
More than 7,500 shares	The vesting of all of these shares is contingent upon continued employment; 50% of these shares are also subject to a performance condition

For the performance shares granted under the Fiscal 2015 plan, the shares will vest only if the average annual growth in Group net profit is at least 6% in Fiscal 2017 compared to a base amount of 490 million euro in Fiscal 2014. The growth rate will be calculated by applying the average exchange rates used to prepare the Fiscal 2017 financial statements. For the performance shares granted to the Chief Executive Officer and the members of the Executive Committee, a second performance condition based on the Company's TSR will also apply, as explained in the sections on the compensation of the Chief Executive Officer and the members of the Executive Committee.

- Subject to the conditions for performance and vesting, the vesting period differs between the Plan reserved for employees in France and the International Plan. For the Plan reserved for employees in France, the vesting period is two years for shares not subject to any performance condition and three years for performance shares, subject in both cases to the beneficiary's continued employment with the Group on the vesting date. In addition, the vested shares are subject to a two-year lock-up as from the vesting date. For the International Plan, the vesting period is four years and the vested shares are not subject to any lock-up period.

Consequently, the shares granted by the Board of Directors on April 27, 2015 will be free of all restrictions, provided that the beneficiary is still working for the Group and that the performance conditions, if any, have been met:

- from April 2019 for shares granted under the Plan reserved for employees in France that are not subject to performance conditions but have a vesting period of two years and a two-year lock-up;
- from April 2020 for shares granted under the Plan reserved for employees in France that are subject to performance conditions and have a vesting period of three years and a two-year lock-up;
- from April 2019 for shares in the International Plan which have a vesting period of four years and no lock-up.

7.3.4.1 STOCK PURCHASE OPTIONS GRANTED TO MANAGERS

Date of Shareholders' Meeting	Date of Board meeting granting stock option plan(1)	Total number of options granted(2)	Total number of options granted to Corporate Officers (Michel Landel)	Start date of vesting period
January 31, 2006	January 7, 2008 (A1)	619,806	100,000*	50% of the options: January 7, 2009 50% of the options: January 7, 2011(4)
January 31, 2006	September 9, 2008 (A1)	30,000		50% of the options: September 9, 2009 50% of the options: September 9, 2011(4)
January 31, 2006	September 9, 2008 (A2)	15,000		50% of the options: September 9, 2009 50% of the options: September 9, 2011(4)
January 31, 2006	January 19, 2009 (A1)	631,575	100,000*	50% of the options: January 19, 2010 50% of the options: January 19, 2012(4)
January 31, 2006	January 19, 2009 (A2)	447,225		50% of the options: January 19, 2010 50% of the options: January 19, 2012(4)
January 31, 2006	January 19, 2009 (B)	545,100		50% of the options: January 19, 2010 50% of the options: January 19, 2012(4)
January 19, 2009	January 11, 2010 (A1)	553,450		50% of the options: January 11, 2011 50% of the options: January 11, 2013(4)
January 19, 2009	January 11, 2010 (A2)	482,250		50% of the options: January 11, 2011 50% of the options: January 11, 2013(4)
January 19, 2009	January 11, 2010 (A3)	100,000	100,000*	100% of the options: January 11, 2013(4)
January 19, 2009	January 11, 2010 (B)	564,000		50% of the options: January 11, 2011 50% of the options: January 11, 2013(4)

(1) Beneficiaries of plans:
- *(A) plan reserved for non-U.S. employees;*
- *(A1) plan reserved for employees resident in France;*
- *(A2) plan reserved for employees non-resident in France;*
- *(A3) plan reserved for corporate officers;*
- *(B) plan reserved for employees resident in North America;*
- *(C) plan reserved for U.S. employees non-resident in the U.S.*

(2) Total number of options granted by the Board of Directors at grant date.
(3) Exercise price adjusted after capital transactions carried out since grant date.
(4) Subject to achieving an annual increase in Group net income of at least 6% over three years at constant currency exchange rates.
(5) Total number of options cancelled as a result of departure of beneficiaries, and for plans granted in 2008 due to non-fulfillment of performance conditions, as specified in the rules governing the plans.
** Under article L.225-185 of the French Commercial Code, the Board of Directors has decided that Michel Landel, the only Corporate Officer (mandataire social) granted stock options, is required to hold a number of shares received upon exercise of the stock options related to these plans, equivalent in value to 30% of his base salary as of the date of exercise of these options for the duration of his mandate.*

Expiration date	Exercise price[3] *(in euro)*	Terms of exercise	Cumulative number of shares purchased as of Aug. 31, 2015	Cumulative number of options cancelled[5]	Options outstanding as of Aug. 31, 2015
January 6, 2015	42.27	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	269,387	350,419	0
September 8, 2015	45.56	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	15,000	15,000	0
September 8, 2014	45.56	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	7,500	7,500	0
January 18, 2016	39.40	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	406,917	52,076	172,582
January 18, 2015	39.40	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	332,895	114,330	0
January 18, 2015	39.40	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	521,820	23,280	0
January 10, 2017	39.88	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	357,065	56,160	140,225
January 10, 2016	39.88	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	395,160	55,596	31,494
January 10, 2017	39.88	100% at the 3rd anniversary date[4]	0	0	100,000
January 10, 2016	39.88	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	473,186	25,077	65,737

Date of Shareholders' Meeting	Date of Board meeting granting stock option plan[1]	Total number of options granted[2]	Total number of options granted to Corporate Officers (Michel Landel)	Start date of vesting period
January 19, 2009	December 13, 2010 (A1a)	63,650		December 13, 2011
January 19, 2009	December 13, 2010 (A1b)	282,650		70% of the options: December 13, 2011 30% of the options: December 13, 2013[4]
January 19, 2009	December 13, 2010 (A1c)	219,000		50% of the options: December 13, 2011 50% of the options: December 13, 2013[4]
January 19, 2009	December 13, 2010 (A2a)	50,850		December 13, 2011
January 19, 2009	December 13, 2010 (A2b)	388,850		70% of the options: December 13, 2011 30% of the options: December 13, 2013[4]
January 19, 2009	December 13, 2010 (A2c)	53,000		50% of the options: December 13, 2011 50% of the options: December 13, 2013[4]
January 19, 2009	December 13, 2010 (A3)	120,000	120,000*	100% of the options: December 13, 2013[4]
January 19, 2009	December 13, 2010 (Ba)	50,000		December 13, 2011
January 19, 2009	December 13, 2010 (Bb)	453,700		70% of the options: December 13, 2011 30% of the options: December 13, 2013[4]
January 19, 2009	December 13, 2010 (Bc)	53,000		50% of the options: December 13, 2011 50% of the options: December 13, 2013[4]
January 19, 2009	December 13, 2011 (A1a)	57,150		December 13, 2012
January 19, 2009	December 13, 2011 (A1b)	358,500		70% of the options: December 13, 2012 30% of the options: December 13, 2014[4]

(1) Beneficiaries of plans:
- *(A) plan reserved for non-U.S. employees;*
- *(A1) plan reserved for employees resident in France;*
- *(A2) plan reserved for employees non-resident in France;*
- *(A3) plan reserved for corporate officers;*
- *(B) plan reserved for employees resident in North America;*
- *(C) plan reserved for U.S. employees non-resident in the U.S.*

(2) Total number of options granted by the Board of Directors at grant date.
(3) Exercise price adjusted after capital transactions carried out since grant date.
(4) Subject to achieving an annual increase in Group net income of at least 6% over three years at constant currency exchange rates.
(5) Total number of options cancelled as a result of departure of beneficiaries, and for plans granted in 2008 due to non-fulfillment of performance conditions, as specified in the rules governing the plans.
** Under article L.225-185 of the French Commercial Code, the Board of Directors has decided that Michel Landel, the only Corporate Officer (mandataire social) granted stock options, is required to hold a number of shares received upon exercise of the stock options related to these plans, equivalent in value to 30% of his base salary as of the date of exercise of these options for the duration of his mandate.*

Expiration date	Exercise price[3] *(in euro)*	Terms of exercise	Cumulative number of shares purchased as of Aug. 31, 2015	Cumulative number of options cancelled[5]	Options outstanding as of Aug. 31, 2015
December 12, 2017	48.37	25% at each anniversary date	24,337	11,563	27,750
December 12, 2017	48.37	17.5% at each anniversary date 30% at the 3rd anniversary date[4]	121,587	35,113	125,950
December 12, 2017	48.37	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	172,000	0	47,000
December 12, 2016	48.37	25% at each anniversary date	35,862	6,963	8,025
December 12, 2016	48.37	17.5% at each anniversary date 30% at the 3rd anniversary date[4]	267,376	56,418	65,056
December 12, 2016	48.37	12.5% at each anniversary date 50% at the 3rd anniversary date[4]	53,000	0	0
December 12, 2017	48.37	100% at the 3rd anniversary date[4]	0	0	120,000
December 12, 2016	48.37	25% at each anniversary date	44,000	6,000	0
December 12, 2016	48.37	17.5% at each anniversary date 30% at the 3rd anniversary date[4]	293,785	22,455	137,460
December 12, 2016	48.37	12.5% at each anniversary date 30% at the 3rd anniversary date[4]	53,000	0	0
December 12, 2018	51.40	25% at each anniversary date	3,315	8,385	45,450
December 12, 2018	51.40	17.5% at each anniversary date 30% at the 3rd anniversary date[4]	11,740	48,470	298,290

Date of Shareholders' Meeting	Date of Board meeting granting stock option plan[(1)]	Total number of options granted[(2)]	Total number of options granted to Corporate Officers (Michel Landel)	Start date of vesting period
January 19, 2009	December 13, 2011 (A1c)	330,000		50% of the options: December 13, 2012 50% of the options: December 13, 2014[(4)]
January 19, 2009	December 13, 2011 (A2a)	74,500		December 13, 2012
January 19, 2009	December 13, 2011 (A2b)	430,300		70% of the options: December 13, 2012 30% of the options: December 13, 2014[(4)]
January 19, 2009	December 13, 2011 (A2c)	65,000		50% of the options: December 13, 2012 50% of the options: December 13, 2014[(4)]
January 19, 2009	December 13, 2011 (A3)	135,000	135,000*	100% of the options: December 13, 2014[(4)]
January 19, 2009	December 13, 2011 (Ba)	58,000		December 13, 2012
January 19, 2009	December 13, 2011 (Bb)	483,500		70% of the options: December 13, 2012 30% of the options: December 13, 2014[(4)]
January 19, 2009	December 13, 2011 (Bc)	55,000		50% of the options: December 13, 2012 50% of the options: December 13, 2014[(4)]

(1) Beneficiaries of plans:
(A) plan reserved for non-U.S. employees;
(A1) plan reserved for employees resident in France;
(A2) plan reserved for employees non-resident in France;
(A3) plan reserved for corporate officers;
(B) plan reserved for employees resident in North America;
(C) plan reserved for U.S. employees non-resident in the U.S.
(2) Total number of options granted by the Board of Directors at grant date.
(3) Exercise price adjusted after capital transactions carried out since grant date.
(4) Subject to achieving an annual increase in Group net income of at least 6% over three years at constant currency exchange rates.
(5) Total number of options cancelled as a result of departure of beneficiaries, and for plans granted in 2008 due to non-fulfillment of performance conditions, as specified in the rules governing the plans.
** Under article L.225-185 of the French Commercial Code, the Board of Directors has decided that Michel Landel, the only Corporate Officer (mandataire social) granted stock options, is required to hold a number of shares received upon exercise of the stock options related to these plans, equivalent in value to 30% of his base salary as of the date of exercise of these options for the duration of his mandate.*

Expiration date	Exercise price[(3)] *(in euro)*	Terms of exercise	Cumulative number of shares purchased as of Aug. 31, 2015	Cumulative number of options cancelled[(5)]	Options outstanding as of Aug. 31, 2015
December 12, 2018	51.40	12.5% at each anniversary date 50% at the 3rd anniversary date[(4)]	0	50,000	280,000
December 12, 2017	51.40	25% at each anniversary date	25,711	10,313	38,476
December 12, 2017	51.40	17.5% at each anniversary date 30% at the 3rd anniversary date[(4)]	206,709	37,100	186,491
December 12, 2017	51.40	12.5% at each anniversary date 50% at the 3rd anniversary date[(4)]	56,875	0	8,125
December 12, 2018	51.40	100% at the 3rd anniversary date[(4)]	0	0	135,000
December 12, 2017	51.40	25% at each anniversary date	52,250	5,750	0
December 12, 2017	51.40	17.5% at each anniversary date 30% at the 3rd anniversary date[(4)]	154,484	28,458	300,558
December 12, 2017	51.40	12.5% at each anniversary date 30% at the 3rd anniversary date[(4)]	48,125	0	6,875

Stock purchase options granted to or exercised by members of the Group Executive Committee as of August 31, 2015

Options granted to or exercised by members of the Group Executive Committee under plans still in effect in Fiscal 2015 are detailed below:

Name	Date of Board meeting granting stock option plan	Number of options granted(1)	Exercise price *(in euro)*	Expiration date	Options exercised as of Aug. 31, 2014	Options exercised during the fiscal year	Options unexercised as of Aug. 31, 2015
Ana Busto	January 11, 2010 (A1)	3,000	39.88	January 10, 2017		3,000	0
	December 13, 2010 (A1b)	3,500	48.37	December 13, 2017	0	0	3,500
	December 13, 2011 (A1b)	5,000	51.40	December 13, 2018	0	0	5,000
Elisabeth Carpentier	January 7, 2008 (A1)	45,000	42.27	January 6, 2015	22,516		0(2)
	January 19, 2009 (A1)	41,000	39.40	January 18, 2016	28,530	12,470	0
	January 11, 2010 (A1)	45,000	39.88	January 10, 2017	18,500	26,500	0
	December 13, 2010 (A1c)	42,000	48.37	December 12, 2017	0	42,000	0
	December 13, 2011 (A1c)	50,000	51.40	December 12, 2018			50,000
George Chavel	January 19, 2009 (B)	46,000	39.40	January 18, 2015	46,000	0	0
	January 11, 2010 (B)	55,000	39.88	January 10, 2016	55,000	0	0
	December 13, 2010 (Bc)	53,000	48.37	December 12, 2016	46,375	6,625	0
	December 13, 2011 (Bc)	55,000	51.40	December 12, 2017	13,750	34,375	6,875
Patrick Connolly	January 19, 2009 (B)	17,000	39.40	January 19, 2015	17,000	0	0
	January 11, 2010 (B)	17,000	39.88	January 10, 2016	17,000	0	0
	December 13, 2010 (B)	17,000	48.37	December 12, 2016	14,025	2,975	0
	December 13, 2011 (B)	19,500	51.40	December 12, 2017	6,825	9,263	3,412
Lorna Donatone	January 19, 2009 (B)	10,000	39.40	January 19, 2015	10,000	0	0
	January 11, 2010 (B)	16,000	39.88	January 10, 2016	16,000	0	0
	December 13, 2010 (B)	17,000	48.37	December 12, 2016	14,025	2,975	0
	December 13, 2011 (B)	19,500	51.40	December 12, 2017	6,825	9,263	3,412
Pierre Henry	January 19, 2009 (A2)	50,000	39.40	January 18, 2015	50,000		0
	January 11, 2010 (A2)	55,000	39.88	January 10, 2016	55,000	0	0
	December 13, 2010 (A2c)	53,000	48.37	December 12, 2016	0	53,000	0
	December 13, 2011 (A2c)	65,000	51.40	December 12, 2017	0	56,875	8,125
Siân Herbert-Jones	January 7, 2008 (A1)	50,000	42.27	January 6, 2015	0	25,018	0(2)
	January 19, 2009 (A1)	46,000	39.40	January 18, 2016			46,000
	January 11, 2010 (A1)	50,000	39.88	January 10, 2017			50,000
	December 13, 2010 (A1c)	47,000	48.37	December 12, 2017			47,000
	December 13, 2011 (A1c)	55,000	51.40	December 12, 2018			55,000

(1) Total number of options granted by the Board of Directors at grant date.
(2) As stipulated in the rules governing the January 7, 2008 plan, 50% of the options granted were cancelled due to non-fulfillment of the performance condition.
** Under article L.225-185 of the French Commercial Code, the Board of Directors has decided that Michel Landel, the only Corporate Officer (mandataire social) granted stock options, is required to hold a number of shares received upon exercise of the stock options related to these plans, equivalent in value to 30% of his base salary as of the date of exercise of these options for the duration of his mandate.*

Name	Date of Board meeting granting stock option plan	Number of options granted(1)	Exercise price *(in euro)*	Expiration date	Options exercised as of Aug. 31, 2014	Options exercised during the fiscal year	Options unexercised as of Aug. 31, 2015
Nicolas Japy	January 7, 2008 (A1)	40,000	42.27	January 6, 2015	20,014	0	0(2)
	January 19, 2009 (A1)	36,000	39.40	January 18, 2016	36,000		0
	January 11, 2010 (A1)	45,000	39.88	January 10, 2017	45,000	0	0
	December 13, 2010 (A1c)	48,000	48.37	December 12, 2017	0	48,000	0
	December 13, 2011 (A1c)	50,000	51.40	December 12, 2018			50,000
Michel Landel	January 7, 2008 (A1)*	100,000	42.27	January 6, 2015	0	50,035	0(2)
	January 19, 2009 (A1)*	100,000	39.40	January 18, 2016			100,000
	January 11, 2010 (A3)*	100,000	39.88	January 10, 2017			100,000
	December 13, 2010 (A3)*	120,000	48.37	December 12, 2017			120,000
	December 13, 2011 (A3)*	135,000	51.40	December 12, 2018			135,000
Denis Machuel	January 7, 2008 (A1)	5,004	42.27	January 6, 2015	2,502	0	0
	January 19, 2009 (A1)	5,000	39.40	January 18, 2016	5,000	0	0
	January 11, 2010 (A1)	6,100	39.88	January 10, 2017	6,100	0	0
	December 13, 2010 (A1b)	7,000	48.37	December 12, 2017	0	3,500	3,500
	December 13, 2011 (A1b)	20,000	51.40	December 12, 2018	0	0	20,000
Satya-Christophe Menard	January 19, 2009 (A2)	5,000	39.40	January 18, 2015	5,000	0	0
	January 11, 2010 (A2)	6,100	39.88	January 10, 2016	6,100	0	0
	December 13, 2010 (A2b)	7,000	48.37	December 12, 2016	5,775	1,225	0
	December 13, 2011 (A2b)	20,000	51.40	December 12, 2017	7,000	9,500	3,500
Sylvia Métayer	January 7, 2008 (A1)	12,509	42.27	January 6, 2015	6,255	0	0
	January 19, 2009 (A1)	10,000	39.40	January 18, 2016	10,000	0	0
	January 11, 2010 (A1)	11,500	39.88	January 10, 2017	0	0	11,500
	December 13, 2010 (A1b)	17,000	48.37	December 12, 2017	0	0	17,000
	December 13, 2011 (A2b)	20,000	51.40	December 12, 2018	0	0	20,000
Damien Verdier	January 7, 2008 (A1)	40,000	42.27	January 6, 2015	20,014		0(2)
	January 19, 2009 (A1)	35,000	39.40	January 18, 2016	35,000		0
	January 11, 2010 (A1)	45,000	39.88	January 10, 2017	45,000	0	0
	December 13, 2010 (A1c)	42,000	48.37	December 12, 2017	0	42,000	0
	December 13, 2011 (A1c)	50,000	51.40	December 12, 2018	0	0	50,000
Debbie White	January 19, 2009 (B)	12,000	39.40	January 8, 2015	12,000	0	0
	January 11, 2010 (b)	13,000	39.88	January 10, 2016	13,000	0	0
	December 13, 2010 (b)	13,500	48.37	December 12, 2016	11,138	0	2,362
	December 13, 2011 (A2b)	20,000	51.40	December 12, 2017	7,000	9,500	3,500

(1) Total number of options granted by the Board of Directors at grant date.
(2) As stipulated in the rules governing the January 7, 2008 plan, 50% of the options granted were cancelled due to non-fulfillment of the performance condition.
** Under article L.225-185 of the French Commercial Code, the Board of Directors has decided that Michel Landel, the only Corporate Officer (mandataire social) granted stock options, is required to hold a number of shares received upon exercise of the stock options related to these plans, equivalent in value to 30% of his base salary as of the date of exercise of these options for the duration of his mandate.*

Stock options granted to and exercised by the ten Group employees receiving or exercising the largest number of options (other than corporate officers) during Fiscal 2015

	Total number	Weighted average price *(in euro)*
Options granted during the fiscal year to the ten Group employees receiving the largest number of options	-	-
Options exercised during the fiscal year by the ten Group employees exercising the largest number of options[1]	444,238	47.84

(1) Including 25,018 options granted on January 7, 2008; 12,470 options granted on January 19, 2009; 33,500 options granted on January 11, 2010; 269,625 options granted on December 13, 2010 and 103,625 options granted on December 13, 2011.

7.3.4.2 FREE SHARES GRANTED TO GROUP MANAGERS

A total of 2,529,630 free shares had been granted to group managers as of August 31, 2015 (cumulatively representing approximately 1.6% of the capital since the adoption of the resolution of the January 2013 Shareholders' Meeting) for an amount of 171,985,885 euro (based on estimated fair value at the grant date, taking into consideration the related terms and conditions).

These grants concerned 1,123 beneficiaries in 2013, 1,200 in 2014 and 1,299 in 2015.

	2013 Plan	2014 Plan	2015 Plan
Date of Shareholders' Meeting	January 21, 2013	January 21, 2013	January 21, 2013
Date of grant by Board of Directors	April 25, 2013	March 11, 2014	April 27, 2015
Total number of shares granted	840,755	840,000	848,875
Total number of beneficiaries	1,123	1,200	1,299
% of share capital	*0.54%*	*0.53%*	*0.54%*
Performance condition			
for grants of more than 250 shares			
Growth in Group net income	X	X	X
TSR – Applicable only to members of the Executive Committee (see description in section 7.3.3)			X
PLAN RESERVED FOR EMPLOYEES IN FRANCE			
Vesting date for continued employment with the Group	April 25, 2015	March 11, 2016	April 27, 2017
Vesting date for fulfillment of the performance condition	April 25, 2016	March 11, 2017	April 27, 2018
End of lock-up period	April 25, 2018	March 11, 2019	April 27, 2020
Total number of shares granted	288,975	280,825	276,140
Number of shares granted to the Corporate Officer	37,000	40,000	40,000
Cumulative number of free shares cancelled	(18,650)	(2,930)	0
Transferred shares (beneficiaries participating in the international mobility program)	(31,700)	(21,555)	0
Vested shares	134,380	0	0
Situation of the Plan reserved for employees in France at August 31, 2015	**104,245**	**256,340**	**276,140**
INTERNATIONAL PLAN			
Vesting date	April 25, 2017	March 11, 2018	April 27, 2019
End of lock-up period	April 25, 2017	March 11, 2018	April 27, 2019
Total number of shares granted	551,780	559,175	572,735
Cumulative number of free shares cancelled	(29,830)	(10,345)	0
Transferred shares (beneficiaries participating in the international mobility program)	31,700	21,555	0
Vested shares	0	0	0
Situation of the International Plan at August 31, 2015	**553,650**	**570,385**	**572,735**
TOTAL OF THE PLANS AT AUGUST 31, 2015	**657,895**	**826,725**	**848,875**

FREE SHARES GRANTED TO MEMBERS OF THE GROUP EXECUTIVE COMMITTEE AS OF AUGUST 31, 2015

Free shares granted to members of the Executive Committee under plans approved by the Board of Directors since Fiscal 2013 are listed below:

Name	Number of shares granted	Date of the Board meeting[1]	Vesting date[2]	End of lock-up period/date available[3]
Ana Busto	2,500	April 25, 2013	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
	5,500	March 11, 2014	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019
	10,000	April 27, 2015	April 27, 2017 or April 27, 2018	April 27, 2019 or April 27, 2020
Elisabeth Carpentier	13,000	April 25, 2013	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
	12,800	March 11, 2014	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019
	13,000	April 27, 2015	April 27, 2017 or April 27, 2018	April 27, 2019 or April 27, 2020
George Chavel	14,250	April 25, 2013	April 25, 2017	April 25, 2017
	15,800	March 11, 2014	March 11, 2018	March 11, 2018
	8,000	April 27, 2015	April 27, 2019	April 27, 2019
Patrick Connolly	5,150	April 25, 2013	April 25, 2017	April 25, 2017
	9,000	March 11, 2014	March 11, 2018	March 11, 2018
	6,000	April 27, 2015	April 27, 2019	April 27, 2019
Lorna Donatone	5,150	April 25, 2013	April 25, 2017	April 25, 2017
	9,000	March 11, 2014	March 11, 2018	March 11, 2018
	10,000	April 27, 2015	April 27, 2019	April 27, 2019
Pierre Henry	17,000	April 25, 2013	April 25, 2017	April 25, 2017
	16,800	March 11, 2014	March 11, 2018	March 11, 2018
	17,000	April 27, 2015	April 27, 2019	April 27, 2019
Siân Herbert-Jones	14,250	April 25, 2013	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
	14,770	March 11, 2014	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019
	14,500	April 27, 2015	April 27, 2017 or April 27, 2018	April 27, 2019 or April 27, 2020
Nicolas Japy	13,000	April 25, 2013	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
	12,800	March 11, 2014	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019
	13,000	April 27, 2015	April 27, 2019	April 27, 2019
Michel Landel*	37,000	April 25, 2013	April 25, 2016	April 25, 2018
	40,000	March 11, 2014	March 11, 2017	March 11, 2019
	40,000	April 27, 2015	April 27, 2018	April 27, 2020
Denis Machuel	7,000	April 25, 2013	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
	9,000	March 11, 2014	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019
	12,000	April 27, 2015	April 27, 2017 or April 27, 2018	April 27, 2019 or April 27, 2020
Satya-Christophe Menard	10,000	April 25, 2013	April 25, 2017	April 25, 2017
	9,000	March 11, 2014	March 11, 2018	March 11, 2018
	10,000	April 27, 2015	April 27, 2019	April 27, 2019

Name	Number of shares granted	Date of the Board meeting(1)	Vesting date(2)	End of lock-up period/date available(3)
Sylvia Métayer	10,000	April 25, 2013	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
	9,000	March 11, 2014	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019
	10,000	April 27, 2015	April 27, 2017 or April 27, 2018	April 27, 2019 or April 27, 2020
Damien Verdier	13,000	April 25, 2013	April 25, 2015 or April 25, 2016	April 25, 2017 or April 25, 2018
	12,800	March 11, 2014	March 11, 2016 or March 11, 2017	March 11, 2018 or March 11, 2019
	13,000	April 27, 2015	April 27, 2017 or April 27, 2018	April 27, 2019 or April 27, 2020
Debbie White	10,000	April 25, 2013	April 25, 2017	April 25, 2017
	9,000	March 11, 2014	March 11, 2018	March 11, 2018
	10,000	April 27, 2015	April 27, 2019	April 27, 2019

(1) 100% of the free shares granted to Michel Landel, Chief Executive Officer, and 50% of the free shares granted to other beneficiaries are performance shares. See section 7.3.4 for more information on the continued employment requirement, the performance conditions, the vesting dates and the lock-up periods under the French and International plans.
(2) The vesting date of shares varies for the Plan reserved for employees in France, depending on whether or not they are subject to performance conditions.
(3) Shares not subject to performance conditions for employees in France are subject to a two-year lock-up after the vesting date.
** Under article L.225-197-1 of the French Commercial Code, the Board of Directors has decided that Michel Landel, the only Corporate Officer (mandataire social) granted performance shares, is required to hold in registered form a number of shares received under these plans, equivalent to 30% of his base salary as of the date of delivery of these shares for the duration of his mandate.*

FREE SHARES GRANTED DURING FISCAL 2015 TO THE TEN GROUP EMPLOYEES (OTHER THAN CORPORATE OFFICERS) RECEIVING THE LARGEST NUMBER OF SHARES

	Total number	Value of shares (in euro)*
Free shares granted during Fiscal 2015 to the ten Group employees receiving the largest number of shares	122,500	8,882,664

** Based on estimated fair value at the grant date, taking into account performance terms and conditions (see note 4.22 to the consolidated financial statements).*

7.4 Audit fees

(in millions of euro excluding VAT)	PricewaterhouseCoopers				KPMG			
	Amount		%		Amount		%	
	Fiscal 2015	Fiscal 2014	Fiscal 2015	Fiscal 2014	Fiscal 2015	Fiscal 2014	Fiscal 2015	Fiscal 2014
Audit								
Audit of individual company financial statements and consolidated financial statements								
Issuer	0.6	0.7	11%	12%	0.6	0.7	13%	15%
Consolidated subsidiaries	4.8	4.7	84%	83%	3.7	3.5	81%	77%
Total audit	5.4	5.4	95%	95%	4.3	4.2	94%	92%
• Audit-related services directly related to the external auditors engagement								
Issuer	0.1	0.1	2%	2%	0.1	0.1	2%	2%
Consolidated subsidiaries	0.1	0.1	2%	2%	0.1	0.1	2%	2%
Total audit-related services	0.2	0.2	4%	4%	0.2	0.2	4%	4%
SUB-TOTAL – AUDIT	**5.6**	**5.6**	**99%**	**99%**	**4.5**	**4.4**	**98%**	**96%**
Other services to consolidated subsidiaries								
Legal and tax	0.1	0.1	1%	1%	0.1	0.2	2%	4%
Other								
SUB-TOTAL – OTHER SERVICES	**0.1**	**0.1**	**1%**	**1%**	**0.1**	**0.2**	**2%**	**4%**
TOTAL FEES	**5.7**	**5.7**	**100%**	**100%**	**4.6**	**4.6**	**100%**	**100%**

In order to ensure that the Group receives a consistent and high-quality service, and to centralize relations with the external auditors at Senior Management and Audit Committee level, the Audit Committee has prepared a plan whereby one or the other of the international firms retained as external auditors by Sodexo (PricewaterhouseCoopers and KPMG, both members of the Regional Company of External Auditors of Versailles) is appointed to act as auditor to nearly all Group subsidiaries representing 97% of financial statement audit fees. 54% of these fees are paid to PricewaterhouseCoopers and 43% to KPMG.

Audit fees paid by Group subsidiaries to firms other than PricewaterhouseCoopers and KPMG (and member firms of their international networks) amounted to 0.3 million euro for Fiscal 2015.

All services performed by the external auditors during Fiscal 2015 were approved in advance by the Audit Committee.

The Audit Committee has established and implemented a policy to approve all audit engagements and fees and to pre-approve other services provided by the external auditors.


sodexo

8

ANNUAL SHAREHOLDERS' MEETING, JANUARY 26, 2016

8.1 Report of the Board of Directors
Presentation of Resolutions submitted to the Shareholders' Meeting, January 26, 2016

8.1.1 ORDINARY BUSINESS

ADOPTION OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS (FIRST RESOLUTION)

The Board of Directors is requesting the Shareholders' Meeting to adopt the individual company financial statements of Sodexo for Fiscal 2015 presenting net income of 324 million euro and the consolidated financial statements of the Group presenting profit attributable to equity holders of the parent of 700 million euro.

APPROPRIATION OF NET INCOME FOR THE FISCAL YEAR AND DIVIDEND (SECOND RESOLUTION)

This resolution relates to appropriation of net income for Fiscal 2015 and the distribution of a dividend. The Board of Directors is requesting the Shareholders' Meeting's approval of its proposal to distribute a cash dividend of 2.20 euro per share, an increase of 22.2% over the prior year.

In addition, shares held in registered form since at least August 31, 2011 and still held when the Fiscal 2015 dividend becomes payable, will automatically be entitled, without any additional formality, to a 10% dividend premium, representing an additional 0.22 euro per share. The number of shares eligible for this dividend premium may not exceed 0.5% of the share capital for any single shareholder (corresponding to a maximum of 785,660 shares per shareholder based on the Company's capital as of August 31, 2015).

The dividend and dividend premium (for eligible shares) will become payable on February 10, 2016, with a Euronext Paris ex-dividend date of February 8, 2016. The record date – *i.e.* the date before which an investor must own the shares in order to receive the dividend – will be February 9, 2016.

REGULATED RELATED PARTY AGREEMENTS AND COMMITMENTS (THIRD RESOLUTION)

This resolution is intended to note that no new regulated related party agreement or commitment, as defined in articles L.225-38 and L.225-42-1 of the French Commercial Code was entered into in Fiscal 2015, as mentioned in the Statutory Auditors' Report on regulated agreements and commitments presented in section 4.4.2 of the Registration Document. This report also presents information on agreements and commitments entered into and approved by the shareholders in prior years and applicable during Fiscal 2015.

RE-ELECTION AND ELECTION OF DIRECTORS (FOURTH TO SEVENTH RESOLUTIONS)

The directorships of Robert Baconnier, François-Xavier Bellon and Astrid Bellon expire at the close of the Annual Shareholders' Meeting on January 26, 2016.

The Board of Directors is proposing, on the recommendation of the Nominating Committee, that the shareholders re-elect Robert Baconnier, François-Xavier Bellon and Astrid Bellon to the Board for a period of three years ending at the close of the Annual Shareholders' Meeting called to adopt the financial statements for the fiscal year ended August 31, 2018.

Also on the recommendation of the Nominating Committee, the Board of Directors is proposing, in the seventh resolution, that the shareholders elect Emmanuel Babeau to the Board for a period of three years ending at the close of the Annual Shareholders' Meeting called to adopt the financial statements for the fiscal year ended August 31, 2018. If elected, Mr Babeau will be qualified as an independent director by the Board, in line with the recommendation of the Nominating Committee. Mr Babeau will contribute to the Board his expertise in finance and his experience in the field of risk management.

Biographical information on these directors is provided in section 7.1.1.2 of this Registration Document.

Peter Thompson, a director since February 8, 2005 whose current term expires at the close of the Shareholders' Meeting of January 26, 2016, has stated that he does not wish to stand for re-election. Pierre Bellon thanked Peter Thompson, personally and on behalf of the Board of Directors and all of the shareholders, for giving the Group the benefit of his extensive experience.

OPINION ON THE ELEMENTS OF COMPENSATION AND BENEFITS DUE OR AWARDED FOR FISCAL 2015 TO EACH CORPORATE OFFICER (EIGHTH AND NINTH RESOLUTIONS)

Pursuant to the recommendations in the AFEP-MEDEF Code of corporate governance for listed companies, as revised in June 2013 (section 24.3) – to which the Company refers for Corporate Governance matters in application of article L.225-37 of the French Commercial Code – shareholders are invited in the eighth and ninth resolutions to give their opinion on the compensation and benefits due or awarded for Fiscal 2015 to each corporate officer, namely Pierre Bellon, Chairman of the Board of Directors, and Michel Landel, Chief Executive Officer. Further information on these corporate officers' compensation and benefits is provided in section 7.3.1 of this Registration Document.

Compensation and benefits due or awarded for Fiscal 2015 to Pierre Bellon, Chairman of the Board of Directors

Type of compensation or benefits	Amount	Comments
Director's fees	€43,000	The amount paid to each director is calculated in accordance with the Board of Directors' Internal Rules and the criteria set out in section 7.3.2.1 of this Registration Document.

In his capacity as Chairman of the Company's Board of Directors, Pierre Bellon does not receive any of the following types of compensation or benefits: fixed salary, annual bonus, multi-year bonus, exceptional bonus, stock options, performance shares, compensation for loss of office, supplemental retirement benefits or any other type of benefit.

Compensation and benefits due or awarded for Fiscal 2015 to Michel Landel, Chief Executive Officer

Type of compensation or benefits	Amount	Comments
Fixed salary	€933,400	Pre-tax gross amount due for the fiscal year. The Chief Executive Officer's salary has been unchanged since January 1, 2011.
Annual bonus	€1,432,491	Variable compensation comprised of the bonus due for Fiscal 2015 (which will be paid during Fiscal 2016) corresponding to 149% of the fixed compensation due for the same fiscal year (given that objectives were exceeded) and travel allowances paid during Fiscal 2015 for which the amount varies depending on the countries visited and the duration of the stay. The bonus is based for 80% on quantitative targets based on the financial performance achieved by the Group for the year and for 20% on non-financial objectives. These criteria and their achievement level are detailed in Section 7.3.1.2 of this Registration Document (compensation of the Chief Executive Officer).
Stock options and performance shares	40,000 performance shares valued at €2,468,400 based on the method used for the preparation of the consolidated financial statements	On April 27, 2015 the Board of Directors used the authorization granted in the twelfth resolution of the January 21, 2013 Annual Shareholders' Meeting to grant Michel Landel 40,000 performance shares (representing 4.71% of the total number of free shares and performance shares allocated by the Board during the fiscal year). These shares will vest only under the following circumstances: (i) for 50% of these shares, the average annual growth in Group net income is at least 6% in Fiscal 2017 compared to a base amount of 490 million euro in Fiscal 2014 (the growth rate will be calculated by applying the average exchange rates), and (ii) for the other 50% of shares, the TSR increases by at least 20% between August 31, 2014 and the Annual Shareholders' Meeting called to approve the Fiscal 2017 financial statements. This target assumes annual average growth in the share price in line with that of net income. No stock options were granted to Michel Landel during Fiscal 2015.
Compensation for loss of office	No amounts due or paid	As decided by the Board of Directors on November 6, 2008 and approved by the Annual Shareholders' Meeting of January 19, 2009 (fifth resolution), Michel Landel is entitled to compensation in the event of termination of his appointment as Chief Executive Officer (excluding voluntary termination or retirement and unless revoked for cause), for which a payment will be made to him in an amount equal to twice the gross annual compensation (fixed and variable) received during the 12 months preceding the termination. This indemnity will only be paid if, the annual increase in Sodexo's consolidated operating profit is equal to or higher than 5% at constant consolidation scope and currency exchange rate, for each of the three fiscal years ended prior to the termination of the appointment.
Supplemental retirement plan	No amounts due or paid	Michel Landel's supplemental defined benefit retirement plan provides for payment of a pension amounting to 15% of his average fixed annual salary paid to him during the last three years of employment preceding his retirement. This pension is in addition to the pensions due to him under compulsory retirement plans, provided that he is employed by, or is a corporate officer of, the Company at the time of his retirement. The cumulative liability under the plan as of August 31, 2015 was 2,878,855 euro and the charge recognized for Fiscal 2015 was 180,015 euro. Based on Michel Landel's current compensation, this would represent an annual pension of 140,010 euro. Consequently, on the basis of current data, the total aggregate amount of the pensions to be paid to Michel Landel – gross amounts before tax and taking as well into account the pensions due to him under compulsory retirement plans – would amount to approximately 237,000 euro per year.
Other benefits	€2,400	Michel Landel has the use of a company car.

Michel Landel does not receive any of the following types of compensation or benefits: multi-year bonus, exceptional bonus, or director's fees in his capacity as a member of the Company's Board of Directors.

SHARE REPURCHASES (TENTH RESOLUTION)

The Board of Directors is requesting the Shareholders' Meeting to renew the authorization to purchase treasury shares under articles L.225-209 *et seq.* of the French Commercial Code.

This authorization would be valid for a period of eighteen months and would replace the previous authorization granted by the Shareholders' Meeting on January 19, 2015.

It would allow for the implementation of a share repurchase program capped at 10% of the Company's issued capital as of the date of the Shareholders' Meeting, with the following characteristics:

- maximum purchase price per share: 105 euro;
- total maximum amount: 990 million euro;
- the program can be implemented at any time except when a public tender offer is underway, subject to the limits stipulated in the relevant laws and regulations, and can be carried out by any means.

The objectives of the share repurchase program are provided in the resolutions submitted to the Shareholders' Meeting and notably include cancelling the shares by reducing the issued capital, the granting or selling of shares to employees or corporate officers in connection with any stock option plans, free share grants or employee share purchase plans, market-making in Sodexo shares in connection with a liquidity contract, transferring shares in connection with acquisition transactions or in connection with the exercise of rights on shares issued by the Company. The shares purchased pursuant to this delegation of powers may be allocated by the Board of Directors to program objectives other than the ones initially followed, in accordance with applicable laws and regulations.

As in prior years, the resolution stipulates that the authorization may not be used while a public tender offer is underway. Concerning the new rules introduced in the Act of March 29, 2014 ("Florange Act"), the Board of Directors wishes to maintain the shareholders' right to decide whether share repurchases should be allowed in the event of a public tender offer.

As of August 31, 2015, the percentage of treasury shares held by the Company was 3.09% (refer to section 5.1.2.4 of this Registration Document for additional information on the use of the share repurchase program during Fiscal 2015).

8.1.2 EXTRAORDINARY BUSINESS

CAPITAL REDUCTION BY CANCELLATION OF TREASURY SHARES (ELEVENTH RESOLUTION)

The Board of Directors is proposing that the Annual Shareholders' Meeting renew the authorization to reduce the share capital through the cancellation of some or all of the shares purchased under the Company's share repurchase program, up to a maximum (per 24-month period) of 10% of the total number of shares of the Company's capital as of the date of the Annual Shareholders' Meeting.

This authorization would be valid for a period of 26 months and would replace the authorization to the same effect given by the Shareholders' Meeting of January 21, 2014.

No shares were canceled by the Board of Directors during Fiscal 2015.

INCREASE IN ISSUED CAPITAL WITH MAINTENANCE OF PREFERENTIAL SUBSCRIPTION RIGHTS AND THROUGH CAPITALIZATION OF PREMIUMS, RESERVES OR PROFITS (TWELFTH AND THIRTEENTH RESOLUTIONS)

The Board of Directors is proposing that the Annual Shareholders' Meeting renew the delegations of powers given to it to act in the best interests of the Company, to decide when appropriate and on the most appropriate terms and conditions (in light of opportunities arising on the financial markets) to increase the permanent capital of the Company.

The authorization given under the twelfth resolution will enable the Board of Directors to decide to increase the issued capital on one or more occasions, maintaining shareholders' preferential subscription rights, via the issuance of ordinary shares (therefore excluding preferential shares) and/or any other securities giving access, immediately and/or at a later date, to the ordinary shares of the Company, within the following limits:

- the maximum nominal amount of the capital increases that may be carried out may not exceed 100 million euro (representing approximately 16% of the capital) to which will be added, as appropriate, the additional amount representing shares to be issued in order to safeguard the rights of holders of securities giving access to the capital, as required by law. The amount of 100 million euro represents a global ceiling from which will be deducted the amount of any capital increases carried out pursuant to the thirteenth resolution (Increase in issued capital through capitalization of premiums, reserves or profits) and fifteenth resolution (Capital increase reserved for members of employee share purchase plans);
- the total nominal amount of debt securities that may be issued may not exceed 1 billion euro.

The authorization given under the thirteenth resolution will allow the Board of Directors to proceed with capital increases by capitalization, on one or more occasions, of all or part of the premiums, reserves or profits permitted to be capitalized under law and the bylaws, by means of allocation of new bonus shares for no consideration or by increasing the par value of existing shares, or both; the maximum nominal amount of capital increases that may be carried out in this manner may not exceed 100 million euro.

The Act of March 29, 2014 ("Florange Act") gives the Board of Directors full powers to make any decisions that would be likely to cause an unsolicited public tender offer to fail, without seeking the prior authorization of the Shareholders' Meeting. However, the Shareholders' Meeting remains free to restrict the Board of Directors' use of financial delegations of power while a public tender offer is underway. To enable shareholders to decide whether the Board of Directors should be authorized to carry out the issues covered by the thirteenth and fourteenth resolutions while a public tender offer is underway, the Board proposes to stipulate in the related resolutions that these financial delegations would be suspended while any such offer is in progress.

These delegations of power would be valid for a period of 26 months and would replace the previous delegations given by the Annual Shareholders' Meeting of January 21, 2014.

FREE GRANT OF EXISTING OR TO BE ISSUED SHARES TO GROUP EMPLOYEES AND/OR THE CORPORATE OFFICERS (FOURTEENTH RESOLUTION)

In application of articles L.225-197-1 *et seq*. of the Commercial Code, the Board of Directors requests that the Shareholders' Meeting authorize the free granting of existing shares and/or shares to be issued by the Company, for the benefit of all or certain employees and/or corporate officers of the Company and/or companies or related combinations under the conditions imposed by article L.225-197-2 of the Commercial Code.

The number of existing and/or new shares granted to employees 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. Final grants may be subject to achieving one or more performance conditions as determined by the Board of Directors.

Shares granted to the Chief Executive Officer (corporate officer) may not represent more than 5% of the total free shares granted by the Board of Directors during each fiscal year pursuant to this authorization and their final grant will be entirely subject to the achievement of one or more performance conditions as determined by the Board of Directors.

Vesting and lock-up periods will be determined by the Board of Directors and will not be shorter than those envisaged by the Commercial Code as of the date of the Board of Directors' decision. However, the Board of Directors could, if the vesting period for all or part of one or several grants is at least two years, not require any lock-up period for those shares. The Board of Directors will be authorized to determine different vesting and lock-up periods according to the existing laws in the countries of residence of the grantees.

The Board will have all powers necessary, subject to the conditions required by law, to make free share grants and in particular to determine whether the shares granted are existing shares or new shares to be issued.

This authorization would be valid for a period of thirty-eight months and would replace the authorization to the same effect given by the Shareholders' Meeting of January 21, 2013.

CAPITAL INCREASE RESERVED FOR MEMBERS OF EMPLOYEE SHARE PURCHASE PLANS (FIFTEENTH RESOLUTION)

Under French law, any Shareholders' Meeting that is asked to decide on or authorize an increase in issued capital by cash offer (as in the case for the twelfth resolution) is also required to approve a resolution to carry out a capital increase reserved for employees who are members of an employee share purchase plan (French Commercial Code, article L.225-129-6 para. 1).

The Board of Directors therefore proposes that the Shareholders' Meeting renew the delegation of powers to increase the issued capital through the issuance of ordinary shares or other securities for the benefit of the members of an employee share purchase plan with waiver of preferential subscription rights.

The maximum total number of new shares potentially issuable pursuant to this delegation would not exceed 1.5% of the issued capital as of the date of the decision made by the Board of Directors (this ceiling will be deducted from the global ceiling of a maximum total nominal amount of 100 million euro set forth in the twelfth resolution); the price at which grantees may purchase the shares would be set by the Board of Directors and could not be more than 20% less than the average price for the twenty trading sessions preceding the date of the decision setting the opening date of the plan. The Board could reduce or eliminate the discount, at its discretion, notably in order to comply with local legal, accounting and tax regimes and labor laws.

This delegation would be valid for a period of 26 months and would replace the previous delegation given by the Shareholders' Meeting of January 21, 2014.

As of August 31, 2015, shares held by employees represented 0.75% of the Company's capital.

AMENDMENT OF ARTICLE 16.2 OF THE BYLAWS CONCERNING THE CONDITIONS FOR PARTICIPATING IN SHAREHOLDERS' MEETINGS (SIXTEENTH RESOLUTION)

The French decree 2014-1466 dated December 8, 2014 amended the cut-off date for preparing the list of shareholders authorized to participate in a Shareholders' Meeting (corresponding to the deadline for having the shares registered or recorded in the holder's name, referred to as the "the record date"). The record date is now 12:00 a.m. Paris time on the second business day preceding the Shareholders' Meeting.

Article 16.2 of the bylaws setting the record date on the third business day preceding the Shareholders' Meeting has therefore become obsolete and the Board of Directors is proposing to the Shareholders' Meeting, in the sixteenth resolution, to amend and simplify this article by making reference to the applicable regulations.

8.1.3 ORDINARY BUSINESS

POWERS TO PERFORM FORMALITIES (SEVENTEENTH RESOLUTION)

This standard resolution concerns the conferring of powers to perform all formalities and filings relating to the resolutions approved by the Shareholders' Meeting.

8.1.4 USE BY THE BOARD OF AUTHORIZATIONS TO INCREASE THE SHARE CAPITAL

Information on the use by the Board during Fiscal 2015 of the financial authorizations given to it by the Annual Shareholders' Meeting is provided in section 5.1.2.3 of this Registration Document.

8.2 Resolutions submitted to the Ordinary Shareholders' Meeting of January 26, 2016

8.2.1 ORDINARY RESOLUTIONS

FIRST RESOLUTION

(Adoption of the annual and consolidated financial statements, Fiscal 2015)

The Shareholders' Meeting, having heard the Report of the Board of Directors and the related Chairman's Report attached thereto, and the Statutory Auditors' Reports on the individual company financial statements, the consolidated financial statements and the Chairman's Report, adopts the individual company financial statements for the year ended August 31, 2015 as presented, presenting net income of 324 million euro, and the consolidated financial statements for the year ended August 31, 2015, presenting profit attributable to equity holders of the parent of 700 million euro.

The Shareholders' Meeting also approves the transactions reflected in these financial statements and/or described in these reports.

SECOND RESOLUTION

(Allocation of earnings – Declaration of dividend)

In accordance with the proposal made by the Board of Directors, the Shareholders' Meeting resolves:

to allocate net income for Fiscal 2015 of	324,129,494 euro
plus retained earnings as of the close of Fiscal 2015 of	988,627,614 euro
Making a total available for distribution of	**1,312,757,108 euro**
In the following manner:	
• dividend (on the basis of 157,132,025 shares comprising the share capital as of August 31, 2015)	345,690,455 euro
• a 10% dividend premium (on the basis of 6,270,193 shares held in registered form as of August 31, 2015 that are eligible for the dividend premium after application of the limitation of 0.5% of capital per shareholder)	1,379,442 euro
• retained earnings	965,687,211 euro
TOTAL	**1,312,757,108 EURO**

Accordingly, the Shareholders' Meeting resolves that a dividend of 2.20 euro will be paid on each share having a right to receive a dividend.

In accordance with the Company's bylaws, shares held in registered form since at least August 31, 2011 and which are still held in such form when the dividend for Fiscal 2015 becomes payable, will automatically be entitled to a 10% dividend premium, representing an additional 0.22 euro per share. The number of shares eligible for this dividend premium may not represent over 0.5% of the share capital for any single shareholder (corresponding to a maximum of 785,660 shares per shareholder based on the Company's capital as of August 31, 2015).

The dividend and dividend premium (for eligible shares) will become payable on February 10, 2016, with a Euronext

Paris ex-dividend date of February 8, 2016. The record date will be February 9, 2016.

In the event that the Company holds some of its own shares as of 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 6,270,193 shares held in registered form that are eligible for the dividend premium as of August 31, 2015 cease to be recorded in registered form between September 1, 2015 and the date on which the dividend becomes payable, the amount of the dividend premium due on such shares will not be paid and instead will be transferred to retained earnings.

Pursuant to article 243 *bis* of the French General Tax Code, the full amount of the proposed dividend (including the dividend premium) qualifies for the allowance available to individuals domiciled in France for tax purposes, as provided for in article 158-3 2º of the French General Tax Code.

The Shareholders' Meeting notes the Board of Directors' summary of dividends paid by the Company in respect of the last three fiscal years, as follows:

	Fiscal 2014 (paid in 2015)	Fiscal 2013 (paid in 2014)	Fiscal 2012 (paid in 2013)
Dividend per share*	€1.80	€1.62	€1.59
Total payout	€275,504,402	€247,423,253	€240,067,214

* *Dividend fully eligible for the 40% allowance applicable to individuals domiciled for tax purposes in France, as provided for in article 158-3 2º of the French General Tax Code.*

THIRD RESOLUTION

(Related party agreements and commitments)

The Shareholders' Meeting, having heard the Statutory Auditors' Report on regulated agreements and commitments provided for in article L.225-40 of the French Commercial Code, notes that no new agreements or commitments governed by articles L.225-38 and L.225-42-1 of the French Commercial Code were entered into during Fiscal 2015.

FOURTH RESOLUTION

(Renewal of the directorship of Robert Baconnier)

The Shareholders' Meeting, having heard the report of the Board of Directors and noting that the directorship of Robert Baconnier expires this day, resolves to renew his directorship for a period of three years ending at the close of the Ordinary Shareholders' Meeting called to adopt the financial statements for the fiscal year ended August 31, 2018.

FIFTH RESOLUTION

(Renewal of the directorship of Astrid Bellon)

The Shareholders' Meeting, having heard the report of the Board of Directors and noting that the directorship of Astrid Bellon expires this day, resolves to renew her directorship for a period of three years ending at the close of the Ordinary Shareholders' Meeting called to adopt the financial statements for the fiscal year ended August 31, 2018.

SIXTH RESOLUTION

(Renewal of the directorship of François-Xavier Bellon)

The Shareholders' Meeting, having heard the report of the Board of Directors and noting that the directorship of François-Xavier Bellon expires this day, resolves to renew his directorship for a period of three years ending at the close of the Ordinary Shareholders' Meeting called to adopt the financial statements for the fiscal year ended August 31, 2018.

SEVENTH RESOLUTION

(Election of Emmanuel Babeau as a director)

The Shareholders' Meeting, having heard the report of the Board of Directors, elects Emmanuel Babeau as a director for a period of three years ending at the close of the Ordinary Shareholders' Meeting called to adopt the financial statements for the fiscal year ended August 31, 2018.

EIGHTH RESOLUTION

(Opinion on the elements of compensation and benefits due or awarded to Pierre Bellon, Chairman of the Board of Directors for the fiscal year ended August 31, 2015)

The Shareholders' Meeting, having heard the report of the Board of Directors, votes favorably on the compensation and benefits due or awarded to Pierre Bellon, Chairman of the Board of Directors, for the fiscal year ended August 31, 2015, as described in section 7.3.1.1 of the Fiscal 2015 Registration Document and also included in the Board Report.

NINTH RESOLUTION

(Opinion on the elements of compensation and benefits due or awarded to Michel Landel, Chief Executive Officer for the fiscal year ended August 31, 2015)

The Shareholders' Meeting, having heard the report of the Board of Directors, votes favorably on the compensation and benefits due or awarded to Michel Landel, Chief Executive Officer, for the fiscal year ended August 31, 2015, as described in section 7.3.1.2 of the Fiscal 2015 Registration Document and also included in the Board Report.

TENTH RESOLUTION

(Authorization to the Board of Directors for the Company to purchase treasury shares)

The Shareholders' Meeting, having heard the report of the Board of Directors, authorizes the Board of Directors and any duly authorized representative of the Board, to acquire or arrange for the Company to acquire treasury shares in accordance with articles L.225-209 *et seq.* of the French Commercial Code, in particular for the following purposes:

- to cancel the shares by reducing the issued capital, pursuant to the eleventh extraordinary resolution of this Shareholders' Meeting or to any future resolution to the same effect that may be adopted during the period in which this resolution remains valid; or
- to grant free shares in 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 with 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 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 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 with it, which give access to Company shares through reimbursement, conversion, exchange, presentation of a warrant or any other method; or
- to carry out market-making in the shares of Sodexo under a liquidity contract with an investment services provider, prepared in accordance with the Code of conduct recognized by the *Autorité des marchés financiers;* or
- to transfer shares as a means of exchange, payment or otherwise in connection with mergers and acquisitions; 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 *Autorité des marches financiers* 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.

These transactions may be effected by any method on the stock market or over-the-counter, including by block purchase or disposal. These transactions may take place at any time, outside of periods of public tender offers, subject to the limits imposed by laws and regulations in force at the time.

The Shareholders' Meeting resolves that the maximum number of shares acquired under the present resolution may not exceed 10% of the Company's issued capital as of the date of the present Shareholders' Meeting (*i.e.,* as an indication, as of August 31, 2015, a maximum of 15,713,202 shares), it being stipulated that for the purposes of the present authorization, the number of treasury shares must be taken into account such that the Company does not at any time have more treasury shares than the legally permitted maximum of 10% of shares.

The Shareholders' Meeting resolves that the maximum price paid for shares purchased under this resolution may not exceed 105 euro per share, subject to any adjustments required in the event of transactions involving the Company's capital.

The Shareholders' Meeting resolves that the total amount allocated to the share purchase program may not exceed 990 million euro.

The Shareholders' Meeting acknowledges that this authorization is granted for a period of eighteen (18) months as from the date of this meeting and voids from this day the unused portion of the authorization to the same effect granted in the fourteenth resolution of the Combined Shareholders' Meeting of January 19, 2015.

Full powers are given to the Board of Directors and any duly authorized representative of the Board 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 or 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.

8.2.2 EXTRAORDINARY RESOLUTIONS

ELEVENTH RESOLUTION

(Authorization to reduce issued capital through cancellation of treasury shares)

The Shareholders' Meeting, having heard the report of the Board of Directors and the Statutory Auditors' Special Report authorizes the Board of Directors, pursuant to article L.225-209 of the French Commercial Code, to cancel, on one or more occasions and within the limit of 10% of the total number of shares in the issued capital as of this Shareholders' Meeting (*i.e.,* a maximum of 15,713,202 shares), by period of twenty-four (24) months, some or all of the shares purchased by the Company under the share repurchase program authorized by the shareholders, and to reduce issued capital accordingly.

The Shareholders' Meeting fully authorizes the Board of Directors and any duly authorized representative of the Board to perform such transactions relating to the cancellation and reduction of capital as may be required pursuant to this authorization, and in particular to apply the difference between the value at purchase of the canceled shares and their par value to available premiums and reserves, including the legal reserve up to the equivalent of 10% of the canceled capital, to amend the bylaws accordingly, to make 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 Shareholders' Meeting and voids from this day any unused portion of the authorization to the same effect granted in the twelfth resolution of the Combined Shareholders' Meeting of January 21, 2014.

TWELFTH RESOLUTION

(Delegation of powers to the Board of Directors to increase issued capital through the issuance – with preferential subscription rights for shareholders – ordinary shares and/or other securities giving access to capital)

The Shareholders' Meeting, having heard the report of the Board of Directors and the Statutory Auditors' Special Report, as prescribed by the French Commercial Code, and in particular its articles L.225-129 to L.225-129-6 and L.228-91 to L.228-93, and after having noted that the issued capital is fully paid:

1. delegates to the Board of Directors, and any duly authorized representative, the power to increase the capital on one or more occasions with preferential rights maintained, via the issuance, in France or elsewhere, in euro or in any other currency or basket of currencies, ordinary shares (therefore excluding "preference" or "preferred" shares) and/or any other securities giving access in any form, immediately and/or at some later date, to the ordinary shares of the Company, payable in cash or by capitalizing debt or by capitalizing reserves, profits or premiums;
2. sets the duration of the validity of this delegation of powers at twenty-six (26) months, except that it may not be used by the Board of Directors while a public tender offer is in progress;
3. decides that if the Board of Directors utilizes this delegation:
   - the maximum total nominal amount of capital increases that may be carried out pursuant to (i) this delegation and (ii) the thirteenth and fifteenth resolutions of this Shareholders' Meeting (provided said resolutions are adopted), is 100 million euro, to which will be added, as appropriate, the additional amount representing shares to be issued in order to safeguard the rights of holders of securities giving access to the capital, as required by law,
   - the total nominal amount of debt securities that may be issued may not exceed 1 billion euro or equivalent of this amount as of this day in any other currency or basket of currencies,
   - shareholders shall have irreducible rights to the issue or issues in proportion to the shares held by them at the time, the Board of Directors having the power to institute a reducible right to purchase,

as prescribed in article L.225-133 of the French Commercial Code,

- if irreducible, and, where applicable, reducible purchases do not absorb the entire issue, the Board of Directors may at its discretion offer all or part of the shares and/or securities not purchased for sale to the public,
- the decision to issue securities giving access to the capital shall entail explicit waiver by shareholders, in favor of holders of the securities issued, of their preferential rights to the capital securities to which the securities issued will entitle them;

4. acknowledges that this delegation of powers implies that the Board of Directors or its duly authorized representative will have full powers, as prescribed by law, to implement this resolution and in particular, at its sole discretion, to set the terms of issue, the nature and characteristics of securities giving access to the capital, procedures for the allocation of the capital securities to which these securities entitle the holder, and the dates at which allocation rights may be exercised, to charge costs incurred in the capital increase to premiums pertaining thereto and transfer from this amount the necessary sums to the legal reserve, make all adjustments to the capital of the Company and establish any other procedures necessary in order to safeguard, should the need arise, the rights of holders of securities giving access to the capital (including through cash adjustments), note the completion of capital increases and amend the bylaws accordingly, perform the necessary formalities, enter into all agreements, notably in order to complete the planned issues, and generally do all that is necessary;

5. acknowledges that this delegation of powers voids from this day the unused portion of the delegation to the same effect granted in the thirteenth resolution of the Combined Shareholders' Meeting of January 21, 2014;

6. acknowledges that if the Board of Directors uses the powers given to it herein, the Board of Directors will report on this utilization to the next Ordinary Shareholders' Meeting, as prescribed by the applicable law and regulations.

THIRTEENTH RESOLUTION

(Delegation of powers to the Board of Directors to increase the issued capital by capitalization of premiums, reserves or profits)

The Shareholders' Meeting, deciding in accordance with the requisite quorum and majority voting conditions for Ordinary Meetings, having reviewed the report of the Board of Directors, and pursuant to articles L.225-129 to L.225-129-2 and L.225-130 of the French Commercial Code:

1. delegates to the Board of Directors, and any duly authorized representative, the power to decide to increase the issued capital on one or more occasions, in proportions and at times to be decided at its discretion, by capitalization of all or part of the premiums, reserves or net profit whose capitalization is permitted under law and the bylaws, in the form of the allocation of new bonus shares or by increasing the par value of existing shares, or by a combination of the two procedures;

2. sets the term of this delegation of powers at twenty-six (26) months from the date of this meeting;

3. decides that if the Board of Directors uses the powers delegated herein, the maximum nominal amount of capital increases carried out under this delegation of power is set at 100 million euro, with any such issues being deducted from the global ceiling of 100 million euro set in the twelfth resolution (provided said resolution is adopted) or any global ceiling set in a future resolution adopted while this delegation of powers remains in force), it being stipulated that this ceiling may be increased, if necessary, by the additional number of shares of the Company required in order to safeguard the rights of holders of securities giving access to the capital, as prescribed by law;

4. acknowledges that this delegation of powers implies that the Board of Directors or its duly authorized representative will have full powers, as prescribed by law, to implement this resolution and in particular to:
   - determine the amount and nature of the amounts to be capitalized; set the number of new shares to be issued and/or the amount by which the par value of existing shares is to be increased; set the date, retroactively if necessary, as of which the new shares will carry rights and the increase in the par value of existing shares will take effect,
   - in the case of the issuance of new shares, decide that (i) rights attaching to odd-lots will not be tradable, and that the corresponding shares will be sold, and that the proceeds of the sale will be allocated to holders of said rights as prescribed by law and regulations, and (ii) the shares to be allocated pursuant to this delegation on the basis of old shares carrying double voting rights and/or the right to a dividend premium shall be eligible for this right as of the time of their issue,
   - make all adjustments required in the event of transactions on the capital of the Company and set the procedures necessary in order to safeguard, should the need arise, the rights of holders of securities giving access to the capital,
   - acknowledge the completion of each capital increase and amend the bylaws accordingly,
   - generally enter into all agreements, take all measures and perform all filings pertaining to the issue, listing and administration of securities issued under the powers conferred herein, and to the exercise of the rights attached thereto;
5. acknowledges that this delegation of powers voids from this day the delegation to the same effect granted in the fourteenth resolution of the Combined Shareholders' Meeting of January 21, 2014.

FOURTEENTH RESOLUTION

(Authorization to the Board of Directors to grant existing and/or to be issued free shares of the Company to all or certain employees and/or corporate officers of the Group; automatic waiver of shareholders' preferential subscription rights)

The Shareholders' Meeting, having heard the report of the Board of Directors and the Statutory Auditors' Special Report:

1. authorizes the Board of Directors, in application of articles L.225-197-1 *et seq.* of the French Commercial Code, and any duly authorized representative of the Board, to grant on one or more occasions existing free shares and/or free shares to be issued by the Company, for the benefit of all or certain employees and/or corporate officers of the Company and/or companies or related combinations under the conditions imposed by 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 the present Shareholders' Meeting;
3. decides that the number of existing and/or new 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 grantees' rights;
4. decides that the existing shares and/or shares to be issued may, under the conditions imposed by law, be granted for the benefit of the Chief Executive Officer in his capacity as a corporate officer of the Company, provided that (i) these shares may not represent more than 5% of the total free share grants made during each fiscal year by the Board of Directors; (ii) their final grant will be entirely subject to the achievement of one or more performance conditions as decided by the Board of Directors; and (iii) the number of free shares granted to the Chief Executive Officer in his capacity

as a corporate officer that must be held in registered form for as long as he remains in office will be set by the Board of Directors;

5. decides that the granted shares will vest at the end of a vesting period to be determined by the Board of Directors, which will not be shorter than that stipulated in the French Commercial Code as of the date of the Board of Directors' decision, and that grantees will be required to retain the shares during a lock-up period to be determined by the Board of Directors, which will not be shorter than that stipulated in the French Commercial Code as of the date of the Board of Directors' decision. However, the Shareholders' Meeting authorizes the Board of Directors, if the combined vesting period and lock-up period for all or part of one or several grants would be at least two years, not to impose a lock-up period for those shares. The Board of Directors will be authorized to determine different vesting and lock-up periods according to the existing laws in the countries of residence of the grantees;
6. decides that the final grant of existing shares or shares to be issued to employees may be subject to the achievement of one or more performance conditions as determined by the Board of Directors;
7. decides that, if a grantee is subject to 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 sellable as from the date they are delivered;
8. notes that if the grants concern shares to be issued, this authorization shall result, as and when the shares are finally granted, in a capital increase by capitalization of reserves, profits or premiums for the benefit of the grantees, and shall entail explicit waiver by the shareholders of their preferential subscription rights to the shares, in favor of the grantees;
9. confers full powers on the Board of Directors or any duly authorized representative, 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 are shares to be issued or existing shares,
   - determine the list of grantees, or the category or categories of grantees 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 dividend-rights dates of the new shares,
   - make all adjustments to beneficiaries' rights that may be required in the event of transactions on the capital of the Company during the vesting period in order to safeguard said rights,
   - note the final grant dates and the dates from which the shares will be freely sellable taking into account legal restrictions,
   - note 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 corporate action, and
   - generally, do everything that may be useful or necessary under the applicable laws and regulations,
10. acknowledges that this authorization voids from this day the unused portion of the authorization to the same effect granted in the twelfth resolution of the Combined Shareholders' Meeting dated January 21, 2013.

FIFTEENTH RESOLUTION

(Delegation of powers to the Board of Directors to increase the issued capital via the issuance of ordinary shares and/or securities giving access to the capital reserved for members of Employee Share Purchase plans, with waiver of preferential rights in favor of the latter)

The Shareholders' Meeting, having heard the report of the Board of Directors and the Statutory Auditors' Special Report, as prescribed in articles L.225-129 *et seq.* and L.225-138-1 of the French Commercial Code, and in articles L.3332-18 to L.3332-24 of the French Labor Code:

1. delegates to the Board of Directors and duly authorized representatives its power to increase the issued capital of the Company, on one or more occasions, via the issuance of ordinary shares and/or securities giving access to the capital, reserved for members of one or more Employee Share Purchase plans (or any other plan to which articles L.3332-1 *et seq.* of the French Labor Code or any similar law or regulations would allow for an increase in capital with equivalent conditions to be reserved) established by the Group comprising the Company and the French or foreign companies included in the Company's consolidated or combined financial statements, as prescribed by article L.3344-1 of the French Labor Code;
2. sets at twenty-six (26) months from the date of this meeting the validity of this delegation of powers and decides that it voids from this day the delegation to the same effect granted in the fifteenth resolution of the Shareholders' Meeting of January 21, 2014;
3. decides that the total number of new shares potentially issuable pursuant to this delegation 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 will be deducted from the global ceiling of a maximum total nominal amount of 100 million euro set in the twelfth resolution (provided said resolution is adopted by this meeting) or, if applicable, the maximum total nominal amount set in any future resolution adopted during the period of validity of this resolution;
4. decides that the issue price of the new shares or securities giving access to the capital that may be issued pursuant to this delegation will be determined as prescribed in articles L.3332-18 *et seq.* of the French Labor Code and will be equal to at least 80% of the average opening price of the Company's shares on NYSE Euronext Paris for 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. The Board of Directors may, at its discretion, reduce or cancel the aforementioned discount, within the limits prescribed by law and the regulations, in order to allow, *inter alia,* for compliance with local legal, accounting and tax regimes and labor laws;
5. authorizes the Board of Directors to allocate to the aforementioned grantees, in addition to the shares or securities giving access to the capital to be purchased for cash, bonus shares or securities giving access to the capital, to be issued or already issued, substituting in full or in part for the discount and/or employer's contribution, it being stipulated that the benefit resulting from this grant may not exceed the legal or regulatory limits applicable under articles L.3332-10 *et seq.* of the French Labor Code;
6. decides to waive, in favor of the aforementioned grantees, the preferential rights of shareholders to the shares or securities giving access to the capital whose issuance is referred to in the delegation described herein, and to the shares to which the said securities will entitle their holders;
7. authorizes the Board of Directors, under the conditions applicable to this delegation, to sell shares to the aforementioned grantees as provided for in article L.3332-24 of the French Labor Code, it being stipulated that the par value 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. decides that the Board of Directors or its duly appointed representatives 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 to such issued shares or securities giving access to capital and to benefit from, as the case may be, free shares or free securities giving access to capital, 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 dividend-rights dates, 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 stock exchanges of its choice, to note the completion of the capital increases for the value of the shares effectively purchased, to perform, directly or by its appointed agents, all transactions and filings pertaining to the capital increases, including subsequent amendments to the bylaws, at its sole discretion and, if it deems fit, to charge costs incurred in the capital increases to the premiums arising from these increases, and to transfer from this amount the requisite sums to increase the legal reserve to one-tenth of the new capital resulting from these 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 prescribed by law and the regulations.

SIXTEENTH RESOLUTION

(Amendment of article 16.2 of the by-laws following publication of the decree of December 8, 2014 modifying the cut-off date for the preparation of the list of shareholders authorized to participate in Shareholders' Meetings)

The Shareholders' Meeting, having heard the report of the Board of Directors, notes the change in French record date rules introduced in decree 2014-1466 dated December 8, 2014, and decides to align the Company's bylaws with the new rules by amending article 16.2 of the bylaws as follows:

Old text

"Article 16.2 – Shareholders' Meetings comprise 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 no later than 12:00 a.m. (CET) on the third business day preceding the meeting,*** *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."*

New text

"Article 16.2 – Shareholders' Meetings comprise 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 the 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."*

8.2.3 ORDINARY RESOLUTION

SEVENTEENTH RESOLUTION

(Powers)

The Shareholders' Meeting confers full powers on the bearer of a copy or extract of the minutes of the present Shareholders' Meeting to carry out all necessary formalities.

8.3 Statutory Auditors' Reports

8.3.1 STATUTORY AUDITORS' REPORT ON THE CAPITAL REDUCTION

(Combined Annual Shareholders' Meeting of January 26, 2016 – Eleventh resolution)

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 should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

SODEXO
255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9, France

In our capacity as Statutory Auditors of Sodexo and in accordance with article L.225-209 of the French Commercial Code *(Code de commerce),* in the event of a capital reduction through the cancellation of purchased shares, we hereby report to you on our assessment of the reasons for and the terms and conditions of the proposed capital reduction.

The Board of Directors proposes that the shareholders grant it, for a period of 26 months as of this Annual Shareholders' Meeting and with the right to sub-delegate, full powers to cancel the shares purchased under the Company's share repurchase program, pursuant to an authorization granted within the framework of the above-mentioned article, up to a maximum (per 24-month period) of 10% of the issued capital as of the date of the Annual 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 reasons for and the terms and conditions of the proposed capital reduction, which does not affect shareholder equality, are appropriate.

We have no matter to report concerning the reasons and the conditions of the proposed capital reduction.

Neuilly-sur-Seine and Paris La Défense, November 18, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG Audit
		Department of KPMG SA
Jean-Christophe Georghiou	Frédéric Charcosset	Hervé Chopin

8.3.2 STATUTORY AUDITORS' REPORT ON THE ISSUANCE OF ORDINARY SHARES AND/OR OTHER SECURITIES WITH PREFERENTIAL SUBSCRIPTION RIGHTS

(Combined Annual Shareholders' Meeting of January 26, 2016 – Twelfth resolution)

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 should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

SODEXO
255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9, France

In our capacity as Statutory Auditors of Sodexo and in accordance with article L.228-92 of the French Commercial Code *(Code de commerce),* we hereby report to you on the proposed delegation of authority to the Board of Directors to issue, on one or more occasions, ordinary shares and/or other securities giving access to the ordinary shares of the Company, which is submitted to you for approval.

The maximum nominal amount of the capital increases that may be carried out pursuant to this delegation of authority, either immediately or at a later date, may not exceed 100 million euro, it being specified that the share capital increases resulting from the thirteenth and fifteenth resolutions will be deducted from this amount. The maximum nominal amount of debt securities giving access to the capital of the Company may not exceed 1 billion euro.

The Board of Directors proposes that the shareholders authorize it, for a period of 26 months and with the right to sub-delegate, to issue shares, it being specified that the Board of Directors may not use this delegation of authority during a public offer period. If the authorization is used, the Board of Directors will set the final terms and conditions of the issuance.

It is the Board of Directors' responsibility to prepare a report in accordance with articles R.225-113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the financial information taken from the financial statements regarding the proposed issuance and on other information relating to the issuance, provided in the report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information provided in the Board of Directors' Report relating to this transaction and the methods used to set the issue price of the shares and/or securities to be issued.

We hereby inform you that the Board of Directors' Report does not include the terms and conditions for setting the issuance price provided for by regulatory texts.

In addition, we do not express an opinion on the final terms and conditions of the issuance, as they have not yet been set.

In accordance with article R.225-116 of the French Commercial Code, we will issue an additional report if and when the Board of Directors uses this delegation of powers to issue shares or securities giving access to other shares and/or securities or debt securities, or to issue securities giving access to shares and/or securities to be issued.

Neuilly-sur-Seine and Paris La Défense, November 18, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG Audit
		Department of KPMG SA
Jean-Christophe Georghiou	Frédéric Charcosset	Hervé Chopin

8.3.3 REPORT OF THE STATUTORY AUDITOR ON THE AUTHORIZATION TO GRANT EXISTING AND/OR TO BE ISSUED FREE SHARES

(Combined Annual Shareholders' Meeting of January 26, 2016 – Fourteenth resolution)

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 should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

SODEXO
255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9, France

In our capacity as Statutory Auditors of Sodexo and in accordance with article L.225-197-1 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the authorization to grant existing and/or to be issued free shares for the benefit of employees and/or corporate officers of the Company and/or companies or related combinations under the conditions imposed by article L.225-197-2 of the French Commercial Code, which is submitted to you for approval.

The total number of 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. Furthermore, the total number of shares granted to the Chief Executive Officer may not exceed 5% of the total free share grants made during each fiscal year by the Board of Directors.

On the basis of its report, the Board of Directors proposes that the shareholders authorize it, for a period of 38 months and with the right to sub-delegate, to grant existing free shares and/or free shares to be issued.

It is the Board of Directors' responsibility to prepare a report on the proposed transaction. It is our responsibility to report to you on the information provided to you on the proposed transaction.

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 methods proposed and the information provided in the Board of Directors' report comply with the applicable legal provisions.

We have no matters to report on the information in the Board of Directors' Report concerning the proposed authorization to grant free shares.

Neuilly-sur-Seine and Paris La Défense, November 18, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG Audit
		Department of KPMG SA
Jean-Christophe Georghiou	Frédéric Charcosset	Hervé Chopin

8.3.4 STATUTORY AUDITORS' REPORT ON THE ISSUANCE OF ORDINARY SHARES AND/OR SECURITIES GIVING ACCESS TO THE CAPITAL RESERVED FOR MEMBERS OF AN EMPLOYEE SHARE PURCHASE PLAN

(Combined Annual Shareholders' Meeting of January 26, 2016 – Fifteenth resolution)

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 should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

SODEXO
255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9, France

In our capacity as Statutory Auditors of Sodexo, and in accordance with articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code *(Code de commerce),* we hereby report to you on the proposed delegation of authority to the Board of Directors to increase the issued capital of the Company on one or more occasions, via the issuance of ordinary shares and/or securities giving access to the capital, with waiver of preferential subscription rights, reserved for members of one or more Employee Share Purchase plans established by the Group comprising the Company and the French or foreign companies included in the Company's consolidated or combined financial statements, as prescribed by article L.3344-1 of the French Labor Code *(Code du travail),* which is submitted to you for approval. The total number of potentially issuable new shares may not represent more than 1.5% of the share capital as of the date of the decision made by the Board of Directors. In addition, the amount of the increase in capital resulting from the use of this delegation will be deducted from the global ceiling set in the twelfth resolution.

This increase in capital is submitted for your approval in accordance with the provisions of articles L.225-129-6 of the French Commercial Code and articles L.3332-18 *et seq.* of the French Labor Code.

On the basis of its report, the Board of Directors proposes that the shareholders authorize it, for a period of 26 months as of this Annual Shareholders' Meeting and with the right to sub-delegate, to increase the issued capital and waive their preferential subscription rights to the shares and/or securities to be issued. If the authorization is used, the Board of Directors will set the final terms and conditions of the issuance.

It is the Board of Directors' responsibility to prepare a report in accordance with articles R.225-113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the financial information taken from the financial statements regarding the proposed issuance and on other information relating to the issuance, provided in the report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information provided in the Board of Directors' Report relating to this transaction and the methods used to set the issue price of the shares and/or securities to be issued.

Subject to a subsequent examination of the terms and conditions of the proposed issuance once they have been decided, we have no matters to report as regards the methods used to set the issue price as provided in the Board of Directors' Report.

We do not express an opinion on the final terms and conditions of the issuance, as they have not yet been set, or consequently on the proposed waiver of the shareholders' preferential subscription rights.

In accordance with article R.225-116 of the French Commercial Code, we will issue an additional report if and when the Board of Directors uses this delegation of powers to issue shares and/or securities giving access to other shares and/or securities, or to issue securities giving access to shares and/or securities to be issued, with waiver of preferential subscription rights.

Neuilly-sur-Seine and Paris La Défense, November 18, 2015

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG Audit
		Department of KPMG SA
Jean-Christophe Georghiou	Frédéric Charcosset	Hervé Chopin


sodexo

9

OTHER INFORMATION

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 ADR. Dividends and voting rights belong to the ADR holder.

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.

BENEFITS AND REWARDS SERVICES

Sodexo Benefits and Rewards Services cover five service categories: Employee Benefits, Incentive Programs, Public Benefits, Consumer Gifting, and Expense Management.

CLIENT RETENTION RATE

The client retention rate is calculated by comparing the impact of prior year revenue from contracts lost to a competitor or to self-operation, to total prior year revenue. This rate also includes contracts terminated by Sodexo and site closures and is considered to be comprehensive. Other companies may calculate their retention rates on a different basis.

COMPARABLE SITE GROWTH

Comparable site growth 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, 2013 to August 31, 2015).

CORPORATE OFFICERS

Corporate Officer is the term used in English for the French *mandataire social* and refers to the Members of the Board of Directors, including Sodexo's Chief Executive Officer, who is also on the Board of Directors.

COSO (COMMITTEE OF SPONSORING ORGANISATIONS)

COSO was formed in the United States in 1985 to sponsor the National Commission on Fraudulent Financial Reporting, an independent private sector initiative jointly sponsored by major professional associations chaired by Senator Treadway. COSO issued recommendations to public companies and independent accountants in the form of an integrated framework for internal control, which forms the basis for the application of certain provisions of the Sarbanes-Oxley Act.

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 able to demonstrate holding registered shares for at least four years as of the end of the Fiscal year including as of the dividend payment date will benefit from a 10% dividend premium on those shares. The number of shares eligible for the dividend premium cannot exceed 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 level of commitment in a group or business, and refers to employees' commitment to the success of the business, their loyalty and their pride in being part of the organization. As such the engagement rate is the percentage of employees having responded to the six engagement questions with an average rating of 4.5 or higher on an increasing scale of from 1 to 6 (methodology developed by Aon Hewitt).

Additional information is available in section 2.3.1 of this document.

EMPLOYEE RETENTION RATE

The employee retention rate is the number of employees who leave during the year divided by the average number of employees.

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.

GROUP NET INCOME

Group net income corresponds to the line "Profit attributable to equity holders of the parent* in the consolidated income statement. It is the total net income generated by all Group companies less the portion of net income attributable to interests held by third party shareholders in subsidiaries not wholly owned by Sodexo.

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 and ISO 22000 for Food Safety management and ISO 55000 for asset management.

ISSUE VOLUME

Face value of service vouchers and cards (Benefits and Rewards Services activity) multiplied by the number of service vouchers and cards issued.

NET DEBT

Net debt corresponds to the Group's gross borrowings* at the balance sheet date less cash and cash equivalents and restricted cash and financial assets related to the Benefits and Rewards Services activity, less bank overdrafts.

NUMBER OF SITES

The number of sites corresponds to the number of locations where the Group performs a service.

* *Gross borrowings: current and non-current financial debt plus derivative financial instruments (assets and liabilities, current and non-current).*

ON-SITE SERVICES

Sodexo On-site Services respond to the needs of Sodexo's eight client segments: Corporate, Remote Sites, Defense, Justice Services, Sports and Leisure, Health Care, Seniors and Education.

ORGANIC GROWTH

Organic growth is the increase in revenues, excluding exchange rate effects and the impact of acquisitions or divestitures of subsidiaries over a twelve month period.

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 free shares granted to the Chief Executive Officer and Group managers by the Board of Directors, which are subject to employment and performance conditions. In particular, it should be noted that performance shares represent only a portion of the free shares granted to each beneficiary (between 0 to 50% depending on the manager), except for the Chief Executive Officer, who receives performance shares only.

PERSONAL AND HOME SERVICES

Sodexo Services provided in three main areas: childcare, concierge services and in-home care for dependent persons.

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. The benefits of holding registered shares are presented in section 6.1.7 of this Registration Document.

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.

TSR

Total Shareholder Return (TSR) is a measure of the performance of different companies' stocks and shares over time. It combines share price appreciation and dividends paid to show the total return to the shareholder. Calculation of the total yield to the shareholder over a given period and calculated as follows:

$$\frac{\text{market price at the end of the period} - \text{market price at the beginning of the period} + \text{dividends paid over the period}}{\text{market price at the beginning of the period}}$$

WORK-RELATED ACCIDENT FREQUENCY RATE

Number of accidents per million hours worked.

WORK-RELATED ACCIDENT SEVERITY RATE

Number of days' work lost due to work-related accidents per million hours worked.

9.2 Responsibility for the Registration Document and the audit of the Financial Statements

9.2.1 RESPONSIBILITY FOR THE REGISTRATION DOCUMENT

Responsibility for the *Document de référence* (French-language equivalent of the Registration Document)

"Having taken all reasonable precautions, I hereby declare that the information contained in the *Document de référence* 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.

The Management Report described on page 356 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, as well as a description of the principal risks for the Group.

I have obtained from our Statutory Auditors an engagement completion letter in which they declare that they verified the information relating to the financial position and the financial statements which are presented in this document and that they have read this document in its entirety."

Michel Landel

Chief Executive Officer

November 20, 2015

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 Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles 63, rue de Villiers 92208 Neuilly-sur-Seine, France Registered no. RCS Nanterre 672 006 483 Represented by Jean-Christophe Georghiou	February 22, 1994	6 fiscal years	Annual Shareholders' Meeting to be held in 2017 to adopt the financial statements for Fiscal 2016
KPMG Audit Département de KPMG SA Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles Tour Eqho – 2 avenue Gambetta 92066 Paris La Défense Cedex Represented by Hervé Chopin	February 4, 2003	6 fiscal years	Annual Shareholders' Meeting to be held in 2021 to adopt the financial statements for Fiscal 2020
DEPUTY STATUTORY AUDITORS			
Anik Chaumartin Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles 63, rue de Villiers 92208 Neuilly-sur-Seine, France	January 21, 2013	6 fiscal years	Annual Shareholders' Meeting to be held in 2017 to adopt the financial statements for Fiscal 2016
Salustro Reydel Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles Tour Eqho – 2 avenue Gambetta 92066 Paris La Défense Cedex	January 19, 2015	6 fiscal years	Annual Shareholders' Meeting to be held in 2021 to adopt the financial statements for Fiscal 2020

9.3 Reconciliation tables

To facilitate the reading of this document, the reconciliation tables below identify:

- the main headings required by Appendix I of European Regulation 809/2004. Disclosures not applicable to Sodexo are marked "N/A";
- 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 AMF *(Autorité des marchés financiers)*;
- the disclosures constituting the Management Report of the Board of Directors defined by the French Commercial Code;
- the information required by article R.225-105-1 of the French Commercial Code ("Grenelle II");
- the GRI, ISO 26000 and UN Global Compact Indicators.

9.3.1 APPENDIX I OF EUROPEAN REGULATION NO. 809/2004

In accordance with Appendix I of European Regulation no. 809/2004	Pages
1. Person responsible for the Registration Document	351
2. Statutory Auditors	320; 352
3. Selected financial information	22-28; 204
4. Risk factors	207-211
5. General information on the issuer	
5.1. History	20-21
5.2. Investments	193; 207
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6.1. Main activities	29-75; 126-135
6.2. Main markets	29-75; 126-135
6.3. Exceptional events	N/A
6.4. Dependency risk	208
6.5. Competitive position	29-75; 208
7. Organization chart	
7.1. Brief description of the Group	194; 261
7.2. Significant subsidiaries	199-200; 231-232; 249; 261
8. Tangible fixed assets	165-166
9. Financial position and operating profit analysis	122-139
10. Cash and capital	
10.1. General information on the capital	145; 173-174
10.2. Sources and amounts of cash flow	136; 144
10.3. Information on borrowing conditions and on the structure of financing	175-180; 226-227
10.4. Restrictions on capital utilizations having materially affected or potentially materially affecting the operations of the Company	171; 177-178
10.5. Expected sources of financing	N/A

In accordance with Appendix I of European Regulation no. 809/2004	Pages
11. Research and development, patent and licenses	N/A
12. Information on trends	138-139
13. Profit forecast or estimate	138-139
14. Board of Directors and Senior Management	
14.1. Information concerning members of the Board of Directors and Senior Management	265-274; 282-283; 295
14.2. Absence of potential conflict of interest within the membership of the Board of Directors and Senior Management	295-296
15. Compensation and benefits	
15.1. Amount of compensation of Corporate Officers	195; 297-304
15.2. Total amounts provided for or recognized for the payment of pensions or other benefits	195; 299
16. Duties of the Board of Directors	
16.1. Date of expiration of current terms	265
16.2. Service contracts between members of the Board of Directors and the CEO and the Company or one of its subsidiaries	295-296
16.3. Information concerning the Audit Committee, the Nominating Committee and the Compensation Committee	278-279
16.4. Statement of compliance with the current principles of Corporate Governance	283-284
17. Employees	
17.1. Number of Employees	24; 80-81;104-105; 116; 195
17.2. Profit sharing and stock options	190-193; 265-275; 305-319
17.3. Employee participation in Share Capital	246-247
18. Principal shareholders	
18.1. Shareholders holding more than 5% of the share capital or voting rights	246-247; 260-261
18.2. Existence of different voting rights	244; 246; 255
18.3. Controlling interests	246; 260-261; 295-296
18.4. Pact known to the issuer that could, if implemented, result in a change of control of Sodexo	N/A
19. Related party transactions	194; 228; 237-239; 295-296
20. Financial information concerning assets, financial position and Company operating profit	
20.1. Historical financial information*	355
20.2. Pro forma financial information	N/A
20.3. Financial statements	140-200; 214-234
20.4. Verification of historical annual financial information*	201-202; 235-236; 355
20.5. Date of most recent financial information	August 31, 2015
20.6. Interim and other financial information	N/A
20.7. Dividend distribution policy	26-28; 128; 259; 324; 330
20.8. Litigation	196-198; 207-211
20.9. Material change in financial or commercial situation	N/A
21. Other information	

In accordance with Appendix I of European Regulation no. 809/2004	Pages
21.1. General information on the share capital	145; 173-174; 224-225; 245-248
21.2. General information on the Company	242-244; 276-284
22. Material contracts	243
23. Information coming from third parties, expert declarations and interest declarations	N/A
24. Information available to the public	243; 253
25. Information relating to subsidiaries	171; 199-200; 231-232

* *Pursuant to article 28 of Rule (CE) nº 809/2004 of the European Commission of April 29, 2004, the following information is incorporated by reference into this Registration Document:*

- *Group Management Report, Group consolidated financial statements and Statutory Auditors' Report on the consolidated financial statements for the year ended August 31, 2014, as presented on pages 356 and 132-217 of the Registration Document filed with Autorité des marchés financiers (French financial markets authority) on November 17, 2014, under number D. 14-1057;*
- *Group Management Report, Group consolidated financial statements and Statutory Auditors' Report on the consolidated financial statements for the year ended August 31, 2013, as presented on pages 357 and 125-213 of the Registration Document filed with Autorité des marchés financiers (French financial markets authority) on November 18, 2013, under number D. 13-1068.*

9.3.2 ANNUAL FINANCIAL REPORT

Information concerning the Annual Financial Report – articles L.451-1-2 of the Monetary and Financial Code and 222-3 of the General Regulation of the AMF	Pages
Individual Company Financial Statements	213-234
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Management Report	See table below
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7. Chairman's Report on the operating procedures of the Board of Directors and on internal control and risk management procedures and attached Auditors' Report	264-294

9.3.3 MANAGEMENT REPORT

Reconciliation table for the Management Report pursuant to articles L.225-100 *et seq.* of the French Commercial Code

Main headings of the Management Report of the Board of Directors – French Commercial Code	Pages
1. Management Report	122-139
2. Description of main risks and uncertainties	207-211
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4. General information on the share capital	233; 242-248
5. Employment and environmental information	78-79; 116-119
6. Annual Ordinary General Meeting of Shareholders of January 26, 2016	324-339

9.3.4 INFORMATION REQUIRED BY ARTICLE R.225-105-1 OF THE FRENCH COMMERCIAL CODE ("GRENELLE II")

Grenelle II Chapters				Page Number
1. Workforce-related data:				
a	Employment:	i	total workforce and distribution of employees by gender, age group and geographical area	80-82; 116
		ii	new employee hires and dismissals	83; 117
		iii	remuneration and any related changes	118; 163
b	Work organisation:	i	working-time organisation	117
		ii	absenteeism	84; 118
c	Labour/Management relations:	i	organisation of social dialogue including information procedures, consultation and negotiation with employees	90
		ii	summary of collective bargaining agreements	118
d	Health and safety:	i	occupational health and safety conditions	84-85; 118
		ii	summary of collective bargaining agreements signed with trade unions or workers' representatives on occupational health and safety	109; 118
		iii	occupational accidents, including accident frequency and severity rates, and occupational diseases	108; 118
e	Training and education:	i	policies implemented regarding training and education	84; 119
		ii	total number of hours of training	84
f	Diversity and equal opportunity:	i	measures implemented to promote gender equality	86-87
		ii	measures implemented to promote the employment and integration of disabled people	87
		iii	policy against discrimination	86-87

Grenelle II Chapters				Page Number
g	Promotion of and compliance with the core Conventions of the ILO relative to:	i	freedom of association and the right to collective bargaining	88
		ii	non-discrimination in respect of employment and occupation	
		iii	the elimination of all forms of forced or compulsory labour	
		iv	the effective abolition of child labour	
2. Environmental data:				
a	General environmental policy:	i	the Company's organisational strategy to factor in environmental issues and, if appropriate, the approaches to auditing/obtaining certification for environment-related performance	93-97
		ii	information and training measures for employees regarding environmental protection	93-98
		iii	resources allocated to the prevention of environmental risks and pollution	93
		iv	amount of provisions and guarantees for environmental risks, unless such information is likely to cause serious harm to the Company in the event of ongoing litigation	107
b	Pollution and waste management:	i	preventive or corrective actions with regard to discharges into the atmosphere, water and soil with a significant negative impact on the surrounding environment	110
		ii	measures regarding waste prevention, recycling and disposal	97-98
		iii	consideration of noise and any other activity-specific pollution	110
c	Sustainable use of resources:	i	water consumption and supply adapted to local constraints	96-97
		ii	consumption of raw materials and measures implemented for more efficient use	94-96
		iii	energy consumption and measures implemented to improve energy efficiency and the use of renewable energy	96; 107
		iv	land usage	110
d	Climate change:	i	greenhouse gas emissions	107
		ii	adaptation to consequences of climate change	14; 34; 65
e	Protection of biodiversity:	i	measures implemented to protect or develop biodiversity	94-96
3. Social data:				
a	Territorial, economic and social impact of the Company's activity:	i	regarding regional employment and development	91-92
		ii	on local residents/communities	91-92
b	Relations with stakeholders, including associations for the promotion of social integration, educational institutes, environmental protection associations, consumer associations and local residents:	i	conditions surrounding dialogue with stakeholders	98-100
		ii	partnership or sponsorship actions	91

Grenelle II Chapters				Page Number
c	Subcontractors and suppliers:	i	inclusion of social and environmental issues in the Company's procurement policy	94-96
		ii	extent of subcontracting and the importance placed on social and environmental responsibility in relations with subcontractors and suppliers	94; 110
d	Fair business practices:	i	anti-corruption policies and procedures	79-80
		ii	measures implemented to promote consumer health and safety	89-90
e	Other actions implemented to promote human rights:	i	other actions implemented to promote human rights	88

9.3.5 GLOBAL REPORTING INITIATIVE (GRI) GUIDELINE

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
Strategy and analysis				
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	4.7 6.2 7.4.2		6; 15
G4-2	Provide a description of key impacts, risks, and opportunities.			207-211
Organizational profile				
G4-3	Report the name of the organization.	6.2		Cover Page
G4-4	Report the primary brands, products, and services.			31-75
G4-5	Report the location of the organization's headquarters.			242
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.			29
G4-7	Report the nature of ownership and legal form.			242; 246; 249
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).			22-23
G4-9	Report the scale of the organization, including: • total number of employees; • total number of operations; • net sales (for private sector organizations) or net revenues (for public sector organizations); • total capitalization broken down in terms of debt and equity (for private sector organizations); • quantity of products or services provided.			22-28
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).		Principle 6	80-83
G4-12	Describe the organization's supply chain.			89-96; 286

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	6.2		207-2011
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.			100
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: • holds a position on the governance body; • participates in projects or Committees; • provides substantive funding beyond routine membership dues; • views membership as strategic. This refers primarily to memberships maintained at the organizational level.			100
Identified material aspects and boundaries				
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report. The organization can report on this Standard Disclosure by referencing the information in publicly available consolidated financial statements or equivalent documents.	5.2 7.3.2 7.3.3 7.3.4		199-200
G4-19	List all the material Aspects identified in the process for defining report content.			77-119
G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows: • report whether the Aspect is material within the organization; • if the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: - the list of entities or groups of entities included in G4-17 for which the Aspect is not material, or - the list of entities or groups of entities included in G4-17 for which the Aspects is material; • report any specific limitation regarding the Aspect Boundary within the organization.			108
G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows: • report whether the Aspect is material outside of the organization; • if the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified; • report any specific limitation regarding the Aspect Boundary outside the organization.	5.2 7.3.2 7.3.3 7.3.4		108
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect *Boundaries*.			107-110

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
Stakeholder engagement				
G4-24	Provide a list of stakeholder groups engaged by the organization.	5.3		98-100
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.			98-100
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.			98-100
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.			98-100; 107
Report profile				
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	7.5.3 7.6.2		107
G4-29	Date of most recent previous report (if any).			107
G4-30	Reporting cycle (such as annual, biennial).			107
G4-31	Provide the contact point for questions regarding the report or its contents.			Back Cover Page
G4-32	a. Report the "in accordance" option the organization has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be "in accordance" with the Guidelines.			111-113
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.			107-113

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
Governance				
G4-34	Report the governance structure of the organization, including Committees of the highest governance body. Identify any Committees responsible for decision-making on economic, environmental and social impacts.	6.2 7.4.3 7.7.5		265-284
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.			78
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.			78
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.			78; 98-100
G4-38	Report the composition of the highest governance body and its Committees by: • executive or non-executive; • independence; • tenure on the governance body; • number of each individual's other significant positions and commitments, and the nature of the commitments; • gender; • membership of under-represented social groups; • competences relating to economic, environmental and social impacts; • stakeholder representation.			78; 265-284
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).			276-277
G4-40	Report the nomination and selection processes for the highest governance body and its Committees, and the criteria used for nominating and selecting highest governance body members, including: • whether and how diversity is considered; • whether and how independence is considered; • whether and how expertise and experience relating to economic, environmental and social topics are considered; • whether and how stakeholders (including shareholders) are involved.			276-277
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: • cross-board membership; • cross-shareholding with suppliers and other stakeholders; • existence of controlling shareholder; • related party disclosures.			276-277
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.			276-277

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	6.2 7.4.3 7.7.5		281
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.			78; 289-292
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.			289-292
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.			289-292
G4-48	Report the highest Committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.			251
G4-51	a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: • fixed pay and variable pay: - performance-based pay, - equity-based pay, - bonuses, - deferred or vested shares; • sign-on bonuses or recruitment incentive payments; • termination payments; • clawbacks; • retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.			297-319
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	6.2 7.4.3 7.7.5		279
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.			82; 279 325-327

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
Ethics and integrity				
G4-56	Describe the organization's values, principles, standards and norms of behavior such as Codes of conduct and Codes of ethics.	4.4 6.6.3		79-80
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	4.4 6.6.3		79-80
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	4.4 6.6.3		79-80
CATEGORY: ECONOMIC				
Aspect: Economic performance				
G4-EC1	Direct economic value generated and distributed.	6.8.1 6.8.2 6.8.3 6.8.7 6.8.9 6.5.5		22-23
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	6.5.5		29-75; 96
G4-EC3	Coverage of the organization's defined benefit plan obligations.	6.8.7		181-184
Aspect: Market presence				
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	6.3.7 6.3.10 6.4.3 6.4.4 6.8.1 - 6.8.2		118
Aspect: Indirect economic impacts				
G4-EC7	Development and impact of infrastructure investments and services supported.	6.3.9 6.8.1- 6.8.2 6.8.7 6.8.9		207
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	6.3.9 6.6.6 6.6.7 6.7.8 6.8.1- 6.8.2 6.8.7		92; 207
Aspect: Procurement practices				
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	6.4.3 6.6.6 6.8.1- 6.8.2 6.8.7		92; 296
CATEGORY: ENVIRONMENTAL				
Aspect: Materials				
G4-EN1	Materials used by weight or volume.	6.5.4	Principles 7; 8; 9	94-97
G4-EN2	Percentage of materials used that are recycled input materials.	6.5.4	Principles 7; 8; 9	96

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
Aspect: Energy				
G4-EN3	Energy consumption within the organization.	6.5.4	Principles 7; 8; 9	96; 107
G4-EN4	Energy consumption outside the organization.	6.5.4	Principles 7; 8; 9	96; 109
G4-EN5	Energy intensity.	6.5.4	Principles 7; 8; 9	96; 107
G4-EN6	Reduction of energy consumption.	6.5.4 6.5.5	Principles 7; 8; 9	96
G4-EN7	Reductions in energy requirements of products and services.	6.5.4 6.5.5	Principles 7; 8; 9	34; 96
Aspect: Water				
G4-EN8	Total water withdrawal by source.	6.5.4	Principles 7; 8; 9	96-97; 109
G4-EN9	Water sources significantly affected by withdrawal of water.	6.5.4	Principles 7; 8; 9	96-97; 109
G4-EN10	Percentage and total volume of water recycled and reused.	6.5.4	Principles 7; 8; 9	96-97; 109
Aspect: Biodiversity				
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	6.5.6	Principles 7; 8; 9	94-96
G4-EN13	Habitats protected or restored.	6.5.6	Principles 7; 8; 9	94-96
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	6.5.6	Principles 7; 8; 9	94-96
Aspect: Emissions				**96**
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	6.5.5	Principles 7; 8; 9	96; 107
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	6.5.5	Principles 7; 8; 9	96; 107
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	6.5.5	Principles 7; 8; 9	96
G4-EN18	Greenhouse gas (GHG) emissions intensity.	6.5.5	Principles 7; 8; 9	96; 107
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	6.5.5	Principles 7; 8; 9	96; 107
Aspect: Effluents and waste				**96-97**
G4-EN22	Total water discharge by quality and destination.	6.5.3 6.5.4	Principles 7; 8; 9	109
G4-EN23	Total weight of waste by type and disposal method.	6.5.3	Principles 7; 8; 9	109
Aspect: Products and services				
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	6.5.3 6.5.4 6.5.5 6.7.5	Principles 7; 8; 9	93-97
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	6.5.3 6.5.4 6.7.5	Principles 7; 8; 9	97
Aspect: Overall				
G4-EN31	Total environmental protection expenditures and investments by type.	6.5.1- 6.5.2	Principles 7; 8; 9	93
Aspect: Supplier environmental assessment				
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	6.3.5 6.6.6 7.3.1	Principles 7; 8; 9	94
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	6.3.5 6.6.6 7.3.1	Principles 7; 8; 9	94-96

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
CATEGORY: SOCIAL				
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK				
Aspect: Employment				
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	6.4.3	Principle 6	82-83
Aspect: Occupational health and safety				82-83
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	6.4.6 6.8.8	Principle 6	106; 109; 118
Aspect: Training and education				
A9	Average hours of training per year per employee by gender, and by employee category.	6.4.7	Principle 6	84; 105; 119
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	6.4.7 6.8.5	Principle 6	84-85
Aspect: Diversity and equal opportunity				
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	6.2.3 6.3.7 6.3.10 6.4.3	Principle 6	10-11; 16; 18-19; 86-87; 265-276
Aspect: Supplier assessment for labor practices				
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	6.3.5 6.4.3 6.6.6 7.3.1		94; 106
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	6.4.3 6.6.6 7.3.1	Principle 6	92-94
SUB-CATEGORY: HUMAN RIGHTS				88
Aspect: Supplier Human Rights assessment				
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	6.3.3 6.3.4 6.3.5 6.6.6	Principles 1; 2	94; 106
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	6.3.3 6.3.4 6.3.5 6.6.6	Principles 1; 2	94
SUB-CATEGORY: SOCIETY				
Aspect: Local communities				

GRI4		ISO 26000	Principles of the United Nations Global Compact	Page
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	6.3.9 6.5.1- 6.5.2 6.5.3 6.8	Principle 1	92
Aspect: Anti-corruption				
G4-SO4	Communication and training on anti-corruption policies and procedures.	6.6.1- 6.6.2 6.6.3 6.6.6	Principle 10	79-80
Aspect: Supplier assessment for impacts on society				
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	6.3.5 6.6.1- 6.6.2 6.6.6 6.8.1- 6.8.2 7.3.1		94; 106
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	6.3.5 6.6.1- 6.6.2 6.6.6 6.8.1- 6.8.2 7.3.1		94-96
SUB-CATEGORY: PRODUCT RESPONSIBILITY				
Aspect: Customer health and safety				**89-90**
Aspect: Product and service labeling				
G4-PR5	Results of surveys measuring customer satisfaction.	6.7.1- 6.7.2 6.7.6		99

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Sodexo
Group Finance Department
255, quai de la Bataille de Stalingrad
92866 Issy-les-Moulineaux Cedex 9
Tél.: +33 (0)1 30 85 75 00

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