

50^{*}
years
Imagine Quality of Life



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PRESS KIT

50 YEARS OF
IMPROVING QUALITY
OF LIFE



SODEXO IN A NUTSHELL

Sodexo, the world leader in Quality of Life Services, was founded in 1966 by Pierre Bellon in Marseille.

Today, it is generally recognized that addressing employees' quality of life is vital to worker well-being and also to the health of the business—and, in fact, it is essential for driving performance in both the private and public sector. This is why Sodexo has spent the last 50 years building unique Quality of Life expertise, backed by its 420,000 employees in 80 countries. And thanks to the company's diverse skills, Sodexo offers a full range of Quality of Life solutions through more than 100 different services.

Sodexo has a unique business model: it contributes to the economic, social and environmental fabric of the local communities in which it operates, while providing on-site services, benefits and rewards services, and personal and home services. All of these help to improve the wellbeing of its consumers and, ultimately, the clients' performance and bottom line.

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"Sodexo drives progress and is recognized for its role in improving people's quality of life and for its impact on the performance of organizations and its contribution to society."

SOPHIE BELLON,
Chairwoman of
the Sodexo Board

"Young people look for jobs and companies that encourage fun, team spirit, creativity and contributing to shared goals."

PIERRE BELLON,
Sodexo Chairman
Emeritus

"I am totally convinced that economic progress and human progress go hand in hand when organizations make improving quality of life their priority."

MICHEL LANDEL,
Sodexo Chief
Executive Officer

TESTIMONIALS

"I am most proud of signing up some of the largest schools/ universities in the world as clients."

SCOTT,
USA

"My favorite memories were working with the Sodexo Foundation and the Stop Hunger campaign to fight against hunger around the world."

WILLIAM,
UK

"Two memories from the last 10 years: the Olympics and Paralympics where Sodexo served over 500,000 meals. This was quite simply a massive achievement."

GUSTAVO,
Brazil

"I feel like I've lived a thousand lives in just 10 years by observing the company evolve and reach its objectives."

MONICA,
Mexico

"Everything is possible with Sodexo."

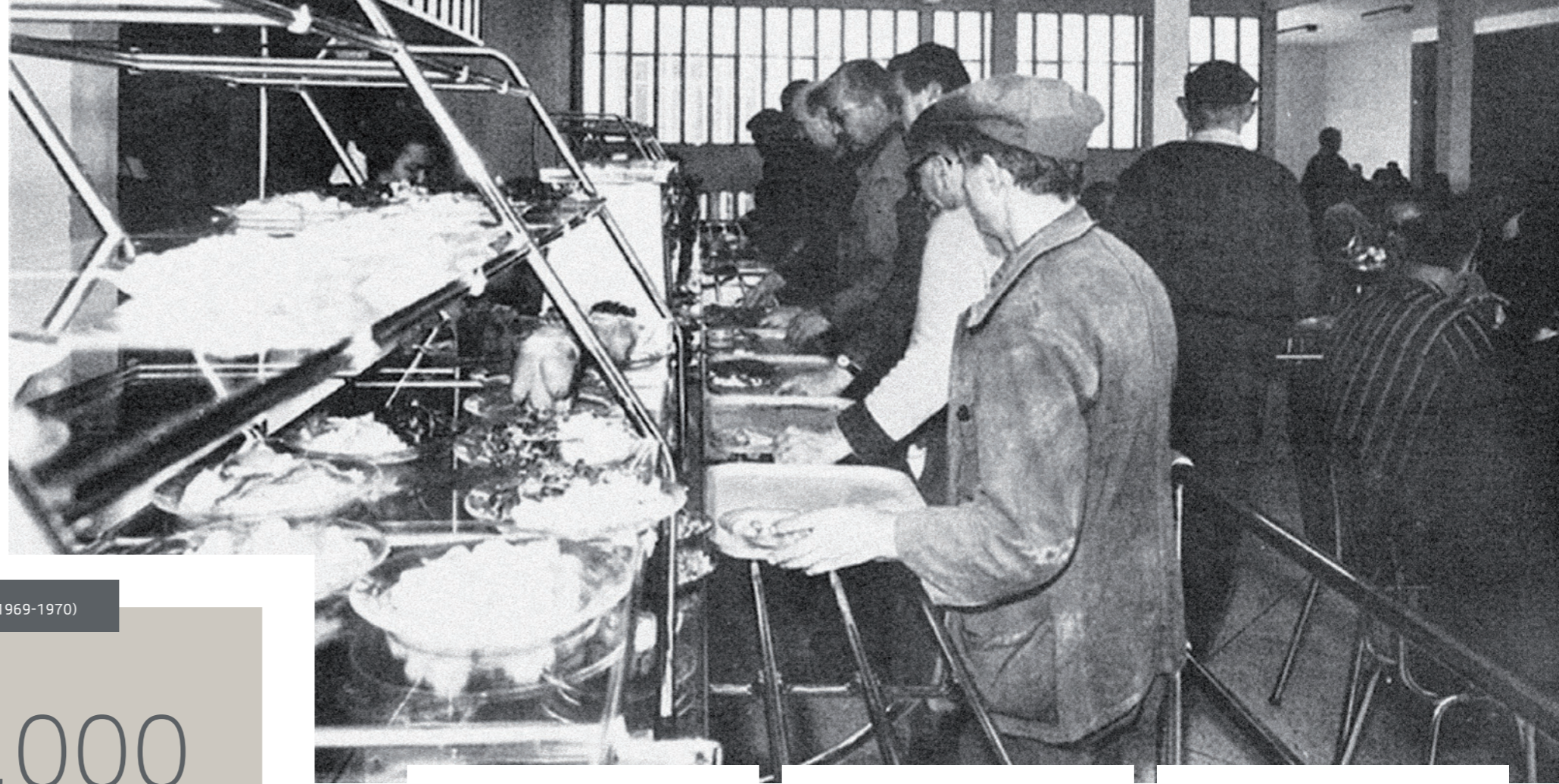
AUDE,
France

"My biggest success is that I've spent 20 years dealing with clients and I've never lost a single one."

YAN BIN,
China



THE CAREFREE '60S



Sodexo was founded in Marseille in 1966 during the swinging '60s, when culture was vibrant, the economy was surging and the social order was undergoing profound changes.

It was an ideal environment for a young company operating in a novel niche market: foodservices and, more broadly speaking, Quality of Life Services.

KEY FIGURES (1969-1970)

+1,000



Headcount grew from 0 to 1,000 between 1966 and 1969

31,000

62

31,000 meals were served daily in 62 restaurants in 1969



FF 61 M

FF 61 million in consolidated revenues

CONTEXT

The '60s was a time of invention, experimentation, freedom and hip-shaking—as much to put behind the horrors of war as to prepare for the hard work of rebuilding. Growth was at a peak, jobs were readily available; in short, the baby boom gave rise to a general feeling of abundance.

Science was booming, with amazing innovations and “firsts”, including the first heart transplant, first color TV and first man on the moon, while the old social model was shaken up by the women's lib and civil rights movements, social liberalization and votes for all. Brigitte Bardot shocked viewers, the Beatles incited hysteria, and Pop Art shone a spotlight on the new order in culture. The economy underwent massive change driven by a surge in the workforce. As Taylorism—with its rational, empirical methods—ran out of steam, women flooded into the workplace, workers' qualifications rose and a services industry and services giant emerged.

This new generation of workers, employees, and managers called for better working conditions and more fulfilling and interesting work. The May '68 French riots sparked a revolution in social demands, signalling the beginning of a new world.

PIERRE BELLON: A VISIONARY FOUNDER

From an entrepreneurial family in Marseille that sold supplies to boats, Pierre Bellon wasted no time putting his vision into practice. **In 1966, he founded Sodexo (Société d'exploitation hôtelière)** with a few thousand francs his father had lent him and a groundbreaking concept: designing and serving high-quality food on-site to meet the demands of a new world, improving the daily life of millions of employees. It was an untapped market niche perfectly in line with changing work habits and daily life—and it soon made Sodexo the No. 1 food service provider.

THE FIRST MAJOR CONTRACTS

Anticipating that his new business would grow, Pierre Bellon made his family the shareholders to protect the equity from aggressive outside investors. That basic act forged and secured the company's underlying character—a **free spirit with an entrepreneurial backbone and a thirst for innovation**—and contributed to Sodexo's first success stories.

Although still in its infancy, Sodexo won over CEA¹ with its bold and novel approach (such as quality standards and transparency), and was awarded a huge catering contract in Pierrelatte for the location's 2,000 employees. Sodexo rapidly expanded its services offering and ventured abroad. **In 1967**, the company won **its first-ever multiservice contract, to manage a CNES² station in Guyana**. That was followed by a second contract, for Petrograd's oil platforms in Brazil. Just three years after it was founded, Sodexo already had more than 1,000 employees and was serving 31,000 meals a day.

1. Commissariat à l'Énergie Atomique
2. Centre National d'Études Spatiales

CSR BEFORE IT WAS FASHIONABLE

Raised with socially progressive values by his family, Pierre Bellon saw his company more as an attractive shared adventure than a financial investment. From the very beginning, Sodexo made a positive contribution to society: It created hundreds of full-time jobs, including hiring underqualified workers, training them, and then promoting them to managerial positions. The company has always focused on improving the daily lives of its own employees and its consumers. In that light, it was the first in the industry to define quality criteria and requirements for food services, and it also invented new services with the aim of enhancing the lives of those it employs and serves. Above all, Sodexo's success has been rooted in staying true to its founding values of **team spirit, quality service and social progress**.

THE '70S, BETWEEN CRISIS AND PROGRESS



In the 1970s, Sodexo began to take on new markets—setting up operations in several European countries followed by Africa and the Middle East.

When running remote sites on behalf of oil firms, the company showcased its capacity to deliver a broad variety of services in addition to just catering.

KEY FIGURES (1979-1980)

15,000



35 

15,000 employees
in 35 countries



French foodservice
market leader



FF 1.4 Bn

FF 1.4 billion
in consolidated revenues

The oil crises of 1973 and 1979 marked the end of a booming 30-year era. Companies expanded abroad and fundamentally changed, both to sharpen their competitive edge and win over new customers.

Marketing and advertising became all important, and companies adopted a flatter reporting structure. In Japan, Toyota brought us continuous improvement, more empowered employees and cutting-edge manufacturing. New technologies arrived on the scene paving the way for our Internet-dominated age, including PCs and microprocessors, initial experiments with mobile phones and Arpanet (a precursor of the Internet).

The 1970s also saw early awareness of environmental issues: In 1970, the Club of Rome caused a stir when it published the Meadows report on how natural resources were being exhausted. In 1972, the UN held its first-ever environmental conference in Stockholm, which was part of a global campaign to combat pollution and bring about food security. Meanwhile, the law—which had not integrated the environment—was now catching up with society's current values.

DIVERSIFY— THE NAME OF THE GAME

With Sodexo looking to expand its food-service offer to schools and hospitals, in the early 1970s the company's top executives conducted a detailed analysis over several days in French schools in order to fully understand their food requirements. Meanwhile, the company continued to broaden its services **offering by bringing out meal vouchers in 1976**, thereby once again improving workers' standard of living and quality of life.

GROWTH ABROAD AND A FOOHOLD IN THE MIDDLE EAST

In a market still served predominantly by locally-based businesses, **Sodexo broke new ground by venturing abroad**. The company first gained a foothold in Belgium and then moved on to Italy and Spain. In every country, local people were hired and catering was tailored to local food and eating habits. Sodexo also began growing rapidly in the Middle East and Africa on the back of running remote sites for big oil and gas firms, where it provided a broad range of services including catering, cleaning and maintenance, often in very tough circumstances and environments.

Meanwhile, Sodexo set up a management training institute in Africa to uphold and pass on the core values that have inspired our people from the very start—namely, a human touch and empathy for others, determination to maximize potential and a desire to continually improve.

THINK GLOBAL, EAT LOCAL

Wherever Sodexo takes root, it hires, trains and develops local people who create **catering and services offerings in line with the country's or region's preferences**. The company also provides specific catering services for schools and hospitals tailored to pupils' and patients' nutritional needs. Indeed, specific dietary requirements will soon be standard practice in our corporate and municipality services.

THE '80S, THE GOLDEN AGE

With the past decade dominated by financial market globalization, Sodexo pursued growth and expansion abroad and was determined to build the business over the long term while staying focused and true to its core values: team spirit and a service and continuous improvement culture.



KEY FIGURES (1989-1990)

36,000



40 

36,000 employees
in 40 countries

3,610



3,610 sites

 FF 7.7 Bn

FF 7.7 billion
consolidated revenues

In the 1980s, there were successive reforms to modernize society including decentralization, such as the French Coastlines Act and Pay Equality Act. Meanwhile, environmental awareness was spreading around the globe. On March 22, 1985, the Vienna Convention for the protection of the ozone layer laid the first stones of an international cooperation encompassing countries, firms, NGOs and scientists. In 1987, the Brundtland report turned sustainable development into a popular cause.

A new generation of giants emerged, with economic globalization driven by increasing deregulation and interlinked financial markets, growth in speculative activities and new, sophisticated financial engineering practices. In 1981, IBM came out with its first-ever PC with an operating system developed by a startup called Microsoft. In 1984, a long-haired young businessman named Steve Jobs made a splash presenting the Macintosh, the first computer equipped with a mouse and graphic interface.

Boosted by these new technologies and falling oil prices, economic growth shot up. Geopolitical tensions retreated following the Cold War when Russia's economy plummeted and Mikhail Gorbachev introduced Perestroika and Glasnost reforms. Lastly, the fall of the Berlin Wall was the defining moment of the late '80s.

EMPLOYEE IDEAS A BIG HIT

Fully aware of the huge strength of its people's diversity, skills and energy, Sodexo set up an international innovation forum in 1989 to list, highlight and distribute best practices and novel ideas from employees around the world. **In 1986**, Sodexo celebrated its 20th anniversary. **Rapidly growing** and now operating **in 40 countries**, Sodexo involved its more than **30,000 employees** to build its 10-year vision and strategy, reassert its values and hand out guidelines and common goals to all employees. At a time when it was No. 6 globally, Sodexo had a target of reaching the No. 1 spot within 10 years.

CONQUERING NEW REGIONS

On the back of its initial foreign successes, Sodexo built up its presence in **Europe** including rapid growth on the West German market. The company also won major market share in **North and South America** and set up operations in **Japan, Russia and South Africa**. To fund its growth, in 1983 Sodexo floated some of its shares on the Paris stock exchange, thereby becoming the first-ever European-listed foodservice company. However, the company's founding family maintained majority control, while also issuing shares to employees. This approach meant the company could remain independent, and continue to be driven by a search for long-term growth in the business.

A TRAINING AND MULTICULTURAL DISCUSSION CENTER

In 1992, the company launched *the Sodexo Management Institute* for training and continuous improvement in France, which was soon introduced in the U.K., U.S. and then globally. The institutes train hundreds of managers every year with various goals in mind, including: **boosting** people's careers and prospects for promotion; **building** contacts and relations between managers from different countries, **strengthening** the shared corporate culture **and feeling** of belonging; leveraging and spreading expertise, experiences and best practices developed throughout the company. These institutes play a vital role in passing on values and expertise that represent the company's distinctive trademark and strength.

THE '90S, A DECADE OF EXPANSION

At a time when the world's economic center of gravity was moving to Asia and the digital revolution was in its infancy, Sodexo stepped up growth to become No.1 in Quality of Life Services.

CONTEXT

The '90s began with Germany's reunification and Europe pursuing economic and monetary integration via the Maastricht treaty, which in 1993 set up standard fiscal policy rules to prepare the EU for the euro.

On the other side of the Atlantic, the U.S., Canada and Mexico set up ALENA in 1994, a North American free-trade treaty. Dividing regions into economic blocks and soaring globalization were driven by several factors: companies' increasing attraction to emerging markets, BRIC (Brazil, Russia, India and China) was gaining ground in the world economy and, lastly, the Internet revolution - CERN (European Nuclear Research Center) created the first ever website in December 1990, which started to change how we work and gave birth to countless startups.

The first Internet "champions" were Netscape, AOL, Lycos, Amazon (already) and in France, Wanadoo, Club Internet, Caramail and Multimania. These pioneers soon gave way to genuine digital and online services giants.



KEY FIGURES (1999-2000)



Sodexo is No. 1 in foodservice and municipality services

286,000



70

Over 286,000 employees in 70 countries

22,000



22,000 sites



€ 10.5 Bn

€10.5 billion in consolidated revenues

BIRTH OF A WORLD MARKET LEADER

As a rising star in food services, Sodexo really stepped up a gear when it **bought three major players** in the industry: U.K.-based **Gardner Merchant** and Swedish-based **Partena** in 1995 and U.S.-based **Marriott Management Services** in 1998. The acquisitions took the shape of an alliance, allowing each company to stand alone while making sure that staff and different cultures integrated well. The attention paid to people issues ensured the takeovers were successful, and they made Sodexo No. 1 on the North American market.

A FULL RANGE OF SERVICES

Meanwhile, the company pursued rapid organic growth. In 1995, Sodexo signed its first services contract in Shanghai, which paved the way for rapid growth on the Chinese market. Over the next decade, Sodexo set up operations in 30 new countries while **expanding its Quality of Life Services offering**. The company consolidated its leadership in remote-site management, moved into facilities management services and diversified its voucher and card services. Sodexo was at last in a position to provide clients a full range of complementary services to improve employees' quality of life and work environments on a worldwide basis.

SOCIAL AND CULTURAL DIVERSITY AND THE STOP HUNGER PROGRAM

After signing the United Nations Global Compact, Sodexo introduced an anti-discrimination policy (covering ethnicity, sex, age, etc.) that was incorporated into the company's recruitment, training, promotion and pay procedures. **Sodexo won several awards for its policies on staff equality and gender equality** in management and executive positions. Sodexo, also involved in combating global hunger and malnutrition, in spring 1996 launched the *Stop Hunger* program in the United States, which soon spread worldwide. The program involved Sodexo staff long-term by combining various actions including receipt of food and money donations, partnerships with charities and food banks; employees volunteering and offering to help find jobs for beneficiaries, etc. This year, *Stop Hunger* will celebrate its 20th anniversary. The program serves 5 million meals per year in some 50 countries and supports more than 700 NGOs worldwide. In 2015, 65,000 employees volunteered for *Stop Hunger*.

THE 2000S: NEW CHALLENGES, NEW TECHNOLOGIES

In a rapidly changing economy, Sodexo relies more than ever on its underlying strengths to consolidate its world leadership and apply its ambitious sustainable development policy in practice.



KEY FIGURES (2009-2010)

380,000



80 

380,000 employees
in 80 countries

34,000



34,000 sites

 € 15.3 Bn

€15.3 billion
consolidated revenues

Despite the recession caused by the sub-prime mortgages crisis in 2007, a new digital, collaborative and hypermobile economy emerged. Larry Page and Sergey Brin founded Google in a garage in Menlo Park in 1998. Mark Zuckerberg founded Facebook in 2004. YouTube was born in 2005, Twitter in 2006. Apple brought out the iPhone in 2007 and the iPad in 2010.

It used to take about 50 years for a market champion to emerge; now they spring on to the scene in just 10 years. For example, in 2008 two budding entrepreneurs launched a private rental website for the general public in San Francisco named Airbnb. Six years later it was worth twice as much as Accor on the stock exchange.

A *green economy* also grew up between 2000 and 2010, paving the way for a new generation of companies and technologies focused on renewable energies, energy efficiency, networks and smart buildings.

Meanwhile, there were also major innovations in biotech including sequencing human genomes and a breakthrough in gene therapy. Digital, scientific and technological game changers brought about profound shifts in lifestyle, labor and shopping practices, and customer relations.

The time for nimble businesses focusing on consumers via responsive and personal dialogue had arrived.

PERFORMANCE AND SUSTAINABILITY

Sodexo stays global No. 1 by combining organic growth with acquisitions. The company bought several major service companies, including: French-based Sogeres and Score Groupe, U.S.-based Wood Dining Services (food services), German-based Zehnacker and India-based Radhakrishna Hospitality Services Group (facilities management), French-based Tir Groupe and Brazilian-based VR (vouchers), and U.S.-based Circles Concierge and Comfort Keepers (home services for the elderly). The company's organic growth has also been quite strong. Sodexo invested and grew in emerging markets, primarily the BRIC countries, while building market share in developed countries. It consolidated its lead in its traditional businesses and **made rapid progress on new markets such as facilities management** (e.g., technical upkeep, cutting energy and water consumption, improving layout of common areas), and **Sodexo became the sole global company to offer packaged solutions** based on expertise in 100 services underlying employee well-being and performance. These included on-site services, benefit and reward services (restaurant pass, gift vouchers, multiservice vouchers, etc.), and home services (caretaking, childcare, help for the elderly, etc.).

CONTINUOUS CHANGE

From a Marseille-based startup, in just 40 years, Pierre Bellon turned Sodexo into a **global Quality of Life Services giant** employing 380,000 people in 80 countries. In 2005, he stepped down as CEO but stayed on as Chairman of the Board. He was replaced by Michel Landel, who successfully developed the company in the United States. In the same year Sodexo involved employees in creating its 10-year corporate plan.

CSR COMMITMENTS ASSESSED EVERY YEAR

In 2009, Sodexo launched its **Better Tomorrow Plan**—a continuous improvement program to formalize and coordinate its global sustainable development policies. The plan is backed by 18 practical, measurable and frequently monitored commitments focusing on four issues: social responsibility; environmental protection and combating food waste; improving nutrition, health and well-being; and developing local communities. In 2010, for the second year running, the American institute Ethisphere ranked Sodexo among the most ethical companies in the world.

AND THE FUTURE...

To tackle upcoming demographic, social, economic and environmental challenges, Sodexo plans to fully engage as the world's No. 1 Quality of Life Services provider by delivering solutions increasingly satisfying clients' needs and in line with future underlying changes in society.



KEY FIGURES (2014-2015)

 **19th** largest world employer

420,000



80 

420,000 employees in 80 countries

32,000



32,000 sites

 **€ 19,8 Bn**

€19.8 billion in consolidated revenues

PACKAGED SERVICES OFFERS

In 2015, Sodexo's success was largely driven by introducing a new organization based on global client segments. As such, Sodexo can stay close to its clients, improve its understanding of client issues on a worldwide basis and better meet a growing demand for global services that include multiple aspects of quality of life. Sodexo has invested considerably in research and digital technology to back its position. This approach has yielded three benefits **including closer contact with clients to better predict their needs**, providing constantly improved quality, mobility and a friendly human service, and making the company more nimble and responsive. Flexible, smart and client-focused, Sodexo can better understand and monitor underlying changes in the economy and society, including a rapidly growing demand for services in emerging markets, a surge in home services and care resulting from aging populations, and demand for well-being in the workplace and a healthy balance between work and private life driving performance. All these aspirations guide Sodexo people every day to develop new, comprehensive solutions.

THE GENERATION HANDOVER AND FINANCIAL INDEPENDENCE

Having built in just 50 years **the world's Quality of Life services market leader, currently boasting 420,000 employees in 80 countries**, Pierre Bellon retired as Chairman of the Board in 2016. His daughter Sophie took over as Chairwoman. Alongside CEO Michel Landel thousands of people who make up the backbone of this dynamic and diverse company continue to pursue a shared adventure, while upholding Sodexo's original spirit and values. The company's ongoing independence guarantees its spirit and values. All family shareholders, including Pierre Bellon, his wife and their children, have committed to an agreement not to sell any shares outside the family for the next 50 years, thereby ensuring Sodexo's ownership independence and stability over the medium and long term.

QUALITY OF LIFE UNDERPINNING OUR BUSINESSES

In 2015, for the 11th year running, the DJSI (Dow Jones Sustainability Index), a benchmark for sustainable investments, chose Sodexo as top sustainable development company in its industry and emphasized the company's objective goals and volume of successful long-term results, which are measured every year. **The DJSI ranking takes account of several factors including the company's commitment to reduce CO₂ emissions by 34 percent** (including its 10,000 suppliers and 32,000 client sites) between 2011 and 2020; the company's involvement in regional developments (97 percent of people hired are local); and the company's promotion of gender equality (women make up 43 percent of management jobs and 38 percent of board members). Sodexo's CSR underpins its business and forms an integral part of its 420,000 employees' working days spent improving the quality of life of 75 million consumers.

By 2025 the world's population will have reached 8 billion, 1 billion more than in 2011. People will enjoy an ever-longer life expectancy (it rose from 65.3 years to 71.5 years worldwide between 1990 and 2013¹). Life expectancy has risen by 14 years over the last 60 years and could gain another five years by 2050². While life expectancy increases, the world's population will continue to age. By 2050, around 2 billion people (one out of five) will be over 60, up from 841 million today³. Another major change: The world's economy will continue to shift toward emerging markets. By 2025, nine out of 10 people will live in developing countries, and six out of 10 will be Asian. Emerging countries are expected to account for 52 percent of the world's GDP by 2020 (up from 39 percent in 2011) and two thirds of growth in GDP⁴. A recent survey⁵ shows that the top 10 world economies (GDP ranked) by 2030 will include six countries that are currently deemed emerging markets: China (top), India (third), Indonesia (fifth), Brazil (sixth), Russia (seventh) and Mexico (ninth). In these countries, a surging middle class, pay rises and a soaring economy will usher in new lifestyles and new demands.

1. Institute of Health Metrics and Evaluation (IHME) from Washington University
 2. Insee
 3. World Health Organization (WHO)
 4. An economic survey by Crédit Agricole
 5. PwC survey : «The World in 2050: Will the shift in global economic power continue?»