

FISCAL 2007
HUMAN RESOURCES
REPORT



sodexo

Making every day a better day

CONTENTS

01 EDITORIAL



GROUP PROFILE

LIVING OUR VALUES 02

SODEXO IN BRIEF 04



OFFERING OUR EMPLOYEES A FULFILLING PROFESSIONAL LIFE

EQUAL OPPORTUNITY WITHIN DIVERSITY 06

EVOLVING CAREERS 12

LISTENING AND DIALOGUE 15

SAFETY AND WELLNESS 19



WORKING WITH OUR EMPLOYEES TO BUILD A PROGRESS ORIENTED-BUSINESS

AN EXPERTISE-DRIVEN BUSINESS 24

A HIGH-PERFORMING BUSINESS 29

AN INTERACTIVE BUSINESS 32

THE BUSINESS OF TOMORROW 35

38 KEY DATA



“The wealth of our people's talents – and differences – is our main strength.”

Ever since Sodexo was founded, people have been at the heart of our philosophy. Most of our people are in direct contact every day with our clients and customers, across 80 countries. Their commitment, expertise, diversity and ability to grow with the business are the foundation on which we have built our success over the last 40 years. The wealth of our people's talents – and differences – is our main strength.

Our aim, expressed in our “Ambition 2015” plan, is “to become the premier global outsourcing expert in Quality of Life services”. To meet the goal of doubling revenue and serving 100 million customers by 2015, we need to make our human resources a genuine competitive advantage. We must become a benchmark employer in our ability to attract, develop, engage and retain talent and in our commitment to diversity and inclusion.

Throughout Sodexo, a whole range of global and local initiatives are in place, many of them described in this report. These initiatives demonstrate the commitment of all our people to pursue our ambition and reflect our desire to offer all employees a fulfilling career and a better quality of life. In short, they illustrate our determination to be acknowledged as one of the Best Employers throughout the world.



A handwritten signature in green ink that reads "Elisabeth Carpentier".

Élisabeth Carpentier

GROUP SENIOR VICE PRESIDENT
AND CHIEF HUMAN RESOURCES OFFICER



LIVING our values

Our philosophy is the foundation of our success, both in the past and for the future. It is based on six pillars: who we are, our business strategy of organic growth, our mission, our vision, our core values and our ethical principles.

→ OUR PHILOSOPHY

◎ WHO WE ARE

Our company is the community of our clients, customers, employees and shareholders. Our purpose is to exceed their expectations.

◎ OUR BUSINESS STRATEGY: ORGANIC GROWTH

We continue to focus on achieving organic growth in revenue and earnings, while contributing to the economic development of countries in which we operate.

◎ OUR MISSION

To Improve the Quality of Daily Life.

◎ OUR VISION

To become the premier global outsourcing expert in Quality of Life services.

◎ OUR CORE VALUES

→ Service spirit

- Clients and customers are the center of everything we do.
- In order to serve them well, on a daily basis, at all levels, we have to demonstrate our ability to listen, our capacity to anticipate their expectations, our sense of conviviality, our responsiveness to their needs and our pride in satisfying them.
- Sodexo has become a large, worldwide company, but we still remain a local company in which each manager in the field is a true entrepreneur, close to his/her clients and empowered in their decision-making.

→ Team spirit

- It is an imperative in all of our operations, our business units and support functions, as well as in our management committees.
- Each person's skills combine with other team members' knowledge to help ensure Sodexo's success. Teamwork depends on the following: listening, transparency, respect for others, diversity,

solidarity in implementing major decisions, respect for rules and mutual support, particularly in difficult times.

→ Spirit of progress

- We demonstrate the spirit of progress through:
- our will, but also the firm belief that one can always improve on the present situation,
 - acceptance of the evaluation of our performance, which compares us to our colleagues in the company, or with competitors,
 - rejection of preconceived notions and false alibis for avoiding change,
 - self-evaluation, because understanding one's successes as well as one's failures is fundamental to continuous improvement,
 - a balance between ambition and humility,
 - optimism, the belief that for every problem there is a solution, an innovation, or an improvement to be made.

◎ **OUR ETHICAL PRINCIPLES**

→ **Loyalty**

A foundation of trust between Sodexo and its clients, employees and shareholders, based on loyal relations. Trust is one of the cornerstones of operations in our organization.

→ **Respect for people**

Humanity is at the heart of our business. Sodexo is committed to providing equal opportunities regardless of race, origin, age, gender, beliefs, religion, or lifestyle choices. "Improving Quality of Life" means treating each person with respect, dignity and consideration.

→ **Transparency**

This is one of Sodexo's major principles and is a constant with all stakeholders: clients and customers, employees and shareholders.

→ **Business Integrity**

We do not tolerate any practice that is not born of honesty, integrity and fairness, anywhere in the world where we do business. We clearly communicate our position on this issue to our clients, suppliers and employees and expect them to share our rejection of corrupt and unfair practices.

In November 2006, the Group Executive Committee recommended to the Board of Directors the adoption of a Business Integrity Code called the "Sodexo Statement of Business Integrity". This code enshrines Sodexo's core beliefs and practices in the area of business ethics, so that every employee understands and shares the Group's commitment to Business Integrity.



All employees at every level subscribe to our philosophy, and these six core pillars guide each of us in our daily working life.

→ **OUR AMBITION FOR SODEXO IN 2015**

Our ambition is to double our revenue and triple our operating profit from the fiscal 2005 level.

We have a clear strategy to fulfill this ambition:

- strengthen our market leadership in Foodservices;
- accelerate our development in Facilities Management;
- become world leader in Service Vouchers and Cards.



SODEXO in brief

FISCAL 2007 FINANCIAL HIGHLIGHTS

13.4

billion euro
in revenue

342,000

employees
of **132** nationalities

80

countries

29,000

sites

Sodexo is listed on the Paris stock exchange.

22nd

largest employer
worldwide⁽¹⁾

6th

largest European
employer worldwide⁽¹⁾

2nd

largest French
employer worldwide⁽²⁾

(1) Fortune Global 500, 2007

(2) Les Mille de L'Expansion, 2007

2 ACTIVITIES IN THE SERVICE OF QUALITY OF LIFE

FOOD AND FACILITIES MANAGEMENT SERVICES

97%

OF CONSOLIDATED
REVENUE

Corporate Services
Leisure
Defense
Correctional Services

Health Care
Seniors
Education
Remote Sites

SERVICE VOUCHERS AND CARDS

3%

OF CONSOLIDATED
REVENUE

7.5

BILLION EUROS
IN ISSUE VOLUME

→ Source: Sodexo



OFFERING OUR EMPLOYEES A FULFILLING PROFESSIONAL LIFE

EQUAL OPPORTUNITY WITHIN DIVERSITY 06

EVOLVING CAREERS 12

LISTENING AND DIALOGUE 15

SAFETY AND WELLNESS 19



EQUAL OPPORTUNITY WITHIN diversity



“RESPECT FOR OTHERS IS AT THE HEART OF OUR BUSINESS AND DIVERSITY IS BUILT INTO OUR MISSION, CORE VALUES AND ETHICAL PRINCIPLES. WE ARE COMMITTED TO CREATING AN INCLUSIVE ENVIRONMENT THAT RESPECTS THE DIVERSITY OF OUR EMPLOYEES, OUR CUSTOMERS, OUR SUPPLIERS AND OUR PARTNERS. WE ARE ALSO COMMITTED TO EQUAL OPPORTUNITIES REGARDLESS OF RACE, NATIONAL ORIGIN, AGE, GENDER, PHYSICAL OR MENTAL ABILITY, RELIGION OR SEXUAL ORIENTATION. OUR CONVICTION IS THAT A DIVERSITY OF TALENTS HELPS US TO SERVE CLIENTS AND COMMUNITIES BETTER, EXPAND OUR SPHERES OF INFLUENCE AND HENCE IS A KEY DRIVER OF OUR GROUP'S GROWTH.”

Rohini Anand, Senior Vice President and Group Chief Diversity Officer.

STRATEGY AND OBJECTIVES

Our dynamism and success hinge on our ability to create an inclusive environment that promotes the breadth of experience of our 342,000 employees from over 130 countries. Diversity and inclusion present complex challenges and tremendous opportunities, requiring customized solutions that reflect local customs in the 80 countries where we operate. This is why we appointed **Rohini Anand** as our **Chief Diversity Officer** in September 2006.

The Global Diversity Taskforce, formed in 2005, regularly brings together representatives from key countries to implement our global diversity and inclusion strategy. It has identified four major areas of focus: gender, generations, ethnic minorities and people with disabilities.

In February 2007, the Group's Executive and Operational Committees and over 50 key female executives attended the first **Sodexo Global Women's Summit** in Paris. Michel Landel, Rohini Anand and Eleanor Tabi Haller-Jorden (General Manager of Catalyst Europe AG*) shared their vision of diversity and attendees expressed their views on the place of women within Sodexo and how it could be enhanced. This initiative was warmly welcomed and will be repeated in January 2008.

We have developed various tools designed to promote diversity within our entities and to encourage information-sharing. Our senior management has produced a Global Diversity video, "I am Sodexo", which explains the vision, strategy and commitment to diversity. *Sodexo Inclusion News* is distributed every other month, a Diversity section was added to our corporate intranet in September 2007 and web conferences are organized on a regular basis.

*Catalyst (www.catalyst.org): non-profit organization working globally with businesses and the professions to build inclusive environments and expand opportunities for women in business.



2007 INDICATORS

Employee Engagement Survey

According to the Sodexo Employee Engagement Survey conducted in 2005-2006, **79%** of the employees questioned thought that they were valued for the diversity they brought to the workplace in terms of their age, gender or background.

(see "Key data" p.40)

Employee diversity

Sodexo employes people representing **132** nationalities in **80** countries.



COMMITMENT TO DIVERSITY AND INCLUSION

→ **We expect all of our employees to understand the importance we attach to diversity and inclusion.**

Belgium

Following the signature in 2005 of the **Diversity Charter** sponsored by the Ministry of the Economy and Employment, an action plan was implemented. This included the establishment of a taskforce and monitoring committee, the development of a progress measurement tool, the preparation of targeted marketing offerings, preparatory studies for an anti-discrimination training program and encouragement for line managers to hire disadvantaged people. **A video clip on the theme of diversity** was shown to all staff and posted on the corporate intranet. This commitment to equal opportunity, diversity and inclusion was rewarded by "**Equality Diversity Label**" accreditation from the federal government in March 2007.

United States

- **The Diversity Leadership Council** sets the strategy and direction. At the local level, five employee network groups and diversity councils within each market segment bring the strategy to life.
- **The "Champions of Diversity Recognition Program"** recognizes and celebrates employees and teams who demonstrate an outstanding daily commitment to diversity and inclusion (see also p.31).
- All managers attend a one-day **Spirit of Diversity** training program that raises awareness and helps to create a more inclusive environment.
- **Over 7,000 managers** have attended the many **learning labs** offered, including Micro-inequities, Generations in the Workplace, Bringing Your Whole Self to Work, Bridging the Gender Gap, Cross Cultural Communications and Disabilities.

United Kingdom and Ireland

Management has launched a Diversity Action Plan for the period to 2010. The plan includes the formation of a **Diversity Council**, with representatives from operational and support activities. **A Diversity and Equality survey** has been conducted among Sodexo e-mail users in the United Kingdom and Ireland. Results from this survey will form the basis for an ambitious and detailed action plan.



meet...



“ Sodexo had faith in me. I am proud to have broken through in a man's world and to have earned the respect of my colleagues and clients, thanks to the advice and support of my sponsors in local industry and my bosses. I am very enthusiastic about my work. As part of the Remote Sites team, I get to go to some of the most beautiful places on our planet. If you asked me for one piece of advice, I would just say this: Most limits on what you can do are in your own head. Never stop challenging them and you will discover Sodexo and the world are open to you. ”

Marit Teigland, Vice President, Gulf of Mexico, Remote Sites Sodexo.

→ **A hands-on individual, Marit Teigland embodies the true spirit of Sodexo.** Involved, committed, she leverages life's opportunities and turns them into successful endeavors. Marit began her career in 1997 as a Managing Director, when she was recruited to set up a new remote site entity in Norway. She spent her first six months prospecting in the oil and gas community. In August 1998, the team was awarded the first contract at three ExxonMobil offshore platforms. Marit continued growing the business and within two years, it was delivering revenue of 40 million euros, with 600 employees on 20 sites offshore in Norway. After taking charge of business development in the Asia-Pacific region in 2005, Marit was appointed to head up Remote Sites operations in the Gulf of Mexico, giving her a seat on the entity's Executive Committee.

PROMOTING CULTURAL DIVERSITY

→ **Throughout the world, Sodexo promotes the integration of employees from a wide variety of cultures and backgrounds, both within the company and in society.**



First row: Lesley, Gary Mickler, Ryan Clifton, Mick
Second row: Rachael, Lee (instructor), Jodie, Brenda, Stacey, Eric, David, Jim (instructor), Vienne, Jacinta.

Australia

Sodexo, which operates a **nationwide Indigenous Employment Strategy**, has combined with the Bengala Corporation community organization to hire and train indigenous people in the Remote Sites activity in South Australia.

Netherlands

A pilot project is being run to facilitate the **integration of foreign employees**. The program includes language and cultural awareness training.

Singapore

Sodexo hired its first **Filipino interns** in March 2006. Clients and site managers alike were so impressed by the quality of their work that Sodexo will run a second program in November 2007, and plans to extend the program to nationals of other neighboring countries such as Bangladesh, India, Nepal and Pakistan. Sodexo provides these interns with six months of training and experience which they can take back to their home country.

ADVANCING EQUAL OPPORTUNITY

→ **Sodexo operates a wide range of initiatives designed to reinforce equality for all employees.**

Australia

In 2007, Sodexo set up a **Women in Leadership Mentoring Program** which offers future female leaders a **personal development plan** under the mentorship of a specially-trained female manager. Kim Moore, a Quality and Environmental Protection Coordinator, is a participant in the program, which she says will *"help me develop my skills so I don't miss out on future opportunities"*. She appreciates *"being mentored by a female Executive Committee member, with whom I can exchange and share experiences. It's a great idea!"*

Spain

Surt, a non-profit organization dedicated to **achieving inclusion for women via employment**, has joined forces with Sodexo to open the company's doors to women who are disadvantaged in the job market because of their age, background or personal circumstances. Surt assesses their skills and helps them find employment, while Sodexo offers classes and hands-on training that lead to job opportunities.

→ **Sodexo is also committed to a balanced generational mix.**

Argentina

Sodexo has developed **"Youth Together"**, a **training program** to promote employment among underprivileged young people. The employee who acts as the primary contact for new joiners under the program receives diversity training, while other employees can volunteer to attend diversity awareness sessions.

Belgium

A **taskforce** comprising front-line staff, trade union representatives and a member of the Human Resources management team is looking at the issue of **senior workers**, as the first step in developing a long-term approach. The next step will be to agree on an action plan and communication strategy.

→ **Improving the quality of life for people with disabilities means, first and foremost, creating an inclusive environment that accommodates their unique needs.**

France

"Making room for everyone, whatever their abilities": this was the theme that underpinned a **disability agreement** signed by Sodexo and trade unions, and approved by the Ministry of Employment. By committing to hiring 200 employees, 50 apprentices and 150 interns with disabilities by 2009, Sodexo has signaled its intent to double the proportion of disabled workers it employs. A disability awareness video has been shown to all managers and posted for everyone to access on the intranet. In the first week the video was on line, 550 employees logged on and a network of 70 volunteers was established.

Italy

For the last twelve years, Sodexo has been working with institutions and non-profit organizations to help **integrate disabled people** into society. Over 200 people with disabilities now work for the company. In Fiscal 2007, Sodexo offered 120 internships and hired 30 people with disabilities.



meet...



“Disabled people must be able to work, do sports and gain their place in society. We are just like you: we exist, we are alive, we can be happy or sad... All we ask is some special attention to help us appreciate our own worth.”

Guilherme Rocha Leite, Affiliates Administrative Support,
Sodexo Service Vouchers and Cards, Brazil.

→ **Guilherme joined Sodexo’s Legal Department six years ago, at the age of 16.** Early in 2002, a serious diving accident left him quadriplegic. The next two years were full of anxiety and uncertainty for Guilherme and his family while he followed physical therapy to recover. Sodexo found him a job in the Affiliates department, supported him through his treatment and encouraged him to develop his skills. Now aged 22, Guilherme is completing his final year in Social Communication, specializing in advertising. He is living testimony to the need to improve the quality of life of people with disabilities and to provide an inclusive environment that accommodates their individual needs.

In Brazil, Sodexo has since 2005 been running a dedicated program for people with special needs: *PNE (Pessoas com Necessidades Especiais)*.

→ **Sodexo is committed to helping the disadvantaged reintegrate into society. We operate a wide range of initiatives to help the long-term unemployed and the underprivileged, along with offender resettlement programs.**

Colombia

In partnership with the National Apprenticeship Service (SENA), Sodexo has since 2004 been operating a **tutorial program** in food and cleaning services. Over 400 students have already benefited from this program, which involves 60 participating sites country-wide. The purpose of the initiative: promote the integration of the most underprivileged into the work world by offering them long-term employment, irrespective of age or background.

France

As part of its partnership with the *Restaurants du Cœur* charity, Sodexo has hired 30 long-term unemployed people. Our SIGES subsidiary, which manages prisons, has helped 90 inmates to find jobs. It has set up 20 vocational training networks (catering, painting/decorating, plumbing, building trades, etc.) and provided training to 1,200 inmates – 300 of whom have obtained a vocational training certificate.

Morocco

Sodexo has entered into a partnership with INSAF, an association for single mothers, to train women as cooks. Mansour Kaoutar, hired on completion of her training program, says that *“Joining Sodexo is a great opportunity. I’ve learned a lot about cooking and I’m very happy with the work I do. My job also gives me the time to look after my child.”*



RECOGNITION FOR OUR EFFORTS: 2006-2007

• Belgium

Sodexo was awarded the “**Equality Diversity**” label by the Federal Ministries of Employment and Equality of Opportunity.

• Canada

- For the third time, Sodexo was awarded **Gold Achievement Level status** in the **PAR** (Progressive Aboriginal Relations) program by the **Canadian Council for Aboriginal Business**, in recognition of its 20 year commitment to aboriginal communities.

- At its 6th annual gala the **Quebec Business Women’s Network** gave Marie Line Beauchamp, Vice President of Operations, the prize for **Quebec Business Woman of 2006** in the private corporations managerial/professional category.

• France

At the “**2006 Corporate Diversity Awards**”, Sodexo took the **Innovation Award** for its commitment to promoting diversity among its employees.

The award was presented by the Minister responsible for the Promotion of Equality of Opportunity at the closing ceremony of the “**Diversity Tour de France**”. Launched in October 2006 and visiting 18 cities, this roadshow was designed to raise corporate awareness of diversity issues and illustrate the benefits of diversity via case studies and best practices.

• United States

- Sodexo is listed by :

- **the Human Rights Campaign** (HRC) in the 2008 *Corporate Equality and Best Places to Work* index, with a maximum score of 100;
- **Profiles in Diversity Journal** in the *Top 10 2007 Innovations in Diversity Award*;
- **DiversityInc** (for the third time) as one of the 50 companies most involved in promoting diversity;
- **Latina Style Magazine** (for the fifth time) as one of the top 50 companies offering genuine career opportunities for Hispanics and by *Hispanic Business Magazine* as one of the top 60 companies for commitment to the Hispanic community;
- **Hispanic Trends** as a group that encourages diversity among vendors;
- **Black Enterprise Magazine** as one of the top 15 companies in terms of diversity for its employees;
- **Asian Enterprises Magazine** (for the third consecutive year) in the Top 20 companies with the greatest commitment to the Asian-American community;
- **Working Mother Media** in the Top 20 companies supporting multiculturalism for women.

- **ERE Media, Inc.** gave Sodexo its “**Best Diversity Recruitment Program**” award, in recognition of management commitment to diversity initiatives; the innovative nature of the company’s strategy, tools and techniques; and the results delivered by the program.



Jean Paul Gagné, Editor-in-chief of the *Les Affaires (Business)* magazine with Marie Line Beauchamp, during the award ceremony of *Femmes d'affaires du Québec 2006* (Quebec Business Women, 2006).

EVOLVING careers



“SINCE SODEXO WAS FOUNDED, IT HAS PROVIDED A SPRINGBOARD FOR PERSONAL GROWTH. INTERNAL PROMOTION IS ALWAYS FAVORED WHEN A SUITABLE CANDIDATE CAN BE FOUND. EACH EMPLOYEE HAS THE OPPORTUNITY TO ACQUIRE NEW SKILLS AND RESPONSIBILITIES AND ACHIEVE PERSONAL GROWTH, IRRESPECTIVE OF THEIR LEVEL IN THE ORGANIZATION, THEIR QUALIFICATIONS ON JOINING THE COMPANY, THEIR WORKPLACE, OR THEIR ORIGIN. SATISFYING OUR EMPLOYEES' EXPECTATIONS IS ONE OF OUR MAIN AIMS.”

Christian Lurson, Human Resources Director
Sodexo Food and Facilities Management services, France.

2007 INDICATOR

Internal promotion in figures

In fiscal year 2007, with strong organic growth requiring substantial resources, **20%** of site manager posts were filled by promotion from non-managerial grades and **28%** of managerial posts were filled by promotion from site manager or equivalent jobs. (Scope = 100% of Group employees as of August 31, 2007 for France and as of July 31, 2007 for the other countries.)

In France, internal candidates were appointed for:

- **100%** of Regional Director positions;
- **80%** of Sales Manager and **67%** of District Manager positions.

meet...



“As soon as I joined the company in 2001, my manager showed that he had confidence in me. He gave me the opportunity to learn new skills and take on new responsibilities. Thanks to him, I was able to follow a number of the personal development programs offered by Sodexo. The motivation I drew from this support and from the recognition for my efforts, helped me to rise rapidly through the ranks to District Manager in just six years.”

Ralph Schubjé, Food and Facilities Management services, Germany.

→ **Ralph Schubjé's career path** is testimony to his talent, motivation and dedication. Starting as a chef on a site managed by Sodexo, he perfected his skills at the Sodexo Cookery School and became head chef at a PricewaterhouseCoopers (PwC) site in Frankfurt. After following the Manager Development Program, he was promoted to manager of the site, and then of all the region's PwC sites. In 2007, he was appointed District Manager.

MAKING OPPORTUNITIES KNOWN

- **Job vacancies are advertised on internal notice-boards, by e-mail, or on intranet and internet sites at the Group or subsidiary level.**

International

In 2007, the Remote Sites activity launched “Your Move”, a worldwide job vacancy bulletin. Designed to encourage the mobility that is such a vital part of the Remote Sites activity, this monthly bulletin is sent to country and human resources directors and posted on the corporate intranet.



United States

Weekly job vacancy advertisements and the recruitment process are managed by an on-line **Career Center**, accessible via the corporate intranet. Vacancies are posted on the intranet every week. Employees can set up a search engine facility that sends them an alert message whenever a vacancy arises that fits their profile. They can also post their résumé on-line. All recruitment procedures and policies can also be accessed on the Career Center site.



BUILDING CAREER PATHS

- **Internal promotion is a big motivator, driving growth and binding the Sodexo community together. Spotting talent and delivering customized training programs are key factors in effective internal promotion.**

France

Sodexo offers four vocational training programs: “Become a Foodservices Technician”, “Become a Qualified Foodservices Operative”, “Become a Chef” and “Become a Site Manager”. This year, nearly 500 people signed up for these programs. Employees who complete these courses obtain the *Certificat de Qualification Professionnelle* (CQP), an industry-recognized vocational diploma. Sodexo Formation,



the in-house training arm, is the only body in the Foodservices sector accredited to provide these courses.

Claudine Hale (Sodexo tutor) and Thierry Jupiter (the cook receiving his diploma).

Netherlands

The **Career Aspiration Registration System program**, launched in 2004, covers staff from Site Manager to Regional Manager level and lists their career aspirations. Their responses to a questionnaire are analyzed and discussed with the Human Resources manager in order to confirm their self-

assessment and the fit between their skill set and aspirations. If necessary, a personal action plan is then developed. The first year of the program proved a success in identifying and promoting the best candidates to vacant positions and in reinforcing their motivation – and the success was repeated in 2006.

Peru

The local subsidiary has inaugurated a “**Development Passport**”, backed by training plans to encourage employees who wish to add new skills or assume new responsibilities. All participants in the program must commit to attending all phases required for the job they want, for which they will then be a preferred candidate. This commitment to internal promotion is borne out by the statistics: all 85 job vacancies that arose between May 2006 and May 2007 were filled internally.

United States

The “**Spirit of Mentoring**” strategic initiative offers all employees the chance to choose from a vast range of formal or informal experience-based programs to develop their skills, while benefiting from the experience of a mentor.

SUPPORT FOR CONTINUING EDUCATION

- Each employee can expand his or her skills by following a continuing education program. Sodexo actively researches and develops partnerships with a variety of schools, colleges and universities.

Australia

In partnership with the William Angliss Institute of Technology, Sodexo has devised a **Business Leadership course** to develop employees' management and communication skills. Fifty site managers, 26 of whom are women, have already graduated from the one-year program, received a nationally-recognized diploma and have been promoted to Operations Manager positions. **Darren Lacey was glad of the opportunity:** *"Learning to communicate and manage a team gave me the skills I needed to move ahead"*. Sixty employees have already enrolled for the next course.

Canada

Sodexo has awarded grants to five young people under the auspices of the **Foundation for the Advancement of Aboriginal Youth**. Formed by the Canadian Council for Aboriginal Business, the Foundation encourages young people to stay in higher education by showing them that they can overcome their difficulties. These grants are part of the measures taken by Sodexo to support the Progressive Aboriginal Relations Program (PAR), a long-term development strategy for aboriginal communities developed by the Canadian Council for Aboriginal Business (see also page 11).



Mexico

Seventy-nine percent of young people fail to complete their secondary education and only 11% move on to higher education. To bridge the economic and social gap created by educational underachievement, Sodexo is developing **two adult learning programs** approved by the Ministry of Education. Since February 2006, Sodexo employees have been able to participate a one-year educational program leading to a National Elementary Studies Certificate. Around fifteen employees have already obtained their certificate. Buoyed by this success, the local subsidiary has launched a secondary education program: 30 employees have been selected for the 18-month course and the class of 2009.



AWARDS: FISCAL YEAR 2007

• France

In the first-ever **National Vocational Training Rights Trophy**, awarded by the **Demos group** – one of Europe's leading continuing education organizations – Sodexo took the **Silver Trophy**. The recognition is awarded to companies that offer the most support to the training rights program and provide the greatest number of their employees with access to training and career development opportunities. A total of 2,000 Sodexo employees received training under the program in 2006 and the number is set to double to 4,000 in 2007.

• Germany

Sodexo was ranked in the Top 10 Employers for 2007 based on a survey conducted by the **Geva Institute** on human resources management strategy and on workplace organization and conditions.

• United States

- Sodexo received a **"Best Management Company Program/Concept"** award by *Food Management Magazine* for "Circle of Customer Excellence" (COCE), a staff training program that improves service quality, increases revenue, and enhances consumer satisfaction: the satisfaction index among students at colleges where the program has been introduced rose by over 15%.
- **International Quality and Productivity Center**, an international executive training company, awarded Sodexo the **"Best Recruitment Program"** prize for the excellence of its managerial practices in four areas: problem-solving, innovation, brand power and return on investment.

LISTENING AND dialogue



“ BECAUSE RESPECT IS FUNDAMENTAL TO OUR QUALITY OF LIFE MISSION, WE ATTACH THE HIGHEST IMPORTANCE TO THE DIGNITY OF THE INDIVIDUAL. LIFE AT SODEXO WOULD BE INCONCEIVABLE WITHOUT MUTUAL TRUST, RESPECT AND TRANSPARENCY. THIS IS WHY TRUST, RESPECT FOR PEOPLE AND TRANSPARENCY ARE INSCRIBED IN OUR ETHICAL PRINCIPLES.”

Andrew Patrick, Human Resources Director,
Sodexo Food and Facilities Management services, Europe.

MEASURING EMPLOYEE ENGAGEMENT

Every two years, Sodexo carries out an opinion survey among its employees to measure their level of satisfaction and engagement. Employees are invited to express their opinions about a range of issues, including the Group's senior management and their own line manager; their job, salary and work-life balance; recognition of their achievements; opportunities for personal development; and diversity. The results of the survey are analyzed in order to identify priority areas for progress and to implement appropriate action plans.

This **Sodexo Engagement Survey** covers all our activities and the latest was conducted in two waves (October 2005 and April 2006) in 35 countries, representing 87% of our employees. Eventually, it will be extended to cover all our employees. (See "Key Data" p.40)

The results are shared with our employees and action plans are implemented to improve the level of employee engagement.

In Australia and New Zealand, over 150 employees got together in study groups to discuss the best ways to improve employee engagement. Their proposals were built into an action plan.

In Belgium, the BEST (Best Employer for the Sodexo Teams) project is a rolling three-year program focused on a series of progress points. Ten briefing sessions have already been held at which Michel Croisé (Chief Executive) and Guy Callebaut (Human Resources Director) explained the project and answered questions from nearly 1,200 employees. A survey conducted in May 2007 showed that 79% of employees were either satisfied or very satisfied with this action plan.



meet...



“The Sodexo Employee Engagement Survey gives us an opportunity to assess the impact of our policies and practices and then to institute an action plan to improve the Quality of Life of our people. We used e-mails, meetings and notice-boards to urge our employees to reply to the survey on the intranet. And we persuaded 88% of them to do so! Our managers committed to presenting the results for their district in person and I myself took part in all these meetings. Further meetings were held to discuss progress points and action plans, one focus being the integration of employees from Ticket Total, a company recently acquired by Sodexo. We will also conduct a local survey to ensure that once the merger has been completed, our new colleagues understand and can adhere to our core values. And we will continue to seek out and adapt best practices, to improve the Quality of Life of everyone.”

Gustavo Pistone, Chief Executive – Service Vouchers and Cards, Argentina.

UNDERSTANDING ASPIRATIONS

→ **Recruitment, job transfers and internal promotion call for ongoing dialogue. The better we are at identifying our employees expectations, the better we meet can them with opportunities within the Group.**



France

Sodexo supports its employees who are military reservists so that they can honor their commitments to the armed forces during work time. Remote Sites Sodexo has signed a **Corporate Defense Partnership Agreement** with the Ministry of Defense thus demonstrating our adherence to government policy on reservists.

Netherlands

At the end of 2006, Sodexo successfully tendered for a Food and Facilities Management contract with KLM, covering the airline's 90 buildings in the vicinity of Schiphol. With 255 staff directly affected by this outsourcing contract, human resource issues were a major concern for KLM. Sodexo's experience in personnel transfer and management was a key success factor and a bipartite project group ensured a smooth transition. A personal development plan was prepared for each KLM employee joining Sodexo, based on a briefing/interview with a member of our Human Resources team.

LISTENING TO CONCERNS

→ **At Sodexo, we are expanding opportunities to listen to our employees. Their views and ideas are building blocks, helping to construct a progress oriented-business. Their complaints are handled fairly and with respect.**

Argentina

A “**suggestions box**” has been set up on our subsidiary’s intranet. Employees can use it to share their thoughts with the Human Resources team or just to have their say – even anonymously.

Morocco

In 2006, Sodexo set up an e-mail address for employees to send the Human Resources department complaints, suggestions, or requests for a transfer to another job, site or city. The Human Resources team

also holds “open house” sessions for two hours every day so that staff can discuss any problems.

Spain

The local subsidiary has set up a code of conduct and procedures to combat violence in the workplace. All employees can access a helpline and get assistance from trained counselors with authority to take any necessary measures.

United States

A comprehensive system is in place to ensure all employees are treated fairly and with respect. Part of this system is Sodexo’s **Office of Employment Rights**, which opened in 2003 and has authority to handle complaints from eligible employees relating to discrimination, harassment and/or retaliation in the workplace.

COMMUNICATING WITH EACH OTHER

→ **We believe in communicating with each other and breaking down barriers. We encourage our people to meet and interact in a spirit of openness.**

International

Many subsidiaries ask newly-hired managers to prepare a “**fresh eyes**” report when they complete their induction program.

In **Russia**, for instance, the Training and Development Manager meets all new managers after two months to hear what they think about the integration process and better understand their aspirations. This fresh look at the business is a valuable source of information for management.

Mexico

Sodexo Service Vouchers and Cards has organized **monthly meetings over breakfast** aimed at stimulating communication between staff and management. Around fifteen employees discuss their opinions and suggestions and areas of concern and satisfaction.

Any decision taken at these meetings is communicated to all employees and implementation is monitored so as to further strengthen the climate of trust.

North America

Two initiatives illustrate management’s commitment to dialogue.

- “**Open Forums**” for all managers are held approximately eight times a year by the Chief Executive Officer in major metropolitan areas. A presentation of the company’s performance is immediately followed by an open Q&A session, which is then posted on the intranet.

- The “**Annual Management Conference**”, at which the CEO reviews progress made during the year and sets objectives for the following year, also provides Senior management with an opportunity to exchange views and network.



DIALOGUE WITH EMPLOYEE REPRESENTATIVES

- **We also carry on constructive, fruitful dialogue with employee representatives, in accordance with the relevant legislation in each country. From the outset, Sodexo has always recognized and respected trade union rights.**

Argentina

During 2007, management forged closer ties with the country's principal trade unions.

A manager was appointed to take charge of trade union relations and labor law issues. This initiative was warmly welcomed by site managers, who can now obtain specialist advice to prevent and settle disputes and receive appropriate training.

For its part, the Human Resources department has instituted **a new procedure** to make it easier for employees to have their questions answered.

Belgium

The round table principle has been adopted at our main sites. Staff representatives and local management meet regularly to discuss issues relating to site operations. If necessary, permanent union representatives and Human Resources team members may also attend these round table sessions.



Europe

Established in 1998, the European Works Council was extended in 2004 and again in 2007 to the new European Union member states; it now includes 25 representatives from countries in which Sodexo has operations. Meetings of the Council and of its officers have provided a forum for responding to questions raised by employee representatives about Sodexo's results and future prospects, and for the joint development of a performance report covering issues related to employment, safety at work and gender equality. This year, attention was focused on Sodexo's key action plans for reinforcing workplace health and safety and also on corporate citizenship initiatives such as the international "STOP Hunger" program.

United States

In North America, Sodexo respects the right of employees to join or not join a union as they so choose and has positive relationships with a number of unions.

Over 300 collective bargaining agreements have been signed with **35 unions**. Sodexo continues to negotiate contracts in good faith with labor unions and has a long-standing record of continuing operations without work stoppages.

Constructive dialogues with unions, who have raised issues with the company, have been beneficial in strengthening relationships with unions and enabling the company to work constructively to resolve outstanding issues. In 2006, Sodexo received no complaints or adverse findings against the company from the NLRB (National Labor Relations Board).

SAFETY AND wellness



“BY PROMOTING A FULFILLING PROFESSIONAL LIFE, WE IMPROVE THE QUALITY OF DAILY LIFE OF OUR EMPLOYEES. WE STRIVE NOT ONLY TO PROVIDE OUR EMPLOYEES WITH A SAFE AND PLEASANT WORKING ENVIRONMENT, BUT ALSO TO IMPROVE THEIR LIVES AND ACHIEVE A HEALTHY WORK-LIFE BALANCE.”

Laurence Martin-Armangau, Vice President Human Resources, Sodexo Food and Facilities Management services, Continental Europe.

THE EUROPEAN WORKS COUNCIL STUDY GROUP

Chaired by Sodexo's Chief Executive Officer for Europe, the European Works Council consists of representatives from European Union and European Economic Area countries. The Council has set up a **study group** tasked with analyzing the principal causes of workplace accidents and, by drawing on best practice from our operations across the world, recommending action to **improve safety at work** by reducing the frequency and seriousness of accidents.

2007 INDICATORS

Retention Rate

The retention rate for fiscal 2007 across all categories of employees was **64.2%**, unchanged from the previous fiscal year.

Employee Engagement Survey

According to the Sodexo Employee Engagement Survey⁽¹⁾ conducted in October 2005 and April 2006 in the Food and Facilities Management services activity, **87%** of the employees questioned said that they enjoyed their day-to-day work, **85%** felt that they were fulfilled in their job and **77%** believed they had a healthy work-life balance.

(1) See "Key Data", p.40

I truly enjoy my day to day work.



I get a sense of accomplishment from my work.



The balance between my work and personal commitment is right for me.



■ Strongly disagree, disagree, slightly disagree

■ Slightly agree, agree, strongly agree

meet...



After an 18% expansion in 2006, we now have a team of around 80 Health Safety and Environment managers, coordinators and health advisers implementing our Health & Safety at work policy in the 36 countries where we have Remote Sites operations. Implementing an Annual Improvement Plan in each country and unit has helped to clarify our priorities in prevention and training and to achieve better results: in 2006, the number of hours worked rose by 14% while the frequency of workplace accidents fell to 1 per million hours worked. With a fleet of approximately 930 vehicles, road safety is also an issue, and we focused on accident prevention and the introduction of performance indicators. Our reference manuals and shared audit standards in food hygiene and workplace safety reflect our exacting approach in these areas, which are of fundamental importance to our clients as well as to our own people.

Pierre-Edouard Raskin, Quality, Health, Safety & Environment, (QHSE) Director
Sodexo Remote Sites.

ENSURING SAFETY AT WORK

→ **Everywhere we operate, we focus on risk prevention, to ensure that all our employees are safe in their workplace.**

Australia

A "Think Safety" booklet has been given to all employees. The booklet, which includes a risk matrix and a list of potential hazards, aims to make staff even more vigilant regarding risks inherent in their work. The subsidiary also awards a "Safety Sleuth" prize to employees who introduce innovations or procedures that improve on-site safety.

Continental Europe

In Spain, online health and safety training has been introduced so that employees can learn without leaving the workplace. 70% of employees have already completed the program. In addition, all site managers have completed a customized training course.

In France, a dedicated Safety section has been added to the subsidiary's intranet, opening up access to materials such as procedures, targets and enrollment details for around a dozen training programs for front-line staff.

To prevent workplace accidents, the Netherlands have produced a "Movement and Health" CD-ROM in association with VeNeCa, the national federation of Foodservices companies. Each quality manager is responsible for explaining the CD-ROM to his/her site managers.

Latin America

In Colombia, the "Safe Steps" program has been developed to reduce risks at Foodservices sites. The 2005-2006 campaign, conducted at 15 principal sites, included a series of activities intended to remind staff of safety standards, identify the most hazardous areas emphasize the importance of prevention.

In Peru, all staff receive risk management and environmental protection training. In the mining segment of the Remote Sites activity, the Safe Start system targets the types of behavior that cause 80% of accidents and is due to be rolled out to other segments.

United Kingdom and Ireland

From October 2006 to April 2007, 900 Sodexo employees received **training in safety, food hygiene and first aid**. Sodexo students were awarded two of the three highest marks in the Royal Institute of Public Health examinations.

United States

- The subsidiary is addressing workplace safety through a comprehensive package including **training, motivation and audits**.
- An annual food hygiene and physical safety audit is conducted for each client. Sites achieving a 100% score on compliance with HACCP (Hazard Analysis and Critical Control Points) standards receive a **Gold Award**.



Health and safety delegates (Sodexo United Kingdom and Ireland).

CULTIVATING HEALTHY LIFESTYLES

- **A major Foodservices player committed to combating malnutrition, Sodexo takes a range of initiatives to encourage its employees to stay fit by adopting a balanced diet and a healthy lifestyle.**

Australia

The Remote Sites activity has initiated a “**Health and Wellness**” program covering all sites in the country. The program features the “Walk Challenge”, open to all staff. After a basic check-up and a calculation of their body mass index, they are given a free pedometer by Sodexo and encouraged to log how far they walk every day, both at work and at home. Each site prepares a weekly report for its Wellness Coordinator; prizes are awarded for the best individual and collective performances. The coordinators’ report on the health benefits of the distances walked is published in the national in-house magazine.

Mexico

In 2006, the subsidiary organized its first **Health Day**. Employees and their families were invited to have free consultations with an ophthalmologist, a dentist and a nutritionist. The day was a resounding success and will be repeated every year.

Singapore

A Singapore Sports Council membership card has been issued to all employees to encourage them to undertake physical exercise. The card gives them access on special terms to around fifteen gyms and fitness centers on the island.

Sweden



As part of the “**Feel good in Sodexo**” program launched in 2003, a “Feel Good” sheet was handed out at all meetings held in fiscal year 2007. Attendees were asked to reply to three questions: “*What can I, my team and the company do to help me feel good?*” The aim: identify factors that affect health at work

and implement action plans to make our employees feel better and to foster better interpersonal relationships. Judging by the rate of absenteeism through sickness, which fell by nearly 50% between 2003 and January 2007, the “Feel good in Sodexo” program is working.

PROMOTING WORK-LIFE BALANCE

- Where work patterns allow, many Group subsidiaries have arrangements for flexible or reduced working hours, home-working and special leaves of absence. Employees are also offered services to help them achieve a healthy work-life balance.

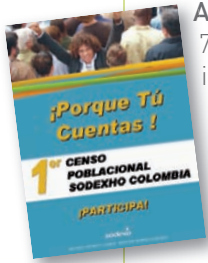
Canada

A pilot work-life balance program was rolled out in the summer of 2007, offering staff the possibility of taking time out to look after their families or assume other personal responsibilities.

Colombia

A survey of the subsidiary's 7,600 employees was launched in 2007 under the **Wellness Plan**. Known locally as *Por que tu cuentas* (Because you matter), the survey was designed to identify the social and economic profile of employees so as to gain a **better understanding of their expectations**.

The 2007-2009 "Wellness Plan" will be adapted to reflect the survey's findings, helping to improve everyone's Quality of Life.



United Kingdom

The "Flexible Benefits" program covers a range of employees, from executives to site managers and administrative staff. Under the program, employees can choose from a range of benefits including paid leave, various levels of healthcare insurance and travel insurance. Support is provided via a 24-hour helpline. The program means that employees can choose the benefits package that works for them and has proven very popular. **The home-working and distance-working policy** is also extremely popular because it substantially reduces the time spent commuting between home, the workplace and client premises. Employees are offered a range of out-of-office tools, from a basic internet connection to full systems installations for employees intending to work from home over the long term.

United States

Wherever possible, the company favors **innovation and flexibility at work** in order to create a non-discriminatory environment and to attract and retain staff. The "Work Life Effectiveness Taskforce" focuses on policies and programs designed to improve Quality of Life in the workplace. The 26 members of the Steering Committee concentrate their efforts on flexible working, advice and support for employees' dependents, discounts on nursery and child-care fees, promoting an active senior population, wellness and online training on a variety of topics such as stress management.



AWARDS IN FISCAL 2007

• Ireland

Sodexo obtained the **Excellence Through People** award, a national human resources management standard designed to raise performance levels in companies and organizations.

• New Caledonia

Sodexo was associated with the performance achieved at the Goro Nickel mining site, which achieved 1 million working hours with no accidents.



WORKING WITH OUR EMPLOYEES TO BUILD A PROGRESS ORIENTED-BUSINESS

AN EXPERTISE-DRIVEN BUSINESS	24
A HIGH-PERFORMING BUSINESS	29
AN INTERACTIVE BUSINESS	32
THE BUSINESS OF TOMORROW	35



AN EXPERTISE-DRIVEN business



“SODEXO TAKES A SEGMENTED APPROACH TO ITS ACTIVITIES IN ORDER TO BE A RECOGNIZED SPECIALIST IN THE WORLD OF EDUCATION, CORPORATE LIFE, HEALTH CARE, DEFENSE AND REMOTE SITES ON LAND AND AT SEA. BUT OUR UNDERSTANDING OF THESE MARKETS WOULD COUNT FOR NOTHING WITHOUT THE EXPERTISE AND SHARED VALUES OF OUR EMPLOYEES, WHO POOL THEIR TALENTS AND SKILLS TO IMPROVE THE QUALITY OF DAILY LIFE.”

Aaron Condray, Vice President Human Resources, Sodexo Food and Facilities Management services, Remote Sites and Asia-Australia.

SODEXO WORLD

This Sodexo Management Institute program is aimed at recently-promoted or newly-hired managers from all countries and all activities. Participants gain an in-depth knowledge of Sodexo and share the corporate culture and values.

There is also the opportunity to learn from the experience of one of Sodexo's key executives: each day, a "Star Witness" speaks about the Group's strategy, shared challenges and policies. A highlight of the program is an extended Q&A session with Sodexo Founder and Chairman, Pierre Bellon.

FUNDAMENTALLY SODEXO

Developed in partnership with the University of Chicago Graduate School of Business, the "Fundamentally Sodexo" program is targeted to Group executives who need to adapt their management skills to a fast-changing environment. Focused on strategy, policies and procedures, on skills development tools and on building the ability to anticipate, the program helps participants translate Sodexo's ambition, strategy, policy and core principles them into action. Each session of 50 trainees is mentored by members of the Group's Executive Committee or Operating Committee, who support participants throughout the program. "Fundamentally Sodexo" was launched in April 2006.



meet...

BP & SODEXO (Indonesia) - Tangguh Papua On-shore Camp

“We at BP were particularly impressed by Sodexo's commitment to bring this project in on time, on budget and to the required quality standards. Sodexo exceeded our expectations and proved an exemplary partner that I would have no hesitation in recommending.”

Andrew J. Vincent, Drilling Team Consultant, BP Indonesia, Jakarta Tangguh LNG Development Project.

→ **Establishing the Tangguh Papua base camp in the heart of the jungle** to service its offshore drilling operations presented BP with a real challenge. The company needed a partner capable of delivering a full-service solution, subject to tight cost controls, stringent Health Safety and Environment standards and non-negotiable lead-times. BP turned to Sodexo, a long-established and highly professional partner. The Tangguh Papua camp was delivered four weeks early and in full compliance with the required standards, thanks to the expertise and dedication of the Sodexo teams. The camp now provides the services needed for more than 150 people in comfort and safety.

OLIVIER ROELLINGER & SODEXO (France)



“Sodexo's commitment to improving the quality of day-to-day meal preparation is an aim I am proud to support. My role is to pass on my know-how to the people from Sodexo. This involves showing them the right way to prepare each dish and how to select the finest ingredients. I am glad that I am helping so many people to enjoy healthy, balanced and appetizing menus.”

Olivier Roellinger, Les Maisons de Bricourt, Cancale, France.

→ **To improve the quality of day-to-day cooking**, Sodexo has forged partnerships with five of France's foremost chefs: Michel Bras, Jacques Chibois, Pierre Gagnaire, Jean-Michel Lorain and Olivier Roellinger, who are developing the talent and skills of our chefs.

SUCCESSFUL INDUCTION

- **In all the countries where we operate, we offer induction programs, introducing new employees to the breadth and diversity of our activities and promoting a shared culture.**



Participants of the "Boarding Pass" program in September 2007.

International

The Service Vouchers and Cards activity has launched "Boarding Pass", a new international induction program for recently-promoted or newly-hired Executive Committee members and head office managers. This program aims to encourage participants to share Group values and to exchange views on organizational and strategic issues and on the future direction of key functions. The first course was held in September 2007 near Paris.

United Kingdom and Ireland

A new two-day program has been developed to round off the **integration of new managers**. Through to the program, new arrivals quickly gain insights into strategy at group and local level and receive a customized induction program.

TRAINING EXPERTS

- **Children in schools, students in universities, adults in the workplace, patients in hospitals, seniors in care residences, inmates in prisons: all call for specialist skills and expertise. We provide specific training to our employees, focused on the needs of each market.**

Australia and New Zealand

To take employees' Facilities Management skills to the highest level, Sodexo has teamed up with FMEdge, a registered training organization, to offer **two diploma courses** (in Business Management and Asset, Property and Facilities Management) with modules specifically adapted to its needs. Assessment tests and training can be done online. These diplomas also open the possibility for degree-level study, providing two years of credits towards the Facilities Management degree course at Deakin University.

Denmark

Sodexo has developed a **three-week tutorial program** to address specific needs in the hospital sector, where **cleaning** and **hygiene** are crucial. All new recruits follow this collective training program, designed to build their professional expertise, help them integrate and avoid the risks inherent in what can be physically demanding work. This program has attracted local authority funding.

International

Culinary education: Sodexo has forged alliances with world-renowned chefs such as Yves Mattagne in Belgium, Alex Atala in Brazil, Suvir Saran in the United States and Alain Ducasse in France. These star chefs transmit their creative flair and passion for good food to Sodexo chefs keen to learn more and to find new inspiration.



The laureates of the *École des Chefs* (Chefs' Academy), join the Managing Directors of Sodexo Belgium's business segments: Michel Croisé (Food and Facilities Management services) and Adrienne Axler (Service Vouchers and Cards), gathering round chef Yves Mattagne.

Spain

The “Consumer Care” program offers employees training on appropriate behavior towards customers while also giving them deeper insight into Sodexo itself.

Turkey

Sodexo has teamed up with Bosphorus University to develop a **course in Food and Facilities Management services**. Site managers can also expand their skill sets by taking courses in communication, team management, health and safety, environmental responsibility or brand awareness.

United States

The Sodexo University provides employees with a vast range of training options to develop their competencies. Topics issued range from the specialized (such as the Retail Management School) to broader areas such as client retention, selling or inter-personal skills. The “Action Learning” program and partnerships with universities provide employees with the opportunity to earn diplomas. Sodexo has also extended its training capability by developing **online programs**. During fiscal year 2007, 19,800 online training modules were provided, on subjects including personnel management, equal opportunities and the prevention of workplace harassment.



CHINA

An ambitious training and development program

In January 2006, Sodexo in China launched a **Management Academy** with the aim of strengthening local management and facilitating career progression. The team has now established its priorities and moved into the implementation phase.

- A “Business Essentials” program is being introduced and the “Clients”, “Finance” and “Hygiene” modules have already been rolled out and attended by 650 trainees. The Human Resources module was finalized at the end of August 2007.
- A communication and leadership program has been initiated to provide stronger managerial skills.
- Logistics and fire safety training is provided to on-site personnel.
- Chefs can express their talent and develop their expertise thanks to exchanges with specialist culinary training organizations.

In each segment, staff can follow specific training modules.



TEACHING OUR KNOW-HOW

→ **Sodexo's renowned know-how makes us a preferred partner of schools, colleges and universities, worldwide.**

France

Partnerships have been forged with around twenty universities, business schools and engineering schools and with forty hotel and catering training institutions. Sodexo attends job fairs, provides training and is involved in examination boards. In 2007, a new partnership agreement was signed with the **Euromed Business School in Marseilles**.

Italy

Sodexo has a number of partnerships with specialist schools and universities. For the last two years, the company has worked with the **University of Milan** Department of Food and Catering Science and Technology to offer a three-month diploma to young graduates who have the profile and skills to become site managers. For ten years, Sodexo has been helping design courses for the **"Carlo Porta" Hotel School** in Milan, providing training at the school and offering internships to students. The Food Science Department at **Federico II University in Naples** has created a specialist diploma in Foodservices, for which Sodexo provides the lectures, practical exercises and work experience.

Morocco

To achieve the aim of **"at least one intern on each site"** and hiring the best, Sodexo has signed partnerships with five hotel and catering schools, the Management and Information Technology School and a vocational training body. The company welcomes around sixty interns during their college courses and hires around thirty as permanent recruits. One of these was trainee chef Hasna Bourhil: *"I learned a lot during my catering training and Sodexo hired me. I'm still learning something new every day."*

United Kingdom and Ireland

Sodexo is one of a select number of employers authorized and funded by the government to award its employees **National Vocational Qualifications** and Modern Apprenticeships in hospitality, management and customer service. The company has already trained over 1,000 employees under these schemes and the retention rate is 10% higher among these employees than among those who have not taken these courses.

A VAST RANGE OF EXPERTISE

Chefs, head-waiter, wine steward, housekeepers, laundry workers, dieticians, ergonomists, nutritionists, landscape gardeners, logistics experts, security guards, mechanics, electronic engineers, heating engineers, environmental consultants, biohygienists, tutors, trainers, demonstrators, IT experts, quality controllers, buyers... all our specialists pool their expertise so that we can deliver, every day, services that improve the Quality of Daily Life.

AWARDS IN FISCAL YEAR 2007



• China

Sodexo received an **"Excellence in Foodservices in China"** award from the Chinese Cuisine Association to mark its 20th anniversary. Sodexo is the only foreign-owned Foodservices company to receive this honor, awarded for its honest and fair business practices, growth in earnings, and its commitment to promoting employment and sustainable development in the local economy since it first started operations in China in 1995.

• Peru

For the third consecutive year, Sodexo was named **"Company of the Year 2006"** (*Empresa Peruana del Año 2006*) in the Services category by a non-profit organization dedicated to promoting entrepreneurial spirit and service quality.

• South Korea

The Sodexo's manager of Jeju Shilla hotel won the **"2007 Hotelier award"** for his commitment to training his staff and for building genuine team spirit.

A HIGH-PERFORMING business

“



EFFECTIVE CAREER MANAGEMENT MEANS HELPING OUR EMPLOYEES ASSESS THEIR PERFORMANCE AND RECOGNIZE THEIR STRENGTHS WHILE ENCOURAGING MEANINGFUL DEVELOPMENT PLANS. REWARDING PERFORMANCE IS ALSO AN IMPORTANT RETENTION DRIVER, ENABLING US TO SERVE OUR CLIENTS AND CUSTOMERS BETTER AND CONTRIBUTE DIRECTLY TO THE SUCCESS OF THE GROUP.”

Peri Bridger, Senior Vice President and Chief Human Resources Officer
Sodexo Food and Facilities Management services, North America.

MANAGING PERFORMANCE

Performance management is integral to Sodexo's human resources policy.

Executive Performance Assessment is an annual process applied in all Sodexo companies. Each manager has an interview with his/her boss using a structured, pre-prepared format. The interview provides an opportunity to discuss the manager's opinions, goals and aspirations covering all aspects of his/her work. These are then taken into account in career planning.

An additional peer review process was introduced for key Group executives in November 2005. The aim: help managers to know themselves better and progress within the company by giving them feedback from their teams and, for functional executives, from their peers. Ultimately, this process will cover a thousand managers.



meet...



“I've been working for Sodexo for three years. The prospect of working on a project like the roll-out of the SAP inventory management was a great motivator. Sodexo had confidence in me, saw that I was a self-starter and gave me a lot of autonomy to do the job. It was a really nice surprise to be awarded the “Value Creation” prize, but it's created responsibilities too: I now feel I need to achieve even better results, not just for myself but for the site managers I work with.”

Agostino Ausilio, Accountant, Sodexo Food and Facilities Management services, Schools Division, Italy.

→ **The Generare Valore** (Value Creation) competition, launched in the Education segment in fiscal year 2005, rewards employees for outstanding initiatives and attitudes that demonstrate our service spirit. Selected by an internal jury, the winners in the “Site Operative”, “Chef”, “Site Manager” and “Administration-Support” categories are presented with their prizes at the Divisional Meeting and are interviewed for our subsidiary's in-house magazine, *Conoscersi*.

ENCOURAGING PERFORMANCE

→ **We operate a broad range of incentive programs in the field, designed to encourage client and customer service performance by individuals and teams.**

Belgium

All employees likely to progress into management posts visit an **Assessment Center** and are provided with a customized career development plan.

France

Assessment Centers have been established in each segment, to identify site managers with the potential to progress to district manager. There are three stages in the process. First, the Regional Director presents a case for the employee identified as having promotion potential. Second, the candidate and the head of Human Resources jointly sign a charter specifying the rights and obligations of the company and the employee. The final phase is selection day: the candidate presents his/her case for promotion to a regional director and a human resources manager and works on a case study. Thirty-six sessions have been held in the last two fiscal years and 95% of the candidates were promoted.

United Kingdom and Ireland

Sodexo has adapted its evaluation process and training program to meet changing needs. Over 900 managers took a **staff assessment course** based on the new process. The subsidiary will also launch training in how to conduct competency-based recruitment interviews.



REWARDING PERFORMANCE

→ **Performance assessment is often accompanied by programs under which the best and brightest are selected by their peers or managers. The winners are officially recognized and are rewarded for setting an example and for creating value for the Group.**

Australia

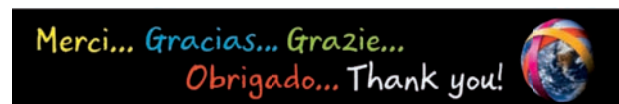
The new “Reward and Recognition” program offers each employee the chance to nominate a colleague for their performance or for their commitment to living our values. Over 200 questionnaires, available on the subsidiary’s intranet, have already been submitted to human resources managers this year. Each nominee receives a gift and a certificate signed by the Chief Executive, who also congratulates each nominee personally either by telephone or during a site visit. Lists of nominees are also published in the in-house magazine.

Kuwait

In Remote Sites, “Employee of the Month” awards are given for staff performances in meal preparation/service and in Facilities Management. Winners get a certificate and a prize and their performances are recognized in the local newsletter.

North America

- The “Diversity Champions” awards honor employees who go the extra mile to promote diversity and inclusion in the service of their clients and customers and the broader community. Every quarter, each division elects their “Champion” – an individual or team whose practices have helped to reinforce diversity within Sodexo.
- Printed or electronic “Kudo Cards” are a smart way for employees to congratulate a colleague for a good job done, or simply to say “thank you”.



United Kingdom

The annual “Star Awards” reward talent, commitment and loyalty in employees whose individual or collective success contributes to the company’s prosperity. In 2006, Star Awards were granted in six categories: “Go for Growth”, “Employee Recognition”, the “Craft Awards” for cooks and the “Special Awards”, which included a “Corporate Responsibility Award”.

CZECH REPUBLIC

“Everyone can be a star”

In 2007, the Service Vouchers and Cards activity initiated the “Allstars” program, with the slogan “Everyone can be a star”. Every employee has the same opportunity to earn a reward. Stars – the symbol of Sodexo – are awarded for performance, attitude, adding value, or creativity. Nominations are made by colleagues or external partners; they are sent to the nominee’s immediate superior by e-mail and approved by the departmental head. As employees collect more stars, their value increases;

they can be exchanged for anything from a T-shirt, a Gift Pass or an Adventure Pass to a weekend in Paris for two. At the company’s annual meeting, the 10 employees with the highest number of stars are guests of honor. The 2,000 stars awarded over the last two years bear witness to the day-to-day performances achieved by Sodexo’s employees in the Czech Republic.



AN INTERACTIVE business

“



OUR INTERNATIONAL DIMENSION IS A HUGE STRENGTH. BUILT ON A RICH MIX OF CULTURES, EXPERIENCE AND TALENTS CONTRIBUTED BY OUR 342,000 PEOPLE WORLDWIDE, SODEXO ENCOURAGES KNOWLEDGE-SHARING AS A MEANS OF DELIVERING SYNERGIES AND OF SERVING OUR CLIENTS AND CUSTOMERS BETTER.”

Henri Fauquenois, Vice President Human Resources, Sodexo Service Vouchers and Cards.

SODEXO MANAGEMENT INSTITUTE (SMI)

Training platform for exchanging ideas

The four-day “Sodexo World” program brings together managers from all activities and regions worldwide, in groups of 30, to discover more about Sodexo, share best practices and set up informal networks.

At the “Fundamentally Sodexo” program (see page 24), participants spend most of their time analyzing practical examples and situations and hearing from Group senior executives about their experiences. The program is an opportunity not only to share best practice, but also to learn from situations that failed to turn out as expected.

meet...



“When you work at headquarters, it is vital to keep in touch with the day-to-day work of our people in the field and the “Field Visits” program is an excellent way to do this. My field visit was in Marseilles, in the Corporate Services segment. My hosts got me involved in their daily tasks and it was really interesting to find out what everyone did. Based on my experience and after talking to colleagues who have also followed the program, I would say that the “Field Visits” are an excellent initiative and should be continued.”

Lesley Sander, Project Manager – Purchasing Europe,
Sodexo Food and Facilities Management services.

→ The four-day “Field Visits” program for staff at Sodexo corporate headquarters aims to give them a taste of the skills, tasks and working practices of front-line staff. As far as possible, each participant meets a site manager, a regional manager, a development manager and the regional manager in a specific segment.

ENRICHMENT THROUGH DIVERSITY

- **Sodexo encourages employees to transfer internationally within the Group. There are two key benefits: best practices can be exchanged between home and host country and employees can gain personally and professionally from exposure to different cultures and environments.**

France

More and more positions are being filled by international transfers.

The Food and Facilities Management services activity benefits from exchanges, not only with other countries in Europe, Latin America and Asia, but also with the Remote Sites and Service Vouchers and Cards activities. For example, Henri de Vismes, Development Manager in France, has now become a Regional Director in China. Antoine de Dortan has moved from District Manager for Seniors in the Greater Paris region to take up the position of Operations Manager for the Remote Sites activity in Saudi Arabia. Jean-Sébastien Mulliez, Regional Manager in charge of Disabled People services, has been appointed Operations Director on Réunion island. François-Xavier Violette, director of a medico-welfare establishment in the Antilles, has taken up the position of regional Purchasing Manager in Lyon.

Headquarters

International diversity is reflected by the fact that of the 317 people working at Montigny-le-Bretonneux Group international headquarters in France, 52 are non-French nationals and these 52 represent 19 different nationalities. (May 2007)

International

In Remote Sites, mobility goes with the job.

It brings invaluable expertise to the host country and offers employees the opportunity to broaden their experience and skill sets in front-line and support roles. Eric Jouane's career is a good illustration. He joined Sodexo in 1998 as Operations Manager in Gabon and then headed up our operations in Algeria. He returned to France for five years, working at headquarters as a Project Manager in the Commercial Development team. In 2006, Eric was on the move again, transferring to Oman as Country Director.



GENERATING SYNERGIES

- **At Sodexo, we capitalize on the rich diversity of our talents and cultures by encouraging our people to exchange their experiences and know-how. Cross-disciplinary work groups, international project teams, study trips... we have a whole range of initiatives designed to generate synergies.**

Europe

In Belgium, the Food and Facilities Management services and Service Vouchers and Cards activities exchange job vacancies over the intranet.

In the United Kingdom and Ireland, "Sodexo Prestige People", a talent pool for temporary recruitment, is used by the three divisions within the Prestige segment. It provides a resource center of specialist hotel trade know-how that can be used to meet peaks in demand, which frequently occur in this business.

Germany

Human Resources managers regularly swap experiences with colleagues across Europe. For example, head of training Marin Sasse worked with his Belgian counterpart Marc Bontemps to adapt Germany's site manager and service staff training program to suit Belgium's requirements. The new Human Resources Director for Russia, Olga Vechtomova, spent her three-day international induction program in Germany finding out about training programs, recruitment processes and management performance measurement.

International

The Remote Sites activity held their first Human Resources Conference in Paris, in September 2006. The conference was attended by representatives from all regions. The aims: to share knowledge, present the human resources strategy to managers tasked with implementing it locally, discuss mutual challenges and share best practices.

Latin America

Shared experience is a recurring theme in the Latin American countries. Managers from Chile, for example, have spent time in many other countries in the region on specific assignments. In return, they have played host to the Chief Executive for Peru, the Human Resources Directors for Argentina, Peru and Venezuela, the head of training for Argentina, the head of the Remote Sites activity, the Development and Training Coordinator for Brazil and the Employee Relations Officer for Venezuela.

United States

The May 2007 launch of the Metropolitan Business Strategy Group in Atlanta (Georgia) reflects the importance our American subsidiary attaches to sharing best practices between all the divisions in a region. This first **cross-disciplinary work group** is in response to a development strategy focused on the company's activities in a specific region, its integration into a specific community, and its relations with local authorities. Further groups will meet over the coming months.



Human Resources conference participants, September 2006.

THE BUSINESS of tomorrow



“ TODAY, SODEXO HAS A BROAD INTERNATIONAL PRESENCE IN EVER MORE COMPLEX AND DEMANDING ENVIRONMENTS AND MARKETS. THE PROFILES AND SKILL SETS OF OUR PEOPLE NEED TO CHANGE. THE GROUP ANTICIPATES AND STRIVES TO PREPARE PEOPLE FOR OUR FUTURE.”

Thiagarajan Padmanabhan, Human Resources Director, Sodexo Food and Facilities Management services, India.

FINDING TOMORROW'S LEADERS AT EVERY LEVEL

Sodexo is aiming to make a genuine qualitative leap in succession planning, by hiring and integrating the best talent and retaining loyal, motivated and committed managers. A big step came in 2005 with the establishment of a dedicated **Senior Executive succession planning department**. One of the first initiatives of this new department was to work with entity-level human resource functions to arrange career development interviews where executives and potential future leaders can discuss their aspirations with someone other than the person to whom

they report. This makes it easier to take their aspirations into account and encourages job and geographical mobility. **Human Resources Reviews** are used to ensure that successors have been identified for executives and managers, that the proposed candidates have the right credentials and to draw up action plans as required. They take place at least once a year and involve Chief Executive Officers and Human Resources Directors from two levels in the management structure.

ADAPTING TO CHANGE

→ **Our markets and activities are changing faster than ever. We are constantly adapting our recruitment, induction and training programs to ensure that our people are ready to meet these new challenges.**

Numerous initiatives are specifically developed in the field of Facilities Management.

France

A **work group** has been set up to clarify **the roles and responsibilities of site managers** at sites offering Facilities Management services. The group developed a job description and

profile and is working on a skill-set matrix that can form the basis of training programs – developed in partnership with business or engineering schools – for future site managers.

Germany

The second “Conquering the Blue Oceans” Convention, held in September 2006, was attended by over 500 people. The aim was to **reinforce management commitment to the Ambition 2015 business plan** and, more specifically, to the Facilities Management development strategy. After a presentation of this strategy, participants held workshops on implementing the strategy in three segments: Corporate Services, Health Care and Education. The next Convention, in February 2007, gave everyone an opportunity to measure their progress.



International

In the Remote Sites market, clients want a global partner offering full-service solutions. Sodexo has identified two major priorities for development – Facilities Management and camp construction – and drafted **a resource plan** designed to fulfill this ambition. This plan includes the recruitment of suitable candidates, appropriate training and individual career path management. One example is Julien Prida, a young production engineer specializing in building and civil works, hired in January 2006. Julien has worked on assignments in several countries, starting in Indonesia, where he successfully managed a 15-month construction contract. He has since carried out assignments in France, Congo and Turkey, sharing his hands-on experience with our operational and commercial teams.

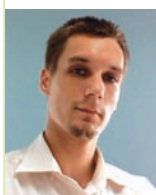
Poland

Technological change has a strong influence on the Service Vouchers and Cards activity, especially with the development of smart cards. Our subsidiary is planning to assess the fit between existing competencies and this new economic model, with a view to adapting its structures, hiring specialists to fill skill gaps and developing suitable training programs.

United Kingdom and Ireland

Sodexo has developed an **introductory course in Integrated Facilities Management (IFM)**, which combines Foodservices with Facilities Management. The two pilot sessions held to date generated considerable interest and the program will be developed during the next fiscal year.

meet...



“I joined Sodexo in May 2006 on an International Corporate Volunteer contract, to work on a logistics chain project for a gold mine in Laos, in a team headed up by Julien Pescheux. His operational expertise and advice helped me understand supply chain issues. I then looked into efficiency improvement solutions in the overall procurement process. I presented my proposal and was given the go-ahead to pilot the sourcing of supplies from China. The first purchases of plant and equipment, in particular for Goro Nickel in New Caledonia, generated substantial savings. I could extend my plans to the entire zone. We then established a centralized procurement agency in China and the whole project was set up in just six months. Validated by the Asia-Pacific Executive Committee, the project took less than 15 months. Sodexo had faith in me and I am delighted to work for a company that listens to its people and offers them this kind of opportunity.”

Tim Franco, International Corporate Volunteer, Sodexo Remote Sites, Singapore.

→ **The International Corporate Volunteer program** is a statutory scheme under which young people from the European Union or European Economic Area can be sent on a professional, commercial or technical assignment for a period of between 6 and 24 months. Sodexo uses the program to recruit, train and evaluate high-caliber young people, with a view to hiring them permanently.

PLANNING OUR RESOURCES FOR THE FUTURE

→ **Sodexo is always looking for innovative ways to attract the talented men and women who will shape its future, drawing on ever more diverse populations and skill sets.**

Australia

To build the business of tomorrow, Sodexo is looking for people with a wide variety of talents but with a shared philosophy. To better assess the adherence of candidates to the **core values** on which Sodexo success is built – Service spirit, Team spirit and Spirit of progress – the Australian subsidiary has worked with an outside consultant to devise a psychometric test used in the recruitment of site managers and other management personnel.

International

Sodexo is determined to strengthen the role of women within the Group (see “Advancing Equal Opportunity, page 09), especially in positions of responsibility. This is why the Group has initiated a range of measures to attract talented women. Sodexo was a partner of the International Women’s Forum held in Deauville, France in October 2007 and also sponsored the delegation of Chinese female executives who attended the forum.

Netherlands

Sodexo has strengthened its cooperation with professional bodies representing facilities managers and with top schools and colleges, in order to raise the Group’s profile and attract the best people. Our subsidiary sponsors Facilities Management Nederland (FMN), a national professional body. One of our executives is a member of the editorial team that produces the FMN magazine and Sodexo is represented on the jury that awards prizes to students at the FM Academy. These initiatives are paying off, as Sodexo begins to be recognized as an authority on Facilities Management: both Saxion University (applied sciences) and the Hague University (vocational) have invited our subsidiary to contribute to their Facilities Management courses.

Poland

Our Polish subsidiary has implemented a “Youth Development Program” to broaden the skill sets of young graduates and prepare them to join the company in areas where we have the greatest needs. Six students are currently participating in this 12-month program.

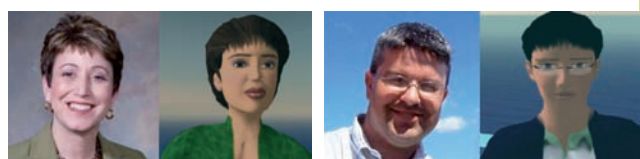
UNITED STATES

ArieB Nikolaidis , avatar responsible for recruitment at the first Virtual Job Fair Sodexo North America

Along with five other global companies, Sodexo took part in May 2007 in the **first-ever virtual job fair** on Second Life, an event extensively reported by the *Wall Street Journal*, the *Washington Post* and many other newspapers and media organizations. This groundbreaking initiative was seen as an opportunity to attract innovative and creative candidates. Over 100 avatars expressed an interest in the jobs advertised and took part in virtual interviews. While the virtual job fair was particularly attractive to “Generation Y” candidates looking for their first job, it was also visited by many experienced candidates.



Anthony1 Dagostino (alias Anthony Scarpino), ArieB Nikolaidis (alias Arie Ball), Lexus Mertel (alias Reggie Stewart).








Arie Ball and her avatar, ArieB Nikolaidis. Anthony Scarpino and his avatar, Anthony1 Dagostino.

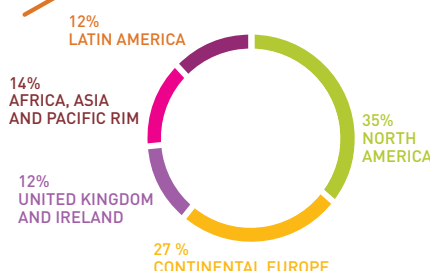
KEY DATA

EMPLOYEES

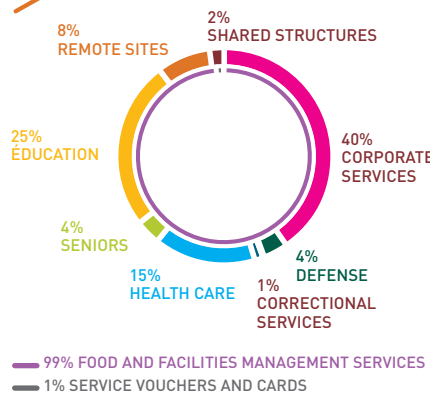
Number of employees

	Non-Managerial	Managerial	Total	
Fiscal 2003	269,075	39,310	308,385	Fiscal 2003  308,385
Fiscal 2004	274,189	38,786	312,975	Fiscal 2004  312,975
Fiscal 2005	285,296	39,150	324,446	Fiscal 2005  324,446
Fiscal 2006	290,500	41,596	332,096	Fiscal 2006  332,096
Fiscal 2007	297,761	44,619	342,380	Fiscal 2007  342,380

Employees by region

Region	Fiscal 2005	Fiscal 2006	Fiscal 2007	
North America	120,157	121,981	119,242	 <p>12% LATIN AMERICA</p> <p>14% AFRICA, ASIA AND PACIFIC RIM</p> <p>12% UNITED KINGDOM AND IRELAND</p> <p>27% CONTINENTAL EUROPE</p> <p>35% NORTH AMERICA</p>
Continental Europe	87,593	89,374	90,705	
United Kingdom and Ireland	47,515	39,079	42,972	
Africa, Asia and Pacific Rim	36,403	41,592	46,481	
Latin America	32,778	40,070	42,980	
Total	324,446	332,096	342,380	

Employees by activity

Activity/Segment	Fiscal 2005	Fiscal 2006	Fiscal 2007	
Corporate Services	137,296	136,232	135,982	 <p>8% REMOTE SITES</p> <p>2% SHARED STRUCTURES</p> <p>25% EDUCATION</p> <p>40% CORPORATE SERVICES</p> <p>4% SENIORS</p> <p>15% HEALTH CARE</p> <p>1% CORRECTIONAL SERVICES</p> <p>4% DEFENSE</p> <p>99% FOOD AND FACILITIES MANAGEMENT SERVICES</p> <p>1% SERVICE VOUCHERS AND CARDS</p>
Correctional Services	2,895	3,400	3,022	
Defense	12,165	12,758	13,482	
Education	84,303	87,587	86,150	
Health Care	46,355	45,817	51,109	
Seniors	10,929	10,762	13,954	
Remote Sites	21,784	25,998	27,366	
Shared structures	5,649	6,113	7,625	
Food and Facilities Management services	321,376	328,667	338,690	
Service Vouchers and Cards	2,776	3,148	3,348	
Headquarters	294	281	342	
Total	324,446	332,096	342,380	

Employees by category and gender

	Fiscal 2005			Fiscal 2006			Fiscal 2007		
	Managerial	Non managerial	Total	Managerial	Non managerial	Total	Managerial	Non managerial	Total
Female	16,988	167,016	184,004	18,247	170,873	189,120	19,646	173,340	192,986
Male	22,162	118,280	140,442	23,349	119,627	142,976	24,973	124,421	149,394
Total	39,150	285,296	324,446	41,596	290,500	332,096	44,619	297,761	342,380

RECRUITMENT

Number of recruits hired on permanent contracts (excluding staff from TUPE) by category ⁽¹⁾



Percentage of employees hired locally ⁽¹⁾

Local hires	Fiscal 2005	Fiscal 2006	Fiscal 2007
Percentage of employees hired locally	97.06%	96.92%	96.70%

INTERNAL PROMOTION

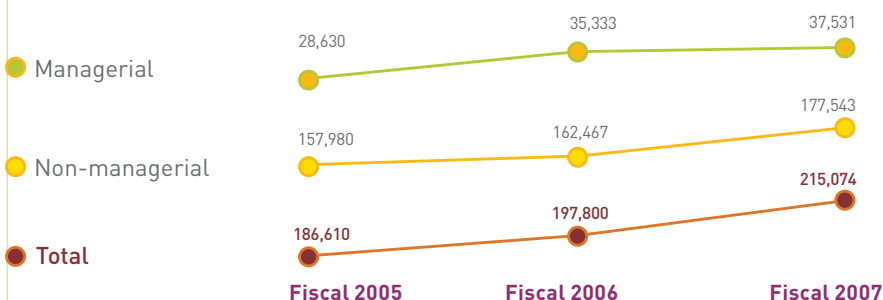
Number of posts filled by internal promotion from one category to another (by category) ⁽¹⁾

Internal promotion	Fiscal 2005	Fiscal 2006	Fiscal 2007
Managers	324	518	375
Site managers	1,545	1,681	2,470

(1) Scope = 100% of Group employees as of August 31, 2007 for France and as of July 31, 2007 for the other countries.

TRAINING

Number of employees receiving training (by category) ⁽¹⁾



(1) Scope = 100% of Group employees as of August 31, 2007 for France and as of July 31, 2007 for the other countries.

SAFETY AT WORK

Ratio of work-related accidents to average workforce, by category ⁽²⁾

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Ratio as % of average workforce	3.1%	2.5%	2.7%

(2) Scope = 97% of Group employees as of August 31, 2007 for France and as of July 31, 2007 for the other countries.

EMPLOYEE SHARE OWNERSHIP

Employees owning shares

Number of employees owning shares	Fiscal 2005	Fiscal 2006	Fiscal 2007
Employees owning shares	28,270	25,508	27,284

EMPLOYEE ENGAGEMENT SURVEY

The 2005-2006 Sodexo Employee Engagement Survey ⁽³⁾ was conducted in 35 countries, in October 2005 and April 2006.

Overall engagement rating: 50% for Food and Facilities Management services and 56% for Service Vouchers and Cards.

The next Sodexo Employee Engagement Survey will take place in April-May 2008 and will cover a larger population.

(3) This survey is conducted by questioning personnel about their engagement with the company. An employee is engaged if he/she says positive things about the company ("Say"), wishes to remain with the company ("Stay") and is committed to the company's success ("Strive").

EMPLOYEE RETENTION

Employee retention rate

Retention rate	Fiscal 2005	Fiscal 2006	Fiscal 2007
All employees	65.3%	65.1%	64.2%
Site managers	87.9%	87.4%	87.2%



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sodexo
Making every day a better day