

SODEXO'S POSITION ON FOOD WASTE

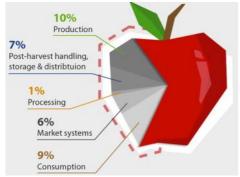
KEY FACTS*

- Approximately 1/3 of all food produced for human consumption in the world is lost or wasted every year (1.3 billion tonnes).
- 1/7 of the world population is hungry.
- Food wasted by the USA and Europe could feed the world 3 times over.
- The carbon footprint of food produced and not eaten is estimated to 3.3 Gtonnes of CO2 equivalent.
- Produced but uneaten food occupies almost 1.4 billion hectares of land; this represents close to 30% of the world's agricultural land area.

*FAO – Food wastage footprint 2013 & World Resources Institute

30 to 40% of global food production fails to reach the table.

How 1/3rd of global food is lost or wasted



The food chain is a large producer of organic waste which all too often ends up in landfills. In industrialized countries, there is increasing concern over the volume of food that is fit for human consumption but goes to waste. In emerging countries, there remain many opportunities to ensure that food is not damaged and wasted before it even reaches the market. This food wastage represents a missed opportunity to improve global food security, but also to mitigate environmental impacts and resources use from food chains.

Given its position in the value chain, the breadth of its offer and the myriad opportunities it has to engage, Sodexo is well placed to contribute to more efficient and reduced consumption, and increased recovery. Successful participation in food waste initiatives can have significant positive impacts on Sodexo operations, its industry sectors and supply chains, while influencing clients and consumers. It also offers an extra opportunity to innovate in an area where food safety rules are an imperative but can be a barrier.



BUSINESS IMPACTS

At Sodexo, we know that our work on food waste has increased our understanding of where the best opportunities are to be more efficient and realize the contribution that recovery initiatives can make. Not just because it makes strong business sense, but we also have a moral obligation.

- **Opportunities.** Understanding our waste streams in our operations and our supply chain will position the company to take specific action at local level. It also contributes to our mission to reduce our overall climate impact.
- **Reducing Costs.** We can reduce costs by being more efficient and by tackling pre-consumer food waste. We can also help our clients to reduce theirs by supporting initiatives to recover waste.
- **Increased Regulation.** New regulation is adding to business' obligations. For example, the French listed company regulations that have an impact on the entire Sodexo Group's environmental reporting.
- **Brand Risk.** There are reputational risks unless we take a lead on waste as our stakeholders increase their awareness of the challenges.
- Greater Accountability. Though waste reporting, together with their water and carbon coefficients are still evolving, stakeholders require ever more transparency and accountability.

STRATEGY & DEPLOYMENT

The Better Tomorrow Plan is Sodexo's corporate social responsibility plan for a better future with the environment as one of its priorities. As a world leader in On-site Services, operating in 33,300 sites in 80 countries, Sodexo commits to "reduce organic waste in all the countries where it operates and at clients' sites by 2015, and support initiatives to recover organic waste."

Sodexo has developed a materials and waste strategy to maximize opportunities and manage risks, which includes, specifically for organic waste:

- Changing behaviours and perceptions around food waste – Sodexo is well placed to do this owing to its size and geographic spread.
- Building the profile of waste around the prevention of waste from a resource perspective.
- Promoting awareness and corresponding behaviours among Sodexo teams and customers.
- Promoting processes and equipment to help Sodexo teams reduce waste and support recovery initiatives.

- **Collaborating with key suppliers** to reduce material consumption, reduce packaging and recover waste.
- Engaging with the NGO sector to understand the full scope of Sodexo's potential contribution.
- Supporting the development of service solutions to help clients manage resources more sustainably.
- Identifying waste hotspots and collaborating with stakeholders to tackle them.



PROGRESS TO DATE

To support the Better Tomorrow • Plan implementation, a **Subject Matter Experts Working Group for materials and waste** was established in 2010. This group meets on a monthly basis and is being assisted by the WWF as part of our global agreement. To date, the Working Group has:

- Provided tools for site managers to support them in the implementation of on-site actions.
- Analyzed the annual site inventory for key information points such as the relative prevalence of awareness and behaviour initiatives at Sodexo sites compared to quantitative measuring and monitoring.
- Initiated engagement with major suppliers to identify synergies and areas for collaboration.

- Created the WasteLESS Week annual awareness campaign. Since 2012, Sodexo teams around the world "celebrate the things we can have more of when we waste less" by engaging clients to develop waste reduction programs, thus inspiring behaviour change for consumers.
- Instigated the WasteWatch
 project, a simple solution to
 create awareness, measure
 and track "pre-consumer" food
 waste in our operations.
- Developed a Sodexo standard tracking tool for food waste.
- Worked with pre-eminent organizations such as the OECD, WRAP and FUSIONS.
- **Partnered with LeanPath** to reduce pre-consumer waste through source reduction.

- Founded the International Food Waste Coalition, an independent group of private actors and NGOs focused on removing waste across the value chain and finding solutions to out-of-home food waste.
- Joined forces with other leading companies and stakeholder partners through dedicated networks such as the Food Waste Reduction Alliance.
 - Participated to Government and Authorities Reviews e.g. UK House of Lords, EC and UNEP Innovation Forum.
- Adhered to national agreements such as the Hospitality & Foodservice Voluntary Agreement in the UK aimed at reducing food waste and associated packaging.

BEST PRACTICE – WasteWatch

A sustainable solution to create awareness, track and measure pre-consumer food waste.

Since 2011, Sodexo is implementing WasteWatch in its operations across the world. The process is quite simple:

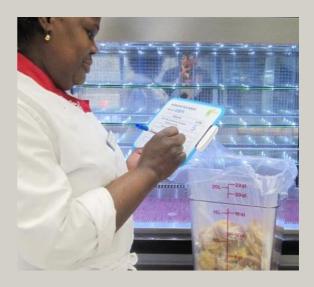
- 1. Every day, our kitchen staff collects the food waste through transparent buckets. Three types of waste are collected: over-production, preparation and out-of-date waste.
- 2. The food waste is then measured, tracked and reported using a central monitoring system.

Results: up to 45% reductions in food waste in 2 to 6 months.



Today, more than 40 countries have adopted WasteWatch.

The Group aims to reach more than 80% of relevant sites by the end of Fiscal 2015.



BEST PRACTICE – LeanPath

Reducing production and preparation food wastage thanks to advanced technology.

LeanPath technology was launched in 2004 in the US. Available in different editions, it offers a system to weight food waste thanks to a cloud-connected scale and touchscreen unit. Data is analyzed in real time through the online monitoring software.

Leanpath has been implemented in over 120 Sodexo sites in the US including campus, government, healthcare and corporate services. The technology has been recently piloted at 4 sites in the UK.

Results:

- US: Since first implementation in 2010, LeanPath accounts have reduced food waste by around 40%.
- UK: the 3-months trial revealed 48% reduction in food waste.

LeanPath will be expanded to 200 sites in the US in Fiscal 2015. Teams in the UK are also working on deployment.



CONTACT

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- More info on Sodexo's Better Tomorrow Plan is available on <u>www.sodexo.com</u>
- To share any projects on food waste, please contact: <u>bettertomorrow.group@sodexo.com</u>