

3.2 EXTRA-FINANCIAL REPORTING

3.2.1 460,000 employees serving clients

3.2.1.1 Workforce by segment and activity

	FISCAL 2018	CHANGE	FISCAL 2018	FISCAL 2017
Business & Administrations <input checked="" type="checkbox"/>	276,572	29,867	60.0%	57.7%
Health Care and Seniors <input checked="" type="checkbox"/>	82,384	3,542	17.9%	18.5%
Education <input checked="" type="checkbox"/>	86,717	18	18.8%	20.3%
TOTAL ON-SITE SERVICES <input checked="" type="checkbox"/>	445,673	33,427	96.7%	96.5%
BENEFITS AND REWARDS SERVICES <input checked="" type="checkbox"/>	4,380	(102)	1.0%	1.0%
GROUP HEADQUARTERS AND SHARED STRUCTURES <input checked="" type="checkbox"/>	10,610	70	2.3%	2.5%
TOTAL <input checked="" type="checkbox"/>	460,663	33,395	100%	100%

In Business and Administrations, the workforce growth is mainly driven by the acquisition of Centerplate (27,696 employees) and the development in Asia and Latin America.

In Healthcare, the increase in workforce is mainly due to the opening of sites in Brazil and Chile.

In Education the headcount remains flat. Losses in Universities in the USA are offset by opening of sites in Schools in the USA and Spain.

3.2.1.2 Workforce by region

	FISCAL 2018	FISCAL 2017
North America	34.1%	31.3%
Europe	29.9%	32.0%
Africa, Asia, Australia, Latin America, Middle East	36.0%	36.8%
TOTAL	100.0%	100%

All analysis on workforce is excluding Centerplate (27,696 employees as of August 31, 2018).

3.2.1.3 Workforce by category

	FISCAL 2018		FISCAL 2017	
	TOTAL	% FEMALE	TOTAL	% FEMALE
Board <input checked="" type="checkbox"/>	13	54%	14	50%
Executive Committee <input checked="" type="checkbox"/>	19	37%	14	25%
Group Senior Executives <input checked="" type="checkbox"/> ⁽¹⁾	203	34%	190	33%
Managers <input checked="" type="checkbox"/>	49,743	43%	49,909	43%
Employees <input checked="" type="checkbox"/>	432,967	55%	427,268	54%

(1) Group Senior Executive includes the key functions reporting directly to a Global Executive Committee members, higher level sales and operations and high potentials

95.3% of Sodexo employees work in the field, on site.

Indicator verified to the level of "reasonable" assurance by KPMG.



3.2.1.4 Workforce per age

	FISCAL 2018		FISCAL 2017	
	EMPLOYEES	MANAGERS	EMPLOYEES	MANAGERS
Under 30 years	27.4%	11.9%	28.0%	12.4%
30-40 years	23.6%	30.7%	23.3%	30.4%
40-50 years	22.3%	29.5%	22.6%	29.8%
50-60 years	19.4%	21.9%	19.1%	21.9%
Over 60 years	7.3%	6.0%	6.9%	5.6%
TOTAL	100%	100%	100%	100%

(in number of years)	FISCAL 2018	FISCAL 2017
Managers	8.3	8.3
Employees	4.8	4.6
AVERAGE SENIORITY	4.8	4.6

3.2.1.5 New hires excluding acquisitions & transfers

	FISCAL 2018	FISCAL 2017	CHANGE
Employees	161,365	151,741	9,624
Managers	6,117	8,109	(1,992)
	167,482	159,850	7,632

Hires have increased in Fiscal 2018, mainly driven by Business and Administrations in countries that are growing strongly such as India, China and Brazil.

In some countries hires have slightly reduced in correlation with the decrease in the number of departures.

3.2.1.6 Departures by reason on continuous contract (excluding site loss)

	FISCAL 2018	FISCAL 2017	CHANGE
Resignations (less than 3 months)	33,353	n.a.	n.a.
Resignations (after 3 months)	81,770	n.a.	n.a.
TOTAL RESIGNATIONS	115,123	110,291⁽¹⁾	4,832
Dismissals or Redundancy	33,972	34,154	(182)
Retirement and other reasons	4,093	4,573	(480)
TOTAL NUMBER OF DEPARTURES	153,188	149,018	4,170

(1) Split of resignations is not available for Fiscal 2017.

3.2.1.7 Retention

Retention Rate for Total Workforce <input checked="" type="checkbox"/>	80,9%
Retention Rate for Site Management <input checked="" type="checkbox"/>	86,6%

The retention rate is calculated on the basis of resignations after more than 3 months of service and is therefore not comparable with last year's published figures.

RETENTION RATE FOR SITE MANAGERS	COUNTRIES
> 90%	France, Italy, Spain, Germany, Belgium, Netherlands, Brazil, Chile, Argentina, Finland, Sweden
80%-90%	USA, Canada, UK, China, Colombia
< 80%	India, Russia

3.2.2 Engaged employees

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

In April 2018, Sodexo conducted its seventh international engagement survey with all employees of at least six months seniority, or 386,262 employees in 55 countries. The survey, conducted online, attracted a high participation rate of 62% (*versus* 57% in 2016). For the fifth consecutive time, the

employee engagement rate increased. In 2018, it reaches 69% (1 point increase compared to the last survey), well above the 64% benchmark rate ⁽¹⁾.

Local survey results are then shared with teams to develop tangible action plans. These plans are used to improve performance on issues such as absenteeism, health and safety and employee retention, so as to continue to enhance QoL for employees, to in turn enhance quality of life for consumers and productivity for clients.

	JUNE 2018	JUNE 2016	CHANGE
Number of respondents	239,520	208,775	+15%
Engagement Rate <input checked="" type="checkbox"/>	69%	68%	+1 pt
% of employees rating Sodexo as the best employer in its sector	84%	88%	-4 pts
% of employees believing that Sodexo values diversity (such as age, gender, culture and origin, religion, sexual orientation and providing opportunities for individuals with disabilities) in the workplace	82%	80%	+2 pts
% of employees considering Sodexo to be a socially and environmentally responsible company	80%	80%	-

3.2.3 Investment in employee skills development

3.2.3.1 Training employees to respond to client needs

Sodexo is convinced that the satisfaction of its clients and consumers depends largely on the skills and talents of its employees. The Training and Development Department offers Sodexo employees a wide range of professional and learning programs.

	FISCAL 2018	FISCAL 2017	CHANGE
Total number of training hours	6,232,374	5,802,417	+7.4%
Average number of hours of training per employee	14.6	13.6	+7.2%
% of client sites providing training on sustainable practices	49.2%	49.4%	-0.2 pt

The number of hours of training increased in FY18 mainly due to the deployment of the Sodexo Ambassador program and an increasing focus on regulatory training. Sodexo Ambassador

program ensures that our 460,000 employees have a consistent understanding of what Sodexo stands for and how we all improve quality of life.

¹ Aon Hewitt client companies.

Indicator verified to the level of "reasonable" assurance by KPMG.



3.2.3.2 Internal promotion at the heart of Sodexo's model

The Company encourages employees to develop a career plan, to explore new professional horizons and take on new responsibilities. This is dependent upon providing multiple opportunities through continued growth, the evolution of the portfolio of activities and the variety of its professions.

	FISCAL 2018	FISCAL 2017
% of off-site managers promoted internally	6.6%	7.5%
% of on-site managers promoted internally	8.7%	8.5%
% of employees promoted internally	3.5%	3.2%

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

Because people work better when they work in a professionally fulfilling, stable and secure environment, Sodexo ensures that its employees are the first to benefit from its mission to improve Quality of Life. Sodexo is committed to improving the well-being of its employees.

The Group's organizational model ensures continuity of service quality, while remaining attentive to the expectations of its employees, in accordance with local regulations. Part-time work and use of fixed-term contracts provide the flexibility for business needs.

Around the world, Sodexo promotes work flexibility for its employees, taking into account their lifestyle and ways of working. The Group facilitates a good work-life balance, improving individual performance. Committed and effective, Sodexo employees are thus able to deliver quality service to clients and consumers.

	FISCAL 2018	FISCAL 2017
% Workforce working part-time	24.7%	25.0%

3.2.4.1 Ensuring employee safety

At the heart of Sodexo's Health, Safety, Food Safety and Environment (HSE) commitment is its care for people, for the community of employees as well as for the 100 million consumers it serves every day. Health and Safety is the founding pillar on which the Group bases its mission to improve quality of life.

As such, Sodexo's Health and Safety Policy guides its actions in this area by defining minimum standards for each business entity and is based on OHSAS 18001.

	FISCAL 2018	FISCAL 2017
% of Group revenues of countries having one or more OHSAS 18001 or ISO 45001 certification <input checked="" type="checkbox"/>	85.2%	81.8%

3.2.4.2 Work absenteeism and number of accidents

	FISCAL 2018	FISCAL 2017
Number of work related accidents requiring leave <input checked="" type="checkbox"/>	3,872	4,094
Average number of work day absences per employee due to work-related accident or illness and non-work-related accident or illness	8.3	7.2
% LTIR reduction	6.5%	16.5%
% of Group revenues of countries employing environmental experts	96.9%	97.7%

The number of work day absences per employee has increased in Fiscal 2018. It is not comparable with prior years published figures due to a significant improvement in reporting quality in Latin America.

3.2.4.3 Collective agreement for health and safety

Sodexo develops and maintains open and constructive dialogue with duly recognized trade unions or other legal representatives of its employees on issues of mutual concern.

In France, more than 10 Committees and a dedicated team are working on the subject. All of our managers have been incentivized on the reduction of the Lost Time Injury Rate (LTIR).

In Sodexo's International Framework Agreement with the IUF (International Union of Food, agriculture, Hotel Restaurant

Catering, Tobacco and Allied Worker's Associations), its commitments include protection of health and safety through prevention and improvement measures while conforming with local legislation. Where appropriate, Sodexo's collective agreements may include provisions regarding health and safety. For example, in the United States, Sodexo has numerous agreements containing health and safety provisions.

	FISCAL 2018	FISCAL 2017
% of workforce covered by collective agreements	43.9%	46.1%
% of workforce working in countries that have collective agreements and are covered by these agreements	89.2%	88.1%

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

Sodexo lives by its core values and its ethical principles. Every employee in the Group is expected to understand and to act in accordance with these values and principles. At the center of our ethical principles is our commitment to business integrity. To ensure integrity in all business dealings, Sodexo has adopted strict principles formulated in its Statement of Business Integrity. The statement is supported by a guide describing concrete situations that employees might encounter.

Sodexo's commitments to Human Rights and Fundamental Rights at Work are laid out in the Human Rights Policy and the Fundamental Rights at Work charter.

The Group's Human Rights policy is based on the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Our occupational Health and Safety policy is encapsulated in the Group Health and Safety Policy and Environmental Policy is covered by Better Tomorrow 2025.

Our responsible business requirements in relation to suppliers and sub-contractors are set out in the Sodexo Supplier Code of conduct, to which suppliers and sub-contractors are required to commit, as a condition of doing business with Sodexo. This Supplier Code of conduct is supported by a Guide to help our suppliers to understand and act on their obligations.

To further strengthen the Group's responsible business conduct and governance standards, and to review the impact of legal and regulatory developments, a working group has been established. The working group brings together the heads of all relevant functions who will play a central role in the definition, implementation and monitoring of the systems designed to ensure that all Group activities are robust and compliant.

	FISCAL 2018	FISCAL 2017
% of workforce working in countries having the Sodexo Statement of Business Integrity available in at least one official language	96.8%	96.7%
% of Group revenues of countries having implemented Sodexo's 10 People Fundamentals <input checked="" type="checkbox"/>	80.5%	N/A
% of workforce working in countries having the Group Human Rights policy available in at least one official language	96.9%	96.9%

Indicator verified to the level of "reasonable" assurance by KPMG.



3.2.6 Our commitments as a service provider

3.2.6.1 Provide and encourage our consumers to access healthy lifestyle choices

Serving 100 million consumers each day, we recognize our responsibility to understand and provide for their unique needs and to respond to their long-term aspirations.

It represents both an opportunity and obligation for Sodexo to promote and encourage healthier choices that improve quality of life for millions of people.

	FISCAL 2018	FISCAL 2017	CHANGE
% of On-site Services revenues of countries having a system to ensure that employees with food service responsibilities are trained in compliance with local laws and regulations and Global Food Safety and Hygiene Policy	96.0%	95.3%	+0.7 pt
% of Group revenues of countries having one or more ISO 9001 certification	94.4%	95.5%	-1.1 pt
% of On-site Services revenues of countries having either ISO 9001 or ISO 22000 certification for food safety <input checked="" type="checkbox"/>	98.5%	97.4%	+1.1 pt
% of On-site Services revenues of countries providing Health and Wellness Services including physical wellness services	81.4%	82.6%	-1.2 pt
% of Group revenues having a nutritional hotline, webline or other digital tool or application to provide nutritional advice for consumers	90.1%	72.6%	+17.5 pts
% of client sites implementing actions that proactively address Sodexo's 10 Golden Rules of Nutrition, Health and Wellness <input checked="" type="checkbox"/>	65.6%	88.8%	-23.2 pts
Number of registered dietitians employed by Sodexo	5,306	5,029	+277

In Fiscal 2018, the calculation method related to the 10 Golden Rules of Nutrition, Health and Wellness indicator has changed. This change is aimed at enhancing and expanding our actions on nutrition, health and wellbeing across our client sites. On the same basis, the KPI would have been down by 2 pts.

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

Since its founding, Sodexo has worked to contribute to the economic and social development of the communities, regions and countries where it operates.

We are committed to making a positive impact on quality of life for people in local communities through our business activities. This is why we support communities, and contribute to creating positive interactions with mutual benefits.

	FISCAL 2018	FISCAL 2017	CHANGE
% of Group revenues of countries having specific initiatives to integrate SMEs (Small and Medium Enterprises) into Sodexo's Value Chain	91.8%	91.4%	+0.4 pt
Number of active agreements with local communities, clients, NGOs and associations to promote inclusion of SMEs in Sodexo's Value Chain	180	180	
Our business value benefiting SMEs (in billions of euro)	4.4	1.9	+2.5
% in kg of certified sustainable coffee	50.1%	43.2%	+6.9 pts
% of spend with contracted suppliers having signed the Sodexo Supplier Code of conduct <input checked="" type="checkbox"/>	93.6%	91.7%	+1.9 pt

Our business value benefiting SMEs has significantly increased in Fiscal 2018. This is mainly due to an increase in Brazil Benefits and Rewards and Romania Benefits and Rewards.

3.2.6.3 Source responsibly and provide management services that reduce carbon emissions

A rich and resourceful planet is indispensable to quality of life in the long term. This is why Sodexo strives for a healthier planet in all we do.

Sourcing responsibly and managing services that contribute to reducing carbon emissions are two major areas of our business activities that reflect our commitment to protecting the environment.

	FISCAL 2018	FISCAL 2017	CHANGE
Sustainable supplies			
% of physical certified sustainable palm oil	59.5%	31.8%	+27.7 pts
% of cage free shell eggs (of the total of shell eggs purchased by Sodexo)	37.6%	25.4%	+12.2 pts
% of cage free liquid eggs (of the total liquid eggs purchased by Sodexo)	51.1%	28.6%	+22.5 pts
% of On-site Services revenues of countries having the Sodexo Animal Welfare Supplier charter available in at least one official language	95.5%	95.3%	+0.2 pt
% of certified sustainable fish and seafood as a % of total fish and seafood	38.7%	41.3%	-2.6 pts
% of sustainable fish and seafood which is sustainable as a % of total seafood (in kg)*	80.7%	83.7%	-3 pts
% of spend on certified sustainable paper disposables as a % of total paper disposables <input checked="" type="checkbox"/>	70.4%	80.0%	-9.6 pts
Reduction in carbon emissions			
% of Group revenues of countries having one or more ISO 14001 certification	90.8%	93.6%	-1.8 pt
Scope 1 and Scope 2 emissions energy consumption (in Mwh)**		669,688	+9%
Scope 1 and Scope 2 (market based) emissions (tCO ₂ e)**		144,468	+11%
% reduction in carbon emissions (compared to 2011 baseline) absolute**		40%	
% reduction in carbon emissions (compared to 2011 baseline) intensity***		53%	
% of client sites implementing heightened awareness and behavior steps to reduce their consumption of energy	34.6%	34.2%	+0.4 pt
% of client sites implementing heightened awareness and behavior steps to reduce their consumption of blue water	39.0%	40.0%	-1 pt
% of client sites implementing equipment and processes steps to reduce their organic waste	87.5%	88.2%	-0.7 pt
% of client sites implementing equipment and processes steps to reduce their non-organic waste	80.6%	80.7%	-0.1 pt

* Green listed or orange listed meeting control measures per Sodexo Sustainable Seafood Sourcing Guide.

** Data for Fiscal 2017 in process, see our reporting methodology, so data provided with one year's delay. There are no provisions made for risks related to the environment.

Physical certified sustainable palm oil, cage free shell eggs and cage free liquid eggs indicators have increased significantly compared to last year. These results reflect all the efforts put in place in countries towards a more responsible sourcing, including enhanced traceability and transparency throughout our supply chain.

Scope 1 and Scope 2 energy consumption and emissions have increased for Fiscal Year 2018 due mainly to Sodexo's growth in the facilities management services activity.

Indicator verified to the level of "reasonable" assurance by KPMG.



3.2.7 Our commitments as a corporate citizen

3.2.7.1 Fight hunger and malnutrition

To act for a hunger-free world is to act for a better quality of life. Because we believe that Quality of Life begins when basic needs are met, Sodexo employees in the U.S. decided to create Stop Hunger in 1996.

Sustainably eradicating hunger and providing a fairer and happier world is the target set by the United Nations. Stop Hunger and Sodexo want to contribute to achieving it.

	FISCAL 2018	FISCAL 2017	CHANGE
Funds invested in programs to empower women working to end hunger in their communities (in thousand of euro)	1,063	988	+75

In addition of our project already engaged in Fiscal 2017, in Fiscal 2018 we have mainly increased our support to the WIA (Women In Africa), because we share the same vision and desire to support the empowerment of African women and the development of their businesses.

3.2.7.2 Drive diversity and inclusion as a catalyst for societal change

Sodexo has always placed the advancement of women at the heart of its vision for economic, social and environmental development. As a company where diversity and inclusion is embedded into the way we work, Sodexo strives to broaden its influence in our local communities on key priorities such as advancing gender equality by sharing our expertise and working together with our partners.

	FISCAL 2018	FISCAL 2017	CHANGE
% of Group revenues of countries with initiatives to improve the quality of life of women	89.1%	77.1%	+12 pts

% of Group revenues of countries with initiatives to improve the quality of life of women increased significantly mainly due to the implementation of initiatives in France this year, France representing more than 10% of our Group revenues.

3.2.7.3 Champion sustainable resource usage

We live in a world of finite material resources whose biophysical capacity to replenish and absorb waste to land, air and water 'sinks' is limited.

Sodexo's growing ecosystem of NGOs and multi-stakeholder engagement is critical to tackling global issues like food waste.

	FISCAL 2018	FISCAL 2017	CHANGE
% of Group revenues of countries working to deliver on the United Nations' food waste objective	65.9%	69.0%	-3.1 pts

The drop in this indicator is due to the increase of the number of entities participating in the Annual Country Survey. Entities having participated for the first time this year, have not yet put in place initiatives helping to deliver on the United Nations' food waste objective.

3.2.8 Our reporting methodology

Choice of indicators

In Fiscal 2018, we have decided to disclose our Corporate Responsibility related information and data in our Integrated Report (chapter 1), chapter 2 and chapter 3 of the present report.

- As part of the Integrated Report we have presented our Value Creation Model, our Materiality Matrix and our Corporate Responsibility Roadmap Better Tomorrow 2025. These three elements are linked and interdependent.
- Chapter 2 contains information of our concrete actions responding to key issues identified in our Materiality assessment.
- Chapter 3 presents our key performance indicators and their progress compared to the previous year.

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

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

In addition, Sodexo's indicators:

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

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

Scope of consolidation

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

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

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

Fiscal 2018 workforce indicators

Workforce indicators are consolidated for all Sodexo entities (excluding Centerplate entity), Safety indicators cover On-site Services activity only, representing more than 96% of Group revenues. Other activities will join the reporting process in Fiscal 2019.

Fiscal 2018 societal and environmental indicators

Societal and environmental indicators are calculated and consolidated for entities representing at least between 70% and 98% of Group revenues.

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

Reporting framework and tools

Sodexo's commitments to social and environmental responsibility have always been central to the Group's fundamentals. The Group reinforced its workforce and environmental reporting in 2005 with the publication of its first Corporate Responsibility Report and further developed its sustainability performance processes in 2009 when its Corporate Responsibility roadmap, the Better Tomorrow Plan was launched. At the time, the Group committed to report its progress regularly and transparently. In 2016, Sodexo reconfirmed its conviction to continued progress as an employer, a service provider and a corporate citizen through an updated version of our roadmap, Better Tomorrow 2025.

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

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

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

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

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

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

- % of Group revenues of countries having implemented Sodexo's 10 People Fundamentals;
- Total Workforce, per activity and client segment;
- Retention rate for total workforce;

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

Limitations

With 432,967 employees (excluding Centerplate), Sodexo is present in 72 countries with differing regulations and operates a significant number of client sites of different sizes and types of activity.

- Certain indicators therefore require some specific explanation as follows:
 - number of work-related accidents requiring a leave:
 - excludes commuting accidents,
 - includes Sodexo workforce only,
 - excludes temporary labor, sub-contracts and other personnel who are not Sodexo employees,
 - may have insignificant differences created by the local differences in the way that work-related illness is accounted for;
 - average number of days absence:
 - includes absences for work-related accidents and illness as well as personal accidents and illness,
 - may have insignificant differences created by the variances in local legislation in accounting for the number of days of absence as some include weekend and others only working days, the minimum number of days of absence from which the absence is recorded varies according to local legislation;
 - the training indicators in the USA (46% of disclosed data) are based on estimation. The estimation is an extrapolation of actual data on 15% of the population. Solutions are under discussion in order to increase the part of actual data disclosed in the next years;
 - the indicators gathered through the Annual site survey are consolidated for a representative number of sites (more than 9,000 in Fiscal 2018), excluding:
 - sites that are closed,
 - sub sites of a main site such as an University campus or which has several restaurants, cafeterias, kiosks, etc.,
 - sites where Sodexo has a limited activity and where there is no management, supervision or site based Sodexo staff (such as: vending, delivery of meals and maintenance),
 - sites where Sodexo has a short term contract (less than 12 months).
- Certain information is extremely difficult to gather given the nature of the Group's activities:
 - Scope 1 and Scope 2 energy consumption and related carbon emissions are extrapolated for the Group based on the energy consumption and carbon emissions calculation for a set of 32 major countries representing 83% of Group revenues. Given the time and resource required for the data gathering for the calculation of energy consumption and the Scope 1 and Scope 2 carbon emissions data, the calculation of carbon emissions for Fiscal 2018 has not been prepared in time for this publication and will be reported subsequently through the CDP⁽¹⁾. We are currently working on eliminating this one year reporting gap;
 - Scope 1 includes energy consumption and carbon emissions related to the fuel consumed by vehicles used by Sodexo as well as from its consumption of natural gas for the offices and sites where Sodexo has operational control;
 - Scope 2 includes the electricity consumption for the offices and sites where Sodexo has operational control and is market-based;
 - Scope 1 and Scope 2 covers a very small part of our emissions, this is why we have started working on our Scope 3 emissions calculation, with an objective to publish the first figures in Fiscal 2019.
- One of Sodexo's missions is to improve quality of life for its employees and all who it serves. Sodexo's services are, in the majority of cases, provided by its own employees on a significant number of client sites where the Company operates throughout the world. The following information is therefore not applicable or not material for Sodexo:
 - preventive or corrective actions with regard to discharges into the atmosphere, water and soil with a significant negative impact on the surrounding environment;
 - consideration of noise and any other activity-specific pollution;
 - land usage;
 - importance of sub-contracting.

Reconciliation tables

The reconciliation tables for Grenelle II and the GRI are included in the section "Other information" of this report.

¹ CDP: formerly named "Carbon Disclosure Project" works with investors, companies and governments to promote reporting and environmental action in order to ensure a sustainable economy, avoid the effects of climate change and protect natural resources.

3.2.9 Report by one of the Statutory Auditors appointed as an independent third party, on the consolidated non-financial performance statement in the Management Report

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

Sodexo S.A.

Head office: 255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux

For the year ended August 31, 2018

To the shareholders,

In our capacity as an independent third party of Sodexo S.A., certified by the French Accreditation Committee (*Comité Français d'Accréditation* or COFRAC) under number 3-1049⁽¹⁾, we hereby report to you on the consolidated extra-financial statement for the year ended August 31, 2018, (hereinafter the "Statement"), included in the Group Management Report, in accordance with the legal and regulatory provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

It is the Board of Directors's responsibility to prepare a Statement in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators.

The Statement has been prepared applying the procedures of the company, (hereinafter the "Guidelines"), the most significant aspects of which are presented in the Statement (or available on the website or on request, etc.).

Independence and quality control

Our independence is defined by the provisions of Article L.822-11-3 of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors. Moreover, we have implemented a quality control system which includes documented policies and procedures to ensure compliance with applicable ethical rules, professional standards, laws and regulations.

Statutory Auditor's responsibility

On the basis of our work, it is our responsibility to express an opinion of limited assurance about whether:

- the Statement complies with the provisions of Article R.225-105 of the French Commercial Code (*Code de commerce*);
- the information provided (hereinafter the "Information") is fairly presented in accordance with Article R.225-105-I⁽²⁾ and II of the French Commercial Code (*Code de commerce*) concerning appropriate due diligence processes and policy outcomes including the key performance indicators on the main risks;

It is our responsibility to express, at the request of the company and outside of the scope of certification, reasonable assurance that information selected by the Company and identified by the symbol V in chapter 3 of the Management Report has been prepared, in all material respects, in accordance with the Guidelines.

However, it is not our responsibility to issue an opinion on:

- the company's compliance with any other applicable legal provisions, especially with those in accordance with the Duty of Vigilance, with the fight against corruption and with the fiscal fraud;
- the compliance of products and services with applicable regulations.

Conclusion on the fairness of the CSR Information

Nature and scope of our work

We performed our work described below in accordance with the articles A. 225-1 and the ones following, of the French Commercial Code, defining the conditions under which the independent third party performs its engagement, and with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes* or CNCC) relating to this engagement, and with ISAE 3000 (International standard on assurance engagements other than audits or reviews of historical financial information).

1 For which the scope is available at www.cofrac.fr.

2 Refer to the list of key indicators in Appendix 1 of this report.

We conducted work to form an opinion on the Statement's compliance with legal and regulatory provisions and the fair presentation of the Information therein:

- we gained an understanding of the activity of all companies in the consolidation scope, of the Entity's exposure to the main social and environmental risks relating to the business activity and, if applicable, of its effects on human rights and the fight against corruption, including any related policies and their outcomes;
- we assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, the sector's best practices;
- we verified that the Statement covers every category of information required under Article L.225-102-1, Paragraph III concerning social and environmental matters as well as respect for human rights, the fight against corruption and against fiscal fraud;
- we verified that the Statement presents the business model and the main risks relating to the Entity's business activity of all companies in the consolidation scope, including – if relevant and proportionate – risks created by business relationships, its products or services, in accordance with disclosures required under Article R.225-105-I, and the policies, appropriate due diligence processes and outcomes, including key performance indicators;
- we verified that the Statement presents disclosures required under article R.225-105-II if they are relevant given the main risks or policies presented;
- we obtained an understanding of the process for identifying, prioritizing and validating main risks;
- we enquired about the existence of internal control and risk management procedures implemented by the company;
- we verified that the Statement covers all companies in the consolidation scope in accordance with Article L.233-16 within the limits specified in the Statement;
- we assessed the data collection process implemented by the entity to ensure the completeness and fair presentation of the policy outcomes and key performance indicators that must be mentioned in the Statement;
- for key performance indicators and a selection of other quantitative outcomes⁽¹⁾ that we considered the most important, we set up:
 - analytical procedures to verify that data collected are correctly consolidated and that any changes to the data are consistent,
 - tests of details based on sampling to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents. The work was carried out with a selection of entities contributing to the report⁽²⁾ and represents between 15 to 84% of consolidated data of key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the appropriate due diligence processes that we deemed the most important⁽³⁾ (organization, policies, actions, qualitative outcomes);
- we gained an understanding of the overall consistency of the Statement based on our understanding of the Company.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance opinion. A higher level of assurance would have required us to carry out more extensive procedures.

Nature and scope of our work

Our work drew on the skills of nine individuals.

To assist us in conducting our work, we called on our firm's sustainable development and CSR specialists. We conducted ten interviews with the individuals responsible for preparing the Statement.

Conclusion

Based on our work, we have no material misstatements to report that would call into question the Statement's compliance with the applicable regulatory provisions, or the fair presentation of the information, taken as a whole, in accordance with the Guidelines.

1 Refer to the list of key indicators in Appendix 1 of this report.

2 Entities selected in the context of legal limited assurance:
- Sodexo On-Site Services: Sodexo France, Sodexo Finland, Sodexo USA;
- Sodexo Benefits & Rewards: Sodexo Pass France;

Complementary entities selected under reasonable assurance, outside the scope of accreditation;
- On-Site Services: Sodexo UK & Ireland, Sodexo Luxembourg, Sodexo Spain.

3 Refer to the list of key indicators in Appendix 1 of this report.

Reasonable assurance on a selection of CSR Information

Nature and scope of the work

For the information selected by the Group and identified by the symbol ✓, our audit consisted of work of the same nature as described in paragraph "Nature and scope of our work" above for CSR information considered the most important, but in more depth, particularly regarding the number of tests.

The selected sample represents between 44% and 63% of the information identified by the symbol ✓ published.

We consider that this work enables us to express a conclusion of reasonable assurance for the information selected by the Group and identified by the symbol ✓.

Conclusion

In our opinion, the information selected by the Group and identified by the symbol ✓ is fairly presented, in all material respects, in compliance with the Guidelines.

French original signed by:

Paris-La Défense, November 5, 2018

KPMG SA

Philippe Arnaud
Partner
Sustainability Services

Hervé Chopin
Partner
Audit

Appendix 1

All information published in the Declaration is subject to moderate or reasonable assurance.

The list below shows the information:

- verified with a moderate level of assurance and considered the most important;
- verified with a reasonable level of assurance (✓).

HUMAN RESOURCES INDICATORS	LEVEL OF ASSURANCE
% of Group revenues of countries having implemented Sodexo's 10 People Fundamentals	✓
Total Workforce, per activity and client segment	✓
Retention rate for total workforce	✓
Retention rate for site management	✓
Group Employee Engagement Rate	✓
Number of Departures related to Resignation of continuous employment excl. site loss	
Number of Departures related to Dismissals or Redundancy of continuous employment excl. site loss	
Number of work days absence due to non-work-related accidents or illness	
Total number of training hours	
% of women's representation on the Board of Directors	✓
% of women's representation on the Executive Committee	✓
% of women's representation among Group Senior Leaders	✓
% of women in management positions	✓
% of women's representation in total workforce	✓
SAFETY INDICATORS	
Number of work related accidents requiring a leave (LTSC)	✓
% of Lost time injury rate reduction	
% of Group revenues of countries having one or more OHSAS 18001 or ISO 45001 certification	✓
ENVIRONMENTAL INDICATORS	
Scope 1 and Scope 2 emissions energy consumption	
Scope 1 and Scope 2 (market based) emissions	
% reduction in carbon emissions (compared to 2011 baseline) absolute	
% reduction in carbon emissions (compared to 2011 baseline) intensity	
% of client sites implementing heightened awareness and behaviour steps to reduce their consumption of energy	
% of client sites implementing heightened awareness and behaviour steps to reduce their consumption of blue water	
% of client sites implementing equipment and processes steps to reduce their organic waste	
% of client sites implementing equipment and processes steps to reduce their non-organic waste	
% of Group revenues of countries employing environmental resources	

SOCIETAL INDICATORS

% of On-site services revenues of countries having either ISO 22000 or ISO 9001 certification for food safety	✓
% of Group revenues of countries having a nutritional hotline, webline or other digital tool or application to provide nutritional advice for consumers	
% of client sites with actions that proactively address the 10 golden rules of Nutrition, Health and Wellness	
% of spend with contracted suppliers having signed the Sodexo Supplier Code of conduct	✓
% of client sites with training on sustainable practices	
Business value benefiting SMEs (Euro)	
% of physical certified sustainable palm oil	
% of cage free shell eggs as a total of shell eggs purchased by Sodexo	
% of cage free liquid eggs as a total of liquid eggs purchased by Sodexo	
% of spend on certified sustainable paper disposables as a % of total paper disposables	✓
% of sustainable fish and seafood which is sustainable as a % of total seafood (kg)	

QUALITATIVE INFORMATION

Labour themes	Occupational health and safety conditions
	Measures implemented to promote gender equality
	Absenteeism
Environmental themes	Energy consumption and measures implemented to improve energy efficiency and renewable energy use
	Actions against food waste
Social themes	Measures implemented to promote consumers health and safety
	Actions of partnership and sponsorship
	Action implemented against corruption

