

Human Resources Report

Message from Elisabeth Carpentier, Group Chief Human Resources Officer

November 2010

Five years ago, in defining Sodexo's Ambition 2015, we adopted the strategic imperative of making our people and their diversity a competitive advantage.

To attain this objective, we have identified two priorities:

- To have the human resources available in quantity and quality, with the appropriate skills, to respond to the expectations of our clients and offer innovative solutions;
- To be among the global companies most appreciated by their employees.

Today, Sodexo is the world's 21st largest employer, providing jobs for 380,000 people in 80 countries across five continents. People are at the heart of our services business and the women and men of Sodexo are clearly our most important asset. For our clients, beyond the solutions and process improvements we deliver, our essential value is our ability to manage people:

- identifying and recruiting them,
- training them and supporting their development,
- mobilizing them to provide services to consumers.

The quality of our services is dependent on the direct contact that 97% of our employees have each day with our clients and consumers. Our employees are the primary ambassadors for our brand and it is they who win and maintain the confidence of our clients. Close to 95% of our clients renew their confidence in Sodexo each year, a direct reflection on the quality and dedication of our teams.

Four major pillars underpin our human resources strategy:

- continuing to be a springboard for employee development, as has been true since Sodexo was founded;
- the training and internal promotion of our employees, an important factor in the Group's success;
- fostering diversity, a key contributor to Sodexo's performance;
- living our core values, defined at Sodexo's founding and part of the fundamentals we seek to instill with all new employees.

Many of the employees working on our sites have limited skills when they join the company. In addition to providing them with stable jobs and good working conditions, we make every effort to train them and to ensure that they are fully integrated into the company. In most countries where we operate, we have programs to help employees who are immigrants learn the language of the host country. A key focus area is enabling employees to obtain recognized professional certification to enhance their employability.

In France, 250 employees obtain a state-recognized diploma annually, a number projected to double next year.

Training in our service professions is a key factor in our success. We are continuously working to develop our technical expertise and our capabilities with cutting edge technologies in response to our clients' increasing expectations for an ever broader range of services, such as Facilities Management. Over the past two years, we have provided 7.9 million hours of training to employees, which translates into nearly three days of training per employee each year.

Our investment in people occurs at all levels. At our corporate university this year, we developed "CLIMB" (Change Leadership Implementation Behaviors), a senior executive training program targeted toward the Group's 1,000 top managers.

We also have made a considerable investment in e-learning, allowing us to bring training programs to our employees quickly and consistently. In the United States, e-learning accounts for 50% of on-site training.

For new employees, it is important that they share our core values, which are the true DNA of our Group. Our values – team spirit, service spirit and spirit of progress - are clear and easily understood by all employees and are part of our criteria in both hiring and promotion. Managers are responsible for ensuring the widespread dissemination of our values, a factor taken into account in assessing their performance.

We measure our human resources performance through four main indicators:

- Employee retention -- in Fiscal 2010, the rate was 63.5% overall and 83% for managers;
- Internal promotion -- 80% of our managers have received internal promotions, a reflection of the effectiveness of our training;
- Representation by women in management positions -- 20% of our senior executives and 45% of our managers are women; we have set an objective that 25% of our senior executives will be women by 2015;
- Employee engagement – this is our most important indicator. In 2010, we conducted our third employee engagement survey covering 113,000 employees. The rate of employee engagement rose by 7 points compared with 2008 and, importantly, 85% of our employees rate Sodexo as a better employer than its competitors.

To ensure continuous improvement, we conduct regular internal and external research, diagnostics and benchmarking. In addition, Sodexo's internal auditors regularly perform audit assignments in the countries where we operate and submit a report each year to the Board of Directors.

In conclusion, I am proud to share with you the numerous recognitions that Sodexo has received, an indicator of the effectiveness of our Human Resources policy. For example, the Group has been listed for the sixth year in a row in the Dow Jones Sustainability Index and this year was included in FORTUNE Magazine's list of Most Admired Companies.

Human Resources Policy

→ Our objectives

As the Group's ambassadors and experts in Quality of daily Life solutions, Sodexo's **380,000** employees share a common passion to satisfy our clients and consumers.

Driven by the conviction that our employees and their diversity are the source of a true competitive advantage for Sodexo, we are determined to:

- maintain a high quality, diverse and appropriately-sized workforce to meet the expectations of all its clients,
- be among the global companies most appreciated by its employees.

→ Key figures

- **380,000** employees
- **2nd** largest French employer worldwide
- **6th** largest European employer worldwide
- **21st** largest employer worldwide

Source: Sodexo

→ Our HR indicators

Group workforce



During Fiscal 2010, the Group workforce has remained virtually stable with a fairly equal proportion between Men and Women (46% men and 54% women).

Engagement rate

Engaging employees is a key strategic initiative for Sodexo in order to become an employer among the global companies most appreciated by their employees and create a competitive advantage through its people.

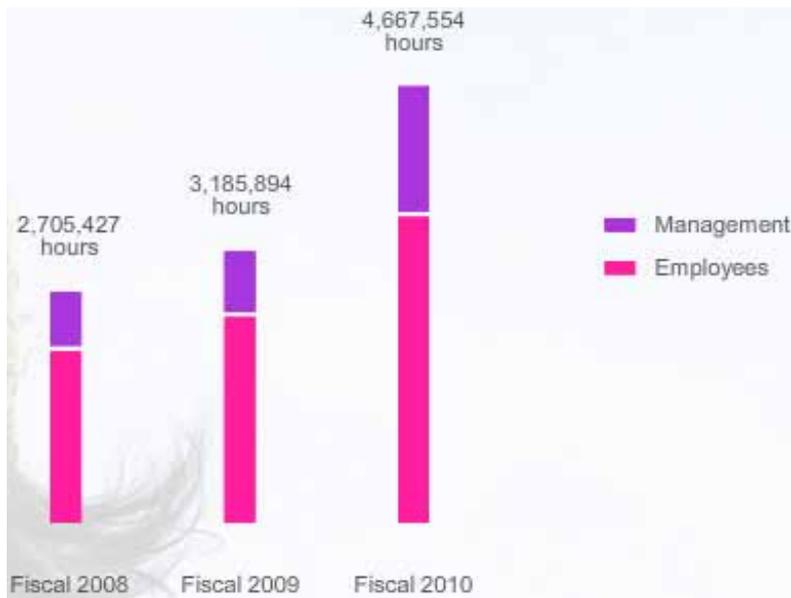
During Fiscal 2010, Sodexo launched its third global engagement survey in 60 countries (which cover more than 98% of staff). The response rate was **56%**, up 5% from the 2008 survey.

The 2010 global engagement is **55%*** with an increase of a seven-point over the 2008 survey. Hewitt, our global partner for the survey, has provided us with a benchmark which indicates a global decrease of 1 point for the same period. Another key figure: **85% of our employees feel that Sodexo is a better employer than the competition.**

The next survey will take place in Fiscal 2012.

** Percentage of employees having given an average evaluation equal or greater to 4.5 on a scale from 1 to 6 for the 6 questions relating to engagement.*

Number of development training hours



303,944 employees received development training during Fiscal 2010, which represents an increase of 11.8% from Fiscal 2009.

Resources for tomorrow

→ Reinforce expertise

Introduction

“At Sodexo, we have segmented our clientele in order to become experts in services that improve the Quality of daily Life of client employees in the workplace, patients in hospitals, students in schools and universities... but our knowledge of the markets would be useless without the talent and skill of our employees united by a common culture and shared values in the service of our clients’ performance and the satisfaction of our consumers.”

Aaron Condray

Human Resources Manager, Remote Sites and Asia-Australia, On-site Service Solutions

Close-up

A TRAINING PROGRAM FOR ALL

The Great! training initiative was launched in the UK and Ireland in March 2010 to bolster staff expertise in health, safety and food safety. In addition to addressing these general issues, Great! focuses on subjects in areas such as reception, foodservices, cleaning, facilities management and retail operations.

A specific module on management skills is designed to allow employees to develop new skills at their own pace. Another feature is a supervisor skills pack aimed at employees who want to take the first step towards a management role. Great! was developed for use across all contracts and segments of Sodexo's activity.

"A very good training aid... the chart enables the staff to track their own progress, and it is easy for the Supervisors to dip in and get the follow-up sheet on individual training."

Sue Bunn,

Services Manager - Defense, On-site Service Solutions

Around the world

WORLDWIDE: CREATING BETTER TOMORROW PLAN EXPERTS

Sodexo has launched « **Better Tomorrow Plan** », a web-based roadmap for implementing its new sustainable development strategy. Designed and developed at the Group level to ensure consistency in terminology and processes, this training session has been rolled out to site managers throughout the world and is available in seven languages.

UNITED STATES: TRAINING MANAGERS IN INTERGENERATIONAL DIALOGUE

Today, employees from four generations work together. To help managers better understand the motivation and to tap the strengths of each generation, a 90-minute interactive **e-learning course** is offered. The course includes case studies, exercises, and practical tools and tips to develop effective cross-generational communication and teamwork.

INDIA: BROADENING HORIZONS TO REINFORCE EXPERTISE

To gain further expertise, Health Care district managers were given an opportunity to visit other countries (Singapore, Thailand, France). Indian managers have benefited from the international encounters, which allowed them to see best practices developed elsewhere and find ways to better satisfy their own clients.

Achievement

WORLDWIDE: 400 MANAGERS PERFECT THEIR SKILLS

400 senior managers received 6,000 hours of advanced training in the **CLIMB** (Change Leadership, IMplementation, Behaviors) seminar, including 10 months of distance learning and 3 days in the classroom.

→ Generate performance

Introduction

"Encouraging our employees to develop a career plan and helping them to assess their performance is the key to effective career management. Recognizing employee achievements is also an important factor in employee engagement, allowing us to better serve our clients and consumers and thereby contributing directly to the Group's success."

Peri Bridger

Senior Vice President and Chief Human Resources Officer, North America, On-site Service Solutions

Close-up

THE KEYS TO PERFORMANCE

Every year Leadership Conferences are organized for operational management teams from sites all over Australia, including Remote Sites. These conferences provide management and leaders with vital business updates and additional skills in managing their activities. The conferences also offer an opportunity to network and share ideas with counterparts in the organization. They are tailored to reflect current business goals and leaders' needs, so that managers can use them directly to improve performance.

"These conferences not only meet a real need, but after three years we can measure the benefits. They have unquestionably helped to improve our profitability and service quality as well as generate loyalty among our employees."

Gary Mickler,

COO, Australia-New Zealand – Remote Sites, On-site Service Solutions

Around the world

UK AND IRELAND: PERFORMANCE IN REVIEW

A performance review process has been established on a twice yearly basis for all permanent front-line employees. Each staff member has the opportunity to meet with his or her line manager during which they discuss the staff member's performance and determine the appropriate development plan.

FRANCE: SUPPORTING CHANGE

To smoothly implement the Group's new strategic positioning, Sodexo is proposing an accompanying program for all management staff conducted via web conferences, conventions and on-site sessions. The participatory program seeks to involve all managers in the change process with a view to facilitating decision-making and improving performance.

Achievement

WORLDWIDE: MOBILITY AS A PERFORMANCE DRIVER

Sodexo has significantly boosted its international mobility and generated stronger performance throughout the organization. Today, more than 100 professionals are involved in this initiative. Sodexo's international mobility newsletter on the Intranet, "Change" celebrated its 50th issue in 2010.

→ Promote exchange

Introduction

"The Group's international dimension is a powerful asset. Enriched by the diverse cultures, experience and talents of our 380,000 employees around the world, we encourage our teams to share their expertise, create synergies and meet the expectations of our clients and consumers."

Henri Fauquenois

Director of Human Resources, Motivation Solutions and On-site Service Solutions, Continental Europe and CESAM

Close-up

BLOGGING IS BELONGING

When recently promoted South Korea Country Director Steve Chung learned of the internal blog created by District Manager Hak-Jun Kim for closer daily contact with his on-site teams, Chung immediately saw its potential. He suggested that the blog be opened to all Sodexo teams in the country. Content is both professional and personal and employees are encouraged to share best practices and exchange information, in compliance with the Group's security and confidentiality protocols. This forum has fostered a stronger sense of belonging to the company, and has generated better understanding between support functions staff and operational staff concerns.

"Over time, the impact of our blog has been very positive. Our site managers have grown closer to each other and this new dynamic is helping us work better with stronger team spirit than before!"

Steve Chung,
Country Director, South Korea – On-site Service Solutions

Around the world

INDIA: LEARNING HOW TO WORK TOGETHER

Following the acquisition of RKHS, the leader in food and facilities management in India, Sodexo organized a two-day training (OBT) session to facilitate integration of the RKHS teams. The session was held on outside premises and led by an external facilitator. The teams from both companies got acquainted, held discussions and laid the groundwork for future cooperation.

CAMEROON: LET'S TALK

Based on the conviction that discussion and dialogue concerning employee expectations and problems generate mutual understanding and therefore organizational efficiency, Country Director Philippe Bossoutrot initiated "Open Communication Day" to encourage information sharing, open dialogue and networking between Operations and Functional staff.

EUROPE: MUTUAL MENTORING

Sodexo launched the European Reciprocal Mentoring Network in 2009 to allow senior executives and women selected for their potential to share advice and experience. The senior leaders learn about the challenges and invisible barriers facing women in the workplace while the women gain professional insight and guidance.

→ Anticipate needs

Introduction

"Today, the global environment and markets in which Sodexo operates are increasingly complex and demanding. It is a necessity that we attract the right talent and prepare them to meet short-term but also long-term challenges and opportunities."

Thiagarajan Padmanabhan
Director of Human Resources, India, On-site Service Solutions

Close-up

PREPARING TO WORK BEYOND BORDERS

Launched in September 2009, «Grow Beyond Borders» is a 9-month long international development program that prepares potential candidates for international assignments at Remote Sites. To give the candidates every chance of success, they are paired with managers who have acquired experience in working abroad.

“The Grow Beyond Borders program has allowed me to truly grow as a person. Being able to share experiences with people from other cultures has allowed me to appreciate others’ perspectives of similar situations. If I do have the opportunity to move overseas one day, this appreciation will hold me in good stead.”

Jake Healy,

National Environmental Manager, Australia – Remote Sites, On-site Service Solutions

Around the world

FRANCE: HELPING CHEFS MOVE UP

Since June 2009, the Sogeres subsidiary is offering new training courses to obtain a Professional Qualification Certificate to enable chefs to become site managers. This will prepare the company to meet future staffing needs while providing excellent professional opportunities. Ten employees were certified in Fiscal 2010 and 25 employees are expected to enroll in Fiscal 2011.

AUSTRALIA/NEW ZEALAND: MENTORING FOR FUTURE WOMEN LEADERS

Women in Leadership is an initiative for future women leaders in Australia and New Zealand. This program launched in 2009 offers participants a personal development plan under the mentorship of a senior leader.

Our commitment to your future

→ Recruiting

Employee value proposition



Key figures

- Over **139,000** people hired in 2010

Source: Sodexo

Our commitments

WE WILL INSPIRE YOU TO JOIN SODEXO

1. We take the highest care in recruiting to ensure the right match between you and us for long-term shared success.
2. We provide you with the information you need about our company and the job, so that you can make the best decision.
3. We treat all applicants with dignity, respect, and equality.
4. We value the diversity you bring to our team and we use a range of sources to ensure a diverse application pool.
5. We strive to answer all applications in an appropriate way.

Testimonial

CHINA: E-RECRUITING

"We have developed a web-based recruiting system to centralize job vacancies and offer a dynamic and effective tool to recruit our middle and senior-level management positions. This tool provides a platform for sharing information and documents at all stages of the process, avoiding duplication of work. Recruiters can consult the résumés stored in a 'talent pool,' recommend candidates and obtain updated personnel records using a customized search option. The system provides step-by-step methods and standards for recruiters, ensuring that recruitment decisions are consistent and professional."

Jenny Jiang,
Recruiting Specialist, China – On-site Service Solutions

Around the world

Belgium: New horizons on the Internet

With its new website <https://jobs.sodexo.be>, Sodexo has gained visibility on the job market in Belgium: 880 applications have been processed since it was launched in September 2009. Current employees can also consult the site to learn about job openings within the Group.

North America: Remote Sites on YouTube

Four short films were created and posted on YouTube to attract talented employees by showing exciting daily work experience on a remote site. The videos cover the types of positions held by employees, the Sodexo Remote Sites culture, work-life balance, safety and training. They have a link to the Group's internet site and how to apply for available jobs.

Achievement

USA: SODEXO RECRUITING HONORED

In March 2010, Sodexo was named Recruiting Department of the Year by ERE, an online professional network. The award was bestowed for Sodexo's use of social media, investment in the Talent Acquisition team, and the capacity to leverage technology.

→ Welcoming

Employee value proposition



Key figures

- **88%** of our staff feel that they are members of a team.
2010 Sodexo Engagement Survey

Source: Sodexo

Our commitments

YOU WILL BE WELCOMED AS A VALUED MEMBER OF OUR TEAM.

1. We provide you with a comprehensive induction program and share information about our company, our culture, our values and our business:
 - you receive a packet of useful information about the company,
 - you receive training from your line manager.
2. We give you the opportunity to give us feedback about your “welcoming” experience.

Testimonial

WELCOME ON SITE!

“Orientation is a major factor in generating the loyalty of our employees. To facilitate the orientation process on site, several tools are provided to help supervisors welcome and train new staff members.

The program includes topics such as understanding the company and sharing its values, learning about the basics of Sodexo trades, knowing how to use on-site safety instructions, etc. We have been working on the program for a year to prepare attractive, easy-to-use, operational tools and we are ready to launch. Tune in next year for the first program assessment!”

Géraldine Deschins,

Training Manager, France – On-site Service Solutions

Around the world

United Kingdom: Helping recruits find their path

In September 2009 Sodexo launched Learning Pathways packets for all employees. The packets outline the essential knowledge required of new employees after three months in the company. Each new employee receives a CD and guide. Line managers are in charge of the process and are encouraged to review the packet with new employees as soon as they begin work. The number of participants in Sodexo's induction programs has risen this year, up 12% for the general orientation program and up 22% for courses on legal issues, which new managers must attend.

Romania / Motivation Solutions: Team building means effective orientation

Sodexo decided to offer a training module to new recruits with less than a year in the company. The session includes games and team-building exercises to familiarize participants with the values and activities of the Group. Following the enthusiastic response of the first participants, Sodexo has decided to include the module in the orientation program for all new employees.

→ Living

Employee value proposition



Key figures

- **87%** of our staff find satisfaction in their work.
- **89%** of our staff appreciate their day-to-day work.

2010 Sodexo Engagement Survey

Source: Sodexo

Our commitments

WE WILL ENABLE YOU TO FLOURISH WITH US

1. We provide you with safe working conditions.
2. We provide you with an environment of strong and open two-way communication.
3. We strive to tailor your career to fit your personal life.
4. We create an environment that is inclusive and that respects your diversity.
5. We support your socially responsible involvement within the community.

Testimonial

“WEEKLY TEASER” FOR MANAGERS

“Every week I send a ‘Weekly Teaser’ message to the country’s 110 site managers. The aim of this teaser is to offer a wide range of information and topics, from safety rules and hygiene practices to advice on retaining clients and managing inventories in order to provide a strong and open communication with all employees. I try to use lively expressions that catch readers’ attention. The Weekly Teasers are sent by e-mail and then cascaded down by managers who display them in places where all employees can easily read them.”

Alex Fischer,

Quality, Innovation and Service Manager, South Africa – On-site Service Solutions

“The weekly messages help me with my team meetings,” attests Teresa Fouche, Unit Manager in Johannesburg.
“They are a great way to be reminded of important subjects on a regular basis.”

Around the world

Worldwide: Making flexibility a global advantage

Sodexo is encouraging flexibility in a number of countries to attract a highly skilled and committed workforce, by offering managers at all levels the opportunity to align their career with their personal priorities. Currently France, the Netherlands, Spain and the United States have Flexible Work Arrangement programs.

Peru: A guide to diversity and inclusion

Sodexo teams have adopted strong and open communication to support an environment that is inclusive and respects the diversity of the workforce. An Ethics Code allows employees to know how they are expected to support diversity and inclusion in the workplace, depending on the different situations and people they encounter.

France: United against Alzheimer’s

Sodexo supports the initiative of employees who have a loved one suffering from Alzheimer’s disease. They have created a non-profit association to raise money for research and to inform families and caretakers of victims of Alzheimer’s disease. Sodexo communicates on this initiative within the Group and provides funding.

Achievements

USA: SODEXO COMMENDED FOR EMPLOYING DISABLED PERSONS

In May 2010, Sodexo received the “Outstanding Employer” award from the Mayor of Greensboro for its remarkable actions in support of people with disabilities at the Agricultural and Technical University of North Carolina.

FRANCE: REWARD FOR LISTENING

Sodexo received an award for its in-house program “**Ecoute et Vigilance**” (Listening and Awareness) at the first conference of Mieux Vivre en Entreprise. The program offers employees a place to talk about work-related stress and advice on how to handle it while protecting their safety and health.

→ Growing

Employee value proposition



Key figures

- Fiscal 2010:
Over **300,000** employees received improvement training.

Source: Sodexo

Our commitments

WE WILL WORK WITH YOU TO MAKE YOUR GROWTH OUR PRIORITY.

1. We agree on objectives with you and provide you with constructive feedback on your performance.
2. We take the time to train you to be effective in your job.
3. We provide opportunities for mobility and promotion to support your development.
4. We support you to make the most out of your career by listening to you and considering your aspirations and needs.
5. If your life leads you to leave Sodexo (on good terms), you become part of our network for future opportunities, whether professional or personal.

Testimonial

A HANDBOOK TO HELP MANAGERS GROW

“The HR handbook was developed for site managers and district managers to help them grow in their position. This handbook includes information on induction processes and practices, employee benefits, legal framework and issues, etc. It is a vital tool as it ensures that all managers are effectively supported in their job and have the necessary information to provide constructive feedback to their teams. Close to 800 copies of the handbook were distributed.”

“The HR handbook has helped us enormously... it is user-friendly and educational. It helps us answer the most common day-to-day questions and go through processes in a smoother fashion. It also strengthens our communication skills.”

Paula Ravanelli,
District Manager, Brazil – On-site Service Solutions

Around the world

UK and Ireland: Growing through command of language

Sodexo teams in the United Kingdom and Ireland are remarkably diverse. A pilot project was conducted with 50 employees seeking to enhance their command of English both in writing and speaking to become better integrated and develop their skills. After being tested to determine their skill level, the employees took a language course tailored to their needs. This initiative was very well received and is now being considered for extension throughout the company.

Poland / Motivation Solutions: Understanding leadership

A training program has been designed to help managers develop leadership skills. Following up on a number of other initiatives in this area, this one-day session encourages the company's managers to think about the competencies expected from leaders within the organization and discuss their impact on their teams and their business activity.

Achievement

USA: VIRTUAL TRAINING AWARD

ON24, the global leader in webcasting and virtual events, awarded Sodexo in the United States a prize for its pioneering online training program. Some 4,500 Sodexo managers in the Education market segment (i.e., 95% of managers) were able to share best practices and learn new skills to succeed in their organization. The prize is given to companies that make groundbreaking contributions to virtual communication and training and define best practices for the industry.

→ Rewarding

Employee value proposition



Key figures

• As of August 31, 2010:

35,326 employees were Sodexo shareholders.

Source: Sodexo

Our commitments

YOU WILL BE RECOGNIZED FOR LIVING OUR VALUES AND FOR HELPING US GROW.

1. We recognize you for personifying our company values and exceptional service behaviors.
2. We celebrate your special achievements at work.
3. We are fair and transparent about our criteria for making compensation and promotion decisions.
4. We strive to provide incentives that will allow you to benefit from the growth of the company.

Testimonial

TOTAL REWARDS STATEMENT

"When I found the Total Rewards Statement on line, I was very impressed. Upon reviewing my statement, I realized it concerns not just salary but my entire compensation package; it is my "total value" as an employee of Sodexo. I felt appreciated and valued when I saw how much the company is investing in me. Until I saw the document, I was not aware of the full value of the health and retirement benefits the company provides. I immediately sent an email to my District members to tell them about this valuable information at their fingertips in one easy-to-read document."

Patty LaMothe,
District Manager, USA – Health Care, On-site Service Solutions

Around the world

Italy: Peer recognition

The Sodexo team in Italy has created a new rewards initiative called "Star Heart Smile Awards". Every employee can nominate a colleague for recognition in three possible categories: expertise, passion, consumer satisfaction. Nominations are supported with concrete examples of behavior and attitudes. 266 nominations were proposed for the first edition of the awards in Fiscal 2010, where three finalists were honored.

Netherlands - Remote Sites: Meeting expectations

Making sure that an employee's expectations are clear when taking up a new position, recognition at each key career step, length of service milestones, etc. are important features of the new recognition policy put in place recently in the Netherlands. In this country, the results of the 2008 Sodexo Engagement Survey showed that only a quarter of employees who responded were satisfied with Sodexo's recognition of their work. *"We really want to ensure that our employees feel good about working here and prove that we value their professional achievements,"* explains Carola van Diepen, Human Resources Advisor.