



2005 CORPORATE RESPONSIBILITY
AND SUSTAINABLE DEVELOPMENT REPORT

Making every day
a better day


Sodexo
— ALLIANCE —

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EDITORIAL

from the Chief Executive Officer

“Through simple acts, to improve the quality of daily life everywhere, with respect for people and the environment.”



In September 2005, it was my honor to take over the leadership for Sodexo from our founder, Pierre Bellon.

Sodexo is a great company. From its creation in 1966, its development has been rooted in a strong philosophy and respect for human values. Our first Sustainable Development Report reflects this strong foundation, formalizing the actions and initiatives carried out by our teams around the world.

Our mission to “Improve the Quality of Daily Life” is brought to life by the individual daily acts of our 324,000 employees and through Sodexo’s commitment to participate in the economic and social development of the countries in which we operate. This fundamental responsibility is formalized through policies and programs that increasingly take into account environmental and social criteria.

We are committed to encouraging and mobilizing our employees to contribute to a better quality of life through our sustainable development initiatives and the adoption of performance measures to track our progress worldwide.

Working together, we want to make every day a better day.

Michel Landel

Chief Executive Officer, Sodexo Alliance
President of the Executive Committee
President of the Sodexo STOP Hunger Association

MESSAGE of the Chairman and Founder

“My dream is not just for us to be number one but that Sodexho endures.”



Before creating Sodexho, I asked myself the following question: “why do you want to create a company?”

My answers then still form the foundations of our philosophy today.

A company is a community of its clients and customers, its employees and its shareholders. Our purpose, our reason for being is to satisfy their expectations.

But those expectations can conflict in the short term: how can you consistently satisfy the expectations of all three groups? There is only one possible solution: through growth.

That is why even before creating the company, I decided, “Sodexho will be a growth company.”

Internal profitable growth has always been our priority because it allows us to:

- retain our existing clients and attract new ones,
- invest and create jobs and help our employees develop through internal promotion,
- provide a return on investment to shareholders,
- support the economic and social development of the cities, regions and countries in which we do our business.

We have chosen the values to share with Sodexho employees throughout the world: team spirit, service spirit and the spirit of progress.

We consider our profession of serving others to be a noble calling. Our mission «to improve the quality of daily life» provides a shared meaning to our teams and we have a clear vision to be the premier global outsourcing expert in quality of life services.

Recently, we formalized our ethical principles, trust, respect for people, transparency and non-tolerance of corrupt practices, through a contract signed by our 20 top executives.

The contract commits us to pursue continuous improvement and the achievement of measurable progress targets, for our clients, customers, consumers, associates, suppliers and shareholders, and the countries in which the Group is present.

Created in 1966, Sodexho is now 40 years old. Today, we are entering a new period and starting a new adventure...

At Sodexho, we know fights must be fought every day to make the next a little better.

Backed by our diversity, and our independence, we can look at the future with confidence and enthusiasm, ready to take up the challenges and seize new opportunities as they occur.



Pierre Bellon

Chairman and Founder of Sodexho

“ May the next 40 years
be as successful
as the last. ”

Steps in growth

1966 Sodexho is created in Marseilles, France, by Pierre Bellon.

1971-1978 First site abroad established, in Belgium. Development of the Remote Sites activity in Africa, followed by the Middle East. Launch of a new business in Belgium and Germany: Service Vouchers and Cards.

1983 Listing on the Paris Stock Exchange.

1985-1993 Sites set up in North America, South America, Russia and Central Europe.

1995 Alliances with Gardner Merchant in Great Britain, Partena in Sweden and Marriott Management Services in the United States: Sodexho becomes world leader and no.1 in the North American market for food services.

1998 The Sodexho Alliance share is listed on the CAC 40 index of the Paris Stock Exchange.

2000 Creation of Universal Sodexho, the leading Remote Sites management group in North America and worldwide.

2001 Sogeres in France and Wood Dining Services in the United States become part of Sodexho.

2002 Sodexho listed on the New York Stock Exchange.

2005 Pierre Bellon remains as Chairman of the board and Michel Landel takes over as CEO.

SODEXHO IN BRIEF

As of August 31, 2005

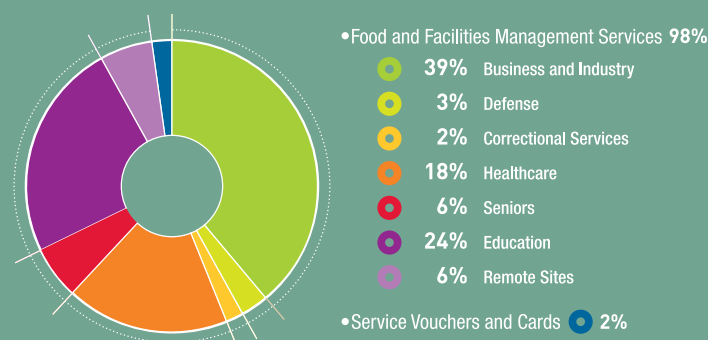
11.7 billion euro in revenues

324,000 employees at

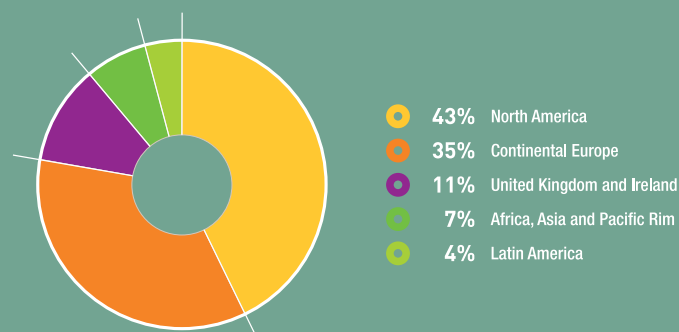
26,700 sites present in **76** host countries

Sodexo Alliance is listed on the Paris Bourse and the New York Stock Exchange.

Revenues by activity



Revenues by region



Number of employees by activity and by region, see page 37.

Sodexo in the world

■ Food and Facilities Management Services
● Service Vouchers and Cards

■ Angola	■ Lebanon
■ Argentina	■ Luxemburg
■ Australia	■ Malaysia
■ Austria	■ Mexico
■ Bangladesh	■ Morocco
■ Belgium	■ Namibia
■ Brazil	■ New Caledonia
■ Bulgaria	■ Nigeria
■ Cameroon	■ Norway
■ Canada	■ Oman
■ Chile	■ Panama
■ China	■ Peru
■ Community of States	■ Poland
■ Serbia and Montenegro	■ Polynesia
■ Colombia	■ Portugal
■ Congo	■ Qatar
■ Costa Rica	■ Reunion Island
■ Czech Republic	■ Romania
■ Denmark	■ Russia
■ Equatorial Guinea	■ Singapore
■ Finland	■ Slovakia
■ France	■ Slovenia
■ French Guyana	■ South Africa
■ Gabon	■ South Korea
■ Germany	■ Spain
■ Ghana	■ Sweden
■ Greece	■ Switzerland
■ Guadeloupe	■ Tanzania
■ Hungary	■ Thailand
■ Iceland	■ The Netherlands
■ India	■ The Philippines
■ Indonesia	■ Tunisia
■ Ireland	■ Turkey
■ Italy	■ United Arab Emirates
■ Ivory Coast	■ United Kingdom
■ Kazakhstan	■ United States
■ Kuwait	■ Venezuela

Services to improve the quality of life

Our mission is to “Improve the Quality of Daily Life” for all those who benefit from our services: young people in elementary and middle schools, and in universities, patients in hospitals, employees in the workplace, seniors in specialized residences, and even inmates in correctional institutions.

FOOD & FACILITIES MANAGEMENT SERVICES

Business and Industry
Prestige
Defense
Correctional Services
Healthcare
Seniors
Education
Remote Sites

Sodexo takes a segmented approach to its activities in order **to be a recognized specialist in the world of education, corporate life, healthcare, defense, and remote sites on land and at sea**. By carefully listening to our clients and consumers, we are constantly **able to adapt** our facilities management offerings to their expectations.

However, understanding our marketplaces only adds value when blended with the motivation of our teams and their diverse skills. Kitchen chefs, dietitians, bursars, landscape gardeners, heating engineers, logistics specialists, ecology consultants, bio-hygienists, training staff, hospitality specialists, computer programmers, and buyers – these are just a few of the employees who combine their talents every day to deliver a myriad of services that enhance the quality of life.

No.1 worldwide⁽¹⁾

98% of Group revenues

11,392 million euro in consolidated revenues

14,498 million US dollars in consolidated revenues

321,670 employees

⁽¹⁾ Excluding concessions.

Source: Sodexo.

SERVICE VOUCHERS AND CARDS*

Businesses
Public Authorities

No.2 worldwide

2% of Group revenues

30 billion euro issue volume in the global market

5.3 billion euro in issue volume

280 million euro in consolidated revenues

356 million US dollars in consolidated revenues

2,776 employees

320,000 clients

14 million beneficiaries

821,000 affiliates

Today, 14 million people in 27 countries have meals, engage in professional training, practice their favorite sport or benefit from childcare services thanks to 821,000 Sodexo Pass affiliated partners.

Sodexo Pass has developed a wide variety of secure, flexible and innovative methods to help companies enhance employee motivation and enable public sector clients to implement effective social policies. From e-vouchers, swipe cards, smart cards and contactless cards to completely virtual transaction systems, the most suitable medium is selected to offer **customized solutions that make life simpler and more pleasant for people at work and in their daily lives**.

* This business activity is known as Sodexo Pass in the countries (in which we operate).

OUR VISION for a sustainable quality of life

Sodexo lives by its **core values** (team spirit, service spirit and the spirit of progress) and its **ethical principles** (trust, respect for people, transparency and business integrity). Every employee in the Group is expected to share these values and principles, which reflect our commitments and guide us in the daily performance of our work.



SODEXHO forms

*a community
of progress*

with its clients,
its customers,
its employees,
its suppliers,
its shareholders,
in its host countries.

OUR PHILOSOPHY

Focuses and drives us toward our objectives.

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 earnings and revenues, while contributing to the economic development of countries in which we operate.

Our mission

Improve the Quality of Daily Life.

Our objectives

- Be recognized by our clients as the benchmark for the services that we provide.
- Be the market leader in each of the segments where we provide and develop our foodservice businesses.
- Grow our service businesses, beyond food, faster.
- Have “desired company” status for the Group and its activities.
- Attract and retain talent.
- Make the Sodexo brand known worldwide.

OUR CORE VALUES

They are the bedrock of our history and sustain our progress.

Service spirit

- Clients and customers are at the center of everything we do.
- In order to serve them well, on a daily basis, at all levels, we have to demonstrate our availability, our ability to listen, our capacity to anticipate their expectations, our sense of conviviality, our responsiveness to their remarks and our pride in satisfying them.

Our commitments

- Sodexo has become a large, worldwide company, but we still remain a local company where each manager in the field is a true entrepreneur, close to their clients and empowered in their decision-making.

Team spirit

- It is an absolute need in all of our operations, our business units and administrative offices, 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

It makes itself known through:

- our will, but also the firm belief that one can always improve on the present situation,
- acceptance of the evaluation of one's performance and to be compared with colleagues in the company, or with competitors,
- rejection of fatalism and false alibis for avoiding change...,
- self-criticism, 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 some way to progress.

OUR ETHICAL PRINCIPLES

They guide us in all of our day-to-day activities.

Trust

A foundation of loyalty between Sodexo and its clients, employees, and shareholders, based on honest, open 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, physical ability or sexual orientation. Improving quality of life means according each person respect, dignity and consideration.

Transparency

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

United Nations Global Compact



In 2003, Sodexo joined the Global Compact, committing itself to respecting the ten principles and recognizing responsibility for human rights, compliance with labor and environmental standards and non-tolerance of corruption.

www.unglobalcompact.org

Global Sullivan Principles



Sodexo is a signatory of the Global Sullivan Principles and is committed to implementing those principles, accepting its societal responsibilities in all countries where the Group operates. www.thegsp.org

A formal strategy

Publication of our charter: "Ethical Principles and Sustainable Development Contract"

In 2003, the Group formalized its sustainable development strategy, committing itself to attaining specific objectives set for each of our stakeholders. Sodexo's senior management signed the "Ethical Principles and Sustainable Development Contract" charter and are committed to communicating and respecting the ethical principles and sustainable development values with our 324,000 employees.

* See "Overview of our initiatives" pp. 12-13.



This charter has been translated into 14 languages and has been distributed to 16.5% of our employees.

PROGRESS report



“Our initiatives are part of an improvement-oriented approach and are adapted to the specific cultural, economic, environmental and social features of the countries where we operate. These initiatives are applied in the field, allowing us to move forward and establish our values within the Group and in our relationships with our stakeholders.”

Clodine Pincemin, *Group Executive Vice President, Communications and Sustainable Development, Member of the Sodexho Alliance Executive Committee*

Sustainable development has become a significant issue for our senior management

Sustainable development is a genuine concern for our Management Committees and is seen as influencing our prospects for growth:

- **88%** of our business units have appointed a sustainable development manager;
- **88%** of our business units consider that a service offer linked to sustainable development leads to client retention;
- **87%** of our business units think that they have been able to sign new contracts due to progress resulting from sustainable development.

Source : Internal survey conducted in 2005 among group business units representing 97% of total revenue.

ENCOURAGING RESULTS

An assessment was conducted

At the request of the Sodexho Alliance Executive Committee, an assessment was conducted in 2005 to measure the sustainable development progress of the Group. The study showed that our strategy has undergone positive changes throughout the world. The assessment provided us with a detailed picture of our many international initiatives and revealed the need for a more structured approach.

A DETERMINATION TO PROGRESS

1. An action plan was implemented to pursue our initiatives

An action plan to capitalize on existing momentum and to make progress by pursuing several objectives:

- develop a sustainable development network within the Group;
- enhance our indicators and the ethical charter;
- establish common tools.

2. A monitoring tool to assist sustainable development strategy

In 2005, the Group introduced a tool for Sustainable Development reporting and analysis which aims to:

- facilitate the reporting of sustainable development initiatives;
- share best practices and develop an internal benchmark;
- reinforce external communication;
- respond to the expectations of external audiences.

3. A first Sustainable Development Report

In 2006, Sodexho published its first Sustainable Development Report which presents an overview of initiatives developed in the Group and our performance.

EXTERNAL RECOGNITION FOR SODEXHO ALLIANCE IN FOUR INDICES SPECIALIZED



Sodexho has been listed in the FTSE4Good index since its creation in 2001.
www.ftse4good.com



ASPI Eurozone
In 2004, Sodexho was included in the ASPI Eurozone index on the basis of sustainable development criteria defined by the Vigeo rating system. The Group ranks first among companies in the index for its commitment to stakeholders.
www.vigeo.fr

SUSTAINABLE DEVELOPMENT ORGANIZATION CHART

Our sustainable development strategy is relayed within the Group through a network of sustainable development coordinators.

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IN SOCIALLY RESPONSIBLE INVESTMENT



Dow Jones Sustainability Index (DJSI)

Sodexo has been listed by the SAM Group in the DJSI World and DJSI Stoxx – Europe indices since 2005. Sodexo Alliance was named “Industry leader” in the “Hotels, Restaurants, Bars & Recreational Services” sector and “Supersector leader” in the “Travel & leisure” sector.

www.sustainability-indexes.com

General analysis by the SAM Group – sustainable development performance

“Sodexo has demonstrated an excellent overall sustainability performance, which strongly relates to the straight-forward business philosophy and high transparency of the company, and which positions it at the top of its industry.”

OUR SUSTAINABLE development challenges

As a worldwide expert in services that improve the quality of daily life, Sodexho is committed to fulfilling its economic-societal, social and environmental responsibilities. This chart below demonstrates how the expectations of our stakeholders and civil society translate into sustainable development.



Challenges

Sodexho's response

Economic and societal	Create value	We monitor our performance, competitiveness and profitability
	Be involved in the local community	We contribute to the development of the local economy and encourage local hiring and procurement
	Stimulate the economic network	We encourage the food industry and local producers to raise their standards
	Reduce the causes of poverty and social vulnerability	We fight hunger and malnutrition throughout the world
	Support government social policies	We offer services aligned with government social aid projects
Social	Foster employability	We develop local workforce skills and create local job opportunities
	Ensure non-discrimination and respect for diversity	We respect different cultural and ethnic identities and diversity
	Control risks and ensure the safety of individuals	We have rigorous programs, training, and monitoring of food and physical safety standards
	Protect the health of individuals	We offer nutritious meals to fight obesity and malnutrition
	Improve the quality of daily life	We foster an environment conducive to good working conditions
Environmental	Reduce our environmental footprint	We prevent all forms of pollution and focus on reducing CO ₂ emissions
		We encourage separate collection, sorting and waste recovery
		We are reducing energy consumption in our activities
		We are reducing water consumption in our activities



OVERVIEW of our initiatives

Throughout the world, we listen to all our stakeholders and develop partnerships with them. We work together and take action making every day a better day thereby improving Quality of Life for all.

Sodexo is committed to the 10 principles defined by the Global Compact

HUMAN RIGHTS

- Businesses should support and respect the protection of internationally proclaimed human rights; and
- Ensure they are not complicit in human rights abuses.

LABOR STANDARDS

- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- The elimination of all forms of forced and compulsory labor;
- The effective abolition of child labor; and
- The elimination of discrimination with respect to employment and occupation.

ENVIRONMENT

- Businesses should support a precautionary approach to environmental challenges;
- Undertake initiatives to promote greater environmental responsibility; and
- Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- Businesses should work against all forms of corruption, including extortion and bribery.

Our sustainable development strategy is set forth in our ethical charter, presenting our objectives and commitments we have made to our stakeholders.

Clients

Objective

- Create strong, long-term partnerships

Commitment

- Create value for clients over the long term, thereby forging strong partnerships



Customers

Objective

- Improve the Quality of Daily Life, safely

Commitments

- Develop a portfolio of services that help improve the quality of life for everyone who has entrusted us with their well being
- Reduce food safety risks
- Inform future generations about the importance of eating correctly and educate them regarding good practices



Employees

Objective

- Encourage a fulfilling professional life

Commitments

- Provide employees with a powerful "social elevator"
- Promote and respect diversity



Suppliers

Objective

- Build balanced, long-term relationships

Commitments

- Pursue procurement policies that guarantee the quality of products
- Strongly encourage suppliers and subcontractors to respect our sustainable development values



Shareholders

Objective

- Ensure that all shareholders receive the same information at the same time

Commitment

- Regularly provide all shareholders with the same simultaneous, accurate, clear, transparent information



Host countries

Objective

- Contribute to the economic and social development of the countries in which we operate

Commitments

- Support the development of local economies by promoting local hiring, the purchase of local products and, in the most disadvantaged countries, local initiatives to stimulate economic growth
- Fight hunger and malnutrition by expanding the STOP Hunger program
- Help protect the environment in our host countries





our Clients

OBJECTIVE

Create strong, long-term partnerships.

COMMITMENT

Sodexo is committed to creating value for clients over the long term, thereby forging strong partnerships.

CREATING value and strong long-term relationships for our clients



“Satisfying the needs of our clients is the best way of assuring our development and the principal driver of the Group’s profitable organic growth. It is nourished by dialogue and sharing, helping us to continue to make progress.”

Richard Macedonia, Group Chief Operating Officer, Chief Executive Officer, North America, Food and Management Services, Member of the Sodexo Alliance Executive Committee

COMMUNICATING WITH OUR CLIENTS

We work side by side with our clients to enhance and ensure the appeal, reputation and efficiency of their companies, with a view to offering customers high quality products and well adapted solutions in the areas of health and safety. Today, we favor sustainable partnerships that give us in-depth knowledge of our clients’ expectations and allow us to anticipate their concrete needs: listening to them day-to-day, meeting with them and conducting regular independent surveys and polls.

GENERATING CLIENT LOYALTY

In 2006, we continue to implement our Clients for Life® retention approach, throughout the Group. It is a methodology that enables us to better understand our clients’ needs and strengthen lasting partnerships, reflecting our focus on clients and their concerns.

PROVIDING ONGOING SUPPORT TO OUR CLIENTS

We understand the critical need to continuously adapt our service offers to meet and exceed our clients’ expectations through continuous innovation. We also strive to promote the positive image of our clients. For example, in the United States, we helped the National School Boards Association (NSBA) to celebrate the tenth anniversary of our partnership by honoring the most innovative initiatives among schools across the country.

Indicator

RETENTION RATE

FY 05	<div></div>	93.3%
FY 04	<div></div>	93.2%
FY 03	<div></div>	92.8%

We did not attain our retention rate objective, but we have achieved an overall improvement compared with 2004.

RETENTION RATE PROJECTION BY AUGUST 2008

2008	<div></div>	95%
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The result will be improved profitability in the long run. Raising our client retention rate from 93% to 95% means extending average contract length by 40%.

AWARDS & RECOGNITION

(see “Our awards” p. 68)

- **World** - AXA is assessing its suppliers’ Sustainable Development initiatives. Sodexo, service provider to more than 35 AXA sites in 6 countries, achieved the maximum score because of the alignment of Sodexo’s Sustainable Development with AXA’s expectations.
- **United States** - Al Allen, President of Education Facilities Management, was recognized with the “Eagle Award” given to individuals who have found additional ways to partner with the Association of Physical Plant Administrators (APPA). Sodexo also received the Platinum Business Partner Award from APPA.

FOCUS on Clients for Life®



“What is remarkable about this client retention approach is the emphasis on listening to our clients and their expectations in a spirit of service that we strive to promote at every level in our Group.”

Damien Verdier, *Group Executive Vice President Marketing in charge of Purchasing, Food Offer Marketing and Client Retention, Member of the Sodexo Alliance Executive Committee*

Meet...

Richard Macedonia, who initiated the Clients for Life® approach in the US.

WHAT SORT OF CULTURAL CHANGE RESULTS FROM ADOPTING THIS APPROACH?

“We are moving towards a universal culture focused on clients, both ours and the end users of our services. We poll them concerning their requirements and formulate their replies so that we can respond effectively. This enables us to exceed the expectations of our clients.”

WHAT ARE THE KEY FACTORS FOR IMPROVEMENT?

“The process begins with executive leadership’s commitment followed by aligning appropriate resources. This means performance planning and incentives. In North America, each division has appointed a full-time Client Retention Champion to assure that the methodology is properly kept on track. Success comes through consistent application of our tools and unrelenting follow-up.”

A RETENTION METHOD BASED ON A CLIENT-CENTERED APPROACH

Client for Life® relies on in-depth client and customer surveys, identifying areas for improvement, assessing the actions undertaken and encouraging best practices. It is very appealing and highly operational, yet its principles are extremely demanding. While the method has generated genuine enthusiasm among those managing the process, the real challenge is to ensure that this initial enthusiasm does not diminish due to the complexity of the various method tools.

THE IMPLEMENTATION

The Clients for Life® process was created in the United States and has been introduced in all segments in North America, United Kingdom, Ireland and

Continental Europe. In the United Kingdom and Ireland, since 2003, retention training has continued to expand, thanks to newly appointed dedicated resources. The methodology was first implemented in the Healthcare segment in 2004, and from there has been extended to the other segments. Since October 2005, identical training has been provided in all segments to embed a common language. Operational managers are trained in areas ranging from managing client relationships based on long-term trust and defining client expectations, to anticipating site contact changes. Client Relations Executives assist operating teams in strengthening established ties with their clients and ensuring that they have understood the methodology and are fully satisfying clients’ expectations.

“I have great confidence in Sodexo's Directors Table teams and in the ability of their managers to respond to the constantly changing needs of our international company. That is why I called upon Sodexo. With its expertise and competencies, Sodexo has been able to propose proactive and responsive solutions to help us control costs while expanding our services offer.”

Tony Instone, *Director of Premises and Facilities, ING, London*

BELGIUM: A GENUINE LIFE PROJECT

“As the owners of two rest homes in Belgium, we have had Sodexho’s support since the beginning of our relationship. We have always aimed to ensure the highest possible satisfaction for our customers from the standpoint of catering quality and aesthetic presentation as well as for the other services we offer. Fulfillment of this mission has built our

reputation. To give ourselves every qualitative advantage, we chose Sodexho to provide food service. We have confidence in their professionalism and in the quality of their products. Sodexho has always proved to be attentive to our needs and open to dialogue. More than a supplier, Sodexho is a real partner that has contributed to our success.”

Marie-Hélène Grégoire, owner of two rest homes in Bierges and Nivelles.

SPAIN: INSTITUT GUTTMAN, A FACILITY THAT INNOVATES TO MAXIMIZE PATIENT COMFORT



“The Institut Guttman is the first hospital specialized in the treatment of brain lesions in Spain, focused not only on medical but also social rehabilitation of patients. Sodexho has been supporting our efforts since 1985. Together, we endeavor to introduce each new innovation to meet the needs of our patients. For example, we are the first hospital to offer a choice of menus and corresponding

data entry for dieticians at the patient’s bedside.

With Sodexho, we define annual objectives in accordance with patients’ expectations. The processes adopted are more than mere agenda items for discussion; they bring added value to our dialogue. The hospital also has a committee that monitors the food service through a daily patient satisfaction survey. Patients are provided with a timely and appropriate response. Sodexho’s experienced personnel bring us ideas that we can include in our processes to ensure ongoing improvement.”

Luis Martinez Borrego, General Services Manager of the Guttman Institute, Badalona, Spain.

Our path to progress

We continue to introduce the client retention method at the international level:

1. In key countries, **appointing** full-time **human resources dedicated to retention** and training in a common approach.
2. Increasing the number of training programs for our teams.
3. Seeing to it that our staff incorporates the tools in their daily work.
4. And above all, **defining the optimal conditions for achieving successful relationships** with our clients by taking into account the lessons learned from past experiences.

“



More than the approach itself, team ownership of the methodology will enable us to strengthen our client-focused culture and affect a genuine cultural change. Through these tools and widespread employee commitment, we are changing the way we work in order to anticipate and better meet our clients’ needs day by day and foster long-term relationships.”

Sophie Clamens, Group Senior Vice President Client Relations



our Customers

OBJECTIVE

Improve the quality of life of our customers, safely.

COMMITMENTS

1. Sodexo is dedicated to developing a portfolio of services that help improve the quality of life for everyone who has entrusted us with their well-being.
2. Sodexo is dedicated to reducing food safety risks.
3. Sodexo is committed to informing future generations about the importance of eating correctly and educating them regarding good practices.

DEVELOPING a portfolio of services that help improve the quality of life for everyone who has entrusted us with their well-being



“By offering specific, well-adapted solutions, we are attentive to the differences and requirements of each customer, in a spirit of innovation and well-being.”

Pierre Henry, Group Chief Operating Officer, Chief Executive Officer, Service Vouchers and Cards, Member of the Sodexo Alliance Executive Committee

SODEXHO, THE EXPERT IN SERVICES THAT IMPROVE THE QUALITY OF DAILY LIFE

Our clients, whether they are companies, administrations, correctional facilities, remote sites, military facilities, hospitals or schools, trust us to improve the quality of life of the women and men in their environment. Our highly varied offers are adapted to the needs of each and comply with our ethical principles.

SPECIFIC SOLUTIONS ADAPTED THROUGHOUT THE WORLD

ANGOLA

Total has chosen Universal Sodexo as its preferred partner for integrated facilities management services provision at their sites. Cleaning of the premises, maintenance, engineering, mail service and call center management have now been added to food services.

BELGIUM

Sodexo Pass introduced an innovative system of e-checks in 2004, which transforms the entire payment process into virtual circuit, all the way to reimbursement. Sports Checks were also created in cooperation with the Belgian government for children from underprivileged families that cannot afford to pay for athletic subscriptions and equipment.

COLOMBIA AND CHILE

We have set up integrated facilities management competency centers in Colombian and Chile, offering a range of highly specialized services such as maintenance of the Sofasa (Toyota-Renault) production facilities in Colombia and overseeing the quality certification process for our food industry clients in Chile.

EQUATORIAL GUINEA

At the Bechtel natural gas liquefaction site in Equatorial Guinea, SoKeez electronic payment and access cards, developed by Universal Sodexo, have simplified both the administration and day-to-day lives of employees.

FRANCE

The Residence Pass developed by Sodexo Pass, which serves as an identification badge, access card and electronic wallet, has been successfully introduced at healthcare facilities and businesses. It is gaining ground internationally, notably in Moscow and China. Sodexo Pass has created a Culture Card intended for students, giving access to numerous museums and cultural centers. This Card is now used by 140,000 students in several regions of France.

INDIA

We support Dell with a integrated facilities management program ranging from upkeep and maintenance of premises to food service.

Indicator

PERCENTAGE OF SALES FROM SERVICES OTHER THAN FOOD SERVICE

FY 05:	21%
FY 04:	20%
FY 03:	19%

Dialogue with...

Jean-Louis Boyer, General Services Manager for Total in Angola gives this testimonial:

“We chose Universal Sodexo for its familiarity with the local environment as well as for its proven technical maintenance skills. After one year, we are very satisfied with our choice. Universal Sodexo has provided quality service, in keeping with Total standards and our expectations and succeeded in uniting a group of local companies to assist in contract performance.”

**An electronic tool
for quality service
in the United Kingdom**

We are streamlining our services to achieve improved simplicity, efficiency and speed. In the United Kingdom, we launched the Business Unit Health Check, an electronic tool introduced to help our teams manage more effectively by reviewing a range of issues. The Business Unit Health Check creates the firm foundations required for effective business.

**An instrument
for real-estate management**

Our subsidiary **Altys** is committed to taking charge of all support services for our clients throughout the world, thereby enabling them to increase their competitiveness and flexibility. For example, in the field of indoor climate engineering, the Works Department studies and installs heating, air-conditioning and ventilation systems for many clients.

www.e-altys.com

INDONESIA

BP called upon the services of Universal Sodexho to supply electrical installations and mobile units for water production and wastewater treatment at its temporary drilling site in Babo.

ITALY

We are developing the “Crescendo” service, which includes full management of 12 in-house daycare centers for seven municipalities. More than just a childcare system, Crescendo offers activities for mothers and their newborn babies, including a training course in neonatal massage techniques.

KOSOVO

Universal Sodexho manages the collection, transport and elimination of hazardous waste for the French armed forces within the scope of the Trident operation. The waste materials (hydrocarbon sludge, motor oil, batteries, medical waste, etc.) are transported to treatment sites in compliance with European regulations.

QATAR

Universal Sodexho, together with the Chiyoda Company, manages gardening and upkeep at two large housing camps within the scope of a construction project for two liquefied natural gas sites. To put land containing 2,000 m² of pipelines carrying purified water to use without adversely impacting the environment, we have built a golf course for our clients.

SOUTH KOREA

We are the leading provider of maintenance, repair and operating services, principally for the United States Army.

SPAIN

Sodexho Pass has partnered with the legal firm *Legálitas* to offer an additional service to beneficiaries of its Restaurant Pass: the *¡Responde!* card entitles holders to 12 legal consultations per year on consumer legal issues such as buying a home, problems with neighbors, faulty repairs, and more.

UNITED KINGDOM

Our subsidiary specializing in correctional services was awarded the first private contract to build and run a prison specifically for women. The Bronzefield facility can accommodate up to 450 inmates in modern, individual cells and features a special “mother and child” unit, the first of its kind. In Scotland, Shell Expro has entrusted Universal Sodexho with all of its offshore and onshore sites in the Aberdeen region for maintenance and security services.

UNITED STATES

In the education segment, we support college and university campuses through our integrated facilities management program Sodexho Campus Solutions. At Ripon College in Wisconsin, we took part in introducing integrated facilities management offers related to building and grounds as well as promoting creative, varied catering products. In Alaska, Universal Sodexho oversees protection of the 700-km Trans-Alaska pipeline, which supplies 30% of US oil resources.



Technical maintenance. China.

FRANCE: HOSPITALITY FOR HEALTHCARE

A comfortable hospital stay is an important factor in patient recovery. Thus, we have designed the “Hospitality” program to create a reassuring, serene atmosphere for patients, their families and loved ones, by offering a range of varied services suited to their needs in terms of quality, security and comfort. Our role is also to assist the hospital personnel facing difficult professional responsibilities on a daily basis.

“Hospitality” combines five bundled services to improve quality of life for patients and their visitors: hygiene, reception and information, logistics, catering and leisure time management. The new “Stand-Up” service, featuring a shop, cafe and a center for reserving hospital services, offers real added value. Sheets, toiletry kits and breakfast tickets are available to facilitate visitors who want to stay close to their hospitalized loved ones.

WORLD: CLOSE-UP OF THE SODEXHO PASS MULTISERVICES OFFER

Sodexo Pass offers a full range of innovative, flexible and secure solutions to motivate company employees and help public authorities conduct efficient social policies. With a variety of solutions, whatever the medium (vouchers, cards, electronic systems, etc.), all our services are designed to achieve the same objective: make life easier and more pleasant for everyone in the workplace as well as in society.

The Sodexo Business Pass offer enables employers to build enthusiasm and loyalty among their employees, while ensuring optimum efficiency in managing their wage and social policies. Our services for Daily Life, incentive and retention provide easy tools. They respond directly to our customers’ demand for immediate, sustainable performance.

Today, in 27 countries, 14 million people have lunch, receive professional training, practice their favorite sports and benefit from daycare services for their children thanks to the 821,000 partners affiliated with Sodexo Pass.

Tailor-made solutions in the service of social policies.

Sodexo Pass puts its expertise in managing financial and information flows and its know-how in building acceptance networks dedicated to use by providing governments and public authorities with customized, turnkey solutions in the areas of culture, employment, vocational training and social solidarity, and more.



The “Hospitality” program, “Stand Up” service, France.

Our path to progress

Step up our efforts to **increase the percentage of facilities management services** as part of the Group’s total sales.

AWARDS & RECOGNITION

[see “Our awards” p. 68]

- **Peru** - In 2004, award for the best integrated facilities management company.

Indicator

89% of our host countries **publish consumer behavior surveys** (Research Institute on the Quality of Daily Life).

N.B.: Percentages are calculated on the basis of the replies received, but weighted in terms of yearly revenue (excluding Sodexho Pass).

Source: internal survey – May 2005.

UNDERSTANDING THE CHANGING TASTES AND BEHAVIOR OF OUR CUSTOMERS

Anticipating our customers' expectations

Our customers are all different, and their tastes and behavior change. To identify and understand these changes and adapt our offers accordingly, we rely on numerous national and international surveys. All our initiatives are in line with our determination to establish an **International Observatory of the Quality of Daily Life**.

Studies used in monitoring the Quality of Daily Life....

UNITED KINGDOM

In March 2005, the School Meals and Lifestyle Survey was conducted among 1,600 schoolchildren between the ages of 5 and 16 and their parents. The study reveals their nutritional habits and how they perceive the impact of eating and lifestyle on health. It demonstrates the extent to which concerted nutritional education can be decisive for the future of our children. Another study, the University Lifestyle Survey, was also carried out on campuses in 2004 and 2006.

UNITED STATES

The Lifestyling and Map methodology analyzes the lifestyle and eating trends of thousands of US students to find new solutions that will satisfy them. We have also published research on the eating and lifestyle habits of the “millennium generation”, i.e. children under the age of 12.



Varied and well-balanced menus, United States.



In the United Kingdom, an informative study of student life

To reinforce the International Observatory expertise in monitoring the Quality of Daily Life, Sodexho commissioned the University Lifestyle Survey in 2004, a wide-scale study of the needs and expectations of students in the British higher education system. Four main areas were examined in detail: how students choose their university and how they finance their studies; their lifestyle and eating habits; retail outlets on campus; stress and safety. Independent interviewers from Business Planning and Research International (BPRI) surveyed 2,000 students on the campuses of 30 universities. It was the first time this type of research has focused on student expectations. It reveals how they view university life and clearly shows how services provided by Sodexho directly influence the Quality of their Daily Life and indirectly affect their academic performance.

● CLOSE-UP OF THE PERSONIX™ METHODOLOGY

Personix™ is designed to analyze customers' expectations at their workplace and offer catering best suited to their needs. Developed from other currently used methods, such as Conviv'styles® in Europe, Personix™ also helps present and broaden our offer.

Based on a large quantity of data and numerous studies, Personix™ identifies the various types of consumer behavior specific to the workplace. Using simple, easily collected data, Personix™ also outlines the particulars of staff working on each site.

Through our Personix™ methodology, customer satisfaction surveys can be conducted online, in order to anticipate expectations and broaden our offer. Personix™ also enables comparisons between client sites and can map a set of sites in one or more countries (for a business segment or a key account). In 2004-2005, 18 European countries and the United States had already adopted the methodology.

AWARDS & RECOGNITION

(see "Our awards" p. 68)

- **United States** - Recognition by the NACAS (National Association of College Auxiliary Services) for our work with Georgia Tech on the campaign to market Georgia Tech menus.

“Monitoring socio-cultural changes and analyzing consumer expectations and aspirations allow us to develop our product offer and tailor it to customer needs. This is key to understanding changing tastes and behavior across the world and adapting our offer to clearly targeted situations.”

Pierre Henry, Group Chief Operating Officer,
Chief Executive Officer, Service Vouchers and Cards,
Member of the Sodexho Alliance Executive Committee

Personix™ indicator

Rate of Personix™ penetration

(number of sites audited using the Personix methodology
number of sites per country)

The average rate for the 18 countries is **10.8%**. It should be noted that Belgium, Sweden and the United Kingdom are ahead of the other countries.

Paths to Personix™ progress

- Continue introducing the Personix™ method and train our employees to use it,
- Accurately measure the sales and marketing results of methodology use,
- Pursue the ongoing development of offers and solutions to meet the needs of each type of customer,
- Develop our expertise in adapting eating areas (dining rooms, cafeterias, lounges, etc.) to each customer category by determining the fixtures and fittings (tables, chairs and seats, décor, lighting, and color preferences) best suited to them.

REDUCING food safety risks



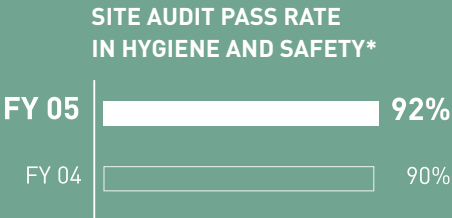
“Because our relationship with our customers is based on trust, we owe them every guarantee of food safety. Our responsibility is particularly serious in that we often serve vulnerable groups: children, hospital patients and seniors. Ensuring that we provide them with safe products is the objective we have set for ourselves.”

Jacques Petry, Group Chief Operating Officer, Chief Executive Officer, Continental Europe and South America, Food and Management Services, Member of the Sodexo Alliance Executive Committee

Indicators

FRANCE
Annual publication of bacteriological inspections carried out on food samples at our sites: in 2004-2005,
- **46,723** microbiological analyses were performed at our sites in France and,
- **217** audits were conducted at supplier sites.

NORTH AMERICA
Food risk management is carefully supervised at Sodexo:
- **3,062 hygiene and safety audits**,
- **2,764 food safety audits** have been conducted by an outside body (NSF International):



* One year evolution.

A POLICY OF PREVENTION

Risk prevention starts with ensuring the highest quality and traceability of our suppliers' products. Hygiene standards and food safety programs have been introduced in all countries, out of a growing concern for transparency.

ITALY
Two manuals on standards have been disseminated to employees to encourage the use of best practices.

THE HACCP METHOD

The HACCP (Hazard Analysis and Critical Control Points) method is used by our business units as it offers a system for controlling safety processes, from the delivery of the product to the moment it is served on the customer's plate. This method is acknowledged worldwide as reliable method in ensuring the supply of healthy food products, starting with the implementation of strict inspections during the production phase. The method involves the following steps: analyzing

risk, identifying and controlling critical points in product supply, overseeing production conditions, and validating and verifying the efficiency of the system. The HACCP method is headed by a collective, interdisciplinary team responsible for defining the procedures required to control hazards and overseeing their efficient implementation. HACCP has been adopted by the Codex Alimentarius Commission as the worldwide standard.

BELGIUM

Training employees in the basics of microbiology and hygiene is essential and a new training program for kitchen personnel has been designed for that purpose. A film called Top and Flop, which presents the key points of the HACCP method in a humorous way, is shown to staff to increase their awareness of hygiene standards.

A RESPONSIVE POLICY

Safety and compliance with standards are an integral part of the responsibilities of all employees. Our QHSE (Quality Hygiene Safety Environment) policy defines minimum food safety standards that are often guided by the HACCP standard or included in an ISO 9001 management system. Some entities have contracts with independent institutes specializing in food product analysis, such as the Pasteur Institute in France. All countries have a health-warning unit, ready to provide immediate information to clients and customers in order to block any suspect products.

FRANCE

The procurement department has developed an innovative methodology to issue product warnings as early as possible. Whenever we are not entirely satisfied with a product, the information is immediately sent by text messaging to our managers' mobile phones and posted on our Intranet site, a toolkit for daily use by our operational teams.

To ensure a swift response in the event of health hazards, we have set up an independent scientific council in charge of monitoring health warnings, for example in France, with the Pasteur Institute. The scientific council guides our food safety policy and advises us on the steps required: computerized supply management provides product analysis to the Committee.

A FEW EXAMPLES OF CERTIFICATION - ISO 9001:2000



• Belgium

Our central kitchens serving schools in Diest and Anderlecht have been certified.

• France

The education segment has a certified central kitchen in Noisy-le-Grand.

The kitchens of Bouygues Challenger in Guyancourt, Airbus in Toulouse and Cœur Défense in Paris are all certified.

• Germany

380 of our clients' operating sites in business, healthcare and education have received certification, including the Frankfurt International School.

• Italy

In the healthcare segment in central Italy, we have been certified for catering services, sanitary block facilities and public assistance.

• Morocco

The Knorr/Unilever site in Casablanca has been certified, along with Lafarge sites in Bouskoura and Casablanca.

• Saudi Arabia

In the Remote Sites segment, 17 Nabors Drilling offshore rigs have been certified, together with the kitchens of 3 Intercontinental hotels.

• Sweden

We were awarded certification for medical equipment sterilization at Björken Hospital in Umeå and Mörby Hospital in Stockholm.

• United Kingdom

In April 2005 we received ISO 9001:2000 accreditation for the Reception Services at HSBC GHQ in London. This has subsequently been re-audited in April 2006 and re-accredited for another year.

(see "Our awards" p. 68)

- **United States** - Sodexho gave out Gold 100 Awards to sites that achieved 100% compliance with HACCP standards.

Production of delivered meals, United Kingdom.



INFORMING and EDUCATING future generations about the importance of eating correctly



“We are proud to play an educational role in promoting nutrition and a balanced diet. In all our host countries, we inform our customers about the benefits of a healthy, well-balanced life.”

Laurent Cousin, Group Senior Vice President, Food Offer, Research and Development, Food and Management Services, Member of the Sodexo Alliance Operational Committee

Indicator

97% our business units provide their customers and clients with information and training on healthy nutrition. Subsidiaries have adapted their communication through a wide variety of information tools made available to customers.

N.B.: the percentages are calculated on the basis of the number of replies received, but weighted according to revenue (excluding Service Vouchers and Cards activity).

Source: internal survey – May 2005.

Educating the public about healthy eating is a priority for us, for we are aware of the long-lasting, beneficial effects. We regularly undertake initiatives in schools, companies and hospitals as well as on all our sites to generate awareness among institutional stakeholders and our customers.

OUR PRIMARY AIM IS TO COMBINE GOOD HEALTH WITH PLEASURE AT EVERY AGE

Sodexo has always been concerned about ensuring well-balanced meals for our customers, taking into account their specific requirements. Our offers are therefore adapted to each age group and to the most difficult situations. We train our employees, our clients and our customers in the importance of healthy eating habits and regularly disseminate information on nutrition.

LEARNING ABOUT A HEALTHY LIFESTYLE BEGINS IN CHILDHOOD

FRANCE
In 55 cities, we have set up **Fêtavi** clubs to generate awareness among children between the ages of 7 and 11 about the importance of healthy eating. A series of six lessons, combining culinary theory and practice, are presented in classrooms, school restaurants and the home. Children are made aware of the importance of a varied diet and the pleasure of discovery. Snack machines in high schools are frequently called into question. We have developed **Cafet'Evasion**, a concept of appealing, well-balanced fast food specifically designed for high school students. Based on the theme “Less fat, less sugar, less salt... Eating well is easy!”, the concept is offered in a relaxing, friendly, functional setting.

The tutorial program Balance Mind, Body & Soul

This program has been rolled out on more than 1,000 campuses in the United States. It provides an integrated, holistic approach to wellness that incorporates fitness and wellness.

“Congratulations on the Balance Mind, Body & Soul program that you introduced last year. Through the program, our students really became aware of the impact of their food choices on their health. The information and options they are offered have been extremely successful. I think this program is going to eliminate the misconception that school catering is rich and greasy! You have proven, on the contrary, that it takes into account everyone’s health.”

Jim Brock, Director of Housing – Pepperdine University, California.

UNITED KINGDOM

Fit&Ness works specifically with kindergartens and elementary schools to meet the nutritional needs of children between the ages of 3 and 10. The program enables children to meet the kitchen staff and see the variety of food products. **Food for Sport**, which is currently used in the United Kingdom, is a one-week program held in schools. It encourages adolescents to engage in sports activities and to eat well, through 50 healthy dishes analyzed by top sports dietitians.

UNITED STATES

Middle school and high school students can find advice, nutrition guides and tips on calorie counting at the website www.BeSmart-EatSmart-LiveSmart.com.

The School Services Department has developed a “Guide to 61 Best Practices” for employees. The guide presents everyday nutrition initiatives, events and educational partnerships set up by the Department. The Healthy Initiatives Guide is designed to help operators in the field prepare snacks and beverages for students. The guide has met with such success it has been ordered by governmental and local organizations.

IMPROVING NUTRITIONAL BALANCE IN THE WORKPLACE

We help customers in the workplace to improve their eating habits. Food at Work, an international study carried out by the ILO (International Labor Organization), shows that iron deficiencies, which affect half the world’s population, lead to weakness and poor concentration. Hypoglycemia, which occurs when we skip a meal, slows down our ability to analyze information.

UNITED STATES - ALASKA

A **Nutrition-Wellness** program is offered by Universal Sodexho to clients’ employees at every site and monitored by one of our dietitians. It helps employees assume responsibility for well-balanced eating, particularly with a view to preventing heart disease.

AUSTRALIA

To improve the quality of life at work for miners in Western Australia, we have set up **Symmetry**, a complete fitness and health program. Numerous activities are offered, including fitness classes, posture improvement, physical fitness and evaluations.

CHILE

In March 2005, we signed an agreement with the University of Santiago and the INTA research center (Institute of Nutrition and Food Technology) to introduce well-balanced catering offers in all our Chilean restaurants: less fat, less salt, less sugar and more fruit and vegetables.

CHINA

We provide detailed nutrition information to our clients, particularly in the healthcare segment, and we also organize special activities, such as a low-calorie festival, a fish festival and a fruit and vegetable festival.

CZECH REPUBLIC

The lack of minerals in traditional Czech food results in numerous health problems among the population. To increase the awareness among Czech customers about the need for improved nutrition, we organized “**Iodine Day**” at our clients’ sites and catering operations. Specific recipes based on fish, potatoes and grapes were offered.



Symmetry program, Australia.



Fêtavi Clubs, France.



Food for Sport program, United Kingdom.



Fit&Ness program, United Kingdom.

Discovery buffet “Frimousse”, France.



The Good Eating Code, France

A nutritional education program for the people with disabilities

A nutritional education program for the people with disabilities was introduced to meet their specific needs. For some, their disability can lead to a number of both functional and nutritional problems. In all cases, meals are of prime importance in the lives of the people with disabilities, in terms of pleasure and conviviality.

Eating well-balanced food and being autonomous

The Good Eating Code relies on easy-to-understand tools. It aims to teach adults with disabilities how to maintain a well-balanced diet without assistance, including at home. This means encouraging them to take active responsibility for their eating habits. The Good Eating Code is an integral part of the long-term strategic project of each facility and helps inform our teams.

Favoring independence and protecting the health of seniors, United States.



FRANCE

The “**Essentials of Everyday Cooking**” are simple recommendations developed by Sodexho with the help of 6 top chefs. The use of traditional fats has been replaced by vegetable broth, which has fewer calories and more aroma. In 2005, we set up a call center (3223) to answer customers’ questions about healthy eating and give them advice on well-balanced diets. Since 2003, the PSA Peugeot Citroën site in Rennes La Janais has developed in partnership with Sodexho the **Santal** program for health risk prevention and pleasure through good eating habits. In cafeterias, consumption of Santal dishes has increased (vegetables +9%, fish +11%). Between 11% and 12% of the sandwiches selected are Santal sandwiches. A study conducted by the medical department among 139 employees who benefited from nutritional assessments showed that 75% had changed their eating habits and 24% had lost weight. Employees said they were satisfied or very satisfied with the balance of the meals (80% at the East restaurant and 85% at the West restaurant).

THE HEALTH OF SENIORS AND THE PEOPLE WITH DISABILITIES

Well-balanced catering offers, social activities... all these services are designed to fight isolation, encourage independence and preserve the health of people who are hospitalized or assisted in specialized centers. Today, Sodexho is the only foodservice company to feature a division specialized in services provided to residence facilities for the disabled. Through innovation, we have adapted our services to the needs of residents with mental or physical problems.

FRANCE

Numerous studies reveal that the elderly tend to reduce their food consumption due to poor appetite, which leads to weight loss and nutritional imbalance. To remedy this problem, we have created the **Nutri'O** dinner, which is ideally suited to the elderly while ensuring they receive their daily nutritional requirements (protein, calcium and fiber).

UNITED STATES

Since 2004, we have partnered with ADA (American Dietetics Association) to disseminate educational tools to patients in hospitals via the website www.eatright.org. Sodexho Health Care Services, the number-one employer of certified dieticians in the United States, has created a distance-learning dietetics program.

FIGHTING OBESITY

Adolescent obesity, which the WHO (World Health Organisation) has described as “pandemic”, has risen by 75% in the last 30 years. Our initiatives encompass programs designed to prevent and combat obesity.

AUSTRALIA

SmartFuel is a healthy eating program that generates awareness concerning the benefits of a well-balanced diet, among workers in the defense segment. Specific foods are recommended by nutritionists to restore and maintain the body’s energy-producing functions. Infantile obesity has doubled in Australia in 10 years and 20% of Australian children are considered overweight or obese. We have developed the **Nourish – Eat Right, Be Bright** program to combat this trend and help young people adopt healthy eating habits in their daily lives.

BRAZIL

The **Nutrimania** campaign teaches the basic rules of well-balanced nutrition and an informative booklet has been distributed to restaurants and cafeterias tables. Various topics including heart disease prevention have been communicated.

CONTINENTAL EUROPE

Thirteen major actions have been identified as contributing to the fight against obesity. They have been divided into three categories: improving eating habits, improving customer knowledge about their food and encouraging physical exercise. For each of these thirteen actions, specific programs and examples of concrete initiatives have been reported in every host country and they form the basis for the exchange of best practices between countries. All of the senior managers of Sodexho Continental Europe are committed to ensuring that every Sodexho customer at every site where we operate benefits from at least three of the thirteen actions every day.

EUROPEAN UNION

On December 14, 2005, Sodexho signed the charter of foodservice concession commitments, as part of our professional union, FERCO (European Federation of Contract Catering Organisations), at the European level. The charter translates our commitment to playing an active role as members of the EU Platform on Diet, Physical Activity and Health.

ITALY

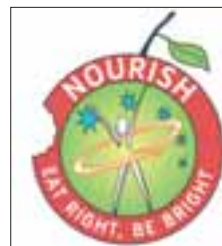
We carefully monitor the type of fat and oily substances used in our restaurants. Vegetable oils account for more than 90%, including olive oil (53%).

UNITED STATES

Sodexho is a founding board member of the Institute on the Costs and Health Effects of Obesity, set up in 2004 as part of the National Business Group on Health (NBGH).

To prevent obesity amongst children, the **School Stars** program teaches good eating habits in the classroom, in cooperation with instructors, teachers and nutritionists. The **Your Health Your Way** program has been launched in adult populations in business settings to provide nutritious meals that meet credible nutritional guidelines and adapt to individual dining choices. It has been proven that people in good health are more productive at work.

Create Your Weight is a comprehensive program to assist adults over a period of 10 weeks in managing their body mass. Dieticians combine instruction in nutrition, physical activity and behavior modification with metabolic testing and wellness tracking software. Create Your Weight for Pediatrics is a weight management program especially designed for children.



Nourish – Eat Right, Be Bright program, Australia.



Create Your Weight program, United States.

A dietician in hospital environnement, France.





our Employees

OBJECTIVE

Encourage a fulfilling professional life.

COMMITMENTS

1. Sodexho is dedicated to providing its employees the means for professional and personal development.
2. Sodexho is dedicated to promoting and respecting diversity.

For further information, see the 2005 Human Resources Report, available on the website www.sodexho.com.

PROVIDING employees the means for professional and personal development



“United by a common vision and shared values, our people are the main resource of Sodexho. The diversity of origins, cultures and expertise of our people is also a driver of progress and growth for Sodexho. It is one of our greatest strengths, providing a basis for developing synergies to better serve our clients, our customers and the community.”

Elisabeth Carpentier, Group Executive Vice President, Human Resources,
Member of the Sodexho Alliance Executive Committee

BUILDING CAREER PATHS

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

SUPPORT FOR CONTINUING EDUCATION

Each employee can expand his or her skills through access to continuing education. Sodexho actively seeks and develops partnerships with a variety of schools, colleges and universities.

MAKING OPPORTUNITIES KNOWN

Job vacancies are posted on internal notice boards, by e-mail, or on intranet and internet sites at Group or subsidiary level. This approach has been adopted in the United States with the creation of a Career Center.

For further information, see the 2005 Human Resources Report, available on the website www.sodexho.com.

AWARDS & RECOGNITION

(see “Our awards” p. 68)

• Germany

In November 2005, Sodexho won the Caterer of the Year award in the “Strategy and Management” category.

• Poland

In October 2005, Sodexho received the Investor in Human Capital emblem. Sodexho was also named one of Poland’s most dynamic employers by two major business journals.

• United Kingdom

For the past five years, Sodexho has achieved certification under the Investors in People standard, created to encourage firms to improve performance through the management and personal development of their employees.

• United States

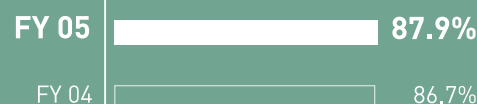
The Department of Defense recognized Sodexho with a Patriotic Employer Award for allowing employees to remain in their jobs while on active military duty.

Indicators

RETENTION RATE ALL EMPLOYEES



RETENTION RATE DISTRICT MANAGERS



INTERNAL PROMOTION 2004-2005

25% of site manager positions were filled by promotion from non-managerial grades.

38% of managerial positions were filled by promotion from site manager or equivalent jobs in the fiscal year 2005.

(scope: 96% of Group employees as of August 31, 2005).

1,869 internal promotions in the Group
 —→ **1,545** promotions to site manager grade,
 —→ **324** promotions to manager grade.

Internal promotion in France:

100% of regional directors and sales directors;

60% of development managers,

67% of district managers.

Meet...



Michel Landel, Chief Executive Officer,
Sodexo Alliance.

**SODEXHO MANAGEMENT INSTITUTE: A DRIVING
FORCE FOR THE TRANSFER OF BEST PRACTICES**

"The Sodexo Management Institute serves as an international, multicultural meeting place for discussion and sharing of experiences. Its purpose is to contribute to the ongoing progress of the Group's managers and to foster the entrepreneurs needed to ensure its growth. Sodexo managers learn and progress by taking on new responsibilities, participating in project teams and following training that emphasizes a think-tank approach. Sodexo Management Institute is a place to reinforce Group values. And it is also a place to exchange ideas and create internal networks. In all these ways, the Sodexo Management Institute contributes to the development of our managers."

○ FULFILL THE EXPECTATIONS OF OUR EMPLOYEES

**AUSTRALIA:
A TRAINING PROGRAM
IN THE DEFENSE SEGMENT**

A training program operated for the last 3 years in the Defense segment has already given 400 new employees the opportunity to obtain a nationally recognized professional qualification, boosting their self-confidence and encouraging them to pursue further training to acquire new skills and responsibilities.

**BRAZIL:
A DEVELOPMENT PLAN**

A development plan, launched in 2000, provides site managers with the necessary training to progress to district manager. They can also participate in a program that prepares them for moves into sales functions.

**FRANCE:
THE IN-HOUSE TRAINING CHARTER**

In June 2005, the Sodexo Catering and Services subsidiary signed the In-House Training Charter presented by the *Institut de l'Entreprise*. The charter aims at promoting in-house training and is in line with Sodexo's wish to act as a genuine management school. Every year, more than 200 students work in the company

under in-house training contracts. Upon completion of their training, we offer permanent contracts to an average of 50 training graduates. By signing the Charter, we are formally committed to increasing the number of in-house trainees by 20% over the next two years. With 8,000 individuals trained every year and nearly 400 job seekers under the age of 26 hired last year, Sodexo knows that training and hiring means preparing the resources required for the Group's growth.

**UNITED STATES:
DEGREE-ORIENTED TRAINING**

Sodexo employees can prepare for Associate's, Bachelor's and Master's degrees by following internet-based courses or completing a company-based project, through partnerships with Strayer University and The University of Action Learning.

“



I recently transferred from my home country, the United States, to take the position of Group Vice President Training in Paris. For me, this is a tremendous opportunity to get to know the company in more depth, broaden my vision of the business, add new skills and draw on the experiences of colleagues from other cultures and backgrounds. It has been interesting to note that we face many of the same challenges, and through regular communication, networking and sharing of the best practices, we can solve many of these challenges collectively.”

Tina Caldwell, Group Vice President Training, Sodexo Alliance

Key data

Percentage of average workforce who have undergone training⁽¹⁾

Non-managerial	Managerial	Total
59%	76.3%	61.1%

Number of training days: **521,267** days

Number of people who have undergone training⁽¹⁾

Non-managerial	Managerial	Total
157,980	28,630	186,610

(1) Scope: 97% of Group employees as of August 31, 2005.



A training program for chefs, France.

Our path to progress

Our commitment is a long-term approach. We are continuing our efforts, day after day, by developing 3 areas of progress.

- 1. Communicating opportunities:**
our subsidiaries are continually improving the tools they use to inform employees about internal job vacancies. This offers a wide scope of possibilities to anyone seeking new opportunities within the Group.
- 2. Professional training:**
Sodexo is developing its professional training programs to better satisfy employee expectations and client needs.
- 3. Degree-oriented training:**
Sodexo aims to develop partnerships with schools and universities throughout the world in order to provide employees the opportunity to work toward obtaining degrees.

PROMOTING and RESPECTING diversity

Indicator

2005 EMPLOYEE ENGAGEMENT SURVEY



F & FMS: Food & Facilities Management Services.
SVC: Service Vouchers and Cards.

Percentage of employees who responded that at Sodexo, employee diversity (age, gender, national origin,...) is valued for the differences these dimensions bring to the workplace.

One of our chefs in China.



COMMITMENT TO DIVERSITY

Wherever we operate, Sodexo implements initiatives to facilitate the integration of employees from varied cultural and national backgrounds into the company and society. We expect all of our employees to understand the importance of creating a diverse and inclusive culture where all employees can succeed to their fullest potential.

BELGIUM

Viviane MatapTamo, a 1st apprentice chef in Belgium, recalls her experience: *“It was through an insertion program supported by Sodexo that I had the chance to learn a genuine trade in foodservice”*.

UNITED STATES

All managers attended a day-long diversity training program entitled “Equal Opportunity Employment and Affirmative Action Training”, followed by a second full day of “Spirit of Diversity” training.

ADVANCING EQUAL OPPORTUNITIES

Sodexo operates a wide range of initiatives designed to reinforce gender equality.

COLOMBIA: A PROGRAM FOR THE MOST DISADVANTAGED

Sodexo offers grants to cover a 6-month training program leading to potential job opportunities within the company and 120 people currently benefit from this program.

ITALY

For ten years, Sodexo has been working with institutions and non-governmental organizations to promote the integration of people with disabilities. Sodexo now employs over 200 disabled people and we have also launched a website for the visually impaired.

THE NETHERLANDS

Sodexo is a founding-member of a national network that promotes gender equality. A key role of the network is to enable women who have temporarily left the company for family reasons to maintain their ties with their company, making it easier for them to return to work.

Improving the quality of life for people with disabilities, first and foremost, helping them integrate into society. Sodexho furthers this objective across the board, from work within centers for the disabled to job training and public awareness campaigns. In Italy, Sodexho has been working for the past 10 years with institutions and non-governmental organizations to promote the integration of people with disabilities, where 200 disabled people are now employed. We operate a wide range of initiatives to help the long-term unemployed and the underprivileged, along with offender reinsertion programs.

UNITED KINGDOM: ENABLING REINSERTION

Sodexho's subsidiary specializing in correctional services has created a state-of-the-art mother and child unit within Bronzefield prison. The focus is on socio-educational programs, job training, workshops, maintaining family contact, and assistance in finding housing and jobs.



Bronzefield prison, "mother and child" unit, United Kingdom.

For further information, see the 2005 Human Resources Report, available on the website www.sodexho.com.



AWARDS & RECOGNITION

(see "Our awards" p. 68)

• United States - Sodexho was:

In 2006: named one of nation's top 50 companies for diversity by DiversityInc. magazine and ranked number 14 on the list.
In 2005:

- named among the Top 10 in the International Innovation in Diversity Award;
- named The Diversity Innovator by the National Women's Business Center;
- recognized by DiversityInc. as one of the 25 companies most involved in promoting diversity;
- selected as one of the Top 10 employers of Asian-Americans by Asian Enterprise Magazine;
- presented by Latina Style Magazine among the Top 50 companies offering Latinos genuine careers opportunities;
- ranked 6th among the Top 10 employers for African-Americans by Black Collegian Magazine;
- identified as one of the Top 10 employers for people with disabilities by DiversityInc.;
- named Employer of the Year by the MA Autism Services Association.

Our path to progress

Creation of a worldwide diversity working group, the **Global Diversity Network**, initiated by the Group's Human Resources Department with representatives from several countries, including Australia, the United States, France and the United Kingdom.

Progress plan in 2006:

- a strategy aimed at promoting **diversity** and **multicultural membership in the management committees** of key entities and of the Group;
- improving **understanding of cultural differences** to ensure smoother internal communications, and;
- **strengthening the commitment** of all entities to diversity and inclusion.



THE DIVERSITY CHARTER

FRANCE

In October 2004, Sodexho signed the Diversity Charter. The main aim of the Charter is to ensure equality of opportunity by promoting employment and career development for all, regardless of gender, age, origin or disability.

A diversity Group was formed in January 2005. The Group, which includes employees and union representatives, meets every month to discuss the diversity agenda.

In accordance with this charter, Sodexho is committed to:

1. Raising awareness and providing training for managers and employees involved in hiring, training and career management concerning the importance of non-discrimination and diversity.
2. Complying with and promoting the application of the principle of non-discrimination at all levels of human resources.
3. Reflecting the diversity of French society, (cultural and ethnic dimensions) in our workforce.
4. Communicating to all employees our commitment to non-discrimination and diversity and informing them of the concrete results of this commitment.
5. Making the development and implementation of the diversity policy a subject of dialogue with labor representatives.
6. Including in the Annual Report a chapter describing our commitment to non-discrimination and diversity.

Key priorities determined jointly by labor and Sodexho representatives:

1. Encourage the training and career development of women by seeking to ensure equal representation at every level of qualification.
2. Encourage the motivation and continued employment of staff over the age of 55.
3. Encourage hiring and continued employment of the disabled.
4. Encourage the integration and professional development of all employees, regardless of origin, to ensure equal opportunity.

Achievements since January 2005:

1. Creation of a diversity group bringing together labor and management representatives on a monthly basis.
2. Appointment of a Diversity project leader.
3. Snapshot of the current situation: an audit of the insertion of the disabled in the company, carried out by ALINEA (a recruitment consultancy specialized in Health professions), in partnership with AGEFIPH (a partner in the employment of people with disabilities). Survey of all Human Resources Departments concerning the management of employees who end their careers.
4. Awareness campaigns.
5. Definition of objectives and actions plans for the four priority areas.

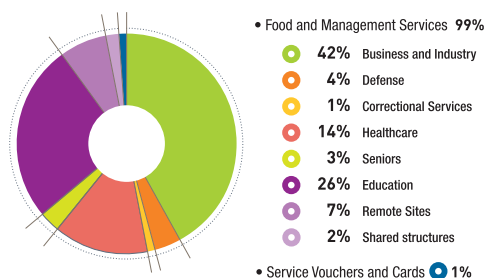
BELGIUM

Sodexho also signed a Diversity Charter proposed by the Ministry of the Economy and Employment in December 2005.

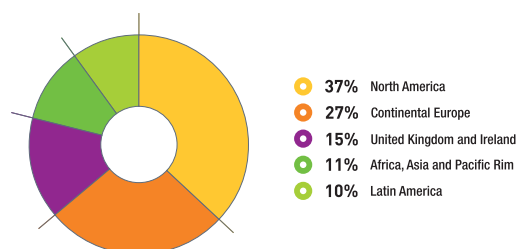
Key data 2004-2005

Employees

Employees by activity



Employees by region



Number of employees

04-05	<div></div>	324,446
03-04	<div></div>	312,975
02-03	<div></div>	308,385
01-02	<div></div>	315,141
00-01	<div></div>	313,469

Group Workforce by category and by gender

	Male	Female	Total
Non-managerial	118,280	167,016	285,296
Managerial	22,162	16,988	39,150
Total	140,442	184,004	324,446

Recruitment

Percentage of recruits on permanent contract (excluding staff assumed from other service-providers) relative to average workforce⁽¹⁾

Non-managerial	Managerial	Total
45.7%	12.8%	41.6%

Number of managed employees by category⁽¹⁾

Non-managerial	Managerial	Total
118,684	4,772	123,456

Percentage of employees hired locally

In **2004-2005**, **98%** of Sodexho's employees were hired locally.

⁽¹⁾ Scope: 94% of Group employees as of August 31, 2005.

Security at work

Percentage of work-related accidents relative to average workforce⁽²⁾

Non-managerial	Managerial	Total
3.4%	1%	3.1%

Number of work-related accidents⁽²⁾

Non-managerial	Managerial	Total
8,919	378	9,297

⁽²⁾ Scope: 96% of Group employees as of August 31, 2005.

For further information, see the 2005 Human Resources Report, available on the website www.sodexho.com.



our Suppliers

OBJECTIVE

Build balanced, long-term relationships.

COMMITMENTS

1. Sodexho is dedicated to pursuing procurement policies that guarantee the quality of the products we use.
2. Sodexho is dedicated to strongly encouraging its suppliers to respect its corporate responsibility.

GUARANTEEING the quality of the products we use



“Our suppliers play a fundamental role in our responsible food safety policy. To control potential risks, we are extremely vigilant regarding the quality of each product we offer our clients and customers.”

Damien Verdier, Group Executive Vice President, Marketing in charge of Procurement, Food Offer Marketing and Client Retention, Member of the Sodexho Alliance Executive Committee

FOCUS ON SUPPLY CHAIN

We give priority to qualitative criteria in making our purchases before price considerations. In each country we have adopted a policy of product quality and traceability throughout the supply chain. We are careful to comply with transparency rules governing the supply of perishable products, and enforce annual auditing and inspection procedures. All of these actions are part of our improvement approach in partnership with our suppliers.

AFRICA

Universal Sodexho introduced the Galaxy system, a management and forecasting tool now used at a dozen remote sites: deliveries are made from Galaxy-managed warehouses to 600 sites in six countries, and 12,000 products and 450 suppliers have been approved. Among them, MAAS Trading (See “Dialogue with” p.40).

FRANCE

ISO 9001: 2000 certification of our purchasing department covers the assessment, approval and monitoring of suppliers, products and services in the areas of catering and communication of procurement data. It provides a guarantee to suppliers of our professionalism and strict purchasing policy.

AWARDS & RECOGNITION

(see “Our awards” p. 68)

- **Scotland** - Universal Sodexho has obtained the Excellence Standard from the CIPS (Chartered Institute of Purchasing & Supply), awarded for best practices, procedures and policies in procurement and supply.

Indicators

LOGISTICS CHAIN AUDITING IN FRANCE IN 2004-2005

9,300 audits carried out across all segments.

Increase in the number of supplier audits relating to the environment and working conditions:



BREAKDOWN OF AUDITS



- 64% Industrial audits
- 28% Distributor audits
- 8% Non-food audits

Dialogue with...

Georges Broeders,
Purchasing & Logistics Manager,
MAAS Trading, partner of Sodexho
since 1994 for Remote Sites in Africa.



WHAT ARE THE STEPS IN YOUR QUALITY APPROACH?

"Risk prevention is of paramount importance to us and we follow the HACCP method closely. Every three months, we check our procedures and carry out product tests to prevent potential risks. For meat, in particular, we require that our suppliers provide us with certificates of origin compliant with veterinary industries. Today, we are responsible for strengthening quality controls to satisfy our clients."

WHAT SORT OF CLIENT IS SODEXHO FOR YOU?

"Sodexho's approach is simply to strive for ongoing progress on a daily basis and maintain a contract founded on trust with us. We appreciate working directly with the operating teams in the field, for it allows us to solve problems more quickly. As part of our transparency requirement, we also offer to assist Sodexho in loading their products. With Sodexho, we are constantly expanding the range of product origins and continually improving our methods."

HOW DO YOU SUPPORT SODEXHO'S CORPORATE RESPONSIBILITY POLICY?

"Satisfying end clients is as much to our advantage as to Sodexho's. We comply with Sodexho's ethical principles while maintaining a balanced, lasting partnership. Our aim is to pursue our growth and improve the quality of our products and our approach."

“The high standards set by Universal Sodexho are the driving force behind our ongoing improvement.”



FRANCE: A CONTROL APPROACH OVERWHELMINGLY APPROVED BY OUR SUPPLIERS

Our procurement policy outlines formal specifications pertaining to hygiene, traceability, food safety, the environment and working conditions and must be signed by every supplier. The components of every product are known, the production process is audited and deliveries are inspected. This control approach has been overwhelmingly approved by our suppliers, for it enables them to

improve their daily work and enhances the degree of product and service quality in the eyes of their other clients. In addition, the purchasing department carries out audits throughout the year. If the results are not of the standard required, the names of the suppliers involved are put on an at-risk list and are subject to an action plan and further audit.

UNITED KINGDOM: WORKING IN PARTNERSHIP WITH OUR SUPPLIERS

In support of our sustainable development policy, we took part in an initiative started by His Royal Highness (HRH) the Prince of Wales, which called on seven leading foodservice companies to work with the IGD (Institute of Grocery Distribution). This involved conducting research to identify obstacles to UK farmers in working with UK foodservice companies. The overall objective was build fair and profitable relationships and real commercial issues have been addressed by close co-operation.

One example where we have successfully implemented this initiative is lettuce. Following a tender process, we entered a relationship with one grower, who is able to deliver lettuce directly to our distributors. The benefits to Sodexho of dealing directly with the grower/supplier include traceability, more consistent quality and more predictable prices. The grower benefits from having guaranteed volumes throughout the year, and fixed prices leading to a fixed income.

ENCOURAGING our suppliers to respect our corporate responsibility values

ETHICAL PARTNERSHIPS

We are strengthening our ethical partnerships to foster respect for people and the environment: our suppliers are committed to working with us to promote this approach in our daily activities and contribute to our progress.

In our activities, it is essential to develop trusting, long term relationships with each of our suppliers to ensure the quality of our products throughout the logistical chain. We see to it that our procurement policy and our partnerships are adapted to the specific features of our suppliers. Furthermore, we have encouraged our suppliers to adopt a policy of cultural and social diversity towards their suppliers.

PROMOTING THE USE OF PRODUCTS THAT ARE RESPECTFUL OF THE ENVIRONMENT AND ETHICAL VALUES

Today, our clients and customers are increasingly insisting on products created using ethical standards. To meet their demands, we recently developed a product offer resulting from rational farming methods,

organic farming and fair trade that is clearly labeled to disseminate fully transparent information on this approach.

UNITED KINGDOM AND IRELAND

We have also worked extensively with a supplier to develop an additional coffee solution which we have called Coffee with Principles. This coffee has 3 accreditations; it is Fair-trade accredited, Rainforest Alliance certified and organic.

UNITED KINGDOM

We offer clients the option of using certain products purchased by us under Fair-trade agreements, including coffee, tea, chocolate, juice and bananas. During 2005, we supplied around 380 tonnes of Fair-trade coffee, tea and chocolate, and over 16,000 litres of Fair-trade juice.



Ethical partnerships with our suppliers, Peru.



“ We are fully committed to continuing to build a strong supplier diversity program by expanding and maximizing our partnerships with minority and women-owned businesses, and taking a vested interest in their success. ”

Ann Oka, Senior Vice President, Supply Management, United States

Indicators

PERCENTAGE OF PURCHASES FROM APPROVED SUPPLIERS (UNITED STATES)*



* Vendor compliance = purchases from approved suppliers
(purchases from approved suppliers + purchases from competitor suppliers).

This figure represents an increase of approximately 9% of total procurement:



UNITED STATES: PROMOTING ORGANIC PRODUCTS AMONG STUDENTS

American students in the Midwest can now drink fair trade coffee and bite into organically grown apples. Sodexho has recently begun offering these products on university campuses. This operation is organized in partnership with the local farmer's association Food Alliance whose approved members must comply with rational farming methods (reduced use of pesticides, prohibition of GMOs (Genetically modified organisms), conservation of natural resources and wildlife habitats, safe and equitable working conditions).

Don Kulick, Regional Manager of Sodexho Campus Services, recalls, “At Sodexho, we support environmentally friendly, ethical production and encourage local farmers. Our partnership with Food Alliance has allowed us to promote the values of sustainable development at every level in the Group and in the communities we serve.”

AWARDS & RECOGNITION

(see “Our awards” p. 68)

- **United States** - In 2005, Sodexho was recognized by DiversityInc. among the Top 10 companies most committed to developing partnerships with suppliers from minority groups and women-owned businesses.
- **United States** - Keeper of the Vision for a Sustainable Future prize awarded by the Food Alliance association for the partnership between Sodexho and Midwestern farmers based on rational farming principles.



Committed partnerships with committed suppliers

In France, Sodexho works in partnership with many suppliers that have adopted a sustainable development approach:

- certified by ISO 14001 environmental management systems, e.g. Coca-Cola, Daufruit-Héro, Evian, Inalca, Ecolab, Lotus-Georgia Pacific, Miko, Unilever Best Foods and SITA;
- suppliers that have signed “Company in favor of the environment and sustainable development” charters, e.g. Ardo, Danone, Davigel, Nestlé and Lutosia.

OUR CODE OF ETHICAL CONDUCT FOR SUPPLIERS IN NORTH AMERICA

In North America, our partnerships comply with a Code of Conduct based on ILO (International Labor Organization) standards. At our request, our suppliers sign a Code of Conduct regarding the following topics:

- **child labor** – suppliers are prohibited from using workers under the legal age of employment in any country or local jurisdiction where the supplier performs work for Sodexho. If the minimum age of employment is not defined, the minimum age of employment shall be 15 years of age;
- **forced labor** – Sodexho shall not tolerate the use of indentured, slave, bonded or other forced involuntary labor by its suppliers;
- **wages and benefits** – suppliers shall not pay less than the minimum wage in accordance with local laws or the prevailing market, whichever is higher;
- **working hours** – suppliers shall maintain reasonable employee work hours in compliance with local standards and applicable national laws of the countries and regions in which the supplier does business;
- **health and safety guidelines** – suppliers must share Sodexho's commitment to providing a safe and healthy workplace, in compliance with local laws;
- **freedom of association** – employees of suppliers shall be free to join organizations of their own choice. Employees shall not be subject to intimidation;
- **non-discrimination** – suppliers should not discriminate against employees in hiring, promotion, salary, performance evaluation or any other term or condition of work, on the basis of race, color, national origin, gender, sexual orientation, religion, disability, or any other basis prohibited by law;
- **disciplinary practices/coercion** – everyone should be treated with dignity. Suppliers shall not inflict or threaten to inflict corporal punishment or any other forms of physical, sexual, psychological or verbal abuse or harassment on any employees;
- **environmental guidelines** – Sodexho will actively seek suppliers that share our commitment to environmental protection, energy conservation, recycling and proper disposal of waste, as well as by environmental restoration;
- **community involvement** – Sodexho seeks to work with suppliers that partner with local governments and communities to improve the educational, cultural, economic and social well-being of the communities;
- **ethical standards** – Sodexho seeks to identify and partner with suppliers that aspire to conduct all of their business following a set of ethical standards not incompatible with our own;
- **conflicts of interest** – suppliers may not give Sodexho employees a gift of value in excess of US\$100 and may not bribe foreign officials or any other parties to benefit the Company, its employees or its business;
- **communication** – suppliers are encouraged to take appropriate steps to ensure that provisions of this Code are communicated to their employees and throughout their own supply chain.



Fruits issued from organic farming prepared for serving, North America.



our Shareholders

OBJECTIVE

Ensure that all shareholders receive the same information at the same time.

COMMITMENT

Sodexo is dedicated to regularly providing all shareholders with the same simultaneous, accurate, clear, transparent information.

PROVIDING all shareholders with the same simultaneous, accurate, clear, transparent information



“For several years, we have intensified our efforts and made significant progress as regards financial transparency while ensuring equal treatment of shareholders with regard to information.”

Siân Herbert-Jones, *Group Chief Financial Officer,
Member of the Sodexho Alliance Executive Committee*

Our aim is to facilitate access to information as much as possible. Our shareholders must have all information they require to understand the options and policy decisions of the Group. To do so, we are multiplying the information supports.

OUR VARIOUS PUBLICATIONS

Sodexho publishes a bilingual **Reference Document** (French and English) filed with the French Market Authority (AMF). It is available on the site of the AMF (www.amf-france.org), as well as on our website www.sodexho.com. To our shareholders present at the General Meeting we submit our **Annual Report**, which is published each year in two languages, English and French. This document can be downloaded from our website.

We also publish a “**Digest**”, an overview available in 6 languages (English, French, German, Italian,

Portuguese and Spanish). This document is available on request. Because Sodexho Alliance is listed on the New York Stock Exchange, it issues a **Report on form 20-F**, in accordance with the Securities Exchange Act of 1934 section 13 and filed with Securities Exchange Commission (SEC), in English. This document can be downloaded from our website.

OUR WEBSITE WWW.SODEXHO.COM

A section is reserved for shareholders on the Sodexho website to provide clear, transparent information on the results and strategy of the Group. Shareholders can also access share price performance figures in real time and take part in assemblies and analyst meetings.

The Sodexho Alliance share is listed on the Euronext Paris first market (Euroclear code: FR 0000121220) and is part of the Next 20 index. Since April 3, 2002, it has also been listed on the New York Stock Exchange (NYSE) under the ticker SDX. After three difficult years for the stock exchange, the Sodexho Alliance share has returned to growth. During the last financial year, it increased 31.4% whereas the CAC 40 increased by 21.8% over the same period.

How to obtain information

On our website

www.sodexho.com

By audiotel

No.: +33 (0)8 91 67 19 66 (EUR 0.225 per minute)

By telephone, fax or e-mail

Tel.: + 33 (0)1 30 85 72 03

Fax: + 33 (0)1 30 85 50 88

E-mail: jean-jacques.vironda@sodexhoalliance.com

In writing

Sodexho Alliance, Investor Relations

B.P. 100, 78883 Saint-Quentin-en-Yvelines Cedex

NEXT MEETINGS

• Q3 Sales	July 5, 2006
• Sales for the financial year	October 4, 2006
• Annual income	November 16, 2006
• Q1 Sales	January 10, 2007
• General Meeting	January 30, 2007
• Q2 Sales	April 4, 2007
• Semi-annual results	April 26, 2007
• Q3 Sales	July 4, 2007

This agenda is regularly updated on our website.
For further information, see: www.sodexho.com.

Dialogue with...



APAS is already one year old
Michel Bassi, President of the APAS, the Association of Sodexho Shareholders and Associates.



"The APAS was set up a year ago by a group of Sodexho shareholders. At the time, the initiators were struck by the frequency and viciousness of attacks on Sodexho. They came up with the idea of countering these maneuvers

and offsetting the harm done to the Group's image in order to defend the interests of its shareholders, its associates and retired staff.

Since it was created, dozens of new members have joined the ranks of the association.

Now, one year after it was set up, the situation has changed, both within Sodexho, with the arrival of Michel Landel as CEO and outside the Company, where the share price on the stock exchange has improved. Discourse on Sodexho in the press is more positive.

The APAS is pleased with these various improvements, but it is important to remain vigilant and be aware that in today's world, there is more at stake than merely the financial aspect of things. Attacks against a company's reputation can endanger its well-being in the long run. The APAS therefore intends to continue and intensify its actions.

In particular, the association has asked Michel Landel for his analysis of Sodexho's current situation and the strategy he intends to adopt; the members were immediately informed. The APAS has also obtained the right to regular meetings between the members of the Association and the Company's senior executives starting in early 2006."

For further information about the APAS, see: www.apasodexho.org.

REGULAR MEETINGS

In order to create and maintain genuine dialogue, Sodexho Alliance multiplies its meetings with shareholders and all of the financial community.

For the publication of the semi-annual and annual results, as well as for the General Meeting, three major appointments are planned. Our General Meeting is retransmitted live via the Internet, enabling shareholders who cannot be present to ask questions, follow the voting of the resolutions and discussions. The Group also organizes quarterly conference calls for financial analysts hosted by the CEO and the CFO.

In addition, the Group regularly invites investors to meetings in Europe and the United States, thereby providing a number of occasions to freely discuss matters, and proposes meetings for analysts on specific themes so that they can more fully understand the operational reality of the Group. Sodexho Alliance also takes part in sectorial presentations of listed companies.

AWARDS & RECOGNITION

(see "Our awards" p. 68)

- **France** - Distinction for the annual reports: TOP COM Bronze awards (2000 and 2001), TOP COM Gold awards (2002 and 2004), TOP COM Silver award (2005), in the "Annual Reports for Listed Companies" category.

• Associate ownership TOP 100

Sodexho is listed in the European Associate Ownership TOP 100, monitored by the EFES (European Federation of Associate Share Ownership Federation), which is recognized by the European Commission. The European Associate Ownership TOP 100 ranks European companies on the basis of two selection criteria related to associate ownership.

Europa Cap 100 - Sodexho was ranked in 88th position in 2005. ranking of companies according to the amount of equity in associate hands, in millions of euro. This ranking includes all the largest companies that are partially or totally owned by associates, regardless of the percentage of equity.

SURVEY OF OUR SHAREHOLDERS ON THE QUALITY OF INVESTOR INFORMATION

In December 2004, we sent a questionnaire to:

- **23,684** individual shareholders,
- **1,208** questionnaires were returned to us

or a return rate of 4.7%, on a par with that of 2003.

PROFILE OF RESPONDENTS - THE SHAREHOLDERS ARE LOYAL

70% of them have owned their Sodexho shares for more than 3 years (compared with 64.5% in January 2004). France is the most represented nationality among respondents (**36.2%**) and nearly two thirds (**64%**) of the shareholders own more than 100 shares. Our shareholders continue to express their confidence in the know-how of the Group: **63%** had “good” opinions.

SODEXHO INSTITUTIONAL AND FINANCIAL INFORMATION IS APPRECIATED BY OUR SHAREHOLDERS FOR

- its regularity **59.7%**
- its clarity **55.5%**

THE SHAREHOLDERS WHO RESPONDED USE OF ALL THE CONVENTIONAL SOURCES OF WRITTEN INFORMATION TO INFORM THEMSELVES ABOUT THE GROUP

- press articles **27%**
- the annual report **21%**
- financial disclosures published in the press by Sodexho Alliance **15%**

All 3 of these main sources of information received higher ratings than those recorded in January 2004.



Annual Shareholders' meeting Sodexho Alliance, January 2000.

Our path to progress

Our progress pointer for strengthening communication with our shareholders and investors:

→ to gain **20 days** in the next **three years** on **lead-times** for **providing financial information**.

PRACTICING corporate governance



“ The Board of Directors ensures Group strategies are implemented and supervises the quality of the information provided for shareholders, and, each time it proves necessary, with the participation of the operational, financial and internal audit managers of the Company as well as external auditors. The Board of Directors met 8 times during the 2004-2005 financial year and the attendance rate was 87%. ”

Pierre Bellon, *Chairman and Founder of Sodexho, Chairman of the Board of Sodexho Alliance*



The Audit Committee ensures the relevance and permanence of the accounting methods used within the Company, supervises

the effective implementation of internal control procedures and periodically examines the Management Report on risks incurred and the principles for preventing them. It also supervises relations with the auditors. ”

Robert Baconnier, *Chairman of the Audit Committee, President and Director General of the ANSA (National Association of Joint stock companies)*



The Nominating Committee is tasked with examining the proposals of the Chairman of the Board and formulating

an opinion for the Board on the nomination of Administrators, the Chief Executive Officer, the members of the Group Executive Committee and on the succession plans of Group executives. In addition, the Nominations Committee periodically proposes a list of independent administrators to the Board of Directors. ”

François Périgot, *Chairman of the Nominating Committee, International Honorary President of the French Employers' Association (Medef) and Medef International*

Listed on two stock exchanges (Paris and New York), Sodexho Alliance implements principles of corporate governance integrating the legal provisions of French legislation as well as that of the United States, and the rules enacted by the stock exchange authorities of both countries.

THE BOARD OF DIRECTORS

The composition of the Board of Directors therefore reflects, as much as possible, the geographical weight of the regions in which the Group is present, and includes administrators who know the activities of the Group and who cover a wide range of technical skills. The Board has 14 members, one of whom is of Canadian nationality, another is British and two are American citizens. No administrator has any conflict of interests. The Board of Directors defines the strategy for the company, appoints the executives tasked with managing it, controls its management, reviews the internal control procedures and supervises the quality of the information provided to shareholders as well as to the financial markets through the accounts or during extremely important operations.

COMMITTEES

Three Committees have been set up in order to support the decision-making processes within the Executive Committee:

- **the Audit Committee**
 - 3 members, all independent, 4 meetings in 2005, attendance rate was 67%;
- **the Nominating Committee**
 - 5 members, including 2 independent, 1 meeting in 2004-2005, attendance rate was 60%;
- **the Compensation Committee**
 - 4 members, including 1 independent, 3 meetings in 2004-2005, attendance rate was 85%.

RISK MANAGEMENT

Sodexho has an active risk management policy, its objective being to strengthen the protection of its associates and its customers, and to preserve the assets of the company and of its shareholders. The Group has set up precise policies to ensure that risks are correctly evaluated and managed at the appropriate levels of the organization. A risk map is drafted each year by the Executive Committee of the Group and presented to the Audit Committee and the Board of Directors.

Against this background, the risk and insurance management policy consists, in conjunction with the internal structures of the subsidiaries, in:

- identifying and evaluating the main risks affecting the Group, while remaining attentive to the emergence of new risk factors related to the development of its activities, particularly in multi-service sectors;
- developing a policy to reduce contractual risks;
- Arbitrating between keeping risks (self-insurance) and transferring them to the insurance market.

INTERNAL AUDIT

One of our aims is to increase our internal audits. Among the initiatives taken with regard to the internal control of our activities, the purpose of the CLEAR project (Controls for Legal requirements and to Enhance Accountability and Reporting), launched at the end of 2003, is to comply with the Financial Security law in France and with section 404 of the Sarbanes-Oxley Law in the United States, which requires company managers to carry out internal audits and to attest their reliability.

“



The Compensation Committee is tasked with proposing the remuneration for executives, the general remuneration policy

for chief executives in the Group, the profit-sharing policy for executives based on corporate performance and, in particular, the policy for subscription and share purchase plans as well as the set-up of corporate savings schemes within the Group.”

Rémi Baudin, Chairman of the Compensation Committee, Vice-President of the Board of Directors of Sodexho Alliance and Vice-President of the Board of Trustees of Bellon SA

THE CLEAR PROJECT

This initiative, which involves more than 700 people in 85% of our subsidiaries, demonstrates our teams' commitment in favor of rigorous business and support for the proper management of our Group.

“CLEAR has lead us to exchange best practices,” confirms Nicole Huard, Co-Director of the CLEAR project. “It is vital that Directors of subsidiaries see the implementation of these control procedures (or their set-up, where applicable) as an essential initiative for the whole of the Group” adds Cindy Sverisson, Co-Director of the CLEAR project. The CLEAR project helps improve the performance of our operations: it is a scaleable step towards greater competitiveness. Insofar as the control procedures help us avoid certain financial risks, CLEAR also identifies risk points. By making better provision for them, we can improve our competitiveness. The Group realized the need to increase documentation and written procedures and to develop the skills of its financial teams.

During the 2004-2005 financial year, Sodexho increased its human resources in the accounting and financial sectors, and the Group will continue to reinforce them during the 2005-2006 financial period.

Underlining the scale of the commitment of Sodexho Alliance in terms of transparency and observance of the regulations currently in effect, in 2003, the Board of Directors adopted a Code of Conduct for use by its Executives. The members of the Executive Committee of the Group and Sodexho CFOs have formally adopted the Code and undertaken to respect it.

For all further information concerning the corporate governance of the Group, please refer to the chapter of the same name contained in our reference document, which is also available on the Sodexho Alliance website.

Our path to progress

In 2005-2006, the CLEAR project will be submitted for certification within the framework of the Sarbanes-Oxley law.

“

We intend to continue to improve our control of risks, to evaluate them better by making control standard and exchanging best practices.”

Siân Herbert-Jones, Group Financer Officer, Member of the Sodexho Alliance Executive Committee



our Host Countries

OBJECTIVE

Contribute to the economic and social development of the countries in which Sodexo operates.

COMMITMENTS

1. Sodexo is committed to supporting the development of local economies by promoting local hiring, the purchase of local products and, in the most disadvantaged countries, local initiatives to stimulate economic growth.
2. Sodexo is committed to expanding its STOP Hunger program to fight hunger and malnutrition to the main countries in which we operate.
3. Sodexo is committed to helping protect the environment in the countries in which we operate.

CONTRIBUTING to the development of local economies and SUPPORTING local initiatives



“By its very nature, our business leads us to play an active role in the development of the economies in our host countries, through local procurement and employing personnel who live in the vicinity of our operations. This strong, resolute commitment, in accordance with the Group’s approach and values as well as its Sustainable Development Policy, means we contribute effectively to concrete, lasting improvements in the communities located in areas impacted by our clients’ projects.”

Nicolas Japy, Group Chief Operating Officer, Chief Executive Officer, Universal Sodexho Remote Sites, Chief Executive Officer, Asia/Australia, Food and Management Services, Member of the Sodexho Alliance Executive Committee

Sodexho seeks to go beyond the level of territorial presence by creating and implementing genuine sustainable development initiatives in partnership with all our stakeholders, both clients and local players.

PROMOTING LOCAL HIRING AND EMPLOYEE DEVELOPMENT

In most of the countries where we operate, we favor long-term access to employment for the local population. We strive each day to promote local hiring and enable unskilled individuals to acquire the fundamentals of our skills with a view to achieving professional qualifications. We encourage employees who show potential to take on supervisory positions. Our initiatives thus generate dynamism within the economic fabric of the most disadvantaged areas.

BANGLADESH AND THAILAND

To enable personnel recruited from local communities to develop their full potential, Sodexho has chosen to undertake a training program in management techniques, in partnership with external organizations.

CANADA, ALASKA AND AUSTRALIA

In Australia, Alaska and Canada, our subsidiaries have introduced a policy of long-term hiring and training for indigenous people to offer them not just jobs, but also stable, long-term careers.

LAOS

To meet the needs of the remote mining site of the Australian company LXML/Oxiana Sepon, Universal Sodexho encourages local hiring and supports a training program. 96% of our employees are Laotians and 85% of them are recruited from the 15 surrounding communities. Through initiatives in favor of internal promotion, Laotians now hold 63% of our management and supervisory positions.

Indicator

PERCENTAGE OF LOCAL HIRING

FY 05:	98%
FY 04:	98%
FY 03:	97%

Aside from remote sites, our local hiring rate stands at 99.98%. We recruit a larger expatriate workforce for Remote Sites, particularly in the Middle East, than in other regions as a result of the lack of available workers in the local labor market.

Remote site in Laos.



AWARDS & RECOGNITION

(see “Our awards” p. 68)

- **Canada** – Recognition of the ongoing commitment of Sodexho Canada to indigenous people.

Since 2004, Sodexho has enjoyed “Gold” certification from the PAR (Progressive Aboriginal Relations) for partnerships intended to develop fair, harmonious relations with local communities. Sodexho works closely with the Canadian Indigenous Business Council on this long term project. Sodexho has formed 12 strategic alliances with the *Premières Nations*, *Inuit* and *Métis Communities*. The purpose of these alliances is to encourage hiring as well as local product purchasing. Training and tutoring programs are planned to offer career paths at Sodexho. The alliances contribute to improving the quality of life for the indigenous people.



Indicator

PERCENTAGE OF LOCAL PROCUREMENT IN PERU

63% of purchases are made from local Peruvian companies. (This percentage does not include international companies that produce in the country).

Local farming, Peru.



OMAN
Sodexho’s plan is to give a preference to Omanis in the key positions. The vision of Sodexho is to give the preference to local recruitment and Omanis are serving the company with excellent results. Many of them have made a career within the company through well structured training programs. We are working with various training institutions to offer opportunities to young Omanis. The scope of training is linked to all aspects of facilities management. Sodexho in Oman was awarded both ISO 9001:2000 and HACCP by International Certifications Ltd (ICL) and 18 sites are currently chosen as training centers.

PERU
We have developed, in partnership with our mining client Minera Antamina, a hotel and catering training program for Andean communities. In just 4 years, 553 young students have been trained at the school, which now offers job opportunities for its students in the region’s hotels and restaurants and throughout the country.

ENCOURAGING LOCAL PROCUREMENT AND THE CREATION OF SMALL BUSINESSES AT LOCAL LEVEL

LAOS
Since 2003, Universal Sodexho has implemented a procurement policy with the 15 local communities established in the development area of the SEPON project, where farming is the main employer. In the countryside, the poverty rate is 41% compared with 29% in the cities. This initiative involving 266 local farmers, is helping to reduce the poverty levels in these regions.

TANZANIA
With our client Barrick Gold Corporation, Universal Sodexho has been preferred local supplier since 1999: 70% of our products are now purchased in Tanzania. We also help producers improve the quality of their products, benefiting 150 families from the 8 surrounding villages and 15 suppliers. They provide 15% of the mining operation’s fruit and vegetable needs.

CONGO: SUPPORTING THE COOPERATIVE FARMING SECTOR IN PARTNERSHIP WITH TOTAL

Universal Sodexho supports the cooperative farming sector with the help of the Association Pointe Noire Industrielle (APNI), of which Total Exploration and Production is one of the founders. Through this initiative, we help 150 farmers raise their standards in farm production and develop new sales methods. We buy virtually all the vegetables produced in the

area, i.e. 27 tons per month, which represents nearly 55,000 euros injected into the local economy. Therefore, several hundred members of the farmers’ families benefit directly from the program. We are also committed to paying for our orders promptly, which, in addition to fixed revenues, allows the farmers to build a cash reserve.

TAKING ACTION IN CIVIL SOCIETY BY SUPPORTING LOCAL INITIATIVES

Our societal responsibility is not limited to our customers, employees and suppliers. Our sphere of influence extends well beyond the scope of our operations. Through our activities, we affect men and women at every stage of their lives. We develop activities that have an impact on every area of society and for future generations. In our host countries, we facilitate local integration, helping our clients through our close relationships with local communities.

Our social-educational programs are extended to various civil institutions.

AUSTRIA

Through a system of subsidies, we cooperate with employment centers and social authorities to encourage the elderly and people with disabilities to return to work.

BRAZIL

Sodexo Pass supports the association *Estação Especial de Lapa* which helps people with disabilities to develop their artistic talents. Their works are illustrated on our restaurant vouchers, diaries and calendars, and are distributed to more than 3.5 million people.

CHILE

We created an alliance with the Technical High School of San Nicolas, 7th Region, under the aegis of the Ministry of Education and the local authority. The project involves setting up a catering training program with qualifications for young people presenting a risk to society.

FRANCE

Within the scope of the European program Equal, our subsidiary Siges provided support for 342 former inmates to assist them in finding employment and housing. Ongoing, personalized help has given these individuals renewed self-confidence.

SPAIN

Sodexo Pass in Spain supports the association *Ayuda en acción* by developing a nutritional program each year in Peru. Since 2004, Sodexo Pass has collected donations on meal vouchers to finance the association. The affiliates of Sodexo in Spain have signed an agreement to pay 0.7% of the revenue generated by meal vouchers to the association in Peru.

UNITED KINGDOM

Our subsidiary specializing in prison management is a business with social purpose, providing custody with care. It trains and educates inmates for resettlement and provides opportunities for their rehabilitation on release from jail – this reflects one of our core values of only working in countries which offer resettlement programmes to offenders. In the United Kingdom, training activities form part of the Government's commitment to the rehabilitation of offenders, and as such targets are set to ensure that prison operators are contributing to this strategy.

Dialogue with...

THE ROLE OF HUMAN RIGHTS IN EXERCISING A COMPANY'S SOCIETAL RESPONSIBILITY

Jacques-Noël Bouttefeux-Leclercq, Head of the Business Commission Amnesty International French division.

Since 1961, Amnesty International has been working to bring about its vision of a world in which every individual, without discrimination of any sort, can enjoy all the rights stated in the 1948 Universal Declaration of Human Rights (UDHR). The declaration, which is recognized by the 191 member countries of the United Nations, asserts and enshrines the universality and interdependence of those rights.

The relatively recent notions of sustainable development and the societal responsibility of businesses offer outstanding prospects for human rights which have a mandatory vocation to enhance this development and to be placed at the very core of the exercise of responsibility.

The societal responsibility of businesses is not limited to:

- asserting respect for the law, though it is necessary to specify which law, as there are sometimes considerable variations between national laws and international law. Consequently, international law must be preponderant when it guarantees a higher level of access to rights;
- their internal framework, as businesses have their own sphere of influence, which extends well beyond the scope of their operations and establishments. Indeed, they develop activities that affect every component of society, which includes all stakeholders, particularly future generations.

The fundamental challenge to the exercise of the societal responsibility of businesses is to shift from the culture of creating value for shareholders to creating societal value, which benefits equitably all stakeholders, including their shareholders.

Peru, Sodexho Association for Sustainable Development

In 2004, we founded an association to professionalize and step up our efforts in the area of sustainable development, particularly in surrounding rural areas. Five main fields were defined:

- 1. Vocational training:** we train young people from the communities in hotel and catering trades using a quality approach. We award scholarships and create training centers and workshops, in partnership with the ILO (International Labor Organization) and the University of Cajamarca.
- 2. Small business creation:** we help small businesses raise their product quality standards and improve their management. To ensure the quality of products purchased locally, we offer advice free of charge on quality and hygiene. Once the quality standard is achieved, we certify the product with the Association's quality label. The company then becomes one of our suppliers and can open its business to other markets.
- 3. Quality assurance:** through agreements with the markets in Lima and the provinces, we seek to increase the sales of small businesses by making them sustainable, thereby stimulating decentralization and local production in the regions.
- 4. Development of the local market:** we are constantly on the lookout for new opportunities within our area of influence to implement joint projects with our suppliers and local authorities.
- 5. Charity initiatives:** we regularly carry out charity actions, particularly at the time of religious feast days and national holidays such as Christmas, Mothers' Day and Easter. We thus contribute to the renovation of churches and support charitable organisations.

The initiatives sponsored by the Sodexho Peru Association for Sustainable Development were awarded the prestigious "2004 Entrepreneurial Creativity Prize" in the "Philanthropy" category, by the University of Applied Sciences in Lima.

Training school for hotel and catering trades, Peru.



Local market, Peru.

SODEXHO PASS: LONG-TERM PARTNERSHIPS WITH LOCAL AUTHORITIES

For more than 10 years, no less than 70 public authorities have entrusted us with the management of their social programs in Europe, Latin America and Asia. We manage and coordinate the distribution of aid and subsidies through reliable, virtual systems. As a partner of public authorities, our tailor-made solutions:

- guarantee the use of public funds in compliance with policy decisions;
- encourage and bring new dynamism to the local economy by relying on a network of businesses and local service providers;

- run programs with precision due to greater aid traceability;
- give rise to new initiatives that, until now, were extremely complex to implement.

GERMANY

We have introduced, with the municipalities of Frankfurt/Main and Karlsruhe, the service card, to make it easier for more than 5,000 people with reduced mobility to get around their city. This smart card is accepted by more than 150 specialized transportation vehicles. Sodexho Pass offers government solutions to help them respond to social and societal issues in the area of sustainable development.



Service card to make it easier for people with reduced mobility, Germany.

INTERNATIONAL: HUMANITARIAN ACTIONS

TSUNAMI

In December 2004, a tsunami ravaged the coasts of Southeast Asia, leading to the disappearance of numerous residents and tourists who had come to visit the region. The impact of the catastrophe also resulted in widespread social and economic devastation.

Through our subsidiaries and employees, we immediately mobilized to offer spontaneous financial and logistical support in the affected countries. Our presence in South Asia enabled us to be operational from day one. Local actions were put in place to help people in need, in partnership with the Thai Red Cross: Sodexho personnel were made available, survival equipment was provided, along with meals to feed the wounded, rescuers, volunteers, etc. The support of other countries was quickly organized. An international network of donations and specific aid brought assistance to those affected by the catastrophe. Collections of clothing and essentials were organized in Australia and China. Many countries in Europe and America authorized their employees to donate the value of a day's work to the victims.

Psychological support was provided for our employees who were directly or indirectly affected. All of these gestures helped support the victims.

KATRINA

In August 2005, Katrina, a category 5 hurricane, swept the American and Mexican coasts of the Gulf of Mexico, causing incomparable damage in rural areas and in cities. Telecommunications were cut off, roofs torn off, thousands of people were left without food. To help the victims, we set up numerous local, national and international actions. Everyone took action: our local employees were able to maintain round-the-clock actions including donations of clothing and food. Thanks to our STOP Hunger program, we provided more than 528,000 meals to food banks affiliated with the food bank America's Second Harvest in the Gulf of Mexico region.

By setting up a telephone line communicated by poster displays, public announcements and airplane banners, we were able to locate our employees in distress, who then found housing.

We supported them financially and materially, and today we wish to thank them for their perseverance and courage.

Support for our offshore activities

Hurricane Katrina caused the largest evacuation of personnel from offshore platforms ever organized in the United States. To meet clients' needs, the New Orleans offices of Universal Sodexho were immediately transferred to Houston and set up temporarily in a hotel. For one month, our teams worked 18 hours a day to reconstitute food stocks and gather the personnel together before starting up our activities once again in Harahan. On September 15, thanks to the combined efforts of Sodexho and its clients, the normal pace of activity resumed but, due to Hurricane Rita, another evacuation of the offshore platforms had to be organized. The material damage was less extensive, however, and work returned to normal immediately.

Thanks to the involvement of our 750 employees, Universal Sodexho was able to cope during this difficult period and bring its clients the logistical solutions that they needed.

“The hospital sector of Harris County in Houston includes 3 large hospitals, 11 clinics and 6,000 employees. We were very involved in emergency actions following Hurricane Katrina. After the hurricane, we provided considerable emergency medical aid at the Astrodome for thousands of New Orleans victims. Our medical teams worked around the clock thanks to ongoing, proactive service support on site from the Sodexho teams.”

Chris Wall, General Manager of the Ben Taub hospital in Houston, Texas

FIGHTING hunger and malnutrition by expanding the STOP Hunger program



“We refuse to accept the fact that 840 million people around the world, including 149 million children, suffer from hunger and malnutrition. As the world leader in food and facilities management services, Sodexo seeks to be a major force in the fight against hunger and malnutrition. Present in 76 countries, we are in a position to act by continuing to expand the STOP Hunger program in the main countries where we operate.”

Clodine Pincemin, Group Executive Vice President, Communications and Sustainable Development, Member of the Sodexo Alliance Executive Committee



OVERVIEW OF OUR STOP HUNGER INITIATIVES THROUGHOUT THE WORLD

ARGENTINA

Sodexo Pass donated food and equipment to two local organizations offering aid to the disadvantaged. Nine tons of food were given to **Commodore Los Piletones**, a catering center for poor children in Buenos Aires. Equipment was provided to **Centro Vecinal Los Romero**s to help complete their Cordoba construction project.

AUSTRALIA

Since 2004, we have been serving breakfast twice a week to children in Sydney who suffer malnutrition. A balanced meal is also prepared and offered every Saturday to needy children in Sydney. In 2005, Sodexo initiated a donation partnership with the **OzHarvest** food bank. Other initiatives have been developed: a breakfast program for disadvantaged school children and the Share-A-Can operation, the largest food aid operation in Australia, were conducted jointly by Sodexo and its client SPC Ardmona.

BELGIUM

In 2004, within the scope of the Servathon (a solidarity campaign held annually in April in North America), a fund-raising campaign among our employees, together with the proceeds from the sale of STOP Hunger greeting cards, enabled us to organize summer camps for 240 disadvantaged children in partnership with the **Belgian Red Cross**.

A football championship with teams made up of employees raised additional funds for the STOP Hunger program.

Since 2004, we have organized a festive Christmas dinner for 400 homeless people with *Un Cœur dans la Ville*. In 2005, we began distributing meal boxes and equipment to the association **Les Rayons du Soleil**, which works with the homeless and our employee volunteers to distribute warm meals on weekends.

For the 4th annual “Soup Week”, an initiative by Knorr focused on drawing attention to the nutritional benefits of soup, Sodexo took part in the operation by supporting several Belgian associations for the homeless, including **Comptoir du Cœur**, **Les Rayons du Soleil**, **Petits Riens**, **Resto du Cœur**, **Kamiano** and **CAW Artevelde**. In all, 2,500 bowls of soup were distributed.

Indicator

19 countries accounting for **84%** of the Group’s revenue, are conducting **80 major STOP Hunger programs** and developing partnerships with more than **60 NGOs, associations and charities**.

BRAZIL

In 2005, Sodexho Pass, together with the Brazilian social solidarity fund **Fundo Social de Solidariedade**, began a program to donate bakery equipment to provide families in the poor districts of São Paulo the means to prepare their own bread as well as develop small local businesses. Under the program, 50 bakery equipment kits were given to help 5,250 disadvantaged people.

CANADA

The STOP Hunger program is directed towards three major actions: the Sodexho Foundation, Feeding Our Future and Servathon. Since 2001, the Sodexho Foundation has collected donations from employees and suppliers and supported the Feeding Our Future program, while helping organizations committed to fighting hunger such as Second Harvest. Thanks to Feeding Our Future, 60,000 meals were served during the summer of 2005 in 5 major Canadian cities.

FINLAND

In 2004, in partnership with the **Finnish Salvation Army**, Sodexho subsidized summer camps for disadvantaged children. In 2004 and 2005, we brought together 3,000 children for a Christmas Eve celebration organized by the Christmas Path Society.

FRANCE

Since 2004, Sodexho's partnership with **Les Restos du Cœur*** has developed a series of initiatives involving, training, meals, product sharing, access to the Sodexho supplier network and employment opportunities for individuals through training sessions run by *les Restos du Cœur*.

* A French organization aimed at providing volunteer assistance to the underprivileged, especially in the area of food by providing meals and organizing foodbanks.

Since 2004, 1,193,000 warm meals were offered to *Les Restos du Cœur* by Sodexho thanks to widespread mobilization:

- The “Dessert du Cœur” operation, which took place at our key account restaurants, generated considerable participation from our customers, clients and teams. In all, the equivalent of 200,000 warm meals were collected and in addition, we received donations from our Clients corresponding to the equivalent of 33,750 meals.
- In 20 major cities of France, Sodexho helped to prepare 130,000 warm meals distributed by volunteers from *les Restos du Cœur*.
- We have enabled *Les Restos du Cœur* to access our network of suppliers and to benefit from our terms, particularly for the purchase of fruit and vegetables.
- Training in basic hygiene and healthy eating habits has been provided to 1,150 *Restos du Cœur* volunteers.

Together with Kraft Foods and the French Foodbank Federation, we set up the **Tous à Table** program in French cities.

The program provides information to foodbank managers regarding the requirements for healthy eating in compliance with the rules of hygiene. Several topics were on the agenda: eating well-balanced meals, taking time to eat, learning to manage a limited budget and drinking plenty of water.

- Since 2004, we have led initiatives to promote insertion through employment, resulting in the creation of 30 new jobs

In December 2005, Sodexho Pass launched the *Chèque du cœur* initiative. For 3 months, the 480,000 employees who benefit from Sodexho restaurant vouchers can donate them to *Restos du Cœur*. The operation raised a total of €648,926 corresponding to 865,000 warm meals! Sodexho covered the cost of graphic design and printing for the operation.

Our STOP Hunger program

ALL STOP Hunger solidarity initiatives, regardless of their scale, enable us to take action to improve the Quality of Life of the most destitute on a daily basis.

For the last ten years, our STOP Hunger program has developed 4 main components:

1. **Volunteering:** encouraging and supporting Sodexho employees' spirit of service in support of hunger relief initiatives in local communities.
2. **Sharing Sodexho knowledge:** providing nutrition, food safety, food waste education, and job and life skills training for the unemployed and homeless.
3. **Food donations:** donating perishable and non-perishable food to hunger relief organizations.
4. **Financial contributions:** sponsoring and supporting programs to combat hunger and malnutrition.

For further information, see the website : <http://stophunger.sodexho.com>.

“



The STOP Hunger program began more than 10 years ago in the United States and was extended to our

other host countries in 2003.

Today, 19 countries take part in the program and are developing initiatives to fight malnutrition. The contributions and initiatives of our employees, customers, clients and suppliers are increasing every year.”

Blakey Burr, STOP Hunger International Development Director

STOP HUNGER greeting cards

We have distributed STOP Hunger greeting cards to our employees, clients and customers in 14 countries to stimulate interest in our initiatives in the fight against hunger and malnutrition. For each card sent out, €0.50 was donated to STOP Hunger. The operation, which began in 2004, has enabled us to collect more than 42,000 euros.



The STOP Hunger Committee at Sodexo headquarters organized several actions:

- Within the scope of the 2004 Servathon, food and baby product donations were collected on behalf of *Secours Populaire Français*.
- In 2005, a solidarity march in partnership with Danone raised funds for the foodbank in Montigny-le-Bretonneux.

GERMANY

In June 2005, our partnership with *Deutsche Tafel* took the form of training in hygiene and safety for their employees. Donation boxes to help fight hunger were placed in all our restaurants. Dinner & More gift vouchers are sold in all the restaurants and can be used in the network of Sodexo Pass affiliates. Sodexo pays €0.50 on every voucher sold to Deutsche Tafel.

MEXICO

Since 2005, Sodexo employees have been running a nutritional education program for parents of disadvantaged families to help them improve their buying habits and learn how to prepare healthier food.

MOROCCO

We introduced the *Ffour du Coeur* program together with our client Hyatt Regency, which serves traditional Moroccan soup to more than 300 homeless people in Casablanca during the Ramadan period.

NORWAY

In 2004 and 2005, Sodexo employee volunteers prepared a Christmas meal for 400 needy people at the initiative of the **Kirkens Bymisjon church**. A Christmas concert followed by dinner, in which Sodexo partners were invited to participate, was also organized. To celebrate the 150th anniversary of the Kirkens Bymisjon church, 6,000 meals were served to homeless people in a large concert hall. The next day, soup, bread and warm beverages were served to 1,000 people in front of the cathedral in Oslo.

POLAND

Since 2004, our operating units have donated food to the partners of the **Polish Federation of Food Banks**. A new partnership was set up in 2005 with the **Children's Friends Association** to feed children suffering from malnutrition. For Christmas, Sodexo teams provided a special traditional holiday meal for the children.

ROMANIA

Since 2003, Sodexo Pass has been providing aid to three Romanian organizations, **Valentina Association**, **Sf. Andrei** and **Sf. Dimitrie** to collect food and medicinal products for needy families, children and the elderly. Sodexo also donated a truck to Sf. Dimitrie to facilitate transportation.

SINGAPORE

In December 2005, a program of volunteer work was introduced to the employees of our subsidiary



Feeding Our Future program, STOP Hunger, Toronto, Canada.

“America's Second Harvest is proud of its ongoing relationship with Sodexo. Every year, through the STOP Hunger program, the associations affiliated with America's Second Harvest have received funds, food and the support of volunteers to help the 38 million Americans suffering from hunger. The ongoing support and influence of a company like Sodexo helps us accomplish our mission to fight hunger in the United States.”



at Bukit Batok Home, a shelter Sodexho has run since September 2005. The shelter can receive up to 200 people without homes or families.

SPAIN

In 2004, the proceeds from greeting card sales were donated to the **Spanish Food Bank** and the Kilo Campaign, launched in November 2005 in Madrid and Barcelona. This has allowed us to generate awareness of the problem of hunger in Spain among our employees, suppliers, customers and clients.

THE NETHERLANDS

Since 2005, we have been donating food to the association **Van Harte** and providing volunteers and technical assistance to their centers. In December 2005, Sodexho served a dinner for the homeless at the Pauluskerk parish in Rotterdam.

UNITED KINGDOM AND IRELAND

For the last 3 years, the Sodexho well-balanced meal program benefited 4,000 children from underprivileged communities throughout the United Kingdom and Ireland.

In 2005, Sodexho introduced a formal Stop Hunger program and has chosen to provide financial support, volunteers and its expertise in food safety and healthy eating in partnerships with **FareShare**, **NCH**, **the St. Vincent de Paul Society** and **Feed the Children UK**. In late 2005, the Sodexho Foundation made its first donation to **FareShare** in support of their Christmas meal appeal.

UNITED STATES

Five major programs have been developed since the beginning of the STOP Hunger program in 1996. Sodexho encourages all of its 6,000 business units to donate food to partners of the association **Second Harvest**, the largest food bank in the United States. The Sodexho Foundation, set up in 1999, aims at eliminating hunger in the United States. A total of \$5.5 million has been redistributed to hundreds of associations. The Foundation supports initiatives to eliminate the causes of poverty through food and financial donations, vocational training, housing subsidies, literacy programs and scholarships. Within the scope of the Servathon initiative, which has been held every April for the past 10 years, employees are encouraged to become involved in their local communities. In 2005, more than 25,000 meals were served to needy families thanks to Servathon. In addition, employee volunteers at food banks and other organizations collected more than 100 tons of food. The Feeding Our Future program began in 1997 and has grown every year since, providing free meals to disadvantaged children during the summer months. In 2005, more than 200,000 meals were served in 15 cities in the United States. Since 2000, "Heroes of Everyday Life" awards have been given to employees in recognition of their commitment to fighting hunger in their communities.

Dialogue with...

SODEXHO'S PARTNERSHIP WITH LES RESTOS DU CŒUR IN FRANCE

Olivier Berthe, President of the national **Les Restos du Cœur** association.

HOW DID THE PARTNERSHIP WITH SODEXHO COME ABOUT?

"Sodexho asked us to propose a partnership project, suggesting various initiatives ranging from food for the needy to job opportunities for people we encounter through our projects. We felt that the proposal was made for the right reasons and was backed by a true commitment from the Group."



AFTER A YEAR OF WORKING TOGETHER, HOW DO YOU ASSESS THE SODEXHO-RESTOS DU CŒUR PARTNERSHIP?

"In the beginning, there may have been a certain amount of caution and distance, but gradually we developed our partnership in a positive way. The people from Sodexho and Les Restos du Cœur who worked together for a whole year became close, creating a climate of trust and cooperation."

WHAT SORT OF PROBLEMS DID YOU HAVE TO COPE WITH?

"The main problem was creating a relationship between two large organizations. No matter how determined one may be to develop a nationwide partnership, it can only succeed if it is shared and experienced in the field. It is also true that associations are often reluctant to work with companies, because we do not operate in the same ways. It takes time to discuss and get to know each other before both partners can be sure their specific ways of operating are fully understood."

WHAT HAS THIS PARTNERSHIP CONTRIBUTED TO THOSE IN YOUR CARE OF AS WELL AS TO LES RESTOS DU CŒUR?

"Beyond food aid, the aim of such an operation consists in improving the situation of people by creating social ties and offering employment opportunities. Improving the health of people in vulnerable situations was also taken into account. Sodexho and Les Restos du Cœur worked towards this together through their joint initiatives."



Collection of tins, Universal Sodexho, Scotland.



Ftour du Cœur program, Morocco.



Marathon, United Kingdom.



Christmas meal, in partnership with the Kirkens Bymisjon church, Norway.

AWARDS & RECOGNITION

(see "Our awards" p. 68)

- **France**

2006 – Sodexho received the Gold TopCom award in the Sponsoring category for its commitment to STOP Hunger, the Group's program to fight hunger and malnutrition throughout the world.

- **United Kingdom**

In 2004 and 2005, Sodexho has been awarded the Big Tick standard in the Business In The Community (BITC) Awards for Excellence for its successful Healthy Eating Program. This program, which has been running for three years, sees graduate trainees visit children in disadvantaged areas in a bid to educate children about healthy eating, nutrition and lifestyle.

- **United States**

2005 - Recognition by Jumpstart for "outstanding commitment to corporate social responsibility", notably for the fight against hunger and malnutrition.

2004 - Sodexho Foundation's Feeding Our Future program recognized for "outstanding contribution to helping feed the hungry" by the Greater Boston Food Bank.

2002 - Sodexho honored by City Harvest (New York, NY) for its "commitment to feeding New Yorkers in the aftermath of September 11".

2001 - Sodexho chosen "Grand Winner" of the William D. Littleford Awards for its commitment to alleviating hunger in the community.

HELPING protect the environment



“Respecting the environment means creating the setting required for the Quality of Life of everyone. Although Sodexho is classified as a non-polluting company, we have always been attentive to the environmental concerns of our clients and customers. The Group has chosen to focus its efforts on 4 main areas to improve Quality of Life while preserving the environment: pollution prevention, waste treatment, energy saving and water consumption control.”

Philip Jansen, *Group Chief Operating Officer, Chief Executive United Kingdom and Ireland, Member of the Sodexho Alliance Executive Committee*

POLLUTION PREVENTION

We are increasing our actions throughout the world to prevent environmental risks and help protect the environment.

AROUND THE WORLD

We are developing the use of biodegradable products without chlorine or phosphates for the maintenance of our machines and premises. In many countries, we are trying to cut down on chemical products. In Italy, we are using steam machines that do not require maintenance products to clean floors.

FRANCE

Sodexho is striving to optimize its logistics chain to minimize its environmental impact by organizing efficient delivery schedules adapted to site size, reducing the number of deliveries by using a new fleet of vehicles better suited to logistical flows.

ICELAND

We are generating awareness among drivers of our four-wheel drive vehicles of the need to protect wilderness areas and we encourage them to use suitable paths.

ITALY

We use low-pollution vehicles (two electric trucks and eight hybrid motor vehicles) to transport meals to schools in Milan suburbs.

KOSOVO

We have treated land polluted by military vehicles using a bacterial method resulting in a significant decrease in the level of hydrocarbon concentration.

UNITED KINGDOM

For our “Meals on Wheels” service, we use a fleet of 20 vehicles that run on LPG for home delivery of meals and thereby reduce transport-related emissions.

Indicator

76% of our business units engage in environmental protection practices on a daily basis. Most of our subsidiaries have defined operating practices aimed at preventing and controlling their environmental impact and rely on ISO 14001 guidelines. The subsidiaries then formulate their conduct in favor of environmental protection through local charters.

Zero impact on forests in Italy



Sodexho Pass has been taking part in the *Impatto Zero* program since September 2005. Over a 3-year period, we have committed to financing the reforestation of a surface area in proportion to our rate of pollution. 70,000 m² of forest will be planted to offset our energy impact.

CERTIFICATIONS

ISO 14001 environmental certification

ISO 14001 certification has been achieved at sites in Australia, Finland and Denmark as well as the United Kingdom, Hong Kong and Peru, thanks to the efforts of subsidiaries that have adopted this improvement-oriented approach. In Hong Kong and Peru, Sodexho is the first company in its sector to obtain external recognition for its efforts in taking environmental concerns into consideration.

- **Finland** - At the World Athletics Championships in Helsinki in August 2005, Sodexho provided meals for the 3,000 athletes and teams of the 200 delegations from around the world during the 10-day event. The ISO 14 001 Ecomass standards, specific to major athletic events, were applied. The project, developed jointly with our client, the Finish Athletic Federation, was based on our sustainable development principles.



Effluent treatment, United Kingdom.



Compaction for paper and cardboard recycling, United Kingdom.

WASTE RECOVERY

Waste produced by most of our activities is non-hazardous. 95% of our operating waste is mainly comprised of packaging (paper, cardboard, plastic, glass, metal and wood) and organic matter. The remainder is composed of oily waste and detergent residue.

We are currently developing a reduced packaging policy, without compromising product hygiene or quality. This will be followed by recycling procedures.

AROUND THE WORLD

At Group level, as well as in numerous subsidiaries, we are printing our corporate documents on environmentally friendly paper (recycled paper or white paper produced from forests managed using sustainable methods). In Sodexho Pass activities, we are gradually replacing paper vouchers with recyclable magnetic cards. In Brazil, this operation saves 120 tons of paper annually.

At all of our sites in France, China, the United States, Brazil and the United Kingdom, used cooking oil is collected and recycled by a single approved service provider vetted by public authorities.

We provide information and are taking concrete steps to encourage sorting and recycling among our customers and clients at international level. Initiatives are now under way at our onshore and offshore platforms as well as in Australia, Austria, Belgium, Canada, Finland, France, Laos, Romania and more.

GERMANY

We are conducting a campaign as part of the nationwide *Grüner Punkt* ("Green Point") program.

NORTH AMERICA AND OMAN

We are replacing throwaway plastic with china dishware to reduce the amount of waste. And we systematically promote recycling packaging.

ROMANIA

Within the scope of our 3 R program ("Recover, Recycle, Reform"), 180 tons of paper are recycled every year at the initiative of our Sodexho Pass subsidiary.

SCOTLAND

Universal Sodexho has introduced waste recycling aboard its offshore platforms, particularly at Marathon Brae Bravo, by putting out multi-compartment containers for waste collection. We are also promoting the replacement of plastic throwaway dishes with china on the Shell North Cormoran platform.

THE NETHERLANDS

We have set up a six-category sorting program, based on six easily identifiable colors at our catering sites to encourage customers to sort. We compact the various types of waste and then recycle.

UNITED KINGDOM

We anticipated new waste regulations by carrying out a national waste management study at our sites in 2004. Since the summer of 2005, all our sites and those of our subcontractors are compliant with national environmental requirements. Our employees have also been trained

in the management of hazardous products under the Carriage of Dangerous Goods legislation.

UNITED STATES

Twenty percent of our products can be recycled. In particular, we conducted a meal tray recycling campaign at 34 schools in Providence, Rhode Island serving a total of 14,000 pupils. Four million trays, representing 80,000 pounds of polystyrene believed to require 100 years to naturally decompose were recovered. This initiative allowed us to achieve a recycling rate of 50%. We are also supporting Marist College, one of our clients, to gradually attain a 100% recycling rate and to generate awareness about selective sorting among students on campus.

ENERGY SAVINGS

We are aware of the worrying situation with regard to the increasing scarcity of fossil fuels. We actively seek to identify ways of cutting down on energy consumption at our sites.

AROUND THE WORLD

In the United States, Australia, United Kingdom, France and Germany, we teach our employees simple, efficient gestures to reduce energy consumption at sites.

CANADA

The Strathroy Hospital in Middlesex has installed energy-saving lighting and more efficient motors.

UNITED KINGDOM

We are partnering in the HCIMAs (Hotel and Catering International Management Association) Hospitable Climates initiative as part of the government “action on energy” program. We are therefore helping to reduce national greenhouse gas emission at four experimental sites: a large school, an old hospital, a modern office building and a television broadcaster.

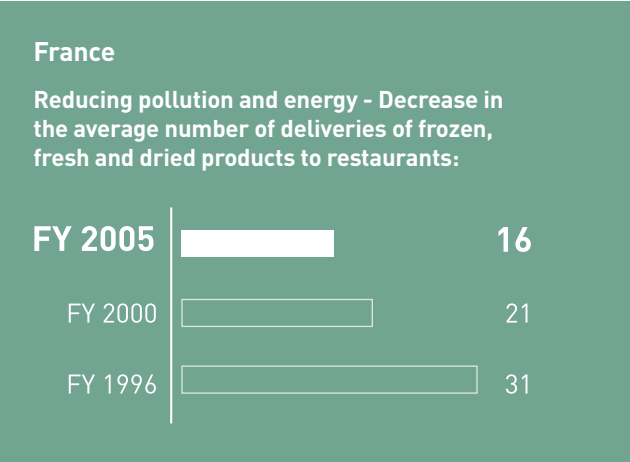
REDUCING OUR WATER CONSUMPTION AND TREATING OUR DISCHARGE

We endeavor to make customers aware of the need to minimize use of water resources and we are striving to improve our wastewater disposal techniques. Wastewater is treated before being discharged into the purification network through various retention systems we have introduced (grease separators, starch separators, etc.). These systems are regularly maintained to achieve optimum efficiency so as to discharge waste water with a low level of polluting matter, which can therefore be more easily treated upstream.

CHILE

The Sodexh₂o program aims to generate awareness among our employees and clients of water scarcity and the advantages of using it wisely. The program is gradually being rolled out at Sodexho’s client companies.

Indicator



Electrically-powered generators, United Kingdom.



Water analysis, Peru.



The town of Fécamp and Sodexo in a Ministry of Ecology and Sustainable Development document.



Clean Production Agreement, Chile.

ENCOURAGING PARTNERSHIPS IN FAVOR OF THE ENVIRONMENT

In some of our operating entities we have adopted very advanced approaches, local charters provide for annual self-diagnosis to identify areas to further improve our performance. We also target partnerships with suppliers and producers that demonstrate concern for the environment by selecting, processing and transporting their products in environmentally friendly ways. To take our commitment a step further, we are pursuing environmental partnerships with our clients and civil society to work together in finding concrete, sustainable solutions.

CHILE

We signed the Clean Production Agreement with the Ministry of Health in September 2004. The agreement is a management tool designed to improve production conditions in the food segment from the standpoint of both hygiene and safety.

We also signed the APL (*Accuerdo de Produccion Limpia*) agreement in June 2004 concerning the management of quality related issues, safety and the environment in food services.

FRANCE

In 2004, Sodexo took part in launching the “Guide to Sustainable Development” for school restaurants, which carries the Ministry of Ecology and Sustainable Development label. The guide, which was produced in cooperation with the Eco Maires association, enables local authorities to apply and assess sustainable development initiatives in the area of school catering.

GENERATING AWARENESS ABOUT RESPECT FOR THE ENVIRONMENT

We are increasing our promotion of rational agriculture techniques and organically grown products through partnerships with local farms in the United Kingdom, the Netherlands and the United States. By eliminating chemical fertilizers, organic farmers are able to maintain a balance between fauna and flora and reconcile their protection with human needs.

At the same time, we conduct training and awareness programs among our employees, clients and customers to publicize our environmental initiatives and encourage widespread adoption of best practices.

In schools, educational projects are carried out in partnership with local authorities and teachers to develop awareness among young generations concerning selective sorting and controlling water and energy consumption.

NORTH AMERICA

In the United States and Canada, we support the Recycle Mug program, in partnership with the National Fish and Wildlife Foundation (NFWF), in high schools and universities across the country.

AWARDS & RECOGNITION

(see "Our awards" p. 68)

• Belgium

We received the Eco Star prize at the annual Sodexho Stars event for our water consumption management.

• Canada

Natural Resources Canada (NRCan), a ministry of the Canadian federal government, presented the prestigious Energy Innovators Initiative Award to Bill Player and his team in recognition of their commitment to reducing greenhouse gas emissions.

• France

We obtained the patronage of the State Ministry for Sustainable Development after being awarded the label by the Regional Environment Department (DIREN) for the Provence-Alpes-Côtes d'Azur region during Sustainable Development Week in 2005.

Sodexho is proud to be one of main private partners of *ECO MAIRES*, the association of mayors for environmental protection and sustainable development.

• Northern Ireland

We are ranked among the top quintile of the annual Arena survey on environmental performance.

UNITED STATES: ENVIRONMENT-FRIENDLY RESPECTFUL HOSPITALS

We have introduced the H₂E (Hospital for a Healthy Environment) educational program aimed at training healthcare professionals in environmental problems that arise in hospitals. The program is free of charge, in cooperation with numerous associations (American Hospital Association, US Environmental Protection Agency, American Nurses Association and Health Care Without Harm).

H₂E was adopted in 2002 by the alliance of healthcare facilities in Cambridge, Massachusetts. It enables facilities to exchange best practices, particularly with regards to waste management. Medical waste was reduced by 4% in a single year. The program also makes it possible to dispose of waste containing mercury and prevents pollution risks.

UNITED KINGDOM: MEAL PRODUCTION UNIT EXPANSION INCORPORATING ENVIRONMENTAL CONSIDERATIONS

At our subsidy, Tillery Valley Foods in Wales (UK), we recently re-designed the plant enabling us to re-think our approach and take environmental considerations into account. As Stephen Brooks, Factory Director explains: "We opted for construction

materials that provide greater insulation to reduce energy consumption at the site. Every year, we recycle 250 tonnes of paper cardboard and 80% of our transit packaging is recyclable".



Tillery Valley Foods (TVF), United Kingdom.

PERFORMANCE table

Stakeholders	Indicators
Clients	Client retention rate The objective for development in client retention rate was not achieved in 2005, but there is overall progress
Customers	Percentage of sales from Facilities Management Services Publication of studies on consumer behaviour (International Observatory of the Quality of Daily Life) <i>Percentage* of countries in which Sodexho is located that publish studies</i> <i>* Weighting on value of sales (excluding Service Vouchers and Cards business).</i> Personix: penetration rate for the current installed base <i>(number of sites audited using the Personix method/number of sites per country)</i> Food safety - Number of bacteriological inspections on sites - Number of audits with suppliers - Food safety audit pass rate Health & safety - Safety audit pass rate Publication of information on balanced nutrition <i>Percentage of the business units that provide consumers and clients with information and training in healthy nutrition</i>
Employees	Percentage of internal promotion compared to the number of total job vacancies - Site manager positions covered by employee promotions* - Managerial positions covered by promotion of site managers or equivalent* Percentage of regional directors and sales directors resulting from internal promotion Percentage of Development managers resulting from in-house promotion Percentage of district managers resulting from in-house promotion Development of associate loyalty - All personnel - Site managers
Suppliers	Percentage of purchasing from approved suppliers on the basis of vendor compliance* <i>* Vendor compliance = purchases with approved suppliers / (purchases with approved suppliers + purchases with competitor suppliers).</i> Percentage of purchasing from suppliers against total purchasing
Shareholders	Questionnaire return rate Loyalty: number of shareholders who have held shares for 3 years Confidence in the Group: percentage of “good opinions” Regularity of information: percentage of “good opinions” Clarity of information: percentage of “good opinions” Shareholders with more than 100 shares
Countries in which we are present	Percentage of local hiring Percentage of local purchasing <i>Percentage of purchases with local Peruvian companies (excluding international companies which produce in the country)</i> STOP Hunger - Number of countries taking part in STOP Hunger - Number of STOP Hunger programs - Number of NGO partnerships and associations Environmental protection - Number of business units engaged in environmental protection practices on a daily basis - Number of business units certified ISO 14001



“Today, the strength of a firm depends upon its overall economic performance as well as its social and environmental achievements, providing added value for all of its stakeholders. At Sodexho, we have been consolidating our performance indicators for several years, to evaluate our operations and continue to attain our objectives. In 2006, the progress in our indices is more than encouraging, ensuring a solid base with which to continue our improvement-oriented approach. Our objective in 2007 is to improve our indicators, and satisfy each of our stakeholders, day after day.”

Vincent Hillenmeyer, *Group Executive Vice President, Strategic Planning, Member of the Sodexho Alliance Executive Committee*

Area of consolidation	2003	2004	2005	Path to progress
World	92.8%	93.2%	93.3%	Reach a 95% client retention rate by August 2008
World	19%	20%	21%	Continue progress
World			89%	Cover all of our activities
18 countries			10.8%	Continue progress
France		46,432	46,723	Make inspections systematic
France		208	217	Make audits systematic
North America		90%	94%	Certify all of our sites
North America		90%	92%	Audit all of our sites
World			97%	Cover all our activities
World*		13%	25%	Continue progress
*96% of Group employees as of August 31, 2005.		28%	38%	
France			100%	
France			60%	
France			67%	Continue progress
World		61.5%	65.3%	
World		86.7%	87.9%	
United States	(2000) 91.4%		96.9%	Increase purchases with approved suppliers
United States	(2000) 74%		83%	
	4.7%	4.7%		Gain 20 days in 3 years on communication of our financial information
	64.5%	70%		
World	68%	63%		
	60.7%	59.7%		
	61.6%	55.5%		
		64%		
World	97%	98%	98%	Maintain our efforts
Peru			63.08%	Continue progress
World		15	19	Cover all the countries in which Sodexho is present
			80	
			60	
World			76%	Cover all the countries in which Sodexho is present
		7 countries		Continue progress

Our AWARDS

The recognition of our commitments and initiatives in favor of Sustainable Development has resulted in a number of awards in various fields throughout the world.

SERVICE QUALITY

INTERNATIONAL

The “Global Outsourcing 100”, which was awarded for the first time by the International Association of Outsourcing Professionals (IAOP), ranked Sodexho the second most efficient service firm in the world.

BRAZIL

- Top Hospitalar award in the healthcare segment given by healthcare professionals.

GERMANY

- 2005 Caterer of the Year prize in the “Strategy and Management” category.

PERU

- *Empresa Peruana del Año 2004* award in the Integrated Facilities Management category.

POLAND

- 2005 – Hermès Prize for the best foodservice company awarded to Sodexho Polska by the trade magazine *Poradnik Restauratora*.
- 2003 – Prize for the best Facility Management company given by Grupa Inteligentny Budynek.
- 2003, 2004, 2005 – Ranked in the prestigious group Gazele Biznesu by Puls Biznesu and Coface Intercredit Poland.

QATAR

- Teyseer Services, a subsidiary of Universal Sodexho, was distinguished by the 379th Expeditionary Contracting Squadron (ECONS) for security provision in the recently created Coalition City in Qatar.

SINGAPORE

- Safety Award by the Ministry of Labor to acknowledge our efforts and those of our client, Foster Wheeler, for 2 million hours of work without a single accident.

UNITED KINGDOM

2005:

- The Excellence Standard of the CIPS (Chartered Institute of Purchasing & Supply) was awarded in recognition of our efforts in achieving efficient procurement and risk management excellence.
- The Hospitality Assured Standard for Service & Business Excellence was awarded for the quality of services we provide at British American Tobacco.

- Sodexho Pass was named “Childcare voucher issuer” of the year by Employee Awards and Benefits magazine.
- Universal Sodexho was awarded a prize by the British Safety Council for the 6th year in a row and by the Royal Society for the Prevention of Accidents (RoSPA).
- Universal Sodexho obtained the HSE (Hygiene, Safety and Environment) prize within the scope of the SOAA (Scottish Offshore Achievement Awards), known as the “oil Oscars”, for the 2nd year in a row.
- Universal Sodexho received an award from the International Association of Drilling Contractors (IADC) for the 2nd year.
- 2005 – The European Business Unit (EBU) Marathon Prize was awarded to Universal Sodexho for the application and worldwide performance of the Marathon Health, Environment & Safety program.
- Universal Sodexho was given recognition in Scotland by the National Customer Service Awards for its customer service practices and innovations.

UNITED STATES

2006:

- Food Management magazine selected five Sodexho programs as Best Concept Awards winners: (Best Management Company Concept, Best Renovation, Best New Facility, Best Menu and Best Special Event).
- Sodexho-operated mess hall at Camp Lejeune in North Carolina named the best in the world by the United States Marine Corps (USMC).
- Food Safety Leadership Award given by NSF International recognizing Sodexho’s efforts toward systems improvement.

2005:

- Recognition by the NACAS (National Association of College Auxiliary Services) for our cooperation with Georgia Tech on the Georgia Tech menu marketing campaign.
- Eagle Award given to Al Allen (Education) by the APPA (Association of Physical Plant Administrators).
- The APPA also honored us with the Platinum Business Partner Award for multiservice product and service provision.
- 10th anniversary of cooperation with NSBA (National School Boards Association) in recognition of Sodexho’s efforts to improve patient comfort.

SOCIAL RESPONSIBILITY

WORLD

- The assessment of our worldwide sustainable development approach by AXA received the top mark of 3/3 for meeting AXA expectations through our sustainable development policy.

CANADA

- Since 2004 – “Gold PAR Award” given for partnerships developed with native populations.

FRANCE

- 2006 – Gold TopCom award in the Sponsorship category, Patronage section, for STOP Hunger, its program to fight hunger and malnutrition throughout the world.
- 2003 – France’s Prime Minister presented the Award for Ethics and Governance to Pierre Bellon for Sodexho’s STOP Hunger program.

MEXICO

- Recognition of the Mexican subsidiary as a “Socially Responsible Company” by the *Centro Mexicano Para La Filantropía* (CEMEFI).

PERU

- 2004 – Entrepreneurial Creativity Prize in the “Philanthropy” category, given to the Sodexho Peru association for sustainable development by the private university of applied sciences in Lima.

UNITED KINGDOM

- Ranked among the TOP 100 companies that count for corporate social responsibility, survey conducted by Business in the Community (BITC) and published in the Sunday Times.
- In 2004 and 2005, Sodexho has been awarded the Big Tick standard in the Business in the Community (BITC) Awards for Excellence for its successful Healthy Eating Program. This program, which has been running for three years, sees graduate trainees visit children in disadvantaged areas in a bid to educate children about healthy eating, nutrition and lifestyle.,

UNITED STATES

2006:

- Louisiana School District receives the National Civic Star Award, a national Education recognition for School-Community Partnership.

2005 :

- The Washington Metropolitan Area Corporate Counsel Association (WMACCA) prize for “Outstanding Community Service”.
- Sodexho Campus Services recognized as “Corporate HopeBuilder of the Year” by Habitat for Humanity in Halifax, Florida.
- Recognition by Jumpstart for “outstanding commitment to corporate social responsibility”, notably for the fight against hunger and malnutrition.
- Sodexho Campus Services Team at Binghamton University received the 2005 Corporate Humanitarian Award from Community Hunger Outreach Warehouse (CHOW) for their Caring Cans projects, which collected over 4,000 cans of food during the Servathon.
- Sodexho Campus Services Teams received recognition by the HELP project for their exemplary action during the Servathon.

2004 :

- Sodexho recognized by DC Central Kitchen (Washington, DC) for “combating hunger, creating opportunity.
- The Sodexho School Services Team in Providence, Rhode Island was honored with the “Point of Light” award for the Backpackers, a program that provides food-packed backpacks for disadvantaged children to take home with them on weekends.

2002:

- Sodexho Foundation’s Feeding Our Future program recognized for “outstanding contribution to helping feed the hungry” by the Greater Boston Food Bank.
- Sodexho honored by City Harvest (New York, NY) for its “commitment to feeding New Yorkers in the aftermath of September 11”
- 2001 – Sodexho chosen “Grand Winner” of the William D. Littleford Awards for its commitment to alleviating hunger in the community.
- 2000 – Sodexho received the “Harvester Award” from Philabundance for its commitment to fighting hunger in Philadelphia.

DIVERSITY

UNITED STATES

2006 :

- Selected as a top US company for contributions to Asian Pacific American community by Asian Enterprise Magazine for the second consecutive year.
- Named one of nation's top 50 companies for diversity by DiversityInc magazine and ranked number 14 on the list.
- For the third consecutive year, ranked among the nation's top employers by Black Collegian, a publication serving the career and self-development interests of African-American collegians.

2005 :

- Awarded for international innovation in diversity policy by Diversity Journal.
- Ranked by Latina Style Magazine among the Top 50 companies offering real career opportunities to Hispanics.
- Recognized by DiversityInc. as one of the 25 companies most committed to promoting diversity.
- Ranked by Hispanic Magazine among the Top 100 companies most committed to employing Hispanics.

- Ranked 6th among the top 100 companies favored by African-Americans in Black Collegian Magazine.
- Voted one of the Top 25 companies by African-Americans in Black Professionals Magazine.
- Named by DiversityInc. among the Top 10 companies employing the disabled.
- Recognized by DiversityInc. among the Top 10 companies most committed to developing partnerships with suppliers from minority groups and women-owned businesses.
- Ranked by Hispanic Magazine among the Top 50 companies most involved in promoting diversity among suppliers.
- Prize for innovation in diversity by the Women's Business Center the Action Learning Program initiative.
- Awarded the Joseph Papp Corporate Diversity Prize by the Foundation for Ethnic Understanding.
- Our employee James Taylor received the Eagle Career Focus prize awarded by the National Eagle Leadership Institute.
- Named Employer of the year by Autism Services Association and the Marriott Foundation.

ENVIRONMENTAL RESPONSIBILITY

BELGIUM

- The Eco Star prize received at the annual Sodexo Stars event for our water consumption management.

CANADA

- The Energy Innovators Initiative Award given by the Federal Government Ministry, Natural Resources Canada (NRCan) in recognition of the commitment of Bill Player and his team at Strathroy Hospital (Middlesex) in reducing greenhouse gas emissions.

FRANCE

- The label awarded by the Provence-Alpes-Côte d'Azur Regional Environment Department during Sustainable Development Week in 2005, sponsored by the Secretary of State for Sustainable Development.

NORTHERN IRELAND

- In 2004, ranked among the top quintile of the annual Arena survey on environmental performance.

UNITED STATES

- In 2006, Portland State University has received a BEST award for the inclusion of sustainability criteria in its food service contract with Sodexo and for educating students about sustainable food choices.
- The 2005 Keeper of the Vision for a Sustainable Future Prize awarded by the Food Alliance association for the partnership developed between Sodexo and Midwestern farmers based on rational farming principles.

EMPLOYER OF CHOICE

IRELAND

- Ranked among the Best 50 Companies to Work For in the country by The Great Place To Work Institute.

POLAND

- 2005 – The Investor in Human Capital emblem received within the scope of the national program to promote human resources.

UNITED KINGDOM

- Investors in People certification for the last 5 years in recognition of our performance in the management and personal development of our employees.

UNITED STATES

- Patriotic Employer Award by the Defense Department for maintaining the jobs of employees who volunteer for duty in the armed forces.

FINANCIAL TRANSPARENCY

EUROPE

- Ranked among the TOP 100 Employee-Owned Companies – Europe, monitored by the EFES, the European Federation of Employee Shareownership.

FRANCE

- Corporate Strategies Award, Corporate Publications 2003, for the 2002 annual report.
- Distinctions for the annual report: TOP COM Bronze in 2002, TOP COM Gold in 2002 and 2004, TOP COM Silver in 2005, category Annual Reports of Listed Companies.

Publications in support of our initiatives

In order to improve the understanding of our initiatives and support for our commitments, the Communication and Sustainable Development Department designs and produces various publications for our stakeholders.



Annual Report 2004-2005



Reference Document 2004-2005



2005 Human Resources Report



Ethical principles
and Sustainable Development
Contract 2003

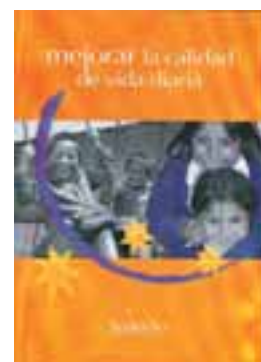
Group subsidiaries plan to support the approach by publishing their own reports:



Corporate Responsibility
Report 2005, United Kingdom



Corporate Responsibility
Report 2005, United States



Corporate Responsibility
Report 2004, Peru

These documents are available on our website: www.sodexo.com.

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For more information on

- **SODEXHO AND ITS COMMITMENTS:**

www.sodexho.com

- **STOP HUNGER:**

<http://stophunger.sodexho.com>

Express your opinion

Your comments, observations and questions are welcome.

Please write to us by e-mail
at dolores.larroque@sodexhoalliance.com.

Or at the following address:

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A gesture in favor of the environment

Sodexho is committed to managing its paper purchasing in a responsible manner. This 2005 Corporate Responsibility and Sustainable Development Report was printed using plant-based inks by an “Imprim’vert” printer on Cyclus Print paper. The paper is made of 100% recycled fibers, i.e. 100% old paper salvaged after use according to RAL UZ 14 standards (German “Blue Angel” label). The paper is manufactured without optical bleach or chlorine agents and has obtained EMAS and ISO 14001 certification.

The 2005 Corporate Responsibility and Sustainable Development Report from Sodexho is available (please contact via the address opposite).

An electronic version of this report is available from the website: www.sodexho.com in French, in English and in Spanish.

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