We create a better everyday for everyone to build a better life for all

Fiscal 2022 Universal Registration Document

sodexo

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It all starts with the everyday

Sodexo is committed to the practice of Integrated reporting, based on the recommendations of the International Integrated Reporting Council (IIRC) and the Group's roadmap for corporate responsibility Better Tomorrow 2025.

Managers from various departments within the Group took part in a series of workshops to co-create the report, ensuring there is a common perspective on Sodexo's overall economic, social and environmental performance.

This Fiscal 2022 Integrated Report draws on information from the Universal Registration Document in which it is published.

AMF

This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer.

This Universal Registration Document was filed on November 9, 2022 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to article 9 of said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This Document is a reproduction of the official version of the Universal Registration Document including the 2022 Annual Financial Report prepared in accordance with the European Single Electronic Format (ESEF) and filed with the AMF, available on Sodexo's website, www.sodexo.com, and on the AMF website, www.amf-france.org

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For some
it's just a canteen meal,
just a few leftovers,
just a day job.

For us
it's a healthy child,
a battle to reduce food waste,
the start of a career.

What others see as trivial, we see as essential. Because we know that it is precisely by focusing on the concrete, on the tangible, on the everyday that we make a real difference not only to a person's day but, in the long run, to the lives of all and the planet.

From day 1, our focus has been the everyday. Conscious of the enormous difference everyday actions make when you multiply them by the millions of people we care about, all over the world, day in and day out and through the years, we embrace our responsibilities and strive to make everything we do today as positive and impactful as we can for tomorrow.

Making the delicious nutritious. Giving opportunities to those who have never been given a chance. Caring about communities, and about the individuals within. Acting for the planet. Making the most of today for tomorrow.

Rooted in our humanist values and committed to go further:

at Sodexo, our purpose is to create a better everyday for everyone to build a better life for all.

“This year, we accelerated Sodexo's transformation and made progress towards sustainable and profitable growth.”

Sophie Bellon,
Chairwoman of the
Board of Directors
and Chief Executive Officer

Purpose

In December 2021, you presented Sodexo’s purpose. What motivated this initiative ?

Since it was founded in 1966, Sodexo has had a dual mission, one that was considered especially pioneering for its time and remains perfectly relevant today: to improve the quality of life of our employees and those we serve, and contribute to the economic, social and environmental progress in the communities where we operate.

Building on this heritage and staying true to the spirit of progress that is one of our founding values, we were keen to go further.

We wanted to reaffirm the value of the everyday work carried out by our teams and highlight what drives us by giving Sodexo a corporate purpose.

"We create a better everyday for everyone to build a better life for all": our purpose expresses who we have always been, what has guided our growth since day one, and how we envision that growth for the years to come.

This purpose is embodied in our brand tagline: "Sodexo. It all starts with the everyday". This tagline reflects our firm belief that tangible action and daily interaction can have a positive impact on people’s lives, communities and the planet.

Acceleration

What word would you say best sums up the past year?

Without a doubt, I would say "Acceleration": acceleration of the post-Covid recovery, acceleration of the roll-out of high-quality, increasingly personalized offers designed, among other things, to help attract the teams back to the office... Acceleration, too, of the demand for our Benefits & Rewards Services, which are a powerful tool in helping to retain and engage employees. And of course, acceleration of the transformation of our models, which underpins all of these changes.

In October 2021, I set out four priorities following the shock of the pandemic. We accelerated Sodexo's transformation and made progress towards sustainable and profitable growth.

We have boosted our growth in the United States. In North America, our client retention rate reached more than 96% and our development rate increased by 400 bps.

We have continued to accelerate the transformation of our food model, in a context where hybrid working has now become a well-established habit for many employees and where expectations are changing rapidly. Our service offering is evolving at every level: on the plate, we are offering more and more organic, local, plant-based foods. Upstream, we are continuing to optimize our production methods. And we are offering ever greater flexibility to consumers, with home delivery, click and collect, or *via* our partnerships with platforms. We are taking advantage of our recent acquisitions, such as The Good Eating Company, Fooditude and Nourish, to introduce highly innovative and attractive offers.

We have also been more active in managing our portfolio: we are continuing to improve our multichannel food service offering, for example by further investing in digital group catering company Meican in China. And we continue to focus on high-value markets.

We have also accelerated the changes to our organizational structure to improve its efficiency.

Organization and Governance

Could you talk a little more about this, and about the changes in governance?

We evolved our governance this year: I was appointed as Sodexo's Chief Executive Officer in addition to my responsibilities as Chairwoman. Given my new role, Luc Messier was appointed independent Lead Director. His main mission is to ensure the proper functioning of the company's governance bodies.

As soon as I took over as CEO of the Group, I transferred the management of our Schools and Government & Agencies segments to the local level to increase efficiency. In line with that decision, in July we announced a project to evolve our organization to support our strategy and help us serve our clients even better. In On-site Services, we transferred end-to-end P&L management to the regions and the countries regrouped into three geographic zones: North America, Europe and the Rest of the World. Simplifying things in this way will enable us to take decisions at the most local level, making our implementation quicker and more agile.

At the same time, we are keen to retain the best aspects of our segmented organizational structure, coupled with the advantages of local P&L management. The establishment of a Growth and Commercial function will allow us to continue to mobilize and strengthen the expertise we have developed, in go-to-market strategy and business development for example.

We have also brought together IS&T, Data, Digital and Innovation, as well as our expertise in food and facilities management, within a Tech & Services function. This will allow us to accelerate very rapidly in these areas.

And our Chief Impact Officer's remit is to ensure that our purpose, our values and what we stand for are constantly reflected in the way that we operate, and that they give us a competitive advantage.

Finally, to speed up decision-making, I have reduced the leadership team to eleven people.

Strategy

You presented Sodexo's strategy at a Capital Markets Day. What are the pillars of the strategy?

Our strategy of refocus and acceleration is based on three pillars: first, refocusing on food services and being more selective in Facilities Management.

The second pillar is to accelerate the profitable growth of our Benefits & Rewards Services business, which is Sodexo's highest contributor in terms of Underlying operating profit margin. We have reinforced its governance to support the acceleration of its development while addressing the specific challenges associated with its competitive environment.

Our third strategic pillar is about strengthening our impact as market maker in sustainability. Among other things, we embarked on the process of formalizing our commitment to reach Net Zero emissions by 2040. This commitment, which we are the first in our sector to make, is about perpetuating Sodexo's mission and taking our purpose one step further. It is fully in line with the spirit of progress, one of our founding values.

Our goal is to achieve an organic revenue growth between +8% and +10% for Fiscal 2023, and an Underlying operating profit margin close to 5.5% at constant rates. For Fiscal 2024 and 2025, we aim for an organic revenue growth between +6% and +8% and an Underlying operating profit margin above 6% in Fiscal 2025. This is both ambitious and exciting!

Confidence

What in one word best summarizes the year ahead?

Confidence! Our ambition is to be the world leader in sustainable food and valued experiences at every moment in life: learn, work, heal and play. Today, we are enjoying great momentum, clearly reflected in our performance during the 2022 fiscal year, with revenues of 21.1 billion euros, up 21.2% and returning to pre-pandemic levels in the fourth quarter. Our operating margin rose by 170 basis points to reach 5%, and our Underlying net profit doubled. The Board demonstrated its confidence by proposing a dividend of 2.40 euros, up 20% *vs* last year.

I have confidence in our strategic plan to continue to accelerate Sodexo's sustainable and profitable growth. The plan relies on clearly identified enablers: investments in tech and data, commercial excellence supported by strong brands and innovative offers, and the power of our supply chain.

I also have confidence in the solid foundations on which we are building the Group's future: our cash-generative business model, strong positions in the major global markets, a diversified offering which meets the new expectations of consumers, a mission and a purpose that are differentiating, and our independence over the long term, which is guaranteed by our controlling family shareholding.

In short, I have confidence in the future! Sodexo has many assets: this is something of which I have long been convinced, and perhaps even more so since I took over as CEO in addition to my role as Chairwoman.

Teams

And what is Sodexo's main asset, in your view?

Our teams, of course. It is they who make Sodexo. The visits that I have made to our sites this year, to meet our clients and our employees, have filled me with pride. In an extremely volatile and complex environment, I was very impressed by our teams' full commitment and agility: they are supporting Sodexo's transformation with extraordinary dedication, always staying true to our values.

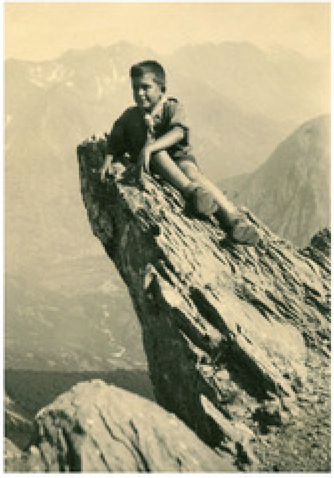
Attracting and retaining talent, enabling them to develop and do their best – these are, of course, key challenges for any business. But they are perhaps even more critical for us, since women and men are at the heart of our business model. I believe that this is my greatest responsibility as CEO and Chairwoman.

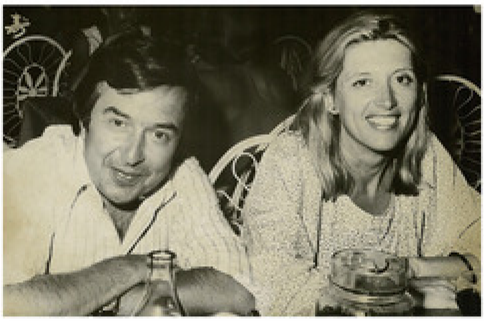
And it explains the positioning of our employee value proposition, as an extension to our purpose. Working with Sodexo is a chance to be part of something greater – because we believe our everyday actions have a big impact. It's about belonging to a team and acting with purpose. It's about enabling everyone to thrive in their own way.

And I would like to thank our teams for the wonderful work they do in delivering great service to our clients and consumers. Day in, day out, the work they do on the ground is helping to create a better everyday for everyone to build a better life for all.

"Our ambition is to be the world leader in sustainable food and valued experiences at every moment in life: learn, work, heal and play".

"Pierre Bellon dreamed of a fairer and more humane society. It is in this spirit that he founded Sodexo in 1966."





Pierre Bellon
1930 ~ 2022

"Thanks to a rate of success that slightly outpaced our setbacks, Sodexo grew by leaps and bounds."

Pierre Bellon belongs to a rare category: that of people driven by a strong entrepreneurial mindset and a commitment to creating value for people and progress. A man of intuition, a passionate visionary and an unparalleled builder, Pierre Bellon foresaw that the quality of life of men and women would become a major concern of modern societies and turned it into an extraordinary business project.
He devoted his life to building one of France's most successful companies around a dual mission: to improve the quality of life of our employees and those we serve, and contribute to the economic, social and environmental progress in the communities where we operate. In 2022, 56 years after its creation, the Group founded by Pierre Bellon counts 422,000 employees in 53 countries, serving 100 million consumers every day. As he himself used to say, "we all built this Group together", even if the Company's exceptional expansion would have been impossible without the sharp, constructive, sometimes sarcastic, and rebellious mind of its founder.

▶ sodexo.com

"Constant progress is our only means of differentiating ourselves from the competition... this alone will enable us to show our clients and customers that our services evolve to match their changing needs and that we are constantly improving our offering."

Extracts from book
I've had a lot of fun

Profile

Improving Quality of Life

Our fundamentals

As the global leader in Quality of Life services, Sodexo serves over 100 million consumers daily in 53 countries. Since 1966, each day our teams strive to satisfy our clients and consumers, and to create responsible value. Sodexo is, and will continue to be, a company that employees, clients, consumers, partners and other stakeholders can trust. Our values, embodied by each of our employees, and ethics are essential to the success of Sodexo. They constitute a fundamental pillar of our commitments in terms of responsible business conduct.

Our mission

To improve the quality of life of our employees and those we serve, and contribute to the economic, social and environmental progress in the communities where we operate.

Our values

Service spirit

People are at the heart of Sodexo. Clients and consumers are at the center of everything we do.

Team spirit

Each person's skills combine with other team members' knowledge to help ensure Sodexo's success.

Spirit of progress

It is manifested through daily self-assessment, because understanding one's successes as well as one's failures is fundamental to continuous improvement.

Our ethical principles

LOYALTY

Working to improve quality of life means making trust central to our relationships with all stakeholders. Sodexo is built on a solid foundation of loyalty to its clients, employees and shareholders, and on honest and open relationships with them.

RESPECT FOR PEOPLE

People are central to our business. Sodexo is committed to acting in favor of equal opportunity, regardless of ethnicity, age, gender, beliefs, religion or sexual orientation. Improving quality of life means treating each individual with respect, dignity and consideration.

TRANSPARENCY

This is a key principle for Sodexo that applies consistently with all stakeholders: clients, consumers, employees, shareholders and the general public. We ensure that all are informed in a clear and precise manner about our products, services, commitments and performance.

INTEGRITY

We condemn and refuse to tolerate any practices that are not based on honesty, integrity and fairness, regardless of where our business operates in the world. We make our position clear to our clients, suppliers and employees, and expect them to reject corrupt and unfair practices.

Our values throughout the everyday
Employees' testimonials

"I began my career 21 years ago as a registered nurse because I wanted to help people. Now, the aim of my mission remains the same, but my impact is much broader on those surrounding me. As Clinical Lead for Sodexo Healthcare in UK & Ireland and General Manager at South West London & St. George's Mental Health NHS Trust in London, I wear two hats. On a day-to-day basis, I manage the team on-the-ground at the hospital. I also consult with all teams in the region, helping them improve the patient journey through daily service improvements."

Yvonne Spencer,
General Contract Manager & Clinical Lead,
Sodexo UK & Ireland.

"About a year and a half ago, I joined Sodexo as the first member, and now manager of the Customer Experience Team in Romania. 25 years in Romania has put Sodexo at the forefront of customer experience with offers such as our digitized benefit card and app for employees that can be used with merchants in our large and ever-expanding network. Every day, we ask ourselves how to bring our mission to life: Do we have a deep understanding of each stakeholder's needs? Do we deliver a positive and memorable experience? Are we anticipating trends and technology to enhance our offers? Because the client experience bridges every part of the company, we do our best to improve our services for our growing ecosystem of clients and consumers and strengthen our relationships."

Andreea Coca,
Customer Experience and Quality Manager,
Sodexo Benefits & Rewards Romania.

"I started working in Facilities Management before it was even really a profession. Back then, we just called it "building operations management" because that's what we did: we managed buildings. But Facilities Management nowadays is so much more than that. It's about really getting to know our clients and working with the human beings inside the buildings. The work is vast and varied and that is what I love about it. Every day presents new challenges and new problems to solve with my teams. Today, as a Regional Account Director, I manage teams all across Latin America, from Mexico to Brazil, and I'm the lead on dozens of sites in every country."

Erika Casallas,
Regional Account Director,
Sodexo LatAm.

Founded in Marseille in 1966 by Pierre Bellon, Sodexo is the global leader in Quality of Life Services, an essential factor in individual and organizational performance.

Operating in 53 countries, our 422,000 employees serve 100 million consumers each day. Sodexo Group stands out for its independence and its founding family shareholding, its sustainable business model and its portfolio of activities including Foodservices, Facilities Management and Employee Benefit Solutions.

We provide quality, multichannel and flexible food experiences, but also design attractive and inclusive workplaces and shared spaces, manage and maintain infrastructure in a safe and environmentally friendly way, offer personalized support for patients or students, or even create programs fostering employee engagement.

In 2021, we adopted a new brand tagline:
it all starts with the everyday.

Key figures as of August 31, 2022

422,000 EMPLOYEES IN 53 COUNTRIES	**€21.1 billion** IN CONSOLIDATED REVENUES	**100 million** CONSUMERS SERVED DAILY	**€11.3 billion** IN MARKET CAPITALIZATION
#2 FRANCE-BASED PRIVATE EMPLOYER WORLDWIDE(1)	**78.3%** EMPLOYEE ENGAGEMENT RATE (2)	**1.7 million** AFFILIATED MERCHANTS	LISTED ON THE **CAC Next 20, CAC 40 ESG, FTSE4Good** AND **DJSI**

Source Sodexo

(1) 2022 Forbes Global 2000 ranking.
(2) 2021 employee engagement survey sent to 336,183 Group employees, of whom 63% responded.

A unique range of services

Sodexo offers a wide range of services meeting the needs of its clients, assisting consumers at different stages in their life.

Whether eating a healthy lunch at work, in a restaurant or at home, working efficiently and safely in a well-designed space, organizing daily life for a better work-life balance, or enjoying a unique experience at a cultural or sporting event, Sodexo has been helping to improve these moments of daily life. Sodexo is focused on delivering a positive impact not only on individual health and well-being, but also on ecosystems, cities and the planet.

On-site Services

Increasing efficiency and well-being at the workplace, caring for patients at hospitals, fostering an optimal learning environment at schools, providing safety and comfort on a remote site: our services deployed directly on site improve quality of life for millions of consumers and enable clients to improve their performance.

EDUCATION (Schools, Universities)

Sodexo helps learning institutions foster a fulfilling educational environment in schools and on campuses while enabling universities to boost their attractiveness. Offering educational solutions and tools, the Group also supports clients in their infrastructure design and renovation projects.

BUSINESS & ADMINISTRATIONS (Corporate Services, Energy & Resources, Government & Agencies, Sports & Leisure, Others)

Sodexo promotes quality of life at work through customized solutions that help businesses, public institutions, managers of prestigious venues and organizers of major events to create welcoming, creative, effective and innovative solutions, for all.

HEALTHCARE & SENIORS

Alongside healthcare professionals and throughout the entire care experience, Sodexo offers Foodservices, equipment engineering, clinical infrastructure solutions and a range of value-added integrated services designed to improve the quality of life of patients and seniors in residences, healthcare facilities, or at home.

Benefits & Rewards Services

As a tech-enabled employee benefits and engagement platform, operating in a tech-advanced digital ecosystem, Sodexo Benefits & Rewards Services creates compelling employee experiences designed to help people feel engaged, motivated and cared for. As the number two world leader in employee experience, Sodexo Benefits & Rewards Services delivers over 250 proven products to clients in 31 countries, all with a unique digital approach backed by industry leading technology.

A FULL SUITE OF DIGITAL AND INNOVATIVE SOLUTIONS

Every day, 36 million consumers worldwide interact with products and services all targeted to what they really need to thrive. From ordering food to accessing health and well-being benefits, Sodexo Benefits & Rewards Services helps its clients empower, support and care for their employees, everywhere.

SUSTAINABLE AND PERSONALIZED EXPERIENCES

These digital solutions allow employees to engage in the way they want, offering them easy-to-use, flexible and highly personal experiences. Connecting consumers through 500,000 clients to 1.7 million affiliated merchants around the world, Sodexo Benefits & Rewards Services drives an end-to-end ecosystem and offers a best-in-class digital experience for each, with high CSR standards.

An independent Board of Directors

A key body in the governance of the Group, the Sodexo Board of Directors, which guarantees a long-term vision, has 12 directors who bring their recognized expertise and experience in key areas for the Group: market share strategy, international development, social and environmental responsibility.

During Fiscal 2022, the Board of Directors met 16 times, with an attendance rate of 92%. This year, its work focused in particular on the governance evolution, the review of the business portfolio and the monitoring of the impact of the Covid-19 pandemic, the war in Ukraine and inflation.

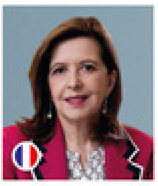
To make its decisions, the Board of Directors relies on the work of its three Committees, responsible for formulating recommendations. Each committee is chaired by an Independent Director.

For more information ▶ See chapter 6 of the Universal Registration Document.

BOARD OF DIRECTORS

As of August 31, 2022

FAMILY DIRECTORS



Sophie Bellon
Chairwoman and CEO

François-Xavier Bellon
Chairman of the Management Board of Bellon SA

Nathalie Bellon-Szabo
Chief Executive Officer, Sodexo Live! Worldwide

INDEPENDENT DIRECTORS

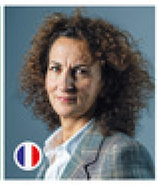
Luc Messier
Lead Independent Director, President of Reus Technologies LLC

Françoise Brougher
Independent Director

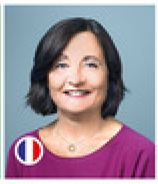
Jean-Baptiste Chasseloup de Chatillon
Chief Financial Officer, Sanofi

Federico J. González Tejera
Chief Executive Officer, Radisson Hotel Group

Véronique Laury
Independent Director



Sophie Stabile
Chief Financial Officer, Lagardère; Chairwoman of the Audit Committee



Cécile Tandeau de Marsac
Chairwoman of the Compensation and Nominating Committees

EMPLOYEE REPRESENTATIVES

Philippe Besson
Head of Projects and Sponsorship, Sodexo France

Cathy Martin
Regional Manager, Sodexo Canada

- Audit Committee member
- Compensation Committee member
- Nominating Committee member

During the Fiscal 2022 Shareholders Meeting of December 19, 2022, the renewals of Véronique Laury, Luc Messier and Cécile Tandeau de Marsac are proposed to the shareholders vote, as well as the appointment of Patrice de Talhouët.

Patrice de Talhouët
Managing Director, Bellon SA

Following the appointment of Sophie Bellon as Chairwoman and Chief Executive Officer, the Board of Directors which includes a majority of independent Directors, has also decided to appoint Luc Messier, a Director of Sodexo since January 2020, as Lead Independent Director.

LUC MESSIER
Lead Independent Director

"Since my appointment, I have met with several shareholders to share my vision for the role and to listen to their expectations. I have also been in regular contact with our Board Members. I have been serving on the Nomination Committee since 2021. I now also participate in Audit and Compensation Committee meetings. I have participated in the assessment of our Board and committees operating procedures and proposed an action plan with areas for improvement. This year, the activity of the Board of Directors has been particularly rich, and I would like to salute the commitment of each of our Directors and the collective intelligence that drives them."

THE ROLE OF THE LEAD DIRECTOR

The Lead Director is responsible for the proper functioning of the governance bodies and participates in the preparation of the Board of Directors' calendar and agendas. He ensures the connection between the independent Directors and the other Board members, ensures that the Directors are properly informed, and chairs the executive sessions. He reports to the Board on the shareholders' questions on governance. He brings to the attention of the Chairwoman and the Board members any conflicts of interest situations that he may have identified. He reports on his mission to the Board.

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KEY FIGURES AS OF AUGUST 31, 2022

12 MEMBERS	**2** DIRECTORS REPRESENTING EMPLOYEES	**3.5 years** ON AVERAGE IN OFFICE FOR INDEPENDENT DIRECTORS	**60%** WOMEN*
70% INDEPENDENT DIRECTORS*	**4** NATIONALITIES	**92%** AVERAGE ATTENDANCE	**57.5 years** AVERAGE AGE

* Excluding directors representing employees.

A RESPONSIBLE COMPENSATION POLICY

In the interest of Sodexo and its stakeholders, and in accordance with our values, the Board of Directors ensures that the Company offers a responsible compensation policy to deliver performance and achieve Sodexo's long-term strategy.

Following the appointment of Sophie Bellon as Chief Executive Officer, Sodexo's Board of Directors met on February 28, 2022 to decide on the elements of her compensation as of March 1, 2022.

- The compensation structure of the Chairwoman and Chief Executive Officer is in line with that of the previous Chief Executive Officer, approved by the Shareholders Meeting of December 14, 2021, and will be submitted to shareholders for approval by an *ex ante* vote during the next Shareholders Meeting on December 19, 2022.
- The Chief Executive Officer's compensation policy is structured to achieve a balance between long- and short-term performance in order to promote the Group's development for the benefit of all of its stakeholders. It aims at strengthening the executive officer's motivation, while aligning her interests with those of the shareholders and the social interest of the Company.
- It consists of an annual fixed compensation of 900,000 euros, rewarding the responsibilities attached to this type of corporate office, an annual variable compensation, equal, at achieved objectives, to 100% of the fixed remuneration, whose objective is to encourage the Chairwoman and Chief Executive Officer to achieve the annual performance objectives set by the Board of Directors, and long-term compensation. She also benefits from a company car, a supplementary pension plan open to the Group's main senior executives and life and healthcare expense plans under the same conditions as those applicable to employees of the Group's French entities.
- As in past years, the Chairwoman and Chief Executive Officer does not receive any other compensation allocated for her term of office as a director of Sodexo S.A.

For Fiscal 2022, taking into account the different roles during the period, Sophie Bellon's fixed compensation amounts to 882,402 euros, her variable compensation *pro rata temporis* to 587,250 euros. She does not benefit from any long-term compensation, her appointment being after the date of allocation of the Fiscal 2022 plan.

For more information on the compensation of the Chairwoman and CEO, see Chapter 6 of the Universal Registration Document and available information on sodexo.com.

Long-term vision ensured through founding family shareholding

Sodexo's independence is ensured through the shareholding of Bellon family members. This family-held control guarantees a long-term vision and is key to Sodexo's success. As of August 31, 2022, Bellon SA held 42.8% of Sodexo's capital and 57.5% of the exercisable voting rights.

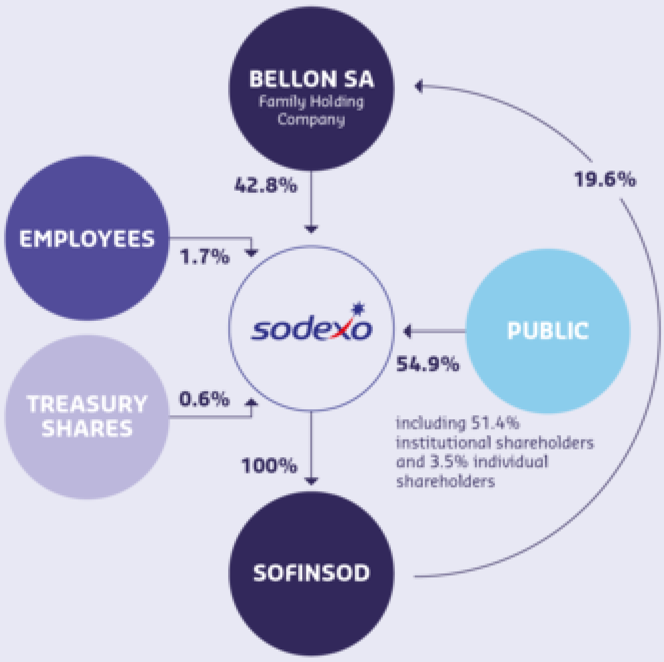
In June 2015, Mr. and Mrs. Pierre Bellon and their children entered into a 50-year agreement, which prevents the direct descendants of Sodexo's founder from freely disposing of their shares in Bellon SA. The sole asset of Bellon SA is its holding in Sodexo shares and Bellon SA does not intend to sell this shareholding to third parties.

This independence enables the Company to sustain its values, focus on a long-term strategy and ensure long-term sustainability.

Since the creation of Bellon SA, the sustained commitment to building a truly international organization, nurturing lasting client relationships and developing a successful integrated offering has reflected this vision.

To ensure this independence, a service agreement was concluded in 1991 between Sodexo and Bellon SA, renewed at the Shareholders Meeting on December 14, 2021 for a 5-year period, to consolidate the position of Bellon SA as the Group's managing holding company.

CAPITAL STRUCTURE
As of August 31, 2022



DISTRIBUTION OF EXERCISABLE VOTING RIGHTS
As of August 31, 2022

Effective risk management

Managing risks lies at the heart of Sodexo's business. Good risk management drives better business decisions, protects our assets and supports our strategic priorities.

Our Risk Management Approach

Sodexo has put in place a well-defined process for identifying, assessing and managing risks at the appropriate level within the organization, from our colleagues working on-site, to our senior executives looking at strategic risks for their activity (see diagram). Measures to manage the risks identified are implemented at site, country, regional or global level depending on their nature. The progress of those action plans is monitored and reported to senior management on a regular basis.

Operational managers are assisted by transversal support functions who define the procedures and standards and provide tools and processes to help manage risks. Internal Audit carries out an independent assessment of risk management and makes recommendations for improvements. Overall responsibility for the robustness of risk management procedures lies with Sodexo's Executive Committee, while Sodexo's Board of Directors and the Audit Committee provide risk oversight, ensuring that procedures are functioning effectively.

- Review to ensure that we have the right plans in place
- Insightful reporting

- Develop mitigation actions and controls

- Identify risks that could impact our business objectives

- Understand the likelihood of the risk occurring and the impact

Main Risks

Each year, a risk profile is established based on the risk assessments senior management performs with regard to the main entities and also in interviews with senior executives. The risks considered to be the most significant for Sodexo as of August 31, 2022 are presented in the table below.

The risk profile has changed this year; the risk associated with staff shortages and resource planning being identified as "high". The pandemic risk continues to be classified as a medium risk, but is considered lower overall than last year.

		MEDIUM LEVEL	HIGH LEVEL
CLIENTS/ CONSUMERS	Client retention		■
	Changing consumer expectations and behaviors	■	
	Bidding risks	■	
	Competition	■	
OPERATIONS	Client contract execution, including inflation management		■
	Technology and information security	■	
PEOPLE	Talent management and development		■
	Staff shortages and resource planning		■
CORPORATE RESPONSIBILITY	Food, services and workplace safety	■	
	Environmental impact	■	
EXTERNAL ENVIRONMENT	Compliance with laws and regulations	■	
	Pandemic risks	■	

For more information, see 6.4.

A streamlined Leadership Team

Sodexo Leadership Team implements the strategic orientations established by the Board of Directors and oversees Sodexo's operations worldwide.
This new team, chaired by Sophie Bellon, Chairwoman and Chief Executive Officer, is made up of 11 people. It combines cross-functional expertise and skills representative of all the Group's activities and geographic regions.

A simplified organization

Starting in October 2022, Sodexo is transferring end-to-end P&L management to regions and countries, to bring empowerment, decision-making and quicker response times to a local level.

The On-site Services activities are regrouped into three geographic zones: North America, Europe and the Rest of the World, which includes Asia-Pacific, Middle East, Africa, Brazil, and Latin America. A Growth and Commercial role has been created to accelerate our profitable growth and further develop the value of our segmentation. A Tech & Services function has been created to provide expertise as well as technical and operational support. This function bring together strategic planning, IS&T, data, digital, innovation and R&D, and also include our food and facilities management expertise.

For Benefits & Rewards Services, a dedicated governance is in place.

For the Group, a Chief Impact Officer has been appointed to ensure that Sodexo's purpose, mission and values are constantly reflected in our operations and continue to provide a competitive advantage.

Key figures as of December 1, 2022

11 MEMBERS	**45%** WOMEN
27% NON-FRENCH	**4** NATIONALITIES
18 years ON AVERAGE IN THE GROUP	**53 years** AVERAGE AGE

Sophie Bellon

Chairwoman and Chief Executive Officer

"This streamlined team for more agility aims to accelerate the return to sustainable and profitable growth, in particular by strengthening the client and consumer focus while maximizing the efficiency of our execution at the local level."

Sophie Bellon

SODEXO LEADERSHIP TEAM

As of December 1, 2022

Nathalie Bellon-Szabo

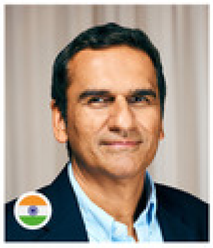
Chief Executive Officer Sodexo Live! Worldwide

Johnpaul Dimech

President APMEA, Brazil & Latin America

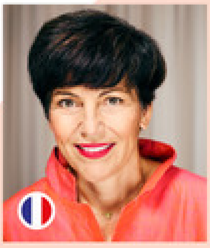
Sarosh Mistry

President North America



Sunil Nayak

President Europe



Anna Notarianni

Group Chief Impact Officer

Marc Plumart

Chief Growth & Commercial Officer

Marc Rolland

Group Chief Financial Officer

Alexandra Serizay

Chief Tech & Services Officer

Aurélien Sonet

Chief Executive Officer Benefits & Rewards Services

Annick de Vanssay

Group Chief Human Resources Officer

For more information on Sodexo's governance, see chapter 6 of the Universal Registration Document and **www.sodexo.com**

A sustainable and shared value-creation model

OUR PURPOSE

We create a better everyday for everyone to build a better life for all.

OUR MISSION

Improve the quality of life of our employees and those we serve, and contribute to the economic, social and environmental progress in the communities where we operate.

RESOURCES → **OPERATIONS**

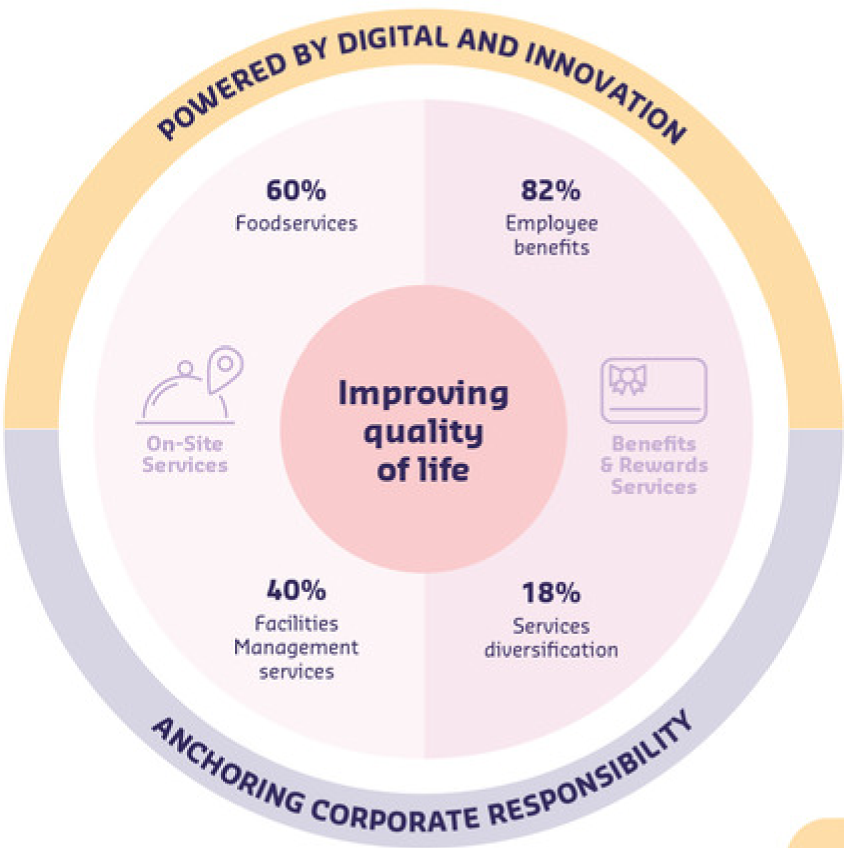
421,991
EMPLOYEES

€21.1bn
IN CONSOLIDATED REVENUES

INNOVATION INSIGHT GAINED FROM
100 M
CONSUMERS

SUSTAINABLE PROCESSES
RESPONSIBLY SOURCED RAW MATERIALS

Megatrends
See pages 24-25



For more information, see Chapter 2 of the Universal Registration Document and **www.sodexo.com**

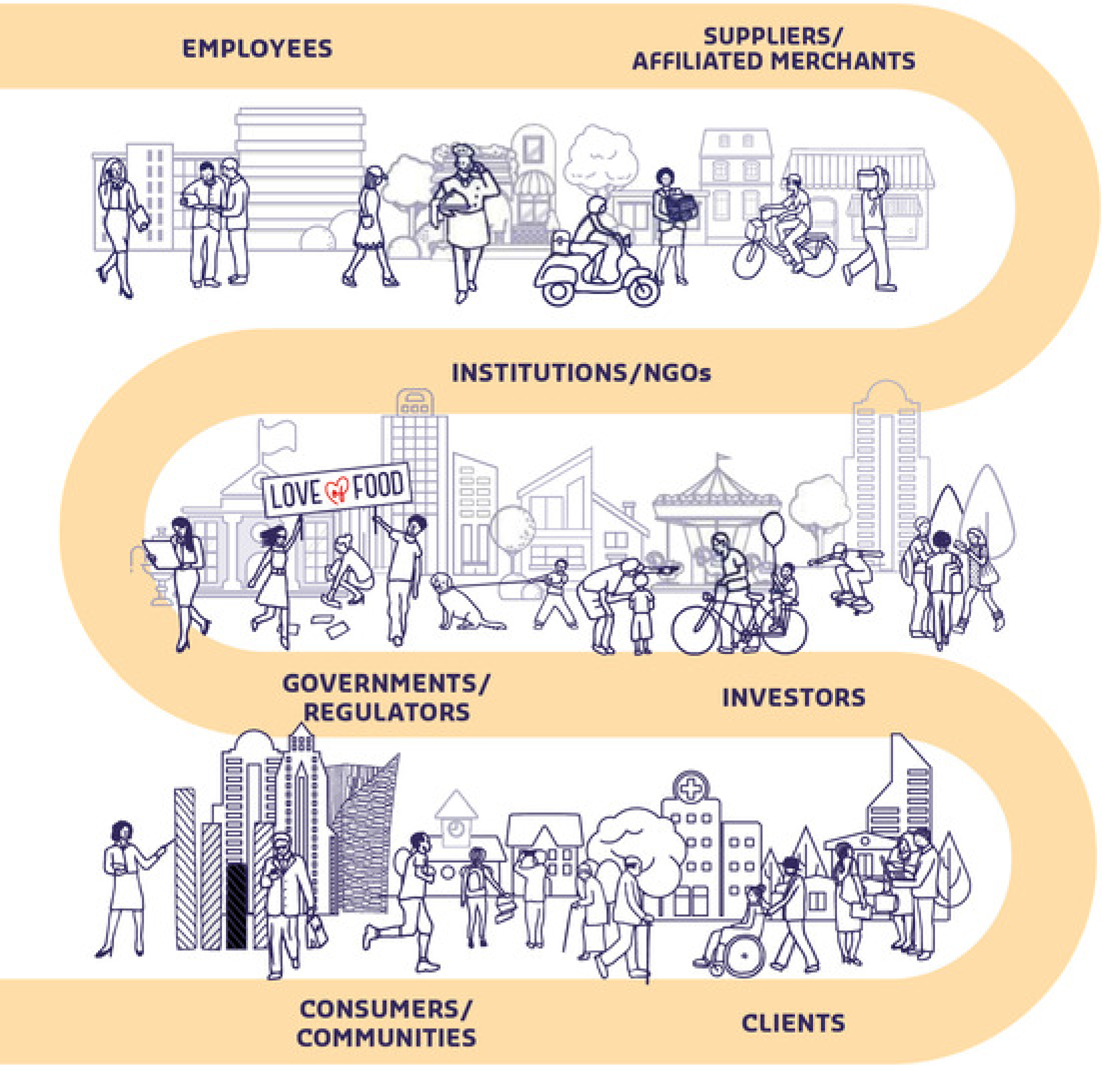
OUR VALUES

- Service spirit
- Team spirit
- Spirit of progress

OUR ETHICAL PRINCIPLES

- Loyalty
- Respect for people
- Transparency
- Integrity

STAKEHOLDERS



IMPACTS

79.1%
RETENTION RATE OF TOTAL WORKFORCE

€2.40
DIVIDEND PER SHARE PROPOSAL FOR THE FISCAL YEAR [(1)]

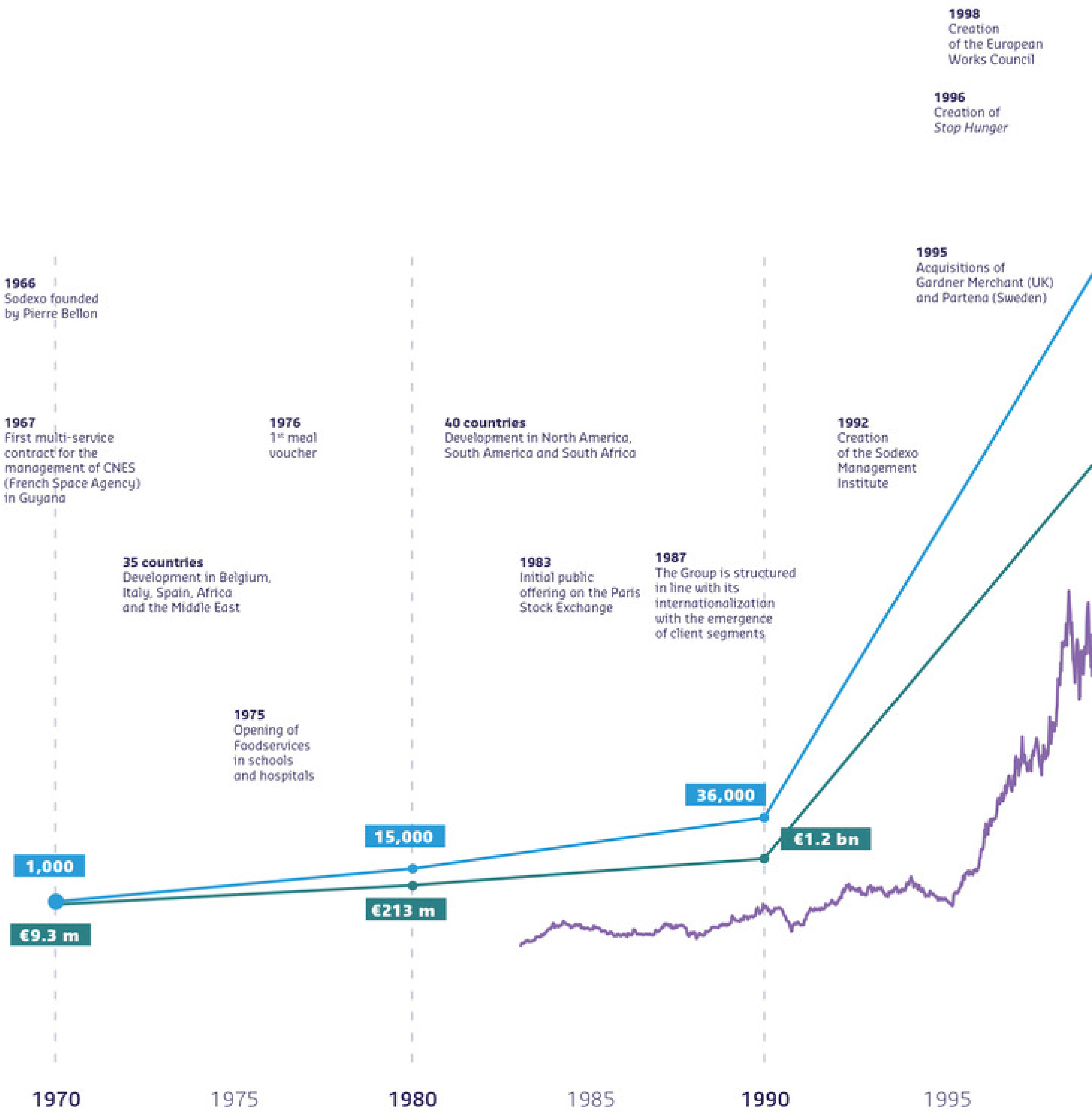
€7.8 bn
SPENT WITH SMEs [(2)]

-27%
OF CO_2 EMISSIONS REDUCTION [(3)]

(1) Submitted for approval at the Shareholders Meeting of December 19, 2022.
(2) Small and Medium Enterprises.
(3) Scopes 1, 2 and 3 compared to the 2017 baseline.

Profitable and responsible growth over the long term

Since 1966, Sodexo has been dedicated to the goal of improving quality of life, convinced of its contribution to both higher organizational performance and societal progress. This consistent focus is the bedrock for sustainable and profitable growth which provides continuous development opportunities to its employees.




470,000
AS OF AUGUST 31, 2022
€22 bn
420,000
EMPLOYEES
422,000
80 countries
1998-2001
Acquisition of Marriott Management Services (U.S.)
380,000
CONSOLIDATED REVENUES
€21.1 bn
€19.3 bn
2000-2005
Launch of new Quality of Life services: Facilities Management services, vouchers and cards services
72 countries
Including Brazil, China, India
53 COUNTRIES
€15.3 bn
2022
Sodexo's activity rebounds significantly, reaching 99% of pre-Covid level at the end of the financial year.
With the appointment of Sophie Bellon as Chairwoman of the Board of Directors and Chief Executive Officer, the Group is able to generate sustainable and profitable growth over the long term.
286,000
2005-2015
Rapid growth in new markets: technical maintenance, energy and water consumption efficiency, spatial planning
SHARE PRICE
€76.44
€10.5 bn
2020
Due to the Covid-19 pandemic, Sodexo faces an unprecedented decline in business, significantly impacting its financial performance, share value and workforce. Nevertheless, the Group demonstrates its resilience and the relevance of its business model.
2016
Appointment of Sophie Bellon as Chairwoman of the Board of Directors
2017
Renewal of corporate responsibility commitments (Better Tomorrow 2025)
2018
Sodexo becomes a leader in the Sports & Leisure segment globally with the acquisition of Centerplate
2009
Implementation of the first corporate responsibility roadmap, Better Tomorrow
2000-2010
Acquisitions of Sogeres and Score Group (France), Wood Dining Services, Circles, Zehnacker (Germany), Radhakrishna Hospitality Services Group (India), VR (Brazil)
2019
• Sodexo expands its offering by strengthening its position in Foodservices – Novae (Switzerland), Alliance in Partnership (United Kingdom)
• Sodexo strengthens its technological capabilities with the acquisition of a strategic minority stake in Zeta (India) and a strategic investment in Meican (China)
2010-2020
Development of integrated Quality of Life services, for key global accounts
2000
2005
2010
2015
2020
2022

Strategy and performance

Generate sustainable and profitable growth

Changes underway in our markets

Sodexo always pays close attention to the world's major transformations with a view to understanding them and more effectively supporting them. In a highly competitive environment, analyzing demographic, social, environmental, economic and technological changes allows Sodexo to fine-tune its strategy and take advantage of the many opportunities for future growth that come its way.

Several of the major global trends that influence its business model are directly linked to its markets and its activities, requiring adaptation to its services and generating new opportunities.

New work environments

At a time when employees are returning to the office after the Covid-19 pandemic, hybrid work methods and flexible work hours (with an average of two to three days of working from home per week for white collar workers) are having a large impact on office occupancy, encouraging companies to have their workspaces redesigned and adapt the workplace experience.

Employees are expecting personalized services and flexible solutions for individual and multichannel Foodservices, and are now making the quality of meals and of physical and mental well-being at the workplace the leading criterion of their demands. Some 72% of them want premium Foodservices*.

Extended care services

The aging of the population and the explosion of healthcare expenses are driving the growth of the markets of care. By 2030, these expenses are expected to reach 10% of GDP in OECD countries. By 2050, 25% of the population in Europe and North America will be 65 or older*. In addition to the interest of adapting Foodservices to the specific needs of these populations, opportunities to support healthcare facilities are increasing, in terms of improving the patient experience, thanks in particular to data analysis, and also in the areas of healthcare technology management.

1

New challenges in the education sector

With 30% of children in OECD countries suffering from obesity, young people's diets have become a major public health issue, requiring specific responses and reinforcing opportunities at schools and universities.

Schools and universities, both public and private are currently facing investment choices and must make decisions in the area of Foodservices that need to be supported by the right services.

A new approach to leisure

New ultra-connected and multigenerational consumers from the middle classes are devoting a growing share of their budget to recreation and culture, and they have new expectations: having unforgettable experiences and meaningful social interactions, and better controlling their ecological footprint.
In fact, 77% of consumers* consider the climate emergency to be their main concern.

The ecological transition: a strategic challenge for businesses

At a time when individuals are becoming more aware of the importance of protecting natural resources, an acceleration in legislation is driving businesses to incorporate GHG reduction commitments into their business models.

These new strategies addressing climate issues are stimulating the demand for expert solutions and value-added services designed to reduce GHG emissions.

Services enhanced by technological progress

Whether placing an order for a meal, interacting with colleagues or optimizing production and distribution chains, we are encountering technological change everywhere. For some companies, these changes are profoundly transforming the realities of work.

New offers and new services are being developed as well as existing services optimized by technology, for the benefit of people, and with relevance to needs and operational effectiveness.

** Organisation for Economic Co-operation and Development (OECD) and Sodexo internal sources.*

A strong increase in revenues and profitability in Fiscal 2022

During Fiscal 2022, Sodexo accelerated its response to the challenges of the post-Covid period, strengthening its competitiveness and accelerating its transformation.

Revenue growth and profitability improvement have been strong during the period, reflecting the solid recovery in all activities. Fiscal 2022 consolidated revenues reached 21.1 billion euros, up +21.2% year-on-year, driven by organic growth of +16.9%, a net contribution from acquisitions and disposals of -1.2% and a strong positive currency impact of +5.5%. In On-site Services, the recovery continued sequentially throughout the year, returning to 99% of Fiscal 2019 in the last quarter. Key performance indicators improved significantly with client retention up +140 bps compared to the previous year, new sales development up +150 bps with a solid contribution from all segments. Benefits & Rewards Services organic growth was +14.2% with Employee benefits at +18.7%, accelerating quarter after quarter. Underlying operating profit was 1,059 million euros, up +83.3% and Underlying operating margin reached 5.0%, up +170 bps, as the results of the strong recovery in volumes, the benefit of the GET efficiency program and strong actions to mitigate inflation through indexation, contract renegotiations and productivity.

Since October 2021 and the appointment of Sophie Bellon as CEO, Sodexo has made fast and significant progress on her immediate priorities.

BOOST U.S. GROWTH

In North America, organic growth has accelerated and profitability has improved, with significant progress on all KPIs. Operational execution is improving. As a result, retention is up by 400 basis point *vs* last year, to over 96%. Development is also up 400 basis points in North America. For the first time since 2017, Sodexo had a positive net new business, which will contribute to growth next year. First-time outsourcing is increasing, and now represents 44% of new signatures. In addition to the simplification of the operational organization, a long-term incentive scheme has also been implemented for 97 members of the North America senior leadership team.

ACCELERATE THE TRANSFORMATION OF OUR FOOD MODEL

Attractive brands and offers, focusing on high-quality, seasonal, fresh and locally-sourced food, are being deployed in the major geographies, addressing, in particular, the new trends within the industry and new expectations. Sodexo is also focusing on the transformation of production and logistics, with a new generation of off-site units to centralize production, key to support its advanced models such as connected fridges. This year, Sodexo acquired Frontline Food Services and VendEdge in the U.S. and opened a new off-site production unit in Boston, enabling the Group to respond to the quickly evolving environment and consumer expectations, and providing its clients with new, innovative, high-quality, expert food offers to attract people back into the office and support their employee value proposition. Premium brands such as Fooditude, Nourish, as well as the central production units in Boston and Beijing now account for 6% of Corporate Services food revenues.

MANAGE OUR PORTFOLIO MORE ACTIVELY

The Group ensures that each of its activities benefits from optimal positioning in its market. As part of its portfolio review, Sodexo continued to divest from non-core activities, services and geographies, where density, market shares or expertise pools were inadequate. For example, Sodexo combined its childcare activities with those of the Grandir group and sold its On-site activities in Morocco and the Congo, its activities in Russia as well as non-strategic account portfolios in Australia and the Czech Republic. In the meantime, Benefits & Rewards Services divested from its operations in Russia, sold Rydoo, its Travel & Expenses business, and exited its investments in Sports aggregation. Sodexo is continuing to reduce its geographical footprint, from 80 countries in 2018 to 53 countries at the end of Fiscal 2022. At the same time, Sodexo developed its convenience business, which is a profitable addressable market and actively built its GPO in Europe through acquisitions. Sodexo Benefits & Rewards Services also acquired a majority stake in Wedoogift (now Glady), creating the leading player in the gift voucher market in France.

ENHANCE THE EFFECTIVENESS OF OUR ORGANIZATION

The GET efficiency program was closed during Fiscal 2022 with better cost savings than anticipated. It was designed, on the one hand, to protect gross margins by adapting on-site cost structures to new post-pandemic volumes. On the other hand, this program also aims to structurally reduce SG&A by simplifying the Group's structures to free-up capacity for investment in growth and to improve margins.
To capitalize on the exceptional agility demonstrated during the pandemic, the Group pursues the adaptation of its organization to enhance its effectiveness. In Fiscal 2022, Sodexo announced the transfer of end-to-end P&L management to regions and countries, to bring empowerment, decision-making and reactivity to a local level. The On-site Services activities are now regrouped into three geographic zones: North America, Europe and Rest of the World, which includes Asia-Pacific, Middle East, Africa, Brazil, and Latin America. Benefits & Rewards Services also benefits from a dedicated governance.

Fiscal 2022 key figures

CONSOLIDATED REVENUES
€21,125m
(+16.9% organic growth)

ON-SITE SERVICES REVENUES
€20,263m
(99% of Fiscal 2019 revenues at constant rate by the fourth quarter)

Client retention rate **94.5%**

New sales development **7.5%**

Same site sales **+21.0%**

BENEFITS & REWARDS SERVICES REVENUES
€865m
(115% of Fiscal 2019 revenues at constant rate by the fourth quarter)

UNDERLYING OPERATING PROFIT **€1,059m**

UNDERLYING OPERATING MARGIN **5.0%**

CSR performance

In 2022, the teams fully supported the resumption of activities on client sites and worked to achieve objectives in terms of natural resources preservation and sustainable practices in particular.

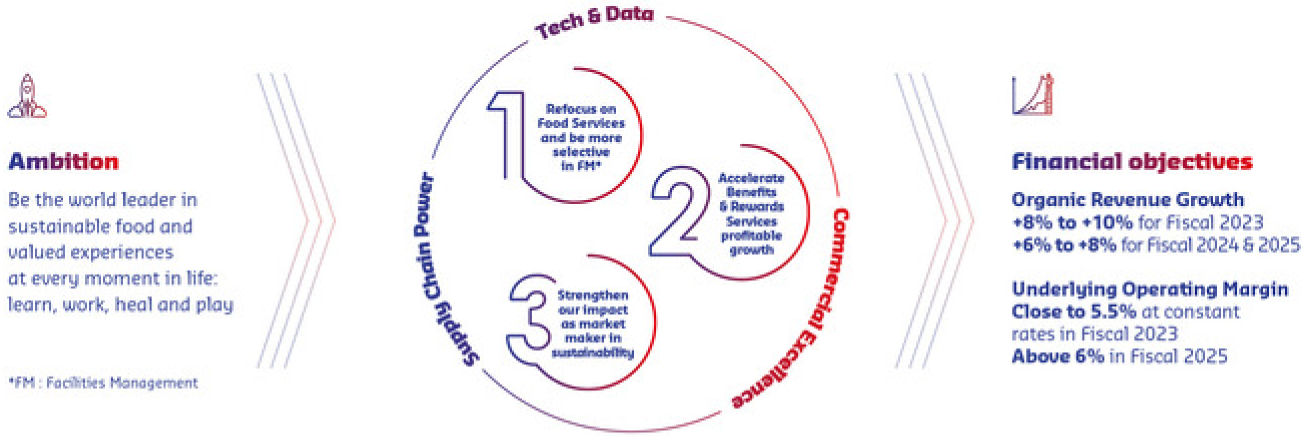
-41.5%
Food waste reduction on the sites having deployed the WasteWatch program.

-27%
Reduction in carbon emissions (scopes 1, 2 and 3) compared to 2017 levels.

For more information on Sodexo performance, see pages 34 to 39.

2025 strategy: refocus and acceleration

Capitalizing on its strong foundation and operating in attractive, growing markets, Sodexo announced the implementation of a solid strategy built around three pillars and supported by three key enablers.



1. REFOCUS ON FOOD SERVICES AND BE MORE SELECTIVE IN FACILITIES MANAGEMENT

Since day one, food has been Sodexo's DNA and the Group is recognized for its food expertise. The Group will continue to upgrade and upscale its existing food models and will accelerate the development of advanced food models to address fast-changing consumer needs and behaviors: multichannel, anytime anywhere, hybrid. The Group will reinforce its investments in convenience, aggregation and off-site production, both organically and through acquisitions. In 2025, these advanced food models will represent 10% of On-site Services food revenues, with a positive impact on profitability.

With a selective approach, Sodexo will focus its Facilities Management services where they are complementary to the food experience, accretive to the business and valued by clients and consumers. These include workplace management and dynamic tech-driven cleaning for corporate clients, or infection control, healthcare technology management and patient experience in hospitals.

To drive maximum value and ensure strong market coverage. Sodexo is targeting the right clients, with the right services in the right countries. Therefore, the Group is targeting growth in the most attractive value pools with the aim to be a strong number two in North America, to maintain a leading position in Europe, and to remain the number one international food player, with a higher-end positioning in Rest of the World. The Group will also continue to develop the full potential of Entegra, its Group Purchasing Organization (GPO) with a goal to double 2021 revenues by 2025.

2. ACCELERATE THE GROWTH OF BENEFITS & REWARDS SERVICES

The second strategic pillar is to accelerate the profitable growth of Benefits & Rewards Services. The employee benefits and well-being business is the highest contributor in terms of Underlying operating profit margin, with strong development potential.

Following a profound transformation which started five years ago, Benefits & Rewards Services activity is now 90% digital, and stongly positioned to support companies to enhance their employee experience. Sodexo put in place a dedicated governance for this specific tech business model to create the right conditions for growth acceleration. For the first time, Benefits & Rewards Services now has its own published objectives for Fiscal 2023 with Organic growth of +12 to +15% and Underlying operating profit margin around 30% at constant rates. For Fiscal 2024 and Fiscal 2025, growth is expected to be low double digit with an Underlying operating profit margin of above 30% in Fiscal 2025.

3. STRENGTHEN THE IMPACT AS MARKET MAKER IN SUSTAINABILITY

In line with its mission and purpose, Sodexo wants to have a positive impact on the planet and put people at the core of its business. A new role of Chief Impact Officer was created with the mission to ensure Sodexo's purpose and values are constantly reflected in its operations and provide a competitive advantage. Sustainability underlies Sodexo's strategy and drives the way the Group does business. Sodexo is actively continuing its journey to achieve -34% carbon emissions reduction by 2025, by extending the deployment of its WasteWatch program to 85% of its food services sites by 2025, from 46% today.

To continue to address the major challenge of global warming, Sodexo has launched a process with SBTi to formalize a "science-based" 2040 Net Zero commitment, which will be a first in the sector. Recognized as a leader in Diversity, Inclusion and Equity, Sodexo is about to achieve its gender balance objectives at top management level and is targeting gender balance in 100% of its management at country level teams by 2025.

These three strategic pillars are supported by three key enablers:

a. Tech & Data

Technology investments are a critical enabler of growth. With around 500 million euros annually of IS&T, Digital and Data spend, the Group is investing in its tech infrastructure to make it a robust and secure foundation. The aim is to optimize internal and supplier business processes and applications, as well as support increased consumer focus, with more engagement, experiences and share of wallet. By 2025, Sodexo aims to have 10 million active consumers on its digital on-site ecosystem.

b. Commercial excellence

Supported by strong focus on brands and advanced food models execution, Sodexo is aiming to take client retention above 95%, key to profitable growth. Working continually on its commercial excellence, Sodexo benefits from a best-in-class CRM system and new digital sales and marketing tools (MSDC) that are making a significant difference in North America, with digital marketing leads accounting for 60% of the pipeline. The MSDC tool is currently being deployed in Europe.

c. Supply chain power

At a time of global pressure on supply chain and double digit inflation, supply chain management is key. Sodexo has been investing in people and data to improve collaboration and to optimize spend. While continuing to manage a balanced approach, with strong category management, Sodexo is driving efficiency and increasing its local, inclusive and responsible sourcing. On-site Services aim at purchasing 2 billion euros per year with SMEs by 2025 and at empowering its supply chain as a selling power machine by driving collaboration to co-build strong, innovative offers with suppliers. The Group is also continuing to develop Entegra, its GPO, in the United States and in Europe, in food & hospitality as both a profit center and a means of superior purchasing power.

Accelerate On-site Services

On-site Services, both Food and Facilities Management Services, is a more than 600 billion euros market globally, still more than 50% is self-operated, and therefore represents an attractive growth potential. Changes in client and consumer expectations have been particularly significant in recent years and have led the Group to refine its strategy for sustainable and profitable growth in the long term.

In line with its mission and purpose, Sodexo aims at being a leader in sustainable food and valued experiences, at every moment of life, operating globally in 2 large environments: WORK (with a focus on Corporate Services) and HEAL (Healthcare & Seniors), and with selective regional positions in LEARN and PLAY. The Group brings differentiation in the way of serving, leveraging and improving its valued services to augment consumer experience and nurture its client relationships. Its services benefit all stakeholders: consumers through a valued experience, clients through an efficient and partnering relationship, employees through the pride of having an impact, and shareholders through strong performance.

REFOCUSING OF FOOD SERVICES

To lead in the Food experience business, Sodexo will continue to upgrade and complement its traditional model with a consumer-driven approach. It will accelerate in its key markets, by boosting deployment of consumer-oriented branded offers, continuing to invest in its digital ecosystem, and by complementing its traditional food offer with new distribution channels, with CSR at the heart of the operations.

The Group intends to develop its branded offers and blockbusters such as Modern Recipe, Kitchen Works, The Good Eating Company, Nourish or Fooditude. The Group aims at reaching more than 50% of its Food revenues coming from branded offers by 2025 (vs. less than 30% to date).

Sodexo will continue to accelerate the development of advanced food models to support its Food refocus and address fast-changing needs and behaviors: multichannel, anytime anywhere, hybrid. Through more investments in Convenience, Aggregation, and Off-site production, organically and through acquisitions, Sodexo aims that in 2025, these advanced food models will represent 10% of its food revenues overall (2% today), with a positive impact on profitability.

In addition, Sodexo has a strong ambition on off-site Food production with the ambition to at least doubling the number of owned culinary units (vs 20 today). The new generation culinary units aim at serving its traditional restaurants as well as its advanced models and will optimize production to increase quality standards, supported by robotization, compliance to the supply catalogue, and reduced food waste.

BEING MORE SELECTIVE IN FACILITIES MANAGEMENT SERVICES

Facilities Management Services represents 40% of Sodexo's Fiscal 2022 revenues with different weights by region. While it represents less than 30% in North America, France or Brazil, it represents more than half of the revenues in Asia Pacific, Latin America, the United Kingdom and Continental Europe.

As Sodexo is refocusing its strategy on Food Services, it will leverage Facilities Management Services to augment this experience. The Group will focus on valued services which are accretive to overall margins to provide a delightful consumer experience or bring value to clients, enabling the Group to nurture its B2B relationships.

To improve efficiency, Sodexo will reinforce its command center activities. From 16 command centers covering 30% of its accounts today, the Group aims to consolidate volumes further and increase activities of the leading command centers at a pace of +10% per year as well as shifting its client relationships to a "solutions-based model".

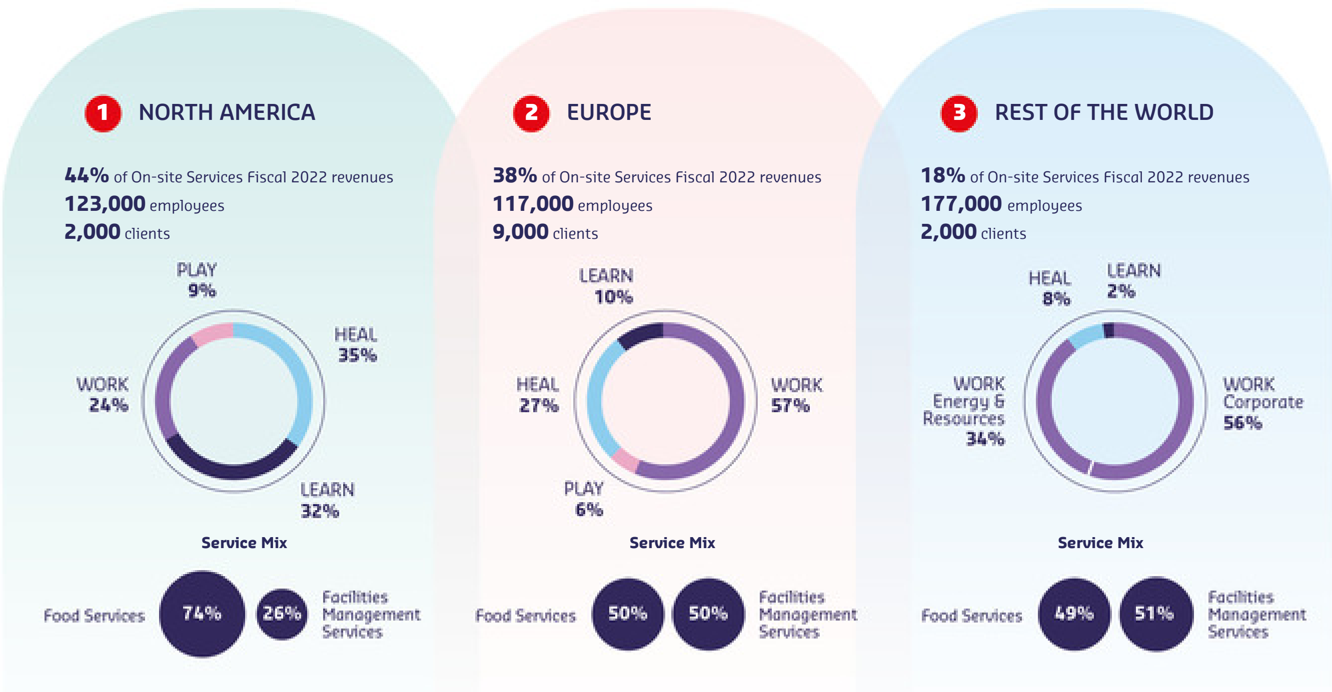
A SIMPLIFIED GEOGRAPHIC ORGANIZATION

To deploy its strategy with agility, Sodexo made the decision in Fiscal 2022 to transfer end-to-end P&L management to regions and countries (effective on October 1, 2022), to bring empowerment, decision-making and reactivity closer to the ground. The On-site Services activities are regrouped into three geographic zones: North America, Europe and Rest of the World.

- In **North America** (U.S. and Canada), Sodexo will focus growth on the most attractive value pools, invest in advanced food models and keep focus on operational excellence and client retention.

- In **Europe** (UK&I, France and Continental Europe), its home markets, Sodexo will focus on profitability improvement, with a focus on retention, innovation, especially CSR driven, and scaling new models to support sustainable and profitable growth.

- In **Rest of the World** (Asia-Pacific, Latin America, Brazil and Middle East & Africa), which covers fast-growing markets, Sodexo has obviously a high growth potential due to demographic trends and low outsourcing rates. In Asia-Pacific, Latin America and Brazil, where the Group already has leading positions, Sodexo is focused on growth to maintain its leading position, and invest in Advanced food models.



Strong business brands to support growth

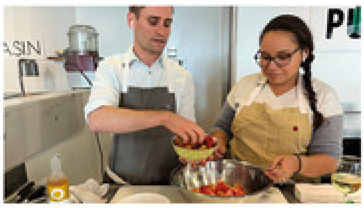
As part of its refocus and acceleration strategy, the Group has strong ambitions when it comes to food brands. Sodexo's consumer driven competitive brand portfolio is a key driver of profitable and sustainable growth, able to address its clients' and consumers' expectations across geographies, driving preference and improving site level performance as well as client & consumer satisfaction. In addition to the historic brands developed by Sodexo over the years, the Group recently made targeted investments, through M&A and partnerships. Below are some examples of these brands.

modern recipe

A contemporary, all day food restaurant concept that transforms canteens into flexible spaces, encouraging well-being, engagement and collaboration.
Based on fresh, vibrant, global menus with a fine balance between classic and energizing, healthy options with a deliberate focus on sustainability.
Originally targeted at high-end corporate accounts in metropolitan areas, now evolving to also target cross segment mainstream sites, now deployed in North America, United Kingdom & Ireland, France and Continental Europe.

inReach

InReach is about convenience services, focusing on the delivery in a seamless shopping experience, supported by technology. InReach is a range of food service lines to address different needs in different spaces, from micro-markets, micro-cafés, vending, convenience stores, pantries and more. With 61% of consumers interested in purchasing products that save time and effort, convenience plays an ever-growing role in the quality of life of individuals and the performance of organizations. The deployment of this brand on a larger scale in the United States is underway to meet the new expectations of consumers.



Nourish Inc.
food at work

Nourish, Inc., acquired by Sodexo in early 2021, is a well-established brand in the San Francisco Bay Area. Its off-site commissary design and its app-centric service model empowers consumers to order what they want when they want it thanks to on-site, click&collect, scan&go and hospitality solutions. Each day, chefs prepare fresh, delicious, healthy meals, with menus focused on low-inflammation diets with clean proteins, healthy oils, non-GMO ingredients, and clearly labeled allergens, tracking everything from ingredients to opinions to provide the right quantities of the right products.

fooditude
FEED YOURSELF HAPPY

As one of London's leading names in 'delivered-in' workplace catering and through a flexible and people-focused approach, Fooditude serves healthy, high quality and sustainable workplace food. The freshly prepared food is cooked from scratch in a central kitchen each day and thanks to the delivered-in model combined with site management, Fooditude offers a flexible service that matches clients' changing headcount or workplace goals. Its client base is primarily comprised of media and technology organizations. Since acquiring a majority stake in December 2020, the brand has expanded to Ireland with a team operating out of its new Dublin cloud kitchen.

Good eating

The Good Eating Company is a premium, high-end food offer focused on high-quality ingredients prepared exceptionally, and brought to consumers at work while respecting them and their environment.
It provides on-site the right-sized offers, flexible and hybrid models for the evolving workplace, with or without an on-site kitchen. In addition, The Good Eating Delivered uses central kitchen and the digital retail app Everyday to order and deliver food.
Acquired in the United Kingdom in 2018, The Good Eating Company food brand has successfully expanded in the United States from November 2020, with a growing number of clients, among which are some tech giants in Silicon Valley. The Group also aims to develop the brand in Europe.

Benefits & Rewards Services: an ambitious acceleration and profitability plan

Benefits & Rewards Services is implementing a strategic plan to accelerate its growth and better address the vastly underpenetrated market potential. The activity will benefit from supportive market conditions including global working trends, the growth potential of the SMEs segment and the positive opportunities of regulatory frameworks. With this strategy, Benefits & Rewards Services aims to accelerate further and improve its profitability, by unlocking the full potential of its existing assets, reinforcing in the Meal & Food markets and augmenting its core business.

A SOLID GLOBAL FOOTPRINT AND A VIRTUOUS MODEL

As the #2 worldwide in employee benefits and engagement, Benefits & Rewards Services operates in 31 countries, and a leadership position in Employee Benefits in 17 of these markets, with a team of 4,800 highly engaged team members. With 500,000 clients, 36 million consumers and 1.7 million merchants, Benefits & Rewards Services has a virtuous business model bringing value to every stakeholder. With over 4.4 million daily transactions powered by data, the issue volume was over 19 billion euros in Fiscal 2022. This cash generative business model is naturally fit for growth, and delivers financial performance in a wide range of economic scenarios. For Fiscal 2023, Benefits & Rewards Services is expected to generate +12 to +15% organic growth and around 30% Underlying operating profit margin. For Fiscal 2024 and Fiscal 2025, a low double-digit revenue growth and an Underlying operating profit margin of above 30% in Fiscal 2025 are expected.

A TECH-ENABLED EMPLOYEE BENEFITS AND ENGAGEMENT PARTNER

Guided by its vision to bring to life a personalized and sustainable employee experience at work and beyond, Benefits & Rewards Services is now operating a fully digital business. Circa 90% of its issue volume is digital, with 1 million app downloads on average per month and mobile transactions in France and Brazil multiplied by six over the last year. Benefits & Rewards Services already connect 500 delivery and e-commerce platforms across 18 countries to clients and consumers. Since 2018, Capex close to 300 million euros in technology has created a highly scalable digital platform.

ACCELERATE IN MEAL & FOOD MARKETS

Benefits & Rewards Services is focusing on growing its core and accelerating in the Meal & Food market, moving from a generalist benefit provider to a tech-enabled, trusted HR partner. To do so, the investments are focused on increasing the range of products available and building flexible and integrated offers, providing targeted and useful analytics to clients and delivering excellent sales experience. Improvements will continue to enhance consumer experience, to move from an easy-to-use transactional app to an app that increases engagement with consumers. There will continue to be innovation in payment options, and to leverage data to offer more personalized promotions, discounts and cashback programs, with CSR embedded offers.

Based on the trusted relationship with the merchants, Benefits & Rewards Services will also transition from a traffic booster to a trusted partner by developing new services and helping them to improve performance through seamless payment flows, as well as by offering additional lead generation and marketing services. Benefits & Rewards Services aims to increase penetration of the SMEs segment, by improving the digital buyer journey.

Beyond SMEs, Benefits & Rewards Services will increase its investment in branding and digital marketing to continuously improve the user experience of its digital assets.

AUGMENT CORE BUSINESS

Benefits & Rewards Services also aims to augment its core business by enriching its offers with Employee Multi-Benefit and Engagement platforms reinforcing its range of offers, including in Gift, Well-being and Mobility.

The Employee Rewards & Recognition and Employee Engagement layer, already implemented in its major markets (Brazil, France, India and Romania) will continue to be integrated in a single modular platform, building or acquiring the services and partnering with external providers in a few cases, like recently with The Happiness Index. In the United Kingdom and the United States, Employee Rewards & Recognition offer will be strengthened with a view to leveraging it in other markets.

REINFORCE FOUNDATIONAL ENABLERS

To improve its operational efficiency, Benefits & Rewards Services will optimize its delivery model and reduce its processing costs by better leveraging its global scale. Because having the right talents is key, investing in people will continue, especially in key product, tech and data critical competencies. In terms of governance, Benefits & Rewards Services has put in place processes and instances to monitor progress in the execution of its plan.

Benefits & Rewards will also continue to run Capex at close to 10% of revenues per year through 2025 to consolidate its One-Platform ecosystem and continue to improve client, consumer and merchant digital experience, to monetize data and mutualize solutions.

As a trusted partner with best-in-class sustainable practices recognized externally, Benefits & Rewards Services will continue its corporate responsibility journey with commitments towards individuals, communities and the environment and will contribute to the Group 2040 Net Zero trajectory with SBTi.

2025 Outlook

Revenue growth acceleration
LOW DOUBLE DIGIT GROWTH FOR FISCAL 2024 AND FISCAL 2025

Increased profitability
UNDERLYING OPERATING PROFIT MARGIN ABOVE 30% IN FISCAL 2025

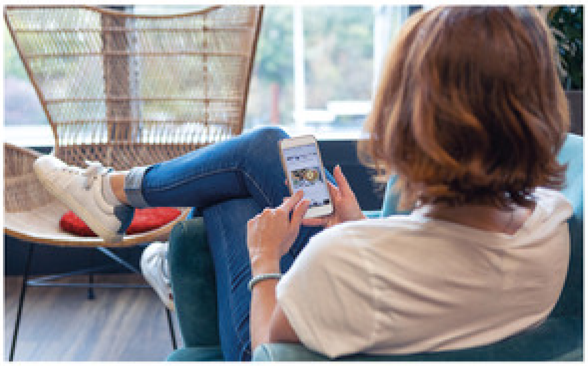
Net Zero trajectory
-34% REDUCTION OF CARBON EMISSIONS IN FISCAL 2025 *VS* FISCAL 2022

Accelerate in Food & Meal and augment core business

Guided by its vision to bring to life a personalized and sustainable employee experience at work and beyond, Benefits & Rewards Services is developing a wide range of offers and solutions in their different markets.

MEAL & FOOD SERVICES AT THE TOUCH OF A BUTTON

Thanks to its numerous partnerships with delivery platforms and its large network of more than 1.7 million merchants & restaurants, Benefits & Rewards Services provides consumers with access to a great variety of Meal & Food products. Wherever they are, at home or at the office, they can easily order the meal of their choice through a best-in-class app, and even benefit from a cashback system while they are shopping. A simple and easy way for clients to ensure access to a balanced food offer for their employees at work and beyond.



MOBILITY TO REDUCE CARBON FOOTPRINT

Employee mobility benefit is getting high traction at the moment. Benefits & Rewards Services already provides it in 8 countries (France, Belgium, Colombia, Chile, Brazil, Mexico, Spain and India), with more to come. These services include products that measure the carbon footprint allowing its stakeholders to make responsible choices and reduce client scope 3 emissions. The recent partnership contracted with Skipr, a Belgium startup, for the French and Belgium markets is a clear demonstration of the commitment to act to reduce the carbon footprint, by facilitating consumer access to electric transportation.

MULTI-BENEFITS TO AUGMENT CORE BUSINESS

With the growth of hybrid working models, employees are increasingly empowered. Their needs are changing for more flexibility and personalized benefits and services. Creating attractive compensation packages and a truly personalized employee experience requires a myriad of offers. Benefits & Rewards Services is consolidating these offers in a programmatic way: Meal & Food at the core, and gift, well-being, mobility among some of the services available. A way to help clients adapt and satisfy the evolving needs of their employees.

A HAPPY EMPLOYEE IS AN ENGAGED EMPLOYEE

In the current tight labor market, it is essential for employers to be able to monitor the level of engagement and well-being of their employees at work. In partnership with the Happiness Index, a UK based technology company, Benefits & Rewards Services has started, in some countries, to offer services to measure the level of happiness of employees at work. Through a range of neuroscience-based surveys, companies can understand how employees think, feel and behave. With the help of data obtained and analyzed in real-time, companies can create targeted action plans to improve employee satisfaction, retention, and team performance.

Acting responsibly on a daily basis

Anchored in the Group's DNA since its creation in 1966, corporate responsibility is a cornerstone of Sodexo's mission and operations. Particularly innovative at the time, this vision and the associated commitments progressed as the Company developed and the issues and collective challenges grew. The key issues developed in accordance with the United Nations Sustainable Development Goals (SDGs) and identified through the latest materiality assessment carried out by the Group in 2021 (available in chapter 2) confirm the consistency with Sodexo's commitments as an employer, service provider and responsible company.

BETTER TOMORROW 2025	OUR IMPACT ON INDIVIDUALS	OUR IMPACT ON COMMUNITIES	OUR IMPACT ON THE ENVIRONMENT
OUR ROLE AS AN EMPLOYER	**Commitment: Improve the quality of life of our employees, safely** Objective: 80% employee engagement rate	**Commitment: Ensure a diverse workforce and inclusive culture that reflects and enriches the communities we serve** Objective: 100% of our employees work in countries that have gender balance in their management populations	**Commitment: Foster a culture of environmental responsibility within our workforce and workspaces** Objective: 100% of our employees are trained on sustainable practices
OUR ROLE AS A SERVICE PROVIDER	**Commitment: Provide and encourage our consumers to access healthy lifestyle choices** Objective: 100% of our consumers are offered healthy lifestyle options every day	**Commitment: Promote local development and fair, inclusive and sustainable business practices** Objective: 10 billion euros of our business value will benefit SMEs[1]	**Commitment: Source responsibly and provide management services that reduce carbon emissions** Objective: 34% reduction of carbon emissions[2]
OUR ROLE AS A CORPORATE CITIZEN	**Commitment: Act sustainably for a hunger-free world** Objective: 100 million Stop Hunger beneficiaries[3]	**Commitment: Drive diversity and inclusion as a catalyst for societal change** Objective: 500,000 empowered women in communities[3]	**Commitment: Champion sustainable resource usage** Objective: 50% reduction in our food waste

(1) Small and Medium Enterprises.
(2) Absolute reduction in Scope 1, Scope 2 and Scope 3 carbon emissions, compared to a 2017 baseline.
(3) Cumulated data since 2015.

For more information on the Fiscal 2022 non-financial indicators, see pages 38-39 and Chapter 2 of the Universal Registration Document.

For a positive global impact

For Sodexo, choosing responsible growth means continuing to act on a daily basis to serve its clients and consumers, in a way that is safer, healthier and more respectful of the environment. It also means improving the way it takes care of its employees, the quality of the meals it serves and the services it offers as well as its role as a corporate citizen. Drawing on experience, Sodexo is continuing to measure, give meaning and mobilize its stakeholders to fully activate the transformative potential of its corporate responsibility commitments.

FACING THE CLIMATE EMERGENCY, AN AMBITIOUS AND GLOBAL PROJECT

Being the first company in its sector to have shared its environmental ambition, Sodexo is committed to taking action against climate change at all levels of its value chain. Since 2010, the Group has been working with the World Wildlife Fund (WWF) to understand, measure and reduce its global carbon footprint, in collaboration with its clients and suppliers. In 2019, Sodexo was also one of the first major groups to adopt a target of reducing its direct and indirect greenhouse gas emissions (scopes 1, 2 and 3) by -34% by 2025 compared to 2017, approved by the Science Based Targets initiative (SBTi) and in line with the Paris Agreement around a 1.5°C trajectory.

PROMOTING A HEALTHY AND SUSTAINABLE DIET

In addition to the health benefits for consumers, a varied, sustainable and plant-based diet is also a way to significantly reduce carbon emissions. Sodexo thus raises awareness among its consumers of the environmental impact of their plates and encourages them to change their eating habits by offering sustainable recipes and tasty plant-based dishes. Thus, Sodexo intends to increase low-carbon options in its menus by ensuring that ingredients are sourced from best agricultural practices.

FIGHT AGAINST WASTE

Fighting food waste is a key lever to reduce the climate impact. On the sites where the Group has deployed its WasteWatch program, food waste was reduced by more than 40% on average. Sodexo commits to taking the deployment of WasteWatch to 85% of its food service sites by 2025 (based on raw material cost), with greater acceleration as well as employee and consumer engagement, to achieve a 50% reduction global target by 2025.

Beyond this program, Sodexo acts at all stages of its value chain to minimize its impact. The Group acts, for example, through training and awareness-raising for its teams and consumers, partnerships with local players committed to the circular economy, waste recovery or recycling.

To act on a global scale, Sodexo continues its efforts as a founding member of the International Food Waste Coalition (IFWC) and its leaders also participate in the Champions 12.3 coalition.

DIVERSITY, EQUITY AND INCLUSION: A DAILY COMMITMENT

Sodexo is committed to supporting and promoting diversity and equal opportunity, as well as developing an inclusive workplace culture in all countries where it operates. A pioneer and recognized leader in the field, Sodexo strives to ensure the conditions for the well-being and fulfilment of its employees and valuing empathy, respect and mutual support. The company maintains loyalty and transparency as essential conditions of its relations with its clients, partners and communities. Its approach to diversity, equity and inclusion is for Sodexo an essential driver of performance, attractiveness and employee engagement, and a differentiating factor for clients, consumers, suppliers and investors.

Sodexo's strategy in this area is based on five dimensions: promotion of gender equality, commitment to inclusion and against cultural, ethnic or origin discrimination, equal opportunities for people with disabilities, respect for all sexual orientations and gender identities and consideration of intergenerational differences.

For more information, see chapter 2 of the Universal Registration Document and **www.sodexo.com**

Commercial performance and recognitions

Fiscal 2022 was marked by the wins, retentions and extensions of numerous contracts, which reflect the trust placed in us by our clients, and by numerous recognitions of the commitment of Sodexo teams to a sustainable future.

CORPORATE SERVICES

In Singapore, **LinkedIn** appointed Sodexo to implement a new bespoke dining concept, integrated thanks to the value proposition of Vital Spaces. This includes on-site meal delivery from an off-site micro-kitchen and a meal program and work environment management based on data analysis. With this new contract, deployed for the first time in Asia-Pacific, Sodexo continues its development in the region by strengthening its presence in the technology and media sector.

And also:

- In France, Sodexo, official partner of **Disneyland Paris**, now serves nearly 2.5 million meals a year to its employees, at 21 points of sale. The dining service is available 22 hours a day, 365 days a year and employs 280 Sodexo employees.
- Over the next four years, Sodexo will provide Foodservices for the 30,000 employees of **HR Rail, SNCB and Infrabel**, three entities that represent one of Belgium's largest employers. Sodexo operates 13 restaurants and three sandwich bars in the country.
- Employees of five **Bytedance** sites in China, a long-standing client of Sodexo in terms of Facilities Management services, now benefit from a full food offer (breakfast, lunch and dinner) thanks to the recent acquisition of a localized central production unit.
- In France, the partnership forged with **Campus Cyber** allows Sodexo to make its expertise in food and concierge services available to the 2,000 occupants of the campus, while being a player in the project partaking in exchange, innovation and progress to face of cybersecurity challenges.

HEALTHCARE & SENIORS

In the United States, Sodexo strengthened and expanded its partnership with **University Hospitals**, a major healthcare client in northern Ohio with 23 hospitals, more than 50 health centers and more than 200 medical practices. Sodexo provides patient food solutions and a retail offer to all residents and staff, as well as the management of healthcare facilities and technologies. Over the past six years, Sodexo has saved University Hospitals nearly 65 million dollars, contributing to their competitiveness.

And also:

- Since May 3, 2022, Sodexo has provided patients at the new **Nuffield Health** facility at St Bartholomew's Hospital in London (United Kingdom) with menus featuring locally sourced products, and hospitality and staff dining.
- More than 170 Sodexo employees provide food and housekeeping services to Seniors in the **Catholic Health Services** community in Florida (USA) for five years.
- The Swedish province of **Östergötland** has renewed its partnership with Sodexo to provide Food and Facilities Management services at Vrinnevi Hospital in Norrköping as well as in more than 30 general and dental care centers.
- In Brazil, the **United Healthcare group**, one of the main healthcare players in the country, has also renewed its trust in Sodexo teams to take charge of the management of the facilities, maintenance and cleaning of its 32 sites.

EDUCATION

In the United States, the **South Dakota Board of Regents**, responsible for managing the public higher education system in the State of South Dakota, chose Sodexo to provide Foodservices for six public universities and two primary schools serving special K-12 populations. This contract, for an initial period of five years, introduces new innovative programming on site, transforming the campus dining experience.

And also:

- Since the fall of 2022, students and staff at the **Eastern Nazarene College** campus in Massachusetts have benefited from an innovative food and facilities management program, with redesigned spaces and new services adapted to everyone's nutritional and service needs.
- For 15 years, Sodexo will offer students at **Austin Peay State University** in Tennessee a premium dining offer, featuring local products and including a new take-out offer for students, professors and staff.
- At the **Colorado School of Mines**, Sodexo will continue the relationship of trust established in 2011 to provide students and staff with a full range of constantly evolving Foodservices while capitalizing on operational excellence.
- In the United Kingdom, the seven-year renewal of the contract initiated in 2007 with **Abingdon School** in Oxfordshire provides for the deployment of a new nutritional program and the creation of a new dining area for its 1,250 students.

SODEXO LIVE!

Official Supporter of the Paris 2024 Olympic and Paralympic Games, Sodexo Live! has been entrusted with the Foodservices of the Athletes' Village as well as dining solutions for the general public at around fifteen competition sites. For five weeks, Sodexo Live! will put its know-how at the service of nearly 15,000 athletes with the aim of offering them a memorable experience through inventive and fine cuisine, adapted to the requirements of high-level sport, and contributing to the environmental ambition of this event, aligned with Sodexo's vision and values.

And also:

• In the United States, Sodexo Live! renews a multi-year contract for Foodservices at major events at the **Norton Healthcare Sports & Learning Center**, the premier athletic center in the Louisville area.

• Also in the United States, Sodexo Live!, whose contract with the **Seattle Mariners** at T-Mobile Park has been extended, will continue to provide Foodservices for all events at the site, including the home games, and the multiple concerts and events that take place there.

• Sodexo Live! has been awarded two airport lounge contracts in North America. **American Airlines** and **British Airways** are co-locating their services in a brand new state-of-the-art space in JFK Airport, housing three premium lounges specifically dedicated to transatlantic and coast to coast passengers. The British Airways contract in North America covers eight lounges across major cities with business and first class dining and the creation of a specialist beverage program.

• Sodexo Live! and its partners became the exclusive approved agencies of the **French Tennis Federation** for the hospitality programs of the Roland-Garros tournament and the Rolex Paris Masters for the 2023 to 2026 editions.

To follow Sodexo news, visit **www.sodexo.com**

BENEFITS & REWARDS SERVICES

Since January 2022, the 18,500 employees of Post AG, the Austrian leader in logistics and postal services, have benefited from a brand new Meal Pass experience with a highly secure digital solution adapted to different working arrangements. Usable with 8,000 merchants and partner restaurants across the country, it enables smartphone purchases and offers many services, information and advantages adapted to each user.

And also:

• In Europe, with a two-year contract to supply meal cards and digital solutions to 85,000 consumers, the *Union des Caisses Nationales de Sécurité Sociale* (**UCANSS**) has become one of the main French clients for Benefits & Rewards Services digital solutions.

• Backed by the Group's technological expertise and capacity for innovation, Sodexo's teams also responded to offer **Amazon** in Israel a 100% digital meal solution, usable by 1,200 employees spread over three sites.

• In Brazil, the renewal of the contract with **Vivo**, a local brand of the Telefonica group and client since 2015, allows 32,000 beneficiaries to continue to benefit from Sodexo food, meal and fuel solutions.

• The Austrian Ministry of Climate Protection has selected Sodexo Benefits & Rewards Services in collaboration with the Austrian Post to assist with the implementation and distribution of a climate bonus for all Austrians. Approximately nine million people will receive the **Klimabonus**, including 1.2 million people *via* Sodexo vouchers, helping them to cover rising energy costs following the introduction of a carbon tax.

CORPORATE RESPONSIBILITY AWARDS

Find here a selection of the awards and recognitions obtained by Sodexo teams.

• For the 17th consecutive year, Sodexo ranked among the leaders of the S&P Global Dow Jones Sustainability Work Index (DJSI) with 75 out of 100, the highest score in the Foodservice & Leisure sector. Sodexo maintained its lead in the Environment category and its leadership in social matters, obtaining the best scores in the area of respect for human rights and local impact.

• Named a member of the DiversityInc Hall of Fame company in May 2022, Sodexo is recognized as one of the leaders in diversity by DiversityInc. for the 14th year.

• In 2022, for the 15th consecutive year, Sodexo obtained a Gold Class Global Award from S&P for its performance in terms of sustainable development, once again ranking among the best performing companies in its sector in terms of sustainability.

• Sodexo ranked first in the Foodservice sector and 30th in the global ranking of the WBA Food and Agriculture benchmark, the main benchmark in the food and agriculture sector, which evaluates the 350 most influential companies in the world in the sector based on their environmental, nutritional and social impact.

• Sodexo has, for the 15th consecutive year, a score of 100 in the annual evaluation of the Human Rights Campaign Foundation, the foremost benchmarking survey of LGBTQ+ workplace equality.

• In 2021, Sodexo was recognized as a Leading Disability Employer by the National Organization on Disability (NOD). This award recognizes Sodexo's commitment in the United States and its dedication to the integration and promotion of people with disabilities.

• In the United Kingdom, Sodexo has been named one of the top 100 employers for apprenticeships in the prestigious UK Department for Education list.

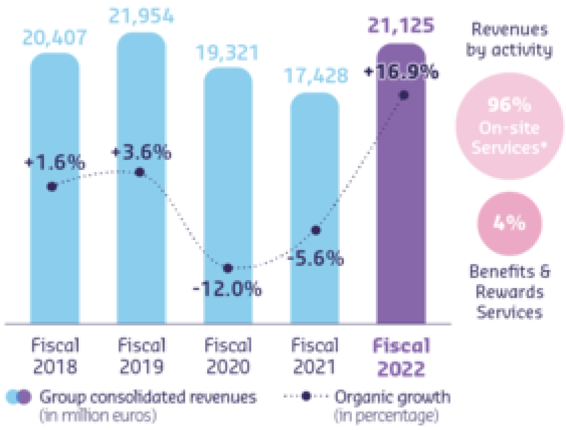
• The Group's commitment to adopting plant-based proteins, its initiatives to increase the share of plant-based menus in its offer and its approach to evaluating carbon emissions linked to its supply chain have enabled Sodexo in the United States to obtain an "A" rating for its protein sustainability issued by the Humane Society.

Financial performance

MARC ROLLAND
Group Chief
Financial Officer

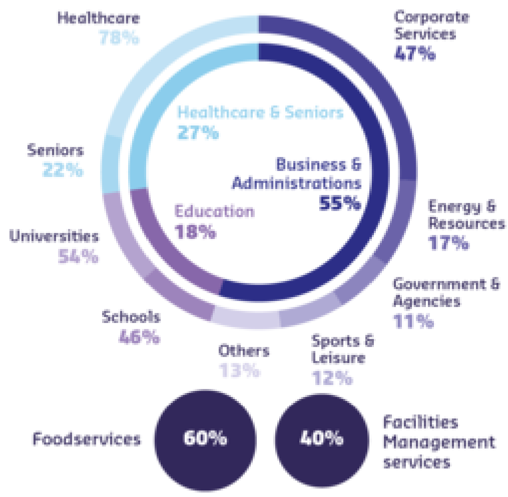
"All our activities have delivered a strong performance in revenues growth and margin improvement, despite the inflationary backdrop. Net new business is strong, and retention is at an all-time high. Our balance sheet has also strengthened significantly, with financial KPIs all back in line with targets. We expect that activity will return to Fiscal 2019 levels in Fiscal 2023. We are confident that for Fiscal 2023, we can achieve +8 to +10% organic growth and a margin close to 5.5%."

EVOLUTION OF CONSOLIDATED REVENUES AND ORGANIC GROWTH

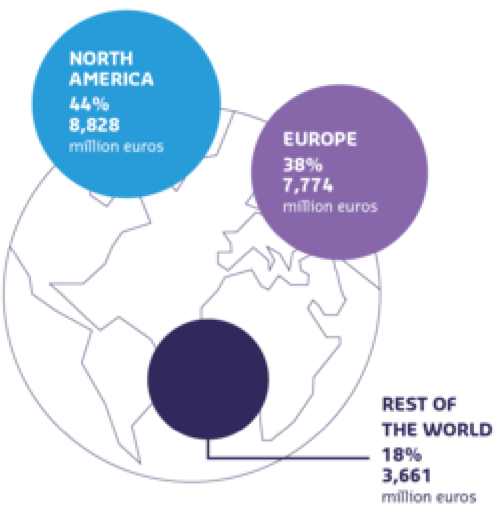


*Including Personal & Home Services.

ON-SITE SERVICES REVENUES BY ACTIVITY AND CLIENT SEGMENT



ON-SITE SERVICES REVENUES BY GEOGRAPHIC ZONE



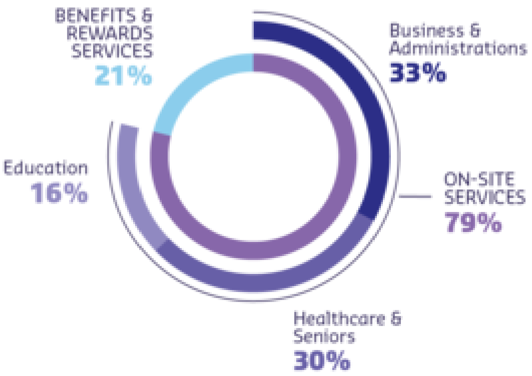
BENEFITS & REWARDS SERVICES REVENUES BY REGION

500,000
clients

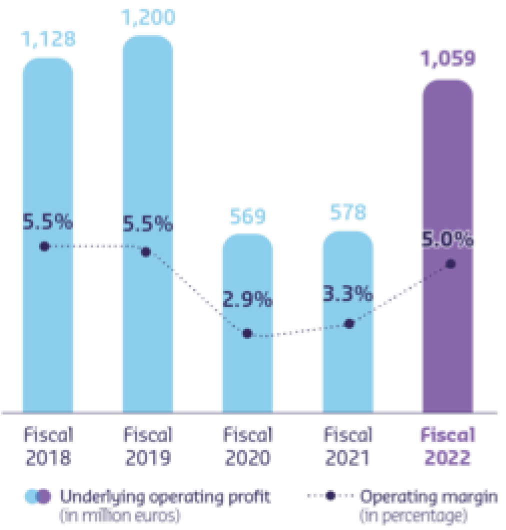
36 million
beneficiaries and consumers

1.7 million
affiliated merchants

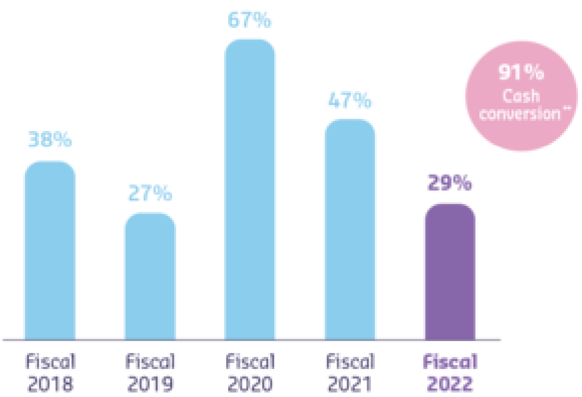
UNDERLYING OPERATING PROFIT BEFORE CORPORATE EXPENSES & INTRAGROUP ELIMINATION BY ACTIVITY AND CLIENT SEGMENT



UNDERLYING OPERATING PROFIT AND OPERATING MARGIN



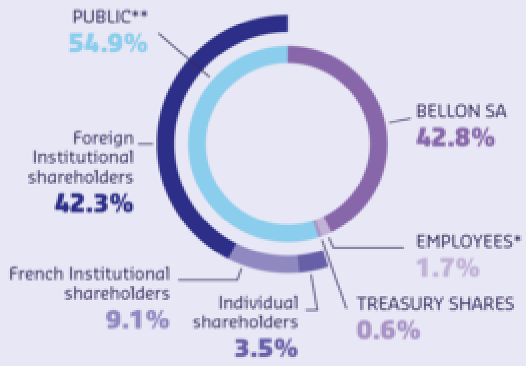
NET DEBT AS A PERCENTAGE OF SHAREHOLDERS' EQUITY*



* Debt net of cash and cash equivalents, restricted cash and financial assets related to Benefits & Rewards Services activity, less bank overdrafts

** Free cashflow/Net profit.

SHAREHOLDERS AS OF AUGUST 31, 2022



Source: Nasdaq

* Including shares resulting from restricted share plans held in registered form by employees and still subject to a lock-up period.

** Number of shares held not updated since July 22, 2022.

SODEXO SHARE DATA SHEET

- Main listing place: Euronext Paris - A Compartment
- ISIN code: FR0000121220
- Mnemonic code: SW
- Main index : CAC Next 20, SBF 120, CAC 40 ESG, Euronext 100, CAC All Share, FTSE4Good
- Euronext listing date: March 2, 1983

KEY INDICATORS OF FISCAL 2022 AS OF AUGUST 31, 2022

- Total number of shares: 147,454,887 shares
- Closing price: 76.44 euros
- Market capitalization: 11.3 billion euros
- Sodexo share price trend during Fiscal 2022: +9.2%
- CAC 40 trend during Fiscal 2022: -7.8%
- Underlying earnings per share: 4.78 euros
- Dividend per share: 2.40 euros*
- Number of interactions/shareholder meetings: 228 meetings, 236 companies, 594 contacts

* Submitted for approval at the Shareholders Meeting of December 19, 2022

1

Non-financial performance

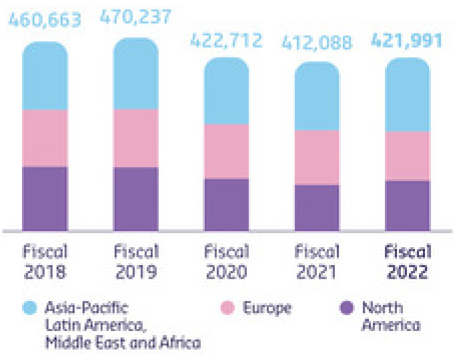
Everywhere, Sodexo teams are fully mobilized to ensure the health and safety of all and pursue the corporate responsibility roadmap to contribute to a better future. Adapted to the challenges of today and tomorrow, Better Tomorrow 2025 comprises nine commitments. It drives the deployment of our corporate responsibility actions and measures their impact in the countries where we operate. In 2022, the teams fully supported the gradual resumption of activities on client sites and worked to achieve our objectives, notably in terms of natural resources preservation and inclusive and sustainable practices.

Disclosure and transparency
Sodexo is convinced that clear, comparable and accessible information on its financial and non-financial performance enables all of its stakeholders to make informed decisions. Since Sodexo's creation, its financial, social and environmental performance has been publicly disclosed in the Universal Registration Document. To ensure transparency, the information and indicators have been audited by an independent third party for each of the past ten years.

01

IMPROVE THE QUALITY OF LIFE OF OUR EMPLOYEES, SAFELY

Evolution of workforce by geographic area



EMPLOYEE ENGAGEMENT RATE

80.1%	78.3%(1)	80%
Fiscal 2020	Fiscal 2021	2025 OBJECTIVE

79.1% employee retention rate

10.8% internal promotion rate for On-site managers

0.65 lost time injury rate

11.8 hours of training on average provided annually per employee

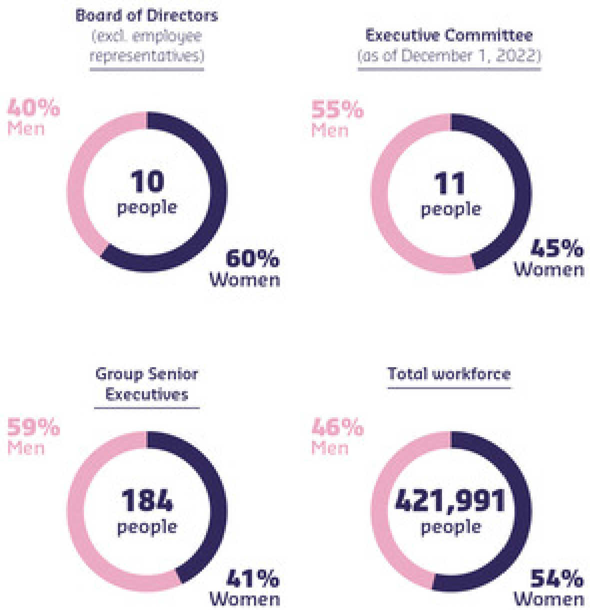
02

ENSURE A DIVERSE WORKFORCE AND INCLUSIVE CULTURE THAT REFLECTS AND ENRICHES THE COMMUNITIES WE SERVE

PERCENTAGE OF OUR EMPLOYEES WHO WORK IN COUNTRIES WHICH HAVE GENDER BALANCE IN THEIR MANAGEMENT

57.0%	57.7%	100%
Fiscal 2021	Fiscal 2022	2025 OBJECTIVE

Workforce by gender and by category
(as of August 31, 2022)



(1) Survey completed during Fiscal 2021.

03

FOSTER A CULTURE OF ENVIRONMENTAL RESPONSIBILITY WITHIN OUR WORKFORCE AND WORKSPACES

NUMBER OF OUR EMPLOYEES TRAINED ON SUSTAINABLE PRACTICES SINCE 2015

2015-2021	2015-2022	2025 OBJECTIVE
74,203	83,285	100%

04

PROVIDE AND ENCOURAGE OUR CONSUMERS TO ACCESS HEALTHY LIFESTYLE CHOICES

PERCENTAGE OF CONSUMERS WHO ARE OFFERED HEALTHY LIFESTYLE OPTIONS EVERY DAY

Fiscal 2021 (1,321 sites)	Fiscal 2022 (3,248 sites)	2025 OBJECTIVE
90.3%	89.3%	100%

05

PROMOTE LOCAL DEVELOPMENT AND FAIR, INCLUSIVE AND SUSTAINABLE BUSINESS PRACTICES

BUSINESS VALUE BENEFITTING SMES [(1)]
in billion euro

Fiscal 2021	Fiscal 2022	2025 OBJECTIVE
6.9	7.8	10

06

SOURCE RESPONSIBLY AND PROVIDE MANAGEMENT SERVICES THAT REDUCE CARBON EMISSIONS

REDUCTION IN SCOPES 1,2 AND 3 CARBON EMISSIONS VS 2017

Fiscal 2022	2025 OBJECTIVE
-27%	-34%

(1) Small and Medium Enterprises.

07

ACT SUSTAINABLY FOR A HUNGER-FREE WORLD

STOP HUNGER BENEFICIARIES SINCE 2015
in million of beneficiaries

2015-2021	2015-2022	2025 OBJECTIVE
51.9	63.9	100

08

DRIVE DIVERSITY AND INCLUSION AS A CATALYST FOR SOCIETAL CHANGE

EMPOWERED WOMEN IN COMMUNITIES SINCE 2015

2015-2021	2015-2022	2025 OBJECTIVE
54,768	80,440	500,000

09

CHAMPION SUSTAINABLE RESOURCE USAGE

REDUCTION IN OUR FOOD WASTE ON THE SITES HAVING DEPLOYED THE WASTEWATCH PROGRAM

Fiscal 2021 (878 sites)	Fiscal 2022 (1,873 sites)	2025 OBJECTIVE
-45.8%	-41.5%	-50%

Acting responsibly is at the heart of our mission and everything we do every day. Recognized for its commitments, Sodexo encourages its teams to make progress in reducing our impact on ecosystems.

Sodexo is a member of the ESG 80, FTSE4Good, CAC 40 ESG indices of Euronext and the Dow Jones Sustainability Index for which it is, for the 17th consecutive year, one of the leaders in its sector. The Group is also ranked among the best companies in its sector in the SAM Sustainability Yearbook for the 15th consecutive year and in the DiversityInc ranking in favor of its LGBTIQ+ employees, for the recruitment of women of color and for its senior executives. Sodexo was ranked in the top 1% of companies in the Ecovadis analysis. Sodexo was awarded Supplier Engagement Leader by CDP, placing us in the 8% top companies taking action to measure and reduce environmental risks within its supply chain.

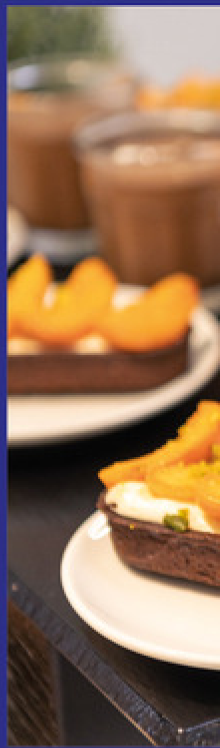
For more information, see chapter 2 of the Universal Registration Document

Impact

Our purpose in action

We add value to the day-to-day essentials

The "little" things of daily life are essential to our well-being and satisfaction. We give these things the attention they deserve and do everything in our power to improve quality of life for everyone, at all times.



VITAL SPACES
sodexo

Transforming workspaces

By rethinking everyday work

Companies and their employees expect flexible and engaging workspaces, as well as professional benefits that promote well-being and productivity.
With Vital Spaces, Sodexo improves employee experience and engagement by supporting the transformation of workplaces and placing the individual at the heart of activities. Backed by its range of expert and innovative brands, the Group offers its clients and consumers multi-channel, flexible and quality dining experiences and attractive, safe and inclusive workspace design services.

Best food, anywhere, anytime

By offering food choice and quality

Helping everyone eat better, anywhere, anytime is Sodexo's commitment to its clients and consumers. Whether on site, *via* click & collect or by delivery, Sodexo's food offering is driven by the culinary talent and expertise of its teams, the complementarity of its offerings, the diversity among its partners and its digital innovation. Each consumer can thus enjoy a healthy and delicious meal in line with their food choices, desires and lifestyle, whether at work, school, the hospital, a stadium or elsewhere.
In North America for example, the Group acquired Foodee, the leading corporate meal delivery foodtech startup, as well as Nourish.Inc and its off-site production unit and developed the brand The Good Eating Company. The Group also announced a 10-year partnership with For Five, a premium coffee and Foodservices offering.

1

We add value

Preventing infections at hospitals

By caring for patients at healthcare facilities

Adjustable and customizable at each facility, our services are essential in the care continuum by focusing on the human approach, patients and healthcare professionals alike. Our products are based on technology and data that allow greater efficiency and compliance with applicable protocol tools.
For example, to reduce the rate of nosocomial infections at its partner hospitals, Sodexo created Protecta®, a radically innovative and integrated risk prevention and management approach that offers a unique combination of cleaning and disinfection products, processes, training programs and computer applications. Data analyses conducted after the launch of this approach revealed a 40% decrease in the incidence of healthcare-related infections at the 67 participating American hospitals. In 2021, Sodexo further strengthened the quality of its services by entering into an extended partnership with Ecolab Inc., which offers hydrogen peroxide vapor technology solutions.

PROTECTA

Gift experience

By continuing to improve benefits aimed at making life easier for employees and companies

Thanks to the majority stake it took in French startup Wedoogift, which became Glady in 2022, Sodexo now offers a comprehensive and unique digital gift experience to companies, corporate work councils, public authorities and employees.
Glady grouped all of the solutions and benefits together on a single platform and developed a personalized, transparent and easy-to-use app to make life even easier for employees and companies and to improve the customer experience. Sodexo Benefits & Rewards offers the most extensive and innovative offer on the French market, in paper, card or electronic version, for nearly 50,000 clients and five million employees.

glady.

to the day-to-da

Schools France

By committing to the quality of school meals

With 770,000 meals served at schools every day in France, Sodexo is fully committed to providing access to healthy, premium quality, sustainable food at an affordable price, because schools are also a place where students learn about nutrition and socializing.
An exclusive study* conducted in 2021 showed that school restaurants have evolved to match more closely than ever families' expectations. Some 63% of the parents surveyed felt that meals served in schools had improved over the past 10 years. This positive perception was made possible by the food offerings available at school. Over two-thirds of the parents felt that their children either had a more balanced diet at school than at home or that the two were equivalent. This recognition of the nutritional quality offered is especially striking given the very high standards of French parents when it comes to school meals. This is an accomplishment to be proud of for Sodexo and its teams. This also solidifies our responsibility for continually upgrading our school food fare to increase its accessibility, quality and sustainability while providing well-being and delicious taste through our meals.

*"The French and school canteens" Elabe study for Sodexo, carried out from June 24 to 29, 2021 with two samples: a sample of 1,002 people representative of the French population aged 18 and over, drawn up according to the quota method, with regard to the criteria of sex, age, socio-professional category, urban area category and region of residence; an oversample of 500 parents for a total of 770 parents surveyed, with at least one child dining at least once a week in the school restaurant.

Live experiences

By helping create unforgettable emotions

An evening at the stadium to watch a game with friends, a seminar with colleagues or a family outing to a museum are all opportunities to have fun and create lasting memories. With the unique expertise it has acquired around the world over the past 20 years, Sodexo Live! is able to offer its clients its collection of exclusive brands, its leadership in the area of hospitality and its culinary excellence to create customized offerings and elevate venues and events.
Sodexo Live! contributes to the success of prestigious events such as Royal Ascot, the Super Bowl, the *Tour de France*, *Roland Garros*, the Rugby World Cup and the upcoming 2024 Olympic and Paralympic Games in Paris and shines a light on exceptional venues including the restaurants of the Eiffel Tower, the Hard Rock Stadium and the boats and yachts of the River Seine as well as the National Gallery in Washington, the Prado Museum in Madrid and Hollywood Bowl in Los Angeles.

y essentials

Public Benefits

By facilitating the roll-out of social programs

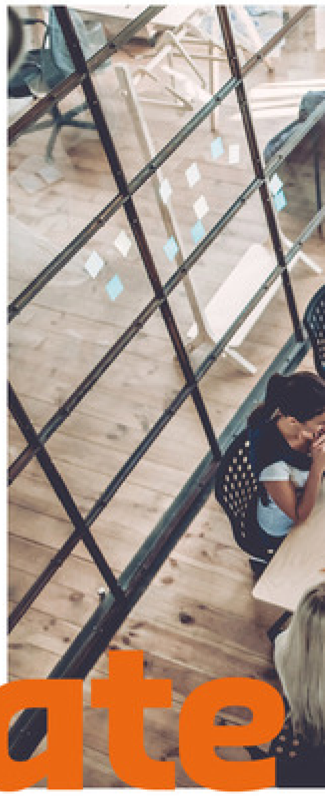
With its trust-based relationships and the innovative solutions it offers, Sodexo is proud to support public programs benefiting over 12 million users in nineteen countries around the world.
Whether supporting refugee student populations in Turkey with the Eduser program or in Belgium where Sodexo manages service vouchers, an offer that is now 100% focused on the digital experience, our services help improve quality of life for users day in and day out.

More than 12 million

beneficiaries of public programs around the world supported by Sodexo Benefits & Rewards Services

We anticipate needs and expectations to provide optimal care

Because we believe that serving our clients properly means being able to anticipate their needs and expectations, we pay special attention to them and work with them, their communities and ecosystems to build strong relationships that make us their trusted partner for a better daily experience.



We anticipate needs a

Healthcare partner

By supporting the transformation of healthcare models and patient needs

Sodexo supports health facilities to meet their changing needs and those of their patients with a range of integrated services and special expertise in the engineering of equipment and healthcare infrastructures. In 2022, for example, Sodexo rolled out more widely the Sodexo Nutrition and Wellness Center, a remote nutritional consultation solution that provides nutrition and dietetics clinical support to patients across the United States. The Group is also continuing its efforts to increase safety by managing infection risks, offering innovative solutions like the robot Chloe, a new recruit at the Stoke Mandeville Hospital (Buckinghamshire Healthcare NHS Trust) in the United Kingdom, which ensures floor disinfection while entertaining young patients for a more pleasant hospital experience.

sodexo accelerators

Innovation culture

By collaborating with innovative players in the industry

To support its transformation, Sodexo is developing a solid open-innovation ecosystem both internally and externally. The Group continues to collaborate with incubators, universities, corporations and startups to source new ideas and boost digital and data capabilities. From growing internal startups to expanding the network of startup partnerships through the Sodexo Accelerators program, the Group aims to provide agility, expertise and market access to innovative solutions. In particular, over the last year, there have been four new programs launched across Brazil, China, the United Kingdom & Ireland and most recently in the United States with the Sodexo Live! program. Sodexo Accelerators reaches out to startups across the world to welcome collaboration and make innovation thrive in key business areas such as smart buildings, employee and consumer experience, operational optimization and sustainability. Those startups and scaleups that are chosen to join the program receive the support and close connection with Sodexo teams to test their solution in the services provided to Sodexo’s clients and consumers, which makes it possible to stimulate technological innovations in direct contact with the market.

nd expectations

Campus innovation

By being at the cutting edge of digital innovation to best serve students

At university campuses in the United States, the Group is reinventing Foodservice options by offering AI-powered autonomous grocery store Eat<Now, high-tech vending machine Yo Kai Express, and virtual brands by delivery with Virtual Dining Concepts. To route orders to their destinations, with no human contact or carbon emissions, a large fleet of semi-autonomous Kiwibot robots have been put into service at nearly 50 university campuses. Sodexo's expertise and experience combined with the use of cutting-edge technologies are sought after by our clients, as evidenced by the partnerships with Saint Clair College in Windsor, Canada to create innovative modular student residences.

Future of food

By transforming food models

Sodexo is responding to new consumer trends by rolling out new multi-channel offerings of healthy and varied food at its restaurants and across its delivery platforms, by developing new concepts in the areas of convenience offers, contactless grocery stores, food stands and smart vending machines.

As a complement to its reinvention of internal offerings, Sodexo is investing in innovative Foodservice businesses with high growth potential such as Fooditude in the United Kingdom, whose teams make fresh, premium-quality meals at a central production unit in London that are then delivered to corporate clients.

The Group has also acquired Frontline Food Services, a major player in the rapidly growing snack take-out and vending machine market in North America.

to provide optim

Health through food

By focusing our efforts on the dietary needs of every consumer

In line with its historical focus, Sodexo is rolling out more and more initiatives to meet the needs of consumers: growing demand for local and authentic foods, more plant-based and sustainable diet, and giving priority to health through food, etc. In the United Kingdom, the Group has launched the Healthy Futures Partnership with the British Nutrition Foundation, a public-facing charity which aims to give people, educators and organizations access to reliable information in nutrition. The goal is to positively impact the 250,000 children and young people across the 550 state and independent schools where Sodexo and its subsidiary, Alliance in Partnership, operate. At the same time, Sodexo has deployed Mindful Active, an educational tool that military personnel and their families at the Portsmouth Naval Base can use anytime to access tips for improving their diet, health and well-being. Needs and expectations are changing in corporate settings too. After conducting a survey in 2021 of new food expectations among workers in Brazil, the new on-site Foodservice offering Sabor Brasil was launched to bring employees healthy but delicious meals that promote optimal quality of life, health and energy on a day-to-day basis.

Data innovation

By capitalizing on the power of data

With the support of the Sodexo Data & AI Factory, Sodexo is able to turn its operational data into business insights to continually improve its services, enhance its own and its clients' operational efficiency while ensuring quality, security and data protection. Sodexo's business intelligence services, combined with AI-powered technology and intuitive modeling solutions, are now being fully implemented in various business sectors. This makes it possible to accurately forecast demand, traffic and staff needs at a corporate restaurant, which helps optimize resources and limit waste. In particular, the Group is rolling out an AI-powered decision support tool to assist its buyers of food products. In the event of a product shortage or price increase, for example, the tool will search for a substitute product in the catalog of 30,000 references while staying within business line and operational constraints.

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al care

Digital experience

By developing partnerships to enrich the employee experience

Thanks to the development of nearly 500 partnerships around the world for digital Foodservices or meal delivery solutions, users of Sodexo meal vouchers have access to a diversified and flexible experience as well as payment solutions that are easy, fast and secure, all of which represents a major commercial opportunity for partner merchants and restaurants.
In 2022, the teams in Romania formed a partnership with Tazz and activated the country's largest network of restaurants.
Sodexo Benefits & Rewards Services clients can also count on the development of relevant partnerships for the well-being of their teams.
By becoming the exclusive partner of the startup Skipr in France and Belgium, Sodexo is enriching its mobility offer with the first complete solution for flexible and sustainable mobility, which combines public transport, micromobility and shared mobility.

Nearly 500 partnerships

with restaurants, online grocery stores and meal delivery platforms around the world

We believe progress should be inclusive and fair

Diversity is the best way for communities and individuals of all backgrounds to grow. We believe that's an essential prerequisite for innovation and the quality of the services that we offer our clients.

We believe pro

Responsible procurement

By developing an inclusive procurement strategy

To boost its growth, improve competitiveness and meet the expectations of its clients and consumers, Sodexo is accelerating the transformation of its supply chain to improve its operational efficiency and encourage digitization and consolidation of its responsible procurement approach, which includes its Suppliers Inclusion Program. In France, this program, known as Impact+, promotes the growth of businesses involved in the inclusive economy, including those who help people join the workforce and operate in the Social Solidarity Economy sector, cooperatives and Work Assistance Service Establishments (ESAT) as well as SMEs and VSEs, regardless of their sector. With a purchasing capacity of more than 10 billion euros in annual purchases, Sodexo can transform its procurement model while having a positive impact on its ecosystem of suppliers and the planet.

7.8 billion euros

of our business value benefiting SMEs in Fiscal 2022

Partner SMEs

By forming strong local partnerships

Everywhere around the world, Sodexo develops partnerships with players from local communities to create virtuous new work, lifestyle and consumer models that benefit all stakeholders. In the United States, for example, Sodexo helped create and continues to assist the Gullah Farmers Cooperative, which supports local agriculture while meeting a growing need for supplies of fresh produce for schools in the county of Beaufort, in South Carolina. Committed to supporting the economic and social development of the regions in which it operates, the Group has set itself the ambitious goal of achieving 10 billion euros in commercial value benefiting SMEs by 2025.

1

gress should be

Employee safety

By working every day to ensure the health, safety and well-being of our teams

The Group is fully committed to the health, safety and well-being of its employees, a factor that safeguards the quality of the services it delivers to its clients and consumers. The Group has adopted a “zero harm” mindset with the goal of making safety a mindset that all of its employees share. To this end, Sodexo strives to create an environment in which its staff feel comfortable reporting dangerous behavior and expect to be listened to if they feel they do not have the right training, equipment, know-how or environment to perform their work safely.

8.5%

reduction in the frequency of work-related accidents (with absenteeism)

78.3%

employee engagement rate [(1)]

Employee engagement

By making our teams' engagement and ethics a priority each and every day

Sodexo knows that to offer its clients the best service quality and support its growth over the long-term, it needs to constantly encourage employee engagement. This is why, day after day, Sodexo supports the physical and mental well-being of its staff by offering them assistance, training and opportunities for upward mobility in-house. In 2022, an average of 11.8 hours of training per employee were provided, and the internal promotion rate for On-site managers was 10.8%.
Because ethics is a fundamental pillar of Sodexo's commitments to responsible business conduct, its management bodies have a zero-tolerance policy on abusive practices. For this reason, Sodexo provides its employees and partners with a confidential system, available 24/7, that they can use to alert management to any activities or behavior that goes against its Code of Conduct: speakup.sodexo.com.

inclusive and fa

Equal opportunity

By taking concrete action to promote professional and social inclusion

Helping young people and disadvantaged individuals to join the workforce is one of Sodexo's major commitments. To promote these results, it offers training and career opportunities. In France, 80% of graduates from the first batch of the CFA des Chefs, the first inter-company training center dedicated to catering professions, are continuing their studies or have already been recruited on permanent contracts in one of the founding groups. Everywhere around the world, Sodexo has adopted an approach founded on equality of opportunity and diversity. For example, SodexoMagic, a joint venture operating in the area of Foodservices and Facilities Management Services for businesses, hospitals, schools and universities, employs over 6,500 people at more than 1,700 sites in the United States. It was founded with the goal of empowering the communities it serves, creating job opportunities by hiring locally and buying goods and services from businesses owned by minorities and women.

(1) 2021 employee engagement survey.

Re-entering the workforce

By supporting second chances on a daily basis

As a leader in Quality of Life services, committed to providing a better daily life for everyone, Sodexo teams also work to promote the reintegration of detainees into civilian life, as part of its desire for a positive social impact.
With more than 30 years of experience supporting justice administrations, Sodexo strives to improve the living conditions of prisoners by running safe, decent and secure prisons. Sodexo focuses on the reintegration of detainees placed under its responsibility and offers services related to activity, employment, education and rehabilitation meeting specific objectives, and Food and Facilities Management services. Sodexo is committed to the safety, health and well-being of the staff and prisoners for whom it is responsible by applying the values of respect and decency in the context of its activities. Sodexo works in partnership with organizations to improve the prospects of inmates in its prisons and to help offenders contribute positively to the communities in which we operate.

ir

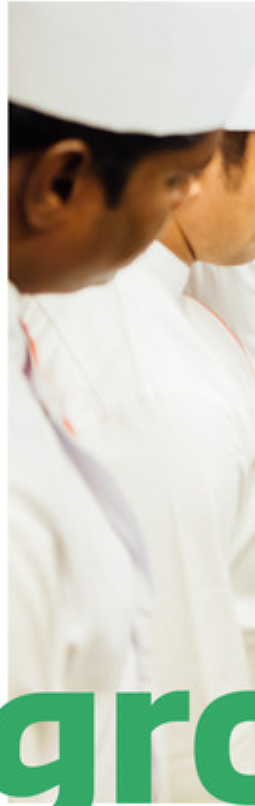
Diversity Equity Inclusion

By contributing to a fairer, more open, and more inclusive society

The Group is committed to diversity and inclusion everywhere it operates and takes action every day to fight all forms of discrimination. For the second year in a row, Sodexo was awarded the prestigious title of Advocate by the 2021 Workplace Pride Global Benchmark and obtained the maximum score of 100 in the Human Rights Campaign Foundation index, a major initiative that is widely recognized in the area of inclusiveness for LGBTIQ+ individuals at the workplace. Sodexo is also known for its exemplary practices in the area of hiring and employing people with disabilities, as can be seen in its recognition as a leading employer in 2021 by the U.S. National Organization on Disability. Sodexo also strives to accelerate progress toward greater equality of opportunity and has been recognized for its initiatives in this area. For the fourth year in a row, it was included in Bloomberg's Gender Equality index.

We combine growth with responsibility to achieve a performance that benefits all

In each of our millions of interactions everyday in the world, we combine effectiveness with humanistic, inclusive values to create an ever greater and more equitable impact across business, society and the planet.



We combine gro
with responsil

Sustainable food

By encouraging sustainable food choices

Sodexo is the first company in its sector to make the commitment, approved by the Science Based Targets initiative (SBTi), to reduce its carbon emissions by 34% before 2025, compared to 2017 levels. One of the ways it will reach this goal is by increasing the share of its plant-based food offerings to 33% by 2025. To this end, its chefs are working to create delicious plant-based dishes that offer the diversity consumers all over the world look for. This move will have a dual impact, improving consumers' health and reducing the Group's carbon footprint. Among Sodexo's recent initiatives is the launch, of Carbono Cero, the first carbon-neutral Foodservices solution, among businesses in the United Kingdom, in partnership with the brand Quorn. Together with WWF UK, Sodexo has also launched a series of Plant+ by Finer Diner recipes, inspired by the Future 50 Foods report and designed to increase awareness among schoolchildren of the impact their food choices have on the environment.

Food waste

By actively fighting food waste

Thanks to the WasteWatch program, now operating in 37 countries, and its smart waste-measurement technology, Sodexo teams are able to collect data on food waste at its restaurants and implement the operational and behavioral changes that are necessary to eliminate food waste on the part of kitchen staff and diners. At the end of May 2022, 1,873 Sodexo sites were measuring and reducing their food waste, resulting in a -41.5% reduction on average, in line with the objective of -50% by 2025.

1

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bility to achieve

Local roots

By supporting local and sustainable practices

Sodexo has made its supply chain one of the essential links in its efforts aimed at sustainable and responsible growth. In line with its corporate responsibility roadmap and its commitment to having a positive impact on its ecosystems and environment, the Group is dedicated to promoting sustainable and local farming practices. In early 2022, The Good Eating Company announced its plan to devote 15% of its food budget to supplies from agricultural operations that practice regenerative farming by 2025 – a first in the industry. At local level, more and more initiatives are being introduced. These include the food education project *Sapore di Lago* (flavor of the lake), conducted in Italy with the Laveno-Mombello municipality and local associations to introduce a “zero-kilometer menu” based on fish from the nearby Lake Maggiore.

stop hunger

Stop Hunger

By taking action every day to help end hunger

As hunger and food insecurity continue to rise, Stop Hunger, Sodexo's unique philanthropic cause, continues to take action. Initiated 26 years ago by employees in the United States and supported by Sodexo, Stop Hunger now operates in 60 countries, partnering with over 300 NGOs to fight hunger in local communities. In Fiscal 2022, 14,000 volunteers, including Sodexo teams and their networks, supported the cause.

Stop Hunger's global priority is to end hunger sustainably, and women empowerment is one of its key pillars. In 2022, Stop Hunger supported 44 women empowerment programs and initiatives impacting more than 23,000 women in 30 countries. Food relief is also vital for supporting the immediate needs of the most vulnerable, especially in emergency situations. In March 2022, Stop Hunger quickly teamed up with Sodexo and the United Nations World Food Programme (WFP) to help populations in and around Ukraine. A global call for donations was launched among employees, making it possible to donate 230,000 meals.

a performance

Developing communities

By implementing socially innovative projects

Convinced that local roots and alliances between actors can create a positive impact on communities, Sodexo is developing new economic models focused on local employability, health through food and social cohesion.

In April 2022, Sodexo opened its first Passerelle in Clichy-sous-Bois, a sustainable multi-activity building with a vegetable garden, a childcare center, a social meeting room and a training room.

This economic model is based on the sale of products from the vegetable factory as well as the creation of training and employment paths.

By 2025, Sodexo aims to open ten Passerelles in priority neighborhoods.

Energy transition

By encouraging innovative energy solutions

As a member of the global initiative RE100 devoted to transitioning to renewable electricity, Sodexo has committed to using only renewable electricity for operations at its directly operated sites by 2025, which will also help it achieve its larger goal of reducing its scopes 1, 2 and 3 carbon emissions by 34% by 2025 (compared to 2017 baseline).

In February 2022, Sodexo Canada announced that it had achieved its RE100 scope 2 goal of 100% electricity four years in advance thanks to its partnership with a green energy supplier.

More generally, Sodexo aims to assist its clients in making their own energy transition *via* a number of integrated services ranging from achieving compliance to implementing technology designed to improve energy yields.

1

that benefits all

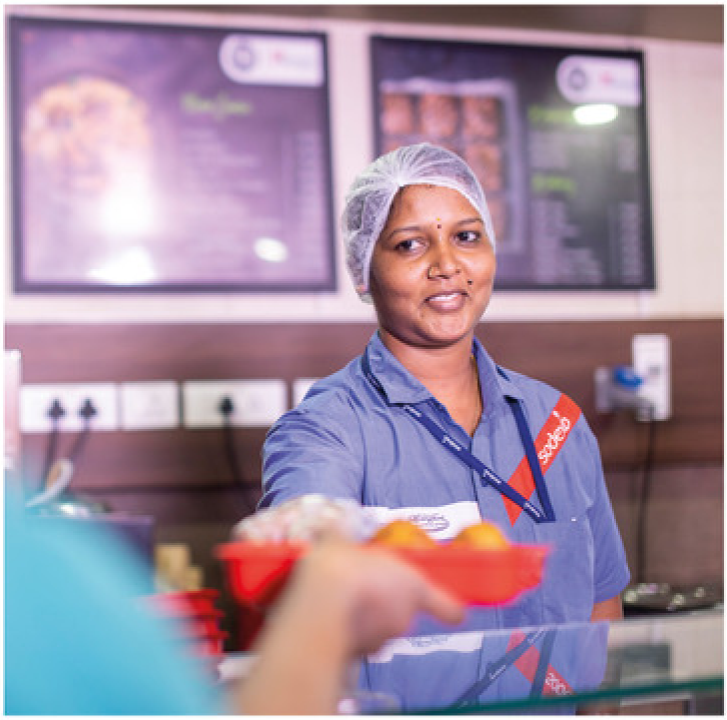
Long-term vision

By continuing our growth strategy over the long term

Since its founding, Sodexo has linked its economic, social and environmental development to that of the communities it serves and the regions in which it operates.

In 2022, Sodexo celebrated 25 years of responsible growth in the dynamic market of India.

Partnering with over 500 clients, its 45,000+ employees provide consumers in the corporate world and in the healthcare, education and energy sectors with Food and Facilities Management Services as well as a full range of Benefits & Rewards Services. As a leading service provider of employee experiences, Sodexo continues to improve its value proposition *via* an ecosystem of startups and a network of off-site kitchens as well as by enriching the Facilities Management experience *via* robotics, IoT and automation.



2

CORPORATE RESPONSIBILITY AT SODEXO

2.1

Corporate Responsibility at Sodexo

Since the founding of Sodexo in 1966, corporate responsibility has been at the heart of everything we do and has been part of our mission ever since. We have worked on our corporate responsibility roadmap and developed as our Group has grown. We are convinced that our employees, consumers, clients, suppliers, and shareholders expect our growth to have a positive global impact.

Today, choosing responsible growth means pursuing and continuing to make the best possible choices, and focusing on health, safety and respect for the environment. It means improving the way we take care of our employees, the quality of the meals we serve and the services we provide, as well as our actions as a corporate citizen.

Better Tomorrow 2025 guides our actions and directs our progress on our most important social, societal and environmental issues.

Our 9 commitments and objectives for 2025

BETTER TOMORROW 2025	OUR IMPACT ON INDIVIDUALS	OUR IMPACT ON COMMUNITIES	OUR IMPACT ON THE ENVIRONMENT
OUR ROLE AS AN EMPLOYER	**Improve the quality of life of our employees, safely** 80% employee engagement rate	**Ensure a diverse workforce and inclusive culture that reflects and enriches the communities we serve** 100% of our employees work in countries that have gender balance in their management populations	**Foster a culture of environmental responsibility within our workforce and workspaces** 100% of our employees are trained on sustainable practices workspaces
OUR ROLE AS A SERVICE PROVIDER	**Provide and encourage our consumers to access healthy lifestyle choices** 100% of our consumers are offered healthy lifestyle options every day	**Promote local development and fair, inclusive and sustainable business practices** 10 billion euros of our business value will benefit SMEs(1)	**Source responsibly and provide management services that reduce carbon emissions** 34% reduction of carbon emissions(2)
OUR ROLE AS A CORPORATE CITIZEN	**Act sustainably for a hunger-free world** 100 million Stop Hunger beneficiaries(3)	**Drive diversity and inclusion as a catalyst for societal change** 500,000 women in communities empowered(3)	**Champion sustainable resource usage** 50% reduction in our food waste

(1) Small and Medium Enterprises.
(2) Absolute reduction in Scope 1, Scope 2 and Scope 3 carbon emissions, compared to a 2017 baseline.
(3) Cumulative number since 2015.

"CSR is more than ever a powerful transformation lever"

Patrick Sochnikoff,
Group SVP, Corporate & Social Responsibility and Chief Diversity Equity & Inclusion Officer

Corporate Social Responsibility has been part of who we are and how we work from the beginning. Since 1966, Sodexo has had a twofold avant-garde mission: to improve the quality of life of its employees and all those we serve, and to contribute to economic and social development and environmental protection in the territories in which we operate. In 2009, the Company again positioned itself as a forerunner: it was one of the first organizations to anchor sustainable development at the heart of all its actions with an ambitious roadmap. This founding vision continues to guide our development; for us, CSR is more than ever a powerful lever for sustainable and profitable transformation.

Our experience has taught us that there are 3 fundamental elements when it comes to activating the transformative potential of CSR.

First, **measure**: this is a prerequisite to know where you are, set goals, and evaluate continuous progress. Thus, in 2019, we made a commitment to reduce carbon emissions by 34% by 2025 in scopes 1, 2 and 3 (baseline year 2017). This is also what we have done in terms of diversity: this approach has been successful and we are pursuing our proactive policy with ambitious goals, such as achieving 40% women in our Top 1,600 by 2025.

Secondly, **giving meaning** is an essential condition for onboarding employees: the human being is, and will remain, the alpha and omega of our transformation, of our ability to adapt to the reality of the rapid evolution of our markets, our customers and our teams. This conviction has fueled our thinking around a proposal of differentiating value for our employees, echoing our purpose that was unveiled last December. Joining Sodexo means being proud to help deliver vital, essential services to 100 million consumers every day.

Finally, **mobilizing all of our stakeholders** means multiplying our impact. It is as much about putting in place partnerships as supporting our clients and consumers to steer them towards more sustainable choices and raising their own standards. We can no longer ignore this ecosystem logic. We will not be able to bring about change by acting alone, in a silo.

We are confident for the future. The road is certainly long, but we have identified several promising signals. Beyond the progress already made, there is unprecedented momentum, both at the individual and collective levels. It is up to us, together, to show courage by articulating our long-term vision and ambitious, concrete, and tangible actions in the short term. **Because it all starts with the everyday.**

"mobilizing all of our stakeholders means multiplying our impact."

2

WWF and Sodexo,

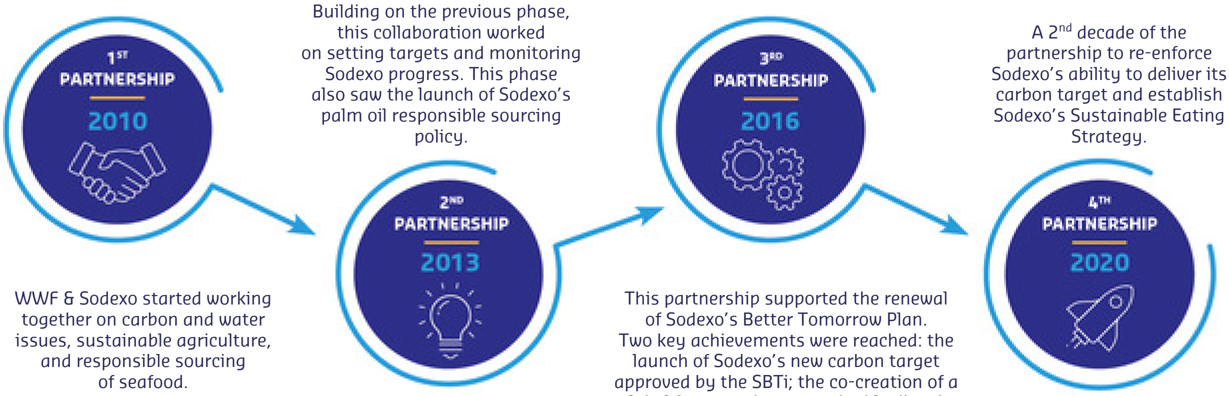
a longstanding and fruitful collaboration

WWF — Working together to promote sustainable eating and reduce carbon emissions — sodexo It all starts with the everyday

Since 2010, Sodexo has partnered with WWF to improve its sustainable food offers and purchasing practices. The partnership brings WWF's technical expertise and thought leadership on sustainability to support further reducing the impact of Sodexo's operations on the environment.

History of the partnership

10 years of collaboration



WWF & Sodexo started working together on carbon and water issues, sustainable agriculture, and responsible sourcing of seafood.

Building on the previous phase, this collaboration worked on setting targets and monitoring Sodexo progress. This phase also saw the launch of Sodexo's palm oil responsible sourcing policy.

This partnership supported the renewal of Sodexo's Better Tomorrow Plan. Two key achievements were reached: the launch of Sodexo's new carbon target approved by the SBTi; the co-creation of a global framework on sustainable diets in support of the definition of the Group's Sustainable Eating Strategy.

A 2nd decade of the partnership to re-enforce Sodexo's ability to deliver its carbon target and establish Sodexo's Sustainable Eating Strategy.

Key achievements in Fiscal 2022

Sodexo Carbon trajectory tool

WWF has been a strong supporter for the selection, the customization and deployment of Sodexo's trajectory tool: Traace. Through the tool Sodexo can analyze the GHG emissions, identify the main sources, build and manage the country carbon strategies in order to align their local trajectory with Sodexo's global targets.

Plant+ by Finer Diner

Sodexo has developed and deployed Plant+ by Finer Diner in collaboration with WWF-UK to help children and young adults understand how small changes in their diets can make a huge difference to the health of the planet. Plant+ by Finer Diner is a street food pop-up concept, offering tasty plant-based alternatives to students' favorite meals.

"By engaging in 2019 to align its climate ambition with the 1.5ºC target of the Paris Agreement, Sodexo has shown leadership at the global level as one of the first companies to propose such a level of mitigation. This commitment by one of the biggest catering, hospitality and food retail services groups demonstrates its sense of responsibility to tackle its carbon footprint. Sodexo must keep engaging all teams on the implementation of this target, through a robust carbon reduction plan, as well as adapted decisions and means."

Arnaud Gauffier, *Conservation Director, WWF France*

Sodexo's Sustainable Fish & Seafood Sourcing Guide

Since the beginning of our partnership in 2010, WWF has supported us on Sustainable Fish & Seafood. Their expertise on this topic has been essential to inform our Supply Management teams to make the right sourcing choices. They are also a strong adviser to help to continue improving Sodexo's Sustainable Fish and Seafood strategy and maintaining Sodexo as a leader in its industry.

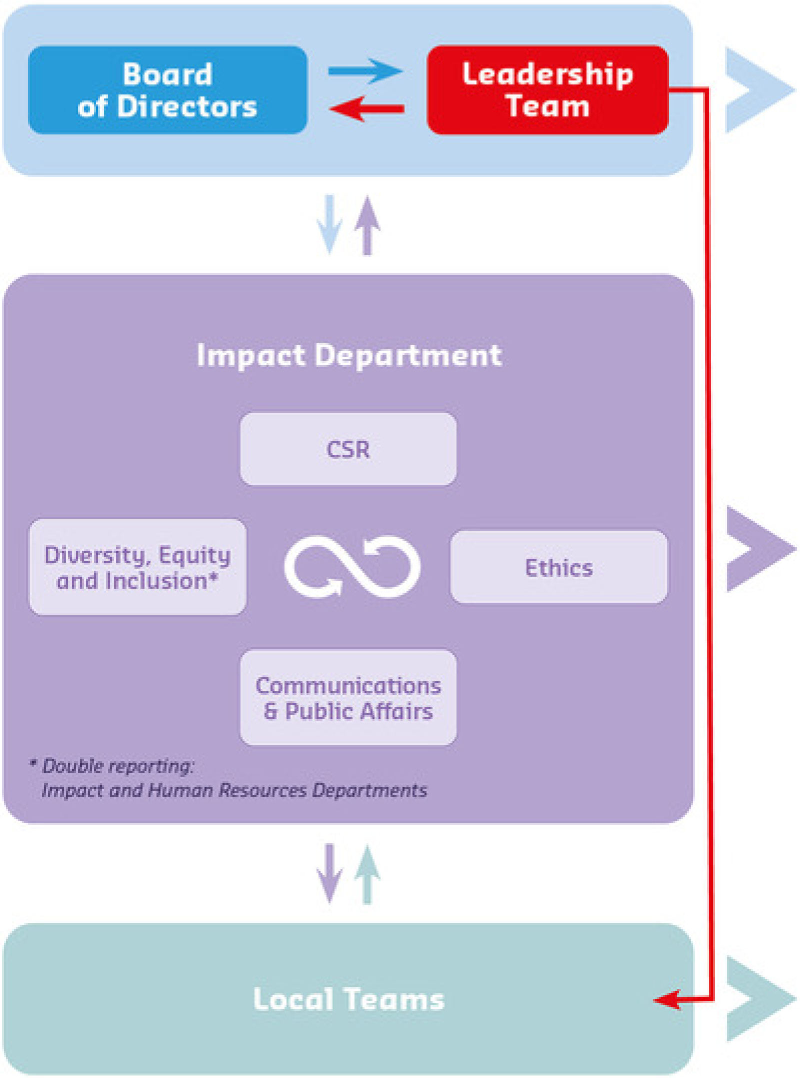
CSR Governance

Since the creation of Sodexo in 1966, corporate responsibility has been at the heart of our activities and embedded in our mission. Today, we are all increasingly aware that the choices we make now will impact the world of tomorrow. It is with this in mind that the Impact Department was created. It has a central role within our organization and aims to ensure that our purpose, our values and our CSR commitments are continuously reflected in the services we deliver.
To know more: Sodexo.com/home/finance/corporate-governance.html

Financial independence ensured through the founding family shareholding

Sodexo's independence allows us to maintain a long-term vision and strategy and to guarantee the Company's sustainability. The consistency of our commitment to build an international organization with strong management, to maintain sustainable relationships with all our stakeholders and to develop an integrated quality offering is a reflection of this vision.

A newly created Impact Department



Decide on the guidelines of the CSR approach
by integrating them into the Group strategy and ensuring their implementation at all levels of the organization.

Develops global CSR strategic orientations
and monitors progress.

Deploy strategic initiatives
People in charge of the various CSR topics are appointed at local level to support progress and the deployment of sustainable practices.
They are the preferred points of contact for all matters related to the programs and respective initiatives.

Stakeholder engagement

Every day across 53 countries Sodexo's 421,991 employees serve over 100 million people at each life stage in various environments - hospitals, schools, workplaces and retirement communities. This provides Sodexo with a tremendous responsibility to engage its stakeholders. Sodexo commits to dialogue and to foster interactions with individuals and organizations both inside and outside the Group, focusing on mutual learning to improve practices where Sodexo operates and beyond. When engaging its stakeholders, Sodexo does it transparently, in compliance with the laws, regulations, and the company policies that govern us.

Building sustainable relationships with all stakeholders

Sodexo's success as an employer, a service provider, and a corporate citizen depends on our capacity to build lasting relationships with our stakeholders through numerous social and environmental programs.

Through its expertise and close stakeholder ties, Sodexo is fully mobilized to respond to the multiple challenges and needs of thousands of businesses and organizations, consumers, employees and suppliers.

Listening to our stakeholders is the very foundation of our business activity. The strong relationships that Sodexo develops and maintains with its clients, consumers, employees, shareholders and local communities allow us to respond to their expectations while expanding the virtuous circle created by solutions that benefit all of its ecosystem.

STAKEHOLDERS	COMMITMENTS	ACTIONS
EMPLOYEES	Offer jobs and training that foster professional development and internal promotion	**78.3%** **of our employees** are engaged
CLIENTS	Provide a wide range of services for the same client and have a direct impact on strategic aspects (employee engagement, competitiveness, attractiveness of the organization)	**100 MILLION** **consumers** every day
CONSUMERS	Influencing food choices towards more balanced and sustainable diets by sharing educational, precise and accessible information	**89.3%** **of our consumers** are offered healthy lifestyle choices
SUPPLIERS AND MERCHANTS	Building relationships that benefit everyone. Meet demanding standards in terms of quality, working conditions, business integrity and respect for the environment.	**95.2%** **of purchases** are with contracted suppliers having signed the Sodexo Supplier Code of conduct.
INSTITUTIONS AND NGOs	Expand NGO ecosystem to meet challenges such as: • respect for human rights; • continuous improvement of working conditions; • promoting diversity, equity and inclusion; • reducing carbon emissions; • improving nutrition; • the fight against food waste or against hunger.	We maintain long-term **productive relationships** with: • the Organization for Economic Co-operation and Development (OECD); • the World Wildlife Fund (WWF); • the International Labor Organization (ILO); • the United Nations; • the Global Sustainable Seafood Initiative (GSSI); • the Seafood Task Force; and • academic institutions. **The Company is also bound by an international framework agreement with the International Union of Food workers** (IUF). Sodexo **initiated the creation of**: • the International Food Waste Coalition (IFWC); • the Global Coalition for Animal Welfare (GCAW).
INVESTORS	Give confidence to institutional and individual shareholders through the presence of the Bellon family in the capital of the Group, a guarantee of financial independence and stability. Provide accurate and timely information on Sodexo performance.	**Sodexo inclusion in indices:** • ESG Euronext CAC 40; • World Dow Jones Sustainability; • Vigeo Eiris; • FTSE4Good.
GOVERNMENTS AND REGULATORS	Ensure compliance with the many regulations relating to food safety, occupational health and safety, public procurement, personal and home services (HPS), payment services, etc. to which the activities are subject.	Registered in the Transparency Register of the European Commission and the European Parliament, Sodexo participates in government consultations and conducts an ethical lobbying policy with political and economic decision-makers. In July 2021, Sodexo signed the new European Code of Conduct, which reinforces Group's commitments in terms of corporate responsibility and our ambition to develop responsible agriculture based on the preservation of natural resources and respect for biodiversity, social justice and economic viability.

Materiality Matrix

Sodexo's wide range of activities and services enables us to develop strong relationships with multiple stakeholders. In 2021, we conducted our third materiality assessment to confirm the validity of our corporate responsibility roadmap.

We renewed the process of identification and ranking of key issues and impacts in consultation with both internal and external stakeholders and the support of an external partner, EY.

We recognize that our activities — and the way we carry them out — have impacts that reach well beyond our financial performance. In order to remain successful in the long-term, we need to continue engaging our stakeholders and society at large.

Understanding their views on the economic, environmental and governance topics affecting us, allows us to better address their concerns, exchange constructively on different focus areas and, in the end, better manage our business.

This requires us to also understand the correlations between different topics and define scenarios for which we want Sodexo to be prepared.

The materiality assessment enhances the dialogue with key stakeholders and helps to systematically identify and drive understanding on corporate responsibility topics that affect Sodexo and our stakeholders today and in the future.

During Fiscal 2021, we reviewed our materiality assessment to also consider the impact of major ongoing developments (most notably the Covid-19 pandemic) on our sustainability priorities.

Our materiality assessment is conducted in accordance with the Global Reporting Initiative's (GRI) Sustainability Reporting Standards

IMPORTANCE FOR SODEXO

STAKEHOLDER EXPECTATIONS	HIGH	VERY HIGH	CRITICAL
CRITICAL		Environmental impacts of purchases Carbon emissions Employee social dialogue	**Safety and quality of food and FM services** **Occupational health & safety** **Food waste** **Business integrity** **Respect of human and workers' rights in the supply chain**
VERY HIGH	Animal welfare	Access to affordable and healthy food Sustainable offerings Fair relationship with suppliers and subcontractors Employee training and development ESG Governance Business adaptation and resilience to climate change Choice of clients and suppliers aligned with Company values	Diversity, equity and inclusion Data privacy and protection Employee well-being Packaging and plastics
HIGH	Water consumption and quality	Under-represented communities empowerment and inclusion Local socio-economic impacts Transparent communication and information on products Waste management (non-organic)	Talent attraction Consumer experience and outcomes Stakeholder engagement

Governance · Employees · Consumers · Communities · Environment

Source: EY-June 2021

Focus on

Top 5 critical issues and actions put in place

Definition	Challenge	Actions
SAFETY AND QUALITY OF FOOD & FM SERVICES Food hygiene and quality mean sufficient access to safe and nutritious food that is properly washed, stored, cooked and preserved. Quality and safety of Facilities Management services include the selection of cleaning and amenities that are not harmful to people.	Access to sufficient amounts of safe and nutritious food is key to promoting good health. Unsafe food containing harmful bacteria, viruses, parasites or chemical substances can cause more than 200 different diseases. Sodexo serves 100 million consumers each day and has committed to provide them with healthy lifestyle options every day. Corresponding risk factor (page 275)	96.6% of On-site Services revenues come from countries having either ISO 9001 or ISO 22000 certification for food safety (page 99).
OCCUPATIONAL HEALTH & SAFETY Providing a safe working environment ensuring the health and safety of workers through adequate protection is among companies' duties to their employees, in particular in physical activities such as catering and Facilities Management. Health & safety policies include the identification of risks through regular risk assessments as well as monitoring and analysis of working accident and the definition of corrective measures.	Sodexo employs 421,991 people worldwide and also uses subcontractors. Its employees work in a wide variety of environments and are therefore exposed to a wide variety of health and safety risks. Corresponding risk factor (page 275)	0.65 lost time incident rate (LTIR) (page 97).
FOOD WASTE Food waste may occur at any stage of the food supply chain (production, transportation, processing, retail and consumption) and is a major part of the impact of agriculture on climate change and other environmental issues. Prevention and reduction of food waste through programs, initiatives, innovative systems & technologies, awareness & behavior measures, etc. and applying principles of circular economy is now more important than ever.	Commercial and collective catering is a major source of food waste. Food waste has been identified as a major area of action for Sodexo. Food waste prevention and reduction can also have a great environmental and financial impact. Corresponding risk factor (page 275)	We are the first global food services company to have connected our financing to action to prevent food waste. In 2022, we have reduced food waste by 41.5% on sites having deployed WasteWatch program (page 102).
BUSINESS INTEGRITY Key stakeholders (investors, regulators, customers, partners, etc.) expect companies to adopt transparent and responsible business practices including in their supply chain, that comply with all applicable laws and regulations and respect ethical principles. This issue covers several main topics: anti-corruption, fair and open competition, ethical decision-making, the use and protection of Sodexo's assets and tax evasion.	The Group works with suppliers located in countries at risk in terms of ethical breaches, mainly corruption. Sodexo is also involved in sectors where competition is high which increases the risk of ethical transgressions. Corresponding risk factor (page 276)	100% of workforce works in countries having the Sodexo Statement of Business Integrity available in at least one official language (page 68).
RESPECT OF HUMAN AND WORKERS' RIGHTS IN THE SUPPLY CHAIN Human rights and fundamental freedoms are stated by the Universal Declaration of Human Rights. Building responsible traceable supply chains enables protection and promotion of human rights and fundamental freedoms, including, but not limited to: eradication of forced labor, child labor, discrimination, non-respect of freedom of association and collective bargaining.	Sodexo works with suppliers located on every continent around the world, while the Purchasing Department has employees based across the Group's different geographies. Some of these countries where Sodexo operates and purchases have potentially high human rights risks. Corresponding risk factor (page 266, 275, 276)	95.2% of spend comes from contracted suppliers having signed the Sodexo Supplier Code of conduct (page 100).

Business Integrity and respect for Human rights

wherever Sodexo operates

Loyalty, respect for people, transparency and integrity: Sodexo's core values must be known and understood by all employees, who are expected to act in accordance with them. At the center of our ethical principles is our commitment to business integrity. To ensure integrity in all business dealings, Sodexo has adopted strict principles, which are formulated in its Business Integrity Guide and accompanied by a guide for employees on how to put them into practice.

Sodexo's commitments to Human Rights and Fundamental Rights at Work are laid out in the Human Rights Policy and the Fundamental Rights at Work charter. The Group's Human Rights policy is based on the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Our occupational Health and Safety policy is captured in the Group Health and Safety Policy and Environmental Policy is covered by the Better Tomorrow 2025 roadmap.

The Sodexo Supplier Code of Conduct sets forth the rules to which suppliers and sub-contractors are required to commit as a condition of doing business with Sodexo. This Supplier Code of Conduct is supported by a Guide to help our suppliers to understand and act on their obligations.

In June 2017, Sodexo and the International Union of Food Workers (IUF) signed an agreement to prevent and combat sexual harassment in the workplace. Sodexo and the IUF want to ensure that all employees are aware of what constitutes sexual harassment, that they fully understand what is expected of them and that they are able to report any concern or suspected abuse confidentially. As a result of this agreement, training of all employees in this policy and their responsibilities became mandatory.

FUNDAMENTAL RIGHTS AT WORK

FUNDAMENTAL HUMAN RIGHTS AT WORK PROGRAM

Sodexo has developed a program to ensure the respect of the commitments outlined in Sodexo's Fundamental Rights at Work statement.
This program is based on four pillars: raise awareness, policy and process implementation, training and specific mitigation actions.

100%

OF WORKFORCE WORKING IN COUNTRIES HAVING THE SODEXO STATEMENT OF BUSINESS INTEGRITY AVAILABLE IN AT LEAST ONE OFFICIAL LANGUAGE

100%

OF WORKFORCE WORKING IN COUNTRIES HAVING THE GROUP HUMAN RIGHTS POLICY AVAILABLE IN AT LEAST ONE OFFICIAL LANGUAGE

Sodexo fights against discrimination and is an inclusive employer. We want our diverse workforce to feel good and well-integrated at work. Sodexo seeks to provide to all employees the best possible work-life experience regardless of gender identity, sexual orientation, age, ethnicity, citizenship, race, color, religion, marital status, pregnancy, genetic information, disability, and any other characteristic protected by the law.

Our contribution to the United Nations Sustainable Development Goals

All of our Better Tomorrow 2025 commitments are aligned with the recommendations from the United Nations Sustainable Development Goals (SDGs). The SDGs were launched in 2015. They set worldwide goals in 17 key areas that governments, corporations and society must take into account in order to make the world a more equitable, fair and sustainable place by 2030.

5 Priority United Nations Sustainable Development Goals

63.9
million Stop Hunger beneficiaries since 2015 (pages 76, 77)

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

89.3%
of consumers are offered healthy lifestyle options (page 99)

57.7%
of our employees work in countries that have gender balance in their management populations (pages 80-83)

5 GENDER EQUALITY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

41.5%
of food waste reduction in sites having already deployed the WasteWatch Program (pages 92,93)

-27.0%
absolute Scope 1, 2 & 3 carbon emissions reduction (pages 88-91)

13 CLIMATE ACTION

OUR MAIN CORPORATE RESPONSIBILITY AWARDS AND RECOGNITIONS

WE SUPPORT

Since 2012, Sodexo has been committed to the social responsibility initiative of the United Nations Global Compact and its 10 principles around Human rights, labor standards, the environment and the fight against corruption.

2.2

Improving everyone's quality of life in a sustainable way

Sodexo employees are helping to improve the daily lives of millions of consumers around the world by making a sustainable difference in the quality of life for all.

As a responsible employer, Sodexo is committed to the well-being, health and safety of its employees. Training, support and development are essential to the commitment and recognition of its employees. Sodexo ensures that all employees have all the skills and tools necessary for advancing within the Group.

As a service provider, Sodexo offers personalized menus based on the specific needs of its consumers, such as seniors or patients in hospitals. Sodexo is also committed to offering all its consumers a variety of foods from responsible sources.

As a corporate citizen, Sodexo reaffirms its engagement and determination to act against hunger, through Stop Hunger, its main philanthropic cause. Sodexo's global reach allows it to have tremendous power of positive influence to drive progress in key areas such as food distribution or women empowerment, as levers to fight against hunger.

	OUR IMPACT ON INDIVIDUALS	OUR OBJECTIVES BY 2025	OUR IMPACT ON COMMUNITIES	OUR IMPACT ON THE ENVIRONMENT
OUR ROLE AS AN EMPLOYER	Improve the quality of life of our employees, safely	**80%** employee engagement rate	Ensure a diverse workforce and inclusive culture that reflects and enriches the communities we serve	Foster a culture of environmental responsibility within our workforce and workspaces
OUR ROLE AS A SERVICE PROVIDER	Provide and encourage our consumers to access healthy lifestyle choices	**100%** of consumers are offered healthy lifestyle options	Promote local development and fair, inclusive and sustainable business practices	Source responsibly and provide management services that reduce carbon emissions
OUR ROLE AS A CORPORATE CITIZEN	Act sustainably for a hunger-free world	**100 million** Stop Hunger beneficiaries (1)	Drive diversity and inclusion as a catalyst for societal change	Champion sustainable resource usage

(1) Cumulated number for the 2015-2022 period.

Our Impact on Individuals Today,

2

78.3%
employee engagement rate

89.3%
of consumers are offered healthy lifestyle options

63.9 million
Stop Hunger beneficiaries since 2015

Servathon brought together 4,700 volunteers across 38 countries, raising US$367,000 and donating more than 116,000 meals to support beneficiaries suffering from hunger and food insecurity.

421,991
employees around the world

5,594
dietitians employed by Sodexo

0.65
lost time injury rate

Structuring a framework for people strategy

Sodexo is a people business. Having the right people with the right skills is essential for sustainable and profitable growth. This is why Sodexo has launched its Employee Value Proposition (EVP) to differentiate itself from the competition; give it a leading edge in the war for talent; and provide a framework for how the business attracts, recruits, retains, rewards and develops its people.

Creating a differentiating employee value proposition

In Fiscal 2022, Sodexo has been focused on **accelerating** HR initiatives and **investing** in programs that demonstrate how the Company **cares** for its people. The EVP pillars of Belong, Act and Thrive, provide the framework for Sodexo's ambition to become an employer of choice in the 53 countries in which the Group operates.

OUR PURPOSE

We create a better everyday for everyone to build a better life for all

OUR EVP PROMISE

Working with Sodexo is more than a job; it's a chance to **be part of something greater** because we believe our **everyday actions** have a big impact. You **belong** in a company that allows you to **act** with purpose and **thrive** in your own way.

OUR EVP PILLARS

BELONG	ACT	THRIVE
TO A TEAM	*WITH PURPOSE*	*IN YOUR OWN WAY*
You belong in a company that values you for who you are; where you are treated fairly, with respect and can be yourself, where your ideas count and your opinion matters because when you are happy at work, we can be a stronger team.	Be motivated to make a difference through your everyday actions. You have the ability to put a smile on the faces of our customers and guests; to support people in your local community; and to contribute to a more positive future.	Sodexo provides all that you need to perform at your best: the tools to do your job well; the opportunity to learn new skills and discover your potential; and a culture where your health, safety and wellbeing are number one.

BELONG
Supporting Employees with Benefits

Sodexo has launched Vita, a global benefits program which will provide all Sodexo employees with a minimum standard comprehensive benefits package. It aims to be fair and inclusive, so every employee has the financial protection and emotional support to be happy at work and beyond.

The Vita program includes a commitment to ensure every Sodexo employee benefits from a Life Insurance offer; an Employee Assistance Program giving them access to confidential advice, guidance and counselling; and Parental and Care Leave which will ensure they can spend time with their loved ones when it matters most. More specifically, Sodexo is committed to providing 12 weeks' paid parental leave for the primary carer and 2 weeks' paid parental leave for the secondary carer. This move paves the way for Sodexo to be the market maker in its industry.

Engaging former employees

Sodexo has invested in activities to respond to the labour shortage and attract and recruit onsite teams to ensure it continues to deliver a quality level of service to clients and consumers.

In India, for example, Sodexo developed a program called Win Back, which focuses on incentivizing former employees to re-join the business. In 2022, the number of Win Back hires represented 13% of total hires across the country.

ACT
Acting with purpose to fight hunger

Sodexo employees have a significant role to play in the delivery of its purpose and mission, over and above their day-to-day activities. When it comes to having an impact on local communities, Sodexo is refreshing its volunteering policy to encourage employees to take one day of paid leave per year to give their time in support of Stop Hunger or another local cause dedicated to tackling hunger and food insecurity (to know more about Stop Hunger: p. 76 and 77).

Individually, one day of volunteering is an opportunity to have a personal impact on people in the local community. Collectively, with the potential to provide 422,000 volunteer days annually, employee volunteering combined with the scale of the organization is a unique prospect to make an impact around tackling hunger and food insecurity.

Raising awareness about reducing food waste

At Sodexo, with 60% of its business linked to food and serving 100 million consumers worldwide each day, the Group knows how important preventing food waste is!

Since 2012, Sodexo has celebrated 'WasteLESS Week' globally as an organization. This campaign, which runs during October, is a key moment to empower consumers to waste less and to support Sodexo teams in their efforts to reduce waste all year round.

THRIVE
Creating a culture in which people can grow

Sodexo has invested in training programs to support a whole range of topics, including job-specific know-how, key Sodexo initiatives and ways of working, as well as ensuring employees understand their role in meeting legal and regulatory requirements. In September 2022, Sodexo launched the Sodexo Academy, which provides learning pathways to ensure an attractive learning experience, to close skills gaps and to enable business strategy.

A priority action for the Sodexo Academy is to focus on the operational frontline, which represents 95% of Sodexo's total workforce. Following feedback and insights from the leadership community and 6,000 frontline employees, the global learning and development team is working closely with the regional teams to deliver a global standard that meets the needs of frontline teams, with a specific focus on onboarding, customer service and health and safety.

Equipping leaders with new skills

This year, Sodexo designed a leadership program focused on helping leaders acquire and finetune the skills to effectively manage teams in today's shifting context. The empathetic and collective leadership program, which was piloted in France, is now being deployed globally.

The program promises to help leaders be more empathetic; develop self-care techniques in order to better look after themselves and their teams; work more collaboratively with others; be more comfortable with giving and receiving feedback in the interest of continuous improvement; and effectively manage teams in a hybrid way of working.

Our impact on individuals

While globally, the pillars of Sodexo's Employee Value Proposition (EVP) – Belong. Act. Thrive – will continue to help shape global initiatives that positively impact employees and differentiate Sodexo from its competitors, they also provide the framework for enhancing employee experience locally.

In Fiscal 2022, local teams have launched initiatives, developed programs and marked significant achievements, which echo Sodexo's Employee Value Proposition and provide examples of how belonging to a team, acting with purpose and thriving in your own way can manifest itself for employees in their day-to-day workplace experiences.

Local teams fuel

Belong - Impact around cultures and origins

Sodexo employees belong to a company that values them for them; where they are treated fairly, with respect and can be themselves, where their ideas count and their opinion matters because when they are happy at work, they can be a stronger team.

In the United States, Sodexo is in the process of defining its current baseline and priority actions through the "Management Leadership for Tomorrow's Black Equity at Work" Certification, to achieve this prestigious certification across five areas: black representation at every level, compensation equity, inclusive anti-racist work environment, racially just business practices, as well as racial justice contributions and investments. It is through this effort that Sodexo is gaining insights and a methodology for measuring the employee experience across all dimensions of diversity.

Act – Strengthening Relationships and Supporting Cultures

Sodexo employees are motivated to make a difference through their everyday actions. They have the ability to put a smile on the faces of customers and guests; to support people in their local community; and to contribute to a more positive future.

Sodexo places high priority on developing and nurturing lasting and respectful relationships with individuals and communities. In Australia, Sodexo acknowledges that strong cultures, languages and identities are the foundations of a prosperous Aboriginal and Torres Strait Islander community. Sodexo continues to strengthen community relationships and provide ongoing support to their cultures. This is the cornerstone of its Reconciliation Action Plan (RAP) and it presents the Group with the strongest opportunity for real and sustainable change.

authenticity of employee value proposition

Thrive – Perform at your best

Sodexo provides all that you need to perform at your best: the tools to do your job well; the opportunity to learn new skills and discover your potential; and a culture where your health, safety and well-being are number one.

Thrive – Apprenticeships in England

In 2022, Sodexo was ranked in the top 100 employers for apprenticeships by the UK's Department for Education. Some 480 young people in England started an apprenticeship with Sodexo in 2022, representing more than 4% of its total workforce in the country. The ranking recognises employers for their commitment to employing apprentices; their creation of new apprenticeships and the diversity of new apprentices; and the number of apprentices who complete their apprenticeship and progress further with their employer.

Fighting illiteracy in France

In France, Sodexo has undertaken to fight against illiteracy and to support its teams in gaining autonomy and confidence. In 2022, the Group defined the outlines of a program aimed at offering one day of training per week during 6 months to employees who want to improve their basic knowledge. To provide training as close as possible to employees, the program relies on a partner organization with a strong national network.

Our impact on individuals

Stop Hunger is Sodexo's unique philanthropic cause, taking action in 60 countries across the world. Its mission is to unite communities with initiatives, people and resources to drive sustainable change in the fight against hunger.

Stop Hun

Global partner: United Nations World Food Programme

Stop Hunger has partnered with the United Nations World Food Programme (WFP) since 2015.
One aspect of the partnership includes the WFP's Home-Grown School Feeding initiatives.
When schools source food from local smallholder farmers, especially women, the positive impact ripples beyond school meals, supporting the whole community. Over the past year, Stop Hunger has helped WFP pilot innovative projects to support female smallholder farmers and entrepreneurs involved in food production in five countries: Armenia, Bolivia, Cambodia, Congo and Laos.

Emergency food aid

At the outset of the conflict in Ukraine in March 2022, Stop Hunger quickly mobilized to help provide essential food aid to those impacted. Stop Hunger teamed up with Sodexo and WFP to set up a customized fundraising challenge on WFP's ShareTheMeal app.

A total of 230,000 meals* were donated, thanks to contribution from Sodexo employees and their network across 36 countries, as well as contributions from Sodexo Group.

To find out more about Stop Hunger's emergency aid in Fiscal 2022: stop-hunger.org/news

"At a time when hunger and food insecurity is rising at unprecedented levels, Stop Hunger is uniquely placed to make a real difference. We are able to draw upon the support, expertise and global footprint of our founding partner, Sodexo, whilst also partnering with more than 330 NGOs to find solutions to alleviate hunger in communities in need."

***Mouna Fassi Daoudi**, President, Stop Hunger.*

*Money raised is converted by WFP into the equivalent number of meals, using WFP's average price point of E0.50 to provide enough food for one person for a day.

Women empowerment at the heart of Stop Hunger's actions

Stop Hunger continues to prioritize women empowerment, proven to be one of the most effective ways to eradicate hunger.
In Fiscal 2022, Stop Hunger supported 44 women empowerment programs and initiatives impacting more than 23,000 women in 30 countries. In total, Stop Hunger has invested 7.8 million dollars U.S. on women empowerment initiatives over the past seven years.
Each year at its annual Supporters Evening in France, Stop Hunger presents its eponymous award to remarkable individuals who are leading women empowerment initiatives. A total of 33 laureates have received the Stop Hunger Award since 2017. The laureates each receive 10,000 euros to support the development of their initiative, and further financial support through a public crowdfunding campaign. This year's Stop Hunger awardees were Claire Butez, founder of the charity les Enfants de Kavresthali in Nepal; Flerette Alexis, model farmer with the NGO CARE in Haiti; Abdoulaye Ndiaye, director of ASI (Actions de Solidarité Internationale) in Congo and Laure-Marie Planchon, manager of les Tremplins du Coeur, an arm of the French charity les Restos du Coeur. The crowdfunding campaign brought a further 32,475 euros of support to their projects.

Fundraising

In 2022, Stop Hunger was able to resume its fundraising events, which raised two thirds of its funds. In France, Stop Hunger gathered more than 500 attendees at its annual Supporters Evening on March 10, 2022, raising more than 710,000 euros. Themed around "Feeding the Future", the event put a spotlight on the role of women as pioneers in lifting their families and communities out of extreme vulnerability.
Sodexo's Benefits & Rewards Services also played a key role in fundraising, with more than 349,000 euros raised in France in aid of "Restos du Coeur" and Action Against Hunger, and 433,485 Brazilian real contributed in Brazil through the Stop Hunger Food Pass. In Luxembourg, Sodexo Lunch Pass users donated 28,600 euros to support social grocery stores in aid of households in need through a partnership with Caritas Luxembourg.

2

ger: Sodexo's unique philanthropic cause

Volunteering

Initiated 26 years ago by Sodexo employees in the United States, Stop Hunger has always been an employee-led movement. Volunteers drive its action and are essential to its impact. Servathon, Stop Hunger's annual food collection and fundraising drive, has been the global focus of volunteering activities for the past 25 years.
In 2022, Servathon brought together more than 4,700 volunteers across 38 countries, raising over 367,000 dollars U.S. and donating more than 116,000 meals to support over 178,000 beneficiaries suffering from hunger and food insecurity. All actions were led by Sodexo volunteers in partnership with local NGOs.
Stop Hunger also harnesses the wide range of Sodexo skills by organizing YEAH! missions (Your Engagement Against Hunger). Lasting between three days and two weeks, these missions match the skills of Sodexo experts in over 20 domains with the needs of WFP and other NGO partners in aid of local communities. To date, 77 Sodexo employees have volunteered to take part in YEAH! missions in 21 countries.

2.3

Promoting the inclusive development of communities

Sodexo is committed to supporting and promoting diversity, equal opportunity and developing an inclusive workplace culture in every country where the Group operates. Our teams serve communities worldwide. Our employees must be as diverse and inclusive as the world itself since we are ultimately an integral part of the communities we serve.

As a responsible employer, Sodexo is working to strengthen its culture of inclusion by looking for new ways to promote diversity and improve working conditions for our employees. Sodexo is convinced that gender equality in the teams benefits all our stakeholders.

As a service provider, the products and services we purchase have a strong impact on our communities. That's why we are committed to prioritizing purchases from small- and medium-sized businesses in order to inject business value back into the communities where we operate.

As a corporate citizen, Sodexo focuses on working with partners who encourage diversity, equity, and inclusion. We partner with local organizations and advocacy groups, and our initiatives focus on empowering minority populations.

	OUR IMPACT ON INDIVIDUALS	OUR IMPACT ON COMMUNITIES	OUR OBJECTIVE BY 2025	OUR IMPACT ON THE ENVIRONMENT
OUR ROLE AS AN EMPLOYER	Improve the quality of life of our employees, safely	Ensure a diverse workforce and inclusive culture that reflects and enriches the communities we serve	100% of our employees work in countries that have gender balance in their management populations	Foster a culture of environmental responsibility within our workforce and workspaces
OUR ROLE AS A SERVICE PROVIDER	Provide and encourage our consumers to access healthy lifestyle choices	Promote local development and fair, inclusive and sustainable business practices	10 million euros of our business value benefitting SMEs(1)	Source responsibly and provide management services that reduce carbon emissions
OUR ROLE AS A CORPORATE CITIZEN	Act sustainably for a hunger-free world	Drive diversity and inclusion as a catalyst for societal change	100 million empowered women in communities	Champion sustainable resource usage

(1) Small and Medium size Entreprises

Our Impact on Communities Today,

2

57.7%
of our employees work in countries that have gender balance in their management populations

7.8 billion euros
of our business value benefitting SMEs

80,440
empowered women in communities

The SheWorks program aims to help vulnerable women return to work by allowing them to discover the professional opportunities offered by the Group. SheWorks brings together more than 1,000 women in 22 countries.

44%
of management positions are taken by women

8,330
disabled employees

58.1%
of coffee purchases in kg is certified sustainable

Diversity, Equity and Inclusion: Drivers of performance, commitment and attractiveness

A recognized pioneer and leader in the area of diversity, equity and inclusion, Sodexo strives to ensure the well-being and growth of its employees, values empathy, respect and mutual support. The Group maintains trust and transparency as essential conditions for its relationships with clients, partners and communities.

Sodexo's approach to diversity, equity and inclusion is a key driver of performance, attractiveness and commitment for its employees, as well as a differentiating factor for its clients, consumers, suppliers and investors.

Anchored in Sodexo's ambition with clear diversity, equity and inclusion objectives, strong governance and continuous progress monitoring, Sodexo's commitment is part of its core values and contributes to building a better life for all every day.

THE DIVERSITY, EQUITY AND INCLUSION ROADMAP

VISION

Sodexo is recognized as a leader in diversity, equity and inclusion.
Its everyday actions are based on mutual respect, empathy and commitment to each other's well-being.
Sodexo acts as an ally, partner of choice and holds itself accountable for creating a safe space for everyone.
Sodexo brings authenticity to all relationships; with its employees, clients, consumers, partners and communities, working together every day to build a better life for all.

Commitment: Sodexo works everyday to create a workplace that allows employees to act with a purpose, to contribute to an environment where everyone feels they belong and can thrive to perform at their best.

DIMENSIONS

CORE PILLARS

KEY ENABLERS

KEY RESULTS

Sodexo's diversity, equity and inclusion strategy is built around five dimensions:

Promotion of gender equality

For Sodexo, ensuring gender equality is a business imperative, drives better performance and creates conditions for a better life for everyone. This is why the Group is committed to establishing an equitable and inclusive culture every day by embedding Diversity, Equity and Inclusion in business and HR processes so that everyone, regardless of gender, can bring their full potential, benefiting from equal access to training, empowerment and development opportunities and thrive. In 2022, once again, Sodexo actions and progress on this issue have been recognized by the international label GEEIS (Gender Equality European and International Standard), which is awarded to companies that demonstrate a firm and real commitment to cultivating gender equality in the workplace.

Commitment to Equity and Inclusion on the basis of culture, ethnicity and origin

Wherever it operates, the Group rolls out projects that contribute effectively to strengthening equality and social justice and endeavors to create the right conditions to support its model of inclusion, promoting positive interactions between employees in a manner that demonstrates full respect and value for different origins and cultures.

In Fiscal 2022, Sodexo hired 1,485 refugees, 62% of whom were women, in 12 countries. To help them find a job, Sodexo is committed to supporting 50 refugee women in France, Germany and the Netherlands through a three-year mentorship program in partnership with NGOs *Tent Partnership for Refugees* and *Catalyst*.

Equal opportunities for persons with disabilities

Strongly committed to integrating persons with disabilities, Sodexo employs, shapes and adjusts its processes and work environments to attract talent and enable employees with disabilities to unleash their full potential. Sodexo is determined to make continuous progress on this issue and aims to be able to offer access to initiatives promoting the inclusion of employees with disabilities at 100% of its workforce by 2025. Numerous awareness campaigns on this issue are held throughout the year, such as for World Mental Health Day. In 2021, Sodexo was recognized as a Leading Employer on Disability by the National Organization on Disability.

Respect for all sexual orientations and gender identities

Sodexo is committed to prohibiting all forms of discrimination in all its activities so that LGBTQ+ employees can be fully themselves at work.

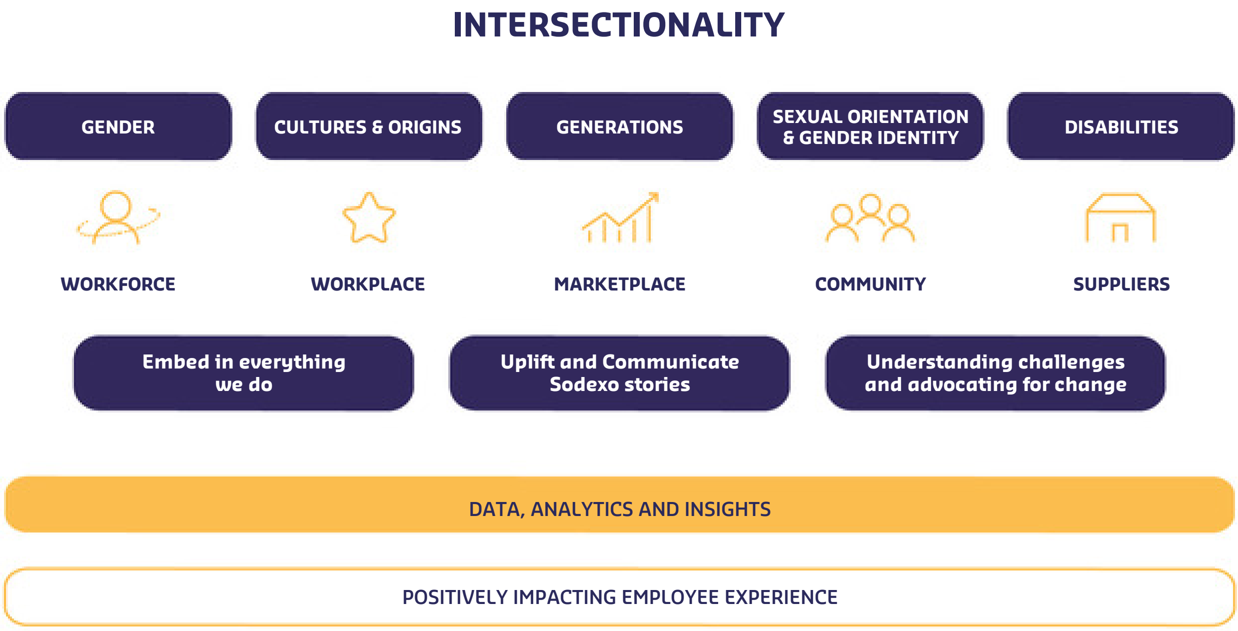
92% of its employees work in countries committed to a nondiscrimination policy, including sexual orientation and gender identity.

In 2021, Sodexo was awarded, for the 2nd year, the prestigious "Advocate" title by the Workplace Pride Global Benchmark, as well as a 100 rating on the Human Rights Campaign Foundation Index.

Taking into account intergenerational differences

Whether emerging or experienced talent, each employee enriches perspectives on the work environment and the market by bringing their vision and knowledge to the table. Sodexo recruits people of all generations, values each one's contributions within their teams, and is committed to positively impacting the work experience of its employees in order to attract the best profiles, whether junior or senior, to engage them and to retain them.

Together with 200 other companies, Sodexo participates in Nestlé's Alliance for YOUth program, which aims to combat youth unemployment in Europe by helping young people improve their chances in the labor market and by creating professional opportunities for them.



Our impacts on communities

For Sodexo, gender equality is a strategic imperative for enhancing business performance. This diversity promotes creativity and innovation within teams and ultimately provides a competitive advantage.

Strongly committed to advancing gender equality around the world, Sodexo leaders and executives are engaged around initiatives for the promotion and empowerment of women and encourage all employees to participate.
Likewise, committed on a daily basis against racism and all forms of discrimination worldwide, Sodexo sees inclusion as an opportunity for the Group which, by integrating people from cultures and origins as diverse as the communities it serves, enriches its capacity for innovation and positive impact on its ecosystems.

Focus on two

Initiatives to empower, inspire and advance women around the world

To manage its strategy for gender equality and achieve lasting progress, Sodexo relies on the advice and guidance of SoTogether, its Global Advisory Board focused on empowering women and strengthening diversity, composed of 26 active members to make an impact.

In partnership with Stop Hunger and SoTogether, Sodexo has been running the SheWorks program since 2019, which aims to help vulnerable people, particularly women, return to work by enabling them to discover the professional opportunities offered by the Group. SheWorks brought together more than 1,000 women from local communities in 22 countries in 2022.

To address women's underrepresentation in leadership positions, SoTogether launched SheLeads, a program to promote women's leadership in business. Since its inception, SheLeads has helped more than 500 female executives take charge of their careers by encouraging them to unleash their potential, develop their network, and gain visibility and influence.

A global campaign to fight violence against women

Committed to ending a societal problem exacerbated by the health crisis, Sodexo has raised awareness of violence against women among more than 200,000 employees in Fiscal 2022 by rolling out the "Time to Act" campaign in 34 countries, with the support of SoTogether. To inform and train its teams, and to assist each country in implementing relevant measures in partnership with local authorities, NGOs and clients, the Group released a global information and prevention toolkit. This kit includes educational content, HR tips, fun tools such as an AI-based mobile game in Brazil and training, including one for managers witnessing acts of violence against women.

Empowering indigenous communities through employee development

In Canada, Sodexo believes that when indigenous communities thrive, all Canadians thrive. That is why the Group has implemented the Red Seal Chef Certification Program, which is dedicated to helping our chefs in remote locations and from indigenous communities acquire new culinary skills and advance their careers. This program, along with its Fitness Leader and Buildforce Supervisory training programs, are just some of Sodexo's training and certification opportunities for indigenous employees.

Diversity, Equity and Inclusion dimensions

Giving refugees their first chance

In Brazil, the We are All Caregivers program was developed by Sodexo in partnership with the UNHCR (United Nations Refugee Agency) and the International Finance Corporation (IFC) to train hospital staff in their work. With 40 hours of training spread over 10 days, participating refugees and Brazilians have the opportunity to learn about the butler and diet therapy work, to know how to prepare platters or even other activities of food services. In short, professionals learn to treat consumers more assuredly and attentively, understanding that each patient is unique and deserves personalized care.

Our impact on communities

The Sodexo supply management teams annually purchase 10 billion euros of food and other supplies from approximately 150,000 suppliers worldwide. This strategic position within its value chain allows Sodexo to expand its commitment to positively impacting individuals, communities, and the environment with their partners and suppliers.

Sodexo aims to offer a healthy food supply including products selected according to strict nutritional quality and sustainability requirements to over 100 million consumers every day. Sodexo also strives to include SME suppliers in its database to stimulate the economic and social development of communities, and to promote ethical and sustainable agricultural practices.

Positive

Impact+, the French program for supplier inclusion

In accordance with its willingness to foster the development of virtuous ecosystems responding to social, societal, and environmental issues, Sodexo is pursuing its Impact+ program in France. This program allows local organizations and businesses to be integrated into the inclusive economy within the Sodexo supply chain and in accordance with their standards.

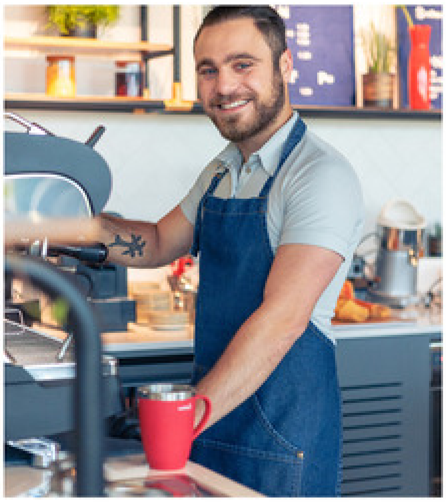
Impact+ is a real development opportunity for these organizations, who will benefit from customized management support, and will also allow the Group to increase their share of inclusive purchases and establish long-term relationships with new stakeholders.

Mobile payment solutions to stimulate activity in merchant SMEs in India

The Sodexo Benefits & Rewards activity is eager to support its merchant partners' development by deploying all means to facilitate their daily work and their growth. In India, Sodexo Benefits & Reward is the only player to have its own proprietary network of merchants who can accept digital multimodal payments. The business offers consumers and affiliated merchants contactless solutions that are safe, fast, and more sustainable, *via* the mobile application Sodexo-Zeta, allowing consumers to purchase food in convenience stores by scanning a QR code, for instance. With a strong presence on the Indian market, Sodexo has played a major role in the introduction of digital payments in the most remote regions of the country.

Furthermore, Sodexo has now allowed its partner merchants to access offers for unsecured personalized commercial loans *via* its NBFC* partner NeoGrowth, in order to help them develop and to foster financial inclusion.

* Non-Banking Financial Company.



In the United Kingdom, an exclusive partnership with Origin Coffee

Sodexo signed an exclusive three-year partnership with Origin Coffee, one of the historic coffee roasters in the United Kingdom, to offer a high-end coffee experience to meet consumer demand on the sites of the Corporate Services segment. This partnership is part of the Group's commitment to buy responsibly and to promote fair, inclusive, and sustainable business practices. As a certified B Corp (a CSR international label with strict requirements), Origin Coffee cultivates a direct commercial approach and supports small local producers and exporters in their development and responsible practices in Salvador, Colombia, Nicaragua, and Brazil.
The first Sodexo Origin Coffee point of sale opened in January 2022 in a large London media firm, offering a selection of four exceptional coffees derived from sustainable sources and offering full traceability to the consumer.

Impacts of our Supply Chain

Vertical agriculture technology made for hyperlocal production in Canada

At Langley in British Colombia, Sodexo Canada launched an offer of menus based on fresh vegetables harvested directly on site at the beginning of the 2021 school year. The initiative was made possible by its partnership with ZipGlow, a leading international agricultural technology company in domestic vertical agriculture, which deploys innovative solutions for local and sustainable production of fresh food to guarantee food security to communities.
In accordance with the commitments made by the Group, Sodexo Canada gives priority to hyperlocal production harvested by on-site teams with the final goal of using 100% of food produced and transformed locally.

2.4

Significantly reducing our environmental footprint

Sodexo works closely with all of its stakeholders to create, improve and deliver services that have a low environmental impact.

As a responsible employer, Sodexo provides its employees with training to help reduce the environmental impact of its business activities, as well as simple, everyday tips for protecting the environment at home. The size of the Group means that small steps taken by each of our 422,000 employees and their families adds up to make a big difference.

As a service provider, Sodexo designs and offers energy management services that use renewable energy whenever possible, resulting in significant savings and return on investment for our clients. Sodexo also ensures responsible sourcing by encouraging sustainable agriculture, co-developing products and services, following the principles of a circular economy and improving resource efficiency management.

As a corporate citizen, Sodexo's services can act as a catalyst for progress on important issues. For years now, Sodexo has focused on the fight against food waste as one of the most vital means of averting the worst impact of climate change.

	OUR IMPACT ON INDIVIDUALS	OUR IMPACT ON COMMUNITIES	OUR IMPACT ON THE ENVIRONMENT	OUR OBJECTIVES BY 2025
OUR ROLE AS AN EMPLOYER	Improve the quality of life of our employees, safely	Ensure a diverse workforce and inclusive culture that reflects and enriches the communities we serve	Foster a culture of environmental responsibility within our workforce and workspaces	100% of our employees are trained on sustainable practices
OUR ROLE AS A SERVICE PROVIDER	Provide and encourage our consumers to access healthy lifestyle choices	Promote local development and fair, inclusive and sustainable business practices	Source responsibly and provide management services that reduce carbon emissions	34% reduction of carbon emissions(1)
OUR ROLE AS AN CORPORATE CITIZEN	Act sustainably for a hunger-free world	Drive diversity and inclusion as a catalyst for societal change	Champion sustainable resource usage	50% reduction in our food waste

(1) Absolute reduction in Scope 1, Scope 2 and Scope 3 carbon emissions, compared to a 2017 baseline.

Our Impact on the Environment Today,

2

83,285
employees are trained on sustainable practices

-27.0%
absolute Scope 1, 2 & 3 carbon emissions reduction

41.5%
reduction in our food waste

Our WasteWatch program, to collect and analyze food waste data in its restaurants, is deployed in 37 countries

81.7%
of spend on certified sustainable hygiene paper

85.3%
of purchased fish and seafood is sustainable

26.2%
of the total electricity consumption comes from renewable sources

Impact on the environment

Our Climate Strategy

Reducing its environmental impact at all levels of the value chain is the ambition Sodexo set itself ahead of all other companies in its sector. Driven by its desire to be a responsible partner to its clients and suppliers with common sustainability goals, Sodexo has been working with the WWF since 2010 to understand, measure and reduce its environmental footprint.

Since then, Sodexo has measured its greenhouse gas emissions annually, starting with scopes 1 and 2, recording a 40% reduction between 2011 and 2017. In 2019, the Group began monitoring indirect emissions from scope 3 emitted by its supply chain, representing the main potential for improving its environmental performance and finally in 2022, the measurement of scope 3 emissions related to the energy used on its clients' sites completes the carbon footprint.

Since 2019, this approach has enabled Sodexo to become the first food service company with an objective to reduce its carbon emissions by 34% in 2025 compared to 2017 approved by the Science Based Targets initiative (SBTi). This objective is aligned with a 1.5°C trajectory from the Paris Agreement.

The Group has also become a member of the RE100 through its commitment to achieving 100% renewable electricity in its direct operations by 2025.

A local low-carbon solution to support the Group's objectives

To help its operational teams achieve the Group's carbon reduction objectives in more than 50 countries, Sodexo provides them with a low-carbon strategy analysis and planning solution developed by its partner, Traace: Carbon Trajectory Tool.

Through organizational modeling and country-specific data, this tool offers a personalized action plan based on the identification of the main sources of carbon emissions and the efforts that can be made to reduce them. *Via* this solution, CSR managers can choose from a catalog of existing actions or create complex carbon reduction plans and quantify their impact before launching their program.

By empowering countries to achieve their sustainability goals independently, the Carbon Trajectory Tool allows the Group to increase its positive impacts.

Scenario Analysis

In Fiscal 2022, several Sodexo members from various continents, business areas and functions worked with external expert consultants to better identify and analyze the risks and opportunities created by climate change. This evaluation examined how Sodexo's current economic model would evolve under three Network for Greening the Financial System (NGFS) climate scenarios:

- the evaluation took place using a regional approach through the selection of a few key variables, such as carbon price, plant and animal based products cost, labor productivity, GDP, etc. and their short, medium and long-term evolution;
- this modeling showed that Sodexo's business would be affected under each climate scenario if the risks were not mitigated, with a financial impact three times greater in the most catastrophic scenario than in the ideal scenario. This evaluation of scenarios allows us to identify the financial, commercial and strategic impacts, which helped us define the Group's next steps.

	HOT HOUSE WORLD SCENARIO	DISORDERLY SCENARIO	ORDERLY SCENARIO
Temperature at the end of the century	>3°C	<2°C	<1.5°C
Policy equivalent	Current policies	Delayed transition	Net-Zero in 2050
IPCC equivalent	SSP2 -4.5	SSP1 -2.6	SSP1 -1.9
Impacts	Physical risks damage the overall economy & reduce food production yields	Emissions don't decrease before 2030, and carbon price increases significantly after 2030	Carbon price increase significantly and rapidly, and some commodities, such as meat become unaffordable

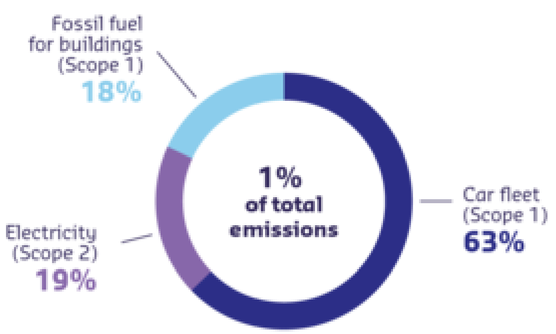
Sodexo Carbon Footprint

2025 OBJECTIVE **-34%** **reduction of carbon emissions** (vs 2017)

SCIENCE BASED TARGETS

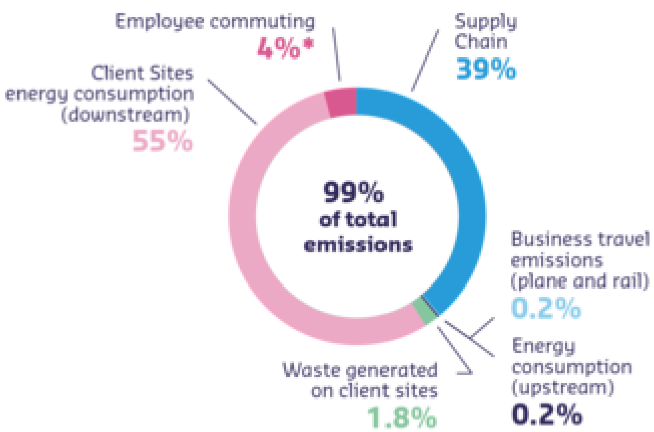
OUR DIRECT GREENHOUSE GAS EMISSIONS SCOPE 1 & 2

-24% reduction between 2017 and 2022



OUR INDIRECT GREENHOUSE GAS EMISSIONS SCOPE 3

-27% reduction between 2017 and 2022



* Based on estimations.

Our impact on the environment

Since 2019, Sodexo has been focused on an ambitious goal (approved by SBTi) of reducing carbon emissions by 34% by 2025, compared to 2017, across the three scopes. The motivation and creativity of its employees puts the Group on the right track.

Local responses to fight

Climate change awareness is widespread, and all of our stakeholders are taking action. The Group's global presence and its various business units allow for synergies to inspire and make progress. In order to limit the impact of their activities on the climate, Sodexo's countries are developing a number of programs and initiatives. Dialogue and sharing of good practices and synergies between countries creates a true spirit of competition and collaboration, enabling rapid progress.

Local goals endorsed by the SBTi

In October 2021, Sodexo in the United Kingdom and Ireland announced their comprehensive roadmap to net zero and decarbonisation of the business by 2045. The teams worked with international experts following recommendations from the Science Based Targets Initiative (SBTi) to ensure that this net zero strategy is comprehensive and transparent. The next step will be to reduce carbon emissions across all three scopes by 55% by 2030. The final step is decarbonisation of the entire United Kingdom and Ireland business, with 90% of all carbon emissions cut across all three scopes, including suppliers and client sites linked emissions.
These two objectives have been approved by the SBTi.

The objective set by Sodexo Benefits & Rewards in Belgium, of a 64.9% reduction in emissions in 2030 compared to 2019, was also approved by the SBTi in 2022.

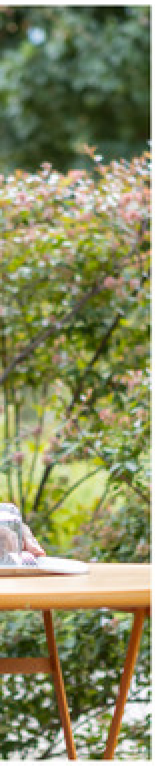
Solutions for a forest positive future

Involved in the preservation of forests and peatlands for many years, Sodexo has committed to eliminating deforestation from its supply chain by 2030 through focusing on palm oil, paper, soy and beef.
Taking it a step further, in 2021, Sodexo joined the Forest Positive Coalition of Consumer Goods Forum, composed of 22 leading global companies focused on moving collectively towards a positive forestry future.
Among the initiatives led by the coalition, Sodexo, specifically supports the Winrock International project to preserve peatlands overexploited by palm oil, pulp and paper production in the Riau province of Indonesia. Winrock's approach is based on a comprehensive solution for sustainable peatland management and on the development of alternative modes of production, including "paludiculture" through the support of public authorities and citizen support.

climate change

"We are pleased to collaborate with Sodexo on the creation of menus for a sustainable food future. Sodexo's commitment to engage and encourage their guests to develop good eating habits and healthy lifestyles is essential to create a positive difference in the way our society organizes, lives and eats together. Through our collaboration, their guests can make an informed and responsible choice for their day-to-day meals.

Manuel Klarmann,
Co-founder and CEO Eaternity



Sodexo's energy transition extended to its Clients' sites

Beyond its own commitment to achieving 100% renewable electricity at its directly operated sites by 2025, Sodexo supports its clients in their energy transitions by encouraging them to adopt sustainable green energy solutions that also generate significant savings. Each day, Sodexo's energy management services create innovative solutions to benefit their clients and the environment, including energy-saving lighting, energy-saving technology and photovoltaic energy systems, etc.
In the United Kingdom, for the headquarters of a large pharmaceutical group, Sodexo and Optimised, its partner solution for managing companies' energy needs, significantly improved the client's energy by optimizing the operation of the site heating management system (BeMS).

Innovation and gastronomy for plant-based food

Sodexo, committed to healthy and responsible eating, is focused on encouraging new eating behaviors by increasing its line of delicious, healthier and more environmentally friendly plant-based protein menus.
Another example of its efforts to reach its target for plant-based meals (more than 33% by 2025), Sodexo has partnered in Singapore with award-winning chef Bjorn Shen to offer more plant-based options to its customers, including LinkedIn and United World College.
Creative and innovative, Chef Bjorn incorporates delicious, nutritious and environmentally-friendly local ingredients from the "50 Foods of the Future" into his cuisine. This initiative, launched by Knorr and the WWF, of which Sodexo has been partner since 2019, aims to promote a sustainable food system that protects the planet and the health of consumers while offering a satisfying culinary experience.

Our impact on the Environment

Today, the loss of biodiversity, the scarcity of resources, and the increase in pollution and greenhouse gas emissions are a testament to the limits of a linear economy based on the principle of "extract, manufacture, consume, throw away."

Given the scope of its offer and its central position in its value chain, Sodexo has a major role to play in implementing the necessary changes to conserve natural resources and limit the production of waste.

Sodexo is committed to the primary pillars of the circular economy: sustainable sourcing, responsible consumption, and recycling. The Group has established an effective policy based on the know-how of its supply, culinary service, and corporate responsibility teams, as well as the expertise of our global partner WWF.

The circular econ

WasteWatch, Sodexo's effective food waste prevention solution

Food waste accounts for 10% of the world's greenhouse gas emissions. In 2019, Sodexo decided to take action by launching its "WasteWatch" program to collect and analyze data on food waste in its restaurants, with the goal of reducing its food waste and that of its clients, by 50% by 2025.

Since the beginning of the program, 3,577 sites in 37 countries have deployed WasteWatch and 1,873 sites are actively measuring food waste reduction against their baseline. On these sites food waste reduced by -41.5% on average.

In addition to this program, Sodexo works closely with WWF to further reduce its food waste and preserve more resources.

The preservation of water resources

Sodexo is aware of its reliance upon water. The Group has therefore implemented a series of protective measures, ranging from the raising of awareness among its stakeholders to the setting up of water reuse and recycling systems.

Sodexo provides managers at more than 10,000 sites with water management assessment and optimization tools.

Sodexo also continues to innovate by revising its practices and developing new ways to manage water resources. At the Planta Colina food production site in Chile, Sodexo has invested in a water recycling solution that saves 250 m^3 of water per month during cooking.

Sodexo leads the way in the fight against plastics

Committed to the preservation of the environment, Sodexo signed a manifesto calling upon United Nations Member States to conclude a treaty against plastic pollution.

The Group has also adopted a global approach to fighting against plastic in collective catering, consisting of reducing its use, encouraging reuse and phasing out the disposable range.

The Benefits & Rewards activity strives to limit the production of cards by offering a 100% digital user journey, extending the life of its cards and grouping its products on the same card, for instance. Today, 84% of the total value of social benefits* we issue are in a digital format (card or electronic) and more than half of our countries offer a digital alternative to cards. Likewise, in France we launched the first eco-friendly restaurant voucher with the "Pass Restaurant" card, as well as around the world where 37% of our cards are produced with materials alternative to PVC plastic (bio-based materials, recycled PVC and PET, PLA).

*Employee and Public Benefits.

omy, an efficient lever responding to climate emergency

Reducing waste throughout the supply chain

Sodexo not only helps reduce food waste in its restaurants *via* its WasteWatch program, but also targets every stage of the value chain by way of numerous initiatives including WasteLESS Week awareness campaigns, joint actions with organizations such as the French anti-waste startup Phenix, and the conversion of organic waste into compost and biogas with the Suez Group and composting specialists such as Les Alchimistes in France.

Sodexo believes global decision-makers must work together to help ensure the future well-being of the planet. It therefore participates in numerous initiatives such as the Champions 12.3 coalition, ReFED, WRAP, WRI, the Consumer Goods Forum, REFRESH, and Food Service Europe. The Group is also a founding member of the International Food Waste Coalition (IFWC), which fights food waste by way of its collaborative "farm-to-plate" approach.

Finally, with "Stop Hunger", its unique philanthropic cause, Sodexo distributes its surplus food to NGOs and associations that offer assistance to the needy.

2.5 Non-financial reporting

2.5.1 Improving the Quality of Life of our employees, safely

Workforce by segment and activity

	NUMBER OF PEOPLE			BREAKDOWN	
	FISCAL 2022	CHANGE	CHANGE %	FISCAL 2022	FISCAL 2021
Business & Administrations ☑	252,734	+15,317	+6.5%	59.9%	57.6%
Healthcare & Seniors ☑	86,678	-3,424	-3.8%	20.5%	21.9%
Education ☑	68,925	-2,257	-3.2%	16.3%	17.3%
TOTAL ON-SITE SERVICES ☑	**408,337**	**+9,636**	**+2.4%**	**96.8%**	**96.8%**
BENEFITS & REWARDS SERVICES ☑	**4,745**	**+364**	**+8.3%**	**1.1%**	**1.1%**
GROUP HEADQUARTERS AND SHARED STRUCTURES ☑	**8,909**	**-97**	**-1.1%**	**2.1%**	**2.2%**
TOTAL ☑	**421,991**	**+9,903**	**+2.4%**	**100%**	**100%**

In Fiscal 2022, the total number of employees increased by +2.4% to 421,991 at the end of the year, compared to a +16.9% restated organic growth in our revenues[1]. Our business had started to recover in the second half of Fiscal 2021, when the number of employees had already increased by the end of the period.

Variations in the workforce by segment are as follows:

- Business and Administrations: the +6.5% increase in the workforce, compared with restated organic growth of +22.7%, is mainly the result of:
  - the post-Covid recovery of the Sports and Leisure business in North America and the United Kingdom, which alone accounted for more than half of the increase for the year,
  - the increase in on-site teams in Business Services, mainly in the United States, India, Chile and Brazil, as consumers gradually returned to their places of work.

  This increase in the workforce was partially offset by the divestment of certain operations and the exit from a few countries during the year;
- Healthcare & Seniors: the -3.8% decline in the workforce is mainly due to:
  - the demobilization of the Covid-19 rapid testing centers contract in the United Kingdom in April 2022,
  - the Homecare business, in which employee recruitment and retention has become complicated in the post-Covid context, and in particular following the United Kingdom exit from the European Union.
- Education: the number of employees is down by -3.2%, whereas the restated organic growth in revenues for this activity is up +22%. This discrepancy between the change in the number of employees and the change in revenues is mainly explained by the sale of the Childcare business in March 2022 and the corresponding departure of 3,100 employees who were transferred to the buyer.

  In addition, the size of the workforce grew in North America, thanks to a 3,000 employee increase in the universities compared to the previous year. Workforce also increased in India by +2,400 employees.
- Benefits & Rewards Services: the number of employees increased by +8.3%, in line with current business trends.
- Finally, the headquarters workforce decreased by -1.1%, in line with the implementation of the GET[2] plan and the control of structural costs.

Workforce by region

	NUMBER OF PEOPLE			BREAKDOWN	
	FISCAL 2022	CHANGE	CHANGE %	FISCAL 2022	FISCAL 2021
North America	123,325	+9,980	+8.8%	29.2%	27.5%
Europe	119,101	-13,274	-10.0%	28.2%	32.1%
Asia-Pacific, Latin America, Middle East and Africa	179,565	+13,197	+7.9%	42.6%	40.4%
TOTAL	**421,991**	**+9,903**	**+2.4%**	**100.0%**	**100.0%**

The share of the workforce in North America is increasing, mainly due to the Universities and the Sports and Leisure businesses. Overall, the workforce in this region rose by +8.8%, in line with organic revenue growth of +24.0% over the year.

(1) The restated organic growth is the organic growth taking into accounts reclassifications from one segment to another and excluding currency effects.
(2) The “GET” plan, implemented in the second semester of Fiscal 2020 aims at adapting the SG&A costs to the consequences of the sanitary crisis on the business. Most of its implementation took place in Fiscal 2021.

☑ Indicators verified to the level of “reasonable” assurance by KPMG.

In Europe, the decline in workforce is mainly due to:

- the demobilization of the Covid-19 testing centers in the United Kingdom;
- the sale of operations in Russia and Morocco (a total of 5,300 employees), as well as the Childcare business (3,100 employees);
- and, to a lesser extent, by the implementation of the employment protection plan *(Plan de Sauvegarde de l'Emploi)* in France, which explains the loss of 800 employees in Fiscal 2022, while 900 employees affected by this plan have been reassigned to other locations.

Lastly, there is an increase in the workforce in Asia-Pacific and Latin America, due to:

- a strong upturn in activity in India, where the number of employees in Corporate Services and Education rose by +7,100;
- in Brazil and Chile, driven by the Energy and Resources business and by the momentum in Corporate Services;
- in the Middle East, mainly due to the launch of two major Energy and Resources contracts.

2

Workforce by age and average years of service

	FISCAL 2022		FISCAL 2021	
	EMPLOYEES	MANAGERS	EMPLOYEES	MANAGERS
Under 30 years	25.4%	9.2%	24.4%	9.3%
30-40 years	23.7%	29.4%	23.6%	29.9%
40-50 years	22.3%	30.2%	22.8%	30.6%
50-60 years	19.9%	23.4%	20.5%	22.9%
Over 60 years	8.6%	7.8%	8.6%	7.3%
TOTAL	**100.0%**	**100.0%**	**100.0%**	100.0%

(in number of years)	Fiscal 2022	Fiscal 2021
Managers	8.7	9.0
Employees	4.7	5.0
AVERAGE YEARS OF SERVICE	**5.1**	**5.5**

The age distribution of our workforce is moving towards a greater representation of employees under 30 years of age, while the proportion of 40-60 year old employees has decreased compared to the previous year. Recruitment programs aimed at young graduates and apprentices partly explain this change in the age distribution of the workforce.

The slight decline in the average length of service is in line with the decline in employee retention explained below.

Hiring, excluding acquired companies and staff takeovers

	FISCAL 2022	FISCAL 2021	CHANGE
Employees	176,049	129,631	+46,418
Managers	10,750	7,420	+3,330
TOTAL	**186,799**	**137,051**	**+49,748**

The hiring of nearly 50,000 additional staff over the year is the result of the implementation of recruitment strategies geared to our on-site activities. This strategy was deployed during the year and enabled us to meet our hiring needs, despite an economic context characterized by a very dynamic labor market.

In North America, for example, we established local recruitment centers throughout the country to more effectively reach our recruitment targets. We also offered improved benefits to encourage candidates to join Sodexo. The WinBack program in India has also proven successful in motivating former employees to rejoin Sodexo.

Breakdown of departures by reason (for permanent contracts, excluding site losses)

	FISCAL 2022	FISCAL 2021	CHANGE
Resignations (less than 3 months)	34,783	25,125	+9,658
Resignations (after 3 months) ☑	87,578	74,149	+13,429
TOTAL RESIGNATIONS	**122,361**	**99,274**	**+23,087**
Dismissals or redundancy	45,557	41,232	+4,325
Retirement and other reasons	6,007	7,949	-1,942
TOTAL NUMBER OF DEPARTURES	**173,925**	**148,455**	**+25,470**

The number of departures increased compared to the previous fiscal year, primarily due to resignations, up by +23% during the year. This increase is linked to the significant wave of resignations in various regions where Sodexo operates, including North America, Europe and Brazil. This indicator also influences our employee retention rate, described below.

The remainder of the change in departures is due to an increase in redundancies of +4,325, mainly in Sodexo Live! for North America as a result of a reduction in the active employee base as our business began to recover. The Employment Protection Plan in France, signed in Fiscal 2021, resulted in the departure of 800 employees during the year, half of whom were laid off and the other half left voluntarily.

Talent retention

	FISCAL 2022	FISCAL 2021
Retention rate for total workforce ☑	79.1%	81.9%
Retention rate for site managers ☑	83.6%	87.9%

The retention rate is calculated on the basis of employees who have been with the Group for at least three months.

In North America, South America and Europe, the retention rate decreased compared to the previous year due to a tight labor market with historically low unemployment rates and significant waves of resignations. However, the retention rate improved in Asia, particularly in China, due to actions taken to better target recruitment.

In order to strengthen the Sodexo employer brand and to improve employee retention, the Group launched a global campaign in Fiscal 2022 to offer a differentiated employee value proposition, based on the following three pillars:

- **belong** to a team;
- **act** with purpose;
- **thrive** in your own way.

This campaign aims to reaffirm and communicate to all employees and potential employees the values of Sodexo and the benefits of working for the Group. It acts as a differentiator in the job market to attract new talent. The first actions in this campaign have been launched in France and the United States, primarily impacting recruitment positively. The outcomes of this campaign on retention will appear at a later stage.

More information on this global campaign can be found on page 72-73.

Employee engagement

	SEPTEMBER 2021	JUNE 2020	CHANGE
Number of respondents	211,484	193,704	+9.2%
Response rate(1)	62.9%	59.0%	+3.9 pts
Employee engagement rate ☑	78.3%	80.1%	-1.8 pt
Employee Net Promoter Score(2)	30.9	39.3	-8.40
% of employees believing that Sodexo values diversity, such as age, gender, culture and origin, religion, sexual orientation and providing opportunities for individuals with disabilities, in the workplace(3)	83.4%	82.4%	+1.0 pt
% of employees considering Sodexo to be a socially and environmentally responsible company(3)	80.2%	80.3%	-0.1 pt

(1) Adjusted for employees not present due to furlough.
(2) Employee Net Promoter Score measures whether employees would recommend Sodexo as a place to work. Calculated by subtracting the share of Detractors from share of Promoters. Results go from -100 to 100.
(3) Result adjusted in September 2020 in order to respect the same calculation methodology between both surveys.

The engagement rate is a key performance indicator for Sodexo, which seeks to become one of the most valued companies by its employees worldwide.

The engagement rate obtained in our ninth engagement survey, conducted in May and August 2021, was 78.3%. It has decreased by -1.8 points compared to the previous survey in 2020, mostly in the regions affected by redundancy plans during the period.

In 2022, the Group decided not to conduct a new global engagement survey in order to focus the on-site teams efforts on business recovery and the human resources focus on the significant amount of recruitment needed to support this recovery.

At the same time, we launched *Team Voice*, which enables our on-site and off-site managers to conduct employee surveys within their teams, at their own initiative. In a spirit of empowering our managers and as a continuation of our global survey, *Team Voice* allows us to continue the dialogue and to proactively identify motivational levers within the teams.

The next and tenth global engagement survey will be conducted in Fiscal 2023.

Internal promotion at the heart of Sodexo's model

	FISCAL 2022	FISCAL 2021
% of **off-site managers promoted internally**	9.0%	6.3%
% of **on-site managers promoted internally**	10.8%	7.5%
% of on-site employees promoted internally	2.9%	2.1%

In Fiscal 2022, internal promotion increased at all levels of the Group, among on-site and off-site management and among our on-site employees, in line with our employee value proposition targeted at all of our workforce.

A flexible organization, respectful of employees, that offers good working conditions

	FISCAL 2022	FISCAL 2021
% Workforce working part-time	26.7%	26.9%

In addition to offering flexible work conditions, Sodexo guarantees regular and timely payment of wages to all of its employees around the world. The number of employees working part-time is down compared to the pre-Covid period, due in particular to the Sports and Leisure and Home Services businesses, where employees are offered more full-time work.

Ensuring employee safety

	FISCAL 2022	FISCAL 2021
% of Group revenues of countries having one or more OHSAS 18001 or ISO 45001 ☑	87.4%	87.0%
Number of work related accidents requiring leave ☑	2,359	2,393
Average number of work day absences per employee due to work-related and non-work-related accident or illness [(1)]	11.7	11.5
LTIR ☑	0.65	0.71
Best performance: LTIR for the Energy & Resources segment	0.07	0.07
% LTIR reduction ☑	8.5%	7.8%

(1) Excluding days of absence due to non-work-related accidents or illnesses in Brazil, in order to have comparable data for both years.

At Sodexo, our purpose is to create a better everyday for everyone to build a better life for all. This starts by developing a positive health and safety culture and by focusing on the well-being of our employees.

Sodexo's lost time incident rate (LTIR) corresponds to the number of accidents per 200,000 hours worked. 200,000 hours worked is equal to 100 full-time employees working for one full year. The LTIR includes safety incidents (injuries) and work-related health issues (illnesses) that lead to an employee being unable to work.

In Fiscal 2022, this rate decreased by -8.5%, reflecting the Group's ongoing efforts towards improving occupational safety and the result of training our employees on on-site best practices.

In August 2022, the Executive Committee took a new Group-wide commitment on occupational health and safety. Thanks to this agreement, Sodexo aims to engage all its employees in occupational health and safety, and to make its leaders accountable for this topic. One of the direct applications of this agreement is the inclusion, as of Fiscal 2023, of the LTIR as a performance objective for the entire workforce eligible for the Group bonus plan.

Collective agreement for health and safety

	FISCAL 2022	FISCAL 2021
% of workforce covered by collective agreements ☑	40.9%	42.7%
% of workforce working in countries that have collective agreements and are covered by those agreements	88.4%	87.3%

The decline in the percentage of employees covered by a collective agreement is due mainly to the closure of sites in Canada, India and China that were covered by a collective agreement. Other countries, such as Brazil, Chile and Denmark, have made progress on this indicator.

In 2021, Sodexo and the IUF (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations), the global trade union federation for workers in the food industry, signed a declaration of intent on health and safety, reinforcing their commitments and priorities to promote the right of employees to health and safety at work.

This declaration of intent on health and safety is a first in the industry and helps to strengthen the relationship between Sodexo and the IUF, which had already laid the initial foundations by signing an international framework agreement on respect for fundamental rights in 2011 and, in 2017, by signing a joint commitment against sexual harassment.

2.5.2 Ensuring a diverse workforce and inclusive culture that reflects and enriches communities we serve

Workforce by category and gender equality

	FISCAL 2022		FISCAL 2021	
	TOTAL	% FEMALE	TOTAL	% FEMALE
Board of Directors ☑[(1)]	10	60%	10	60%
Executive Committee ☑	17	41%	17	29%
Group Senior Executives ☑[(2)]	184	41%	185	43%
Managers ☑	47,622	44%	47,473	44%
Employees ☑	374,369	56%	364,615	57%
Total Workforce ☑	**421,991**	**54%**	**412,088**	**55%**

(1) Excluding the 2 members of the Board who are employee representatives.
(2) Group Senior Executives include the key functions reporting directly to Group Executive Committee members, higher-level sales and operations and high potentials.

As of August 31, 2022, the Executive Committee was composed of 7 women and 10 men, increasing the representation of women on this Committee compared to 2021.

In September 2021, Sodexo was ranked once again second by the French Ministry of Gender Equality, Diversity and Equal Opportunity in the ranking of women in the management bodies of SBF120 companies. Each year, this ranking establishes the list of the 120 largest French companies, highlighting their commitment to increasing the number of women in their management bodies and, more generally, to promoting gender equality in the workplace. Sodexo's ranking reflects its long-standing commitment to increasing the number of women on its Board of Directors, Executive Committee and senior management teams.

Since 2016, Sodexo United Kingdom publishes the difference between the gross hourly earnings of all men and all women in their workforce. The last report published in March 2022 on the data for 2021 showed an overall average gender pay gap of 12.8%, which was an improvement over 2020, when the gap was 14.4%.

The global Vita by Sodexo program offers a range of benefits to all employees. In particular, Sodexo seeks to offer its employees an opportunity to benefit from decent parental and care leave, regardless of the country in which they work.

In France, the Gender Equality in the Workplace Index assesses the progress made by companies towards gender equality. This index uses a variety of criteria including promotions, salary increases, parental leave and the ten highest salaries for women. In 2021, Sodexo obtained a score of 96 out of 100 for all its 11 French entities.

	FISCAL 2022	FISCAL 2021
% of employees working in countries that respect gender balance in their management *	57.7%	57.0%

* The calculation methodology for this KPI was updated in 2022 and the 2021 figure was recalculated for consistency purpose.

The proportion of employees working in countries that respect gender diversity in their management increased in Fiscal 2022, in line with the target set in the Better Tomorrow 2025.

Paying special attention to our disabled employees

	FISCAL 2022	FISCAL 2021
Number of disabled employees*	8,330	7,739

* These figures are not exhaustive, and do not include countries in which this information cannot be collected.

The increase in the number of disabled employees is in line with the general increase in the Group's workforce, as the Group hired 500 new employees with disabilities during the year, representing 2.1% of the workforce in 2022.

Sodexo is a member of The Valuable 500, and has a long-standing partnership with the International Labor Organization through its Business and Disabilities network. This network seeks to raise awareness of disabilities among companies and to promote the inclusion of new employees with disabilities.

Sodexo participated in DuoDay, a French government initiative to promote the recruitment of people with disabilities in France. During this edition, 332 offers and 171 internships took place throughout France.

2.5.3 Fostering a culture of environmental responsibility within our workforce and workspaces

Employee development

	FISCAL 2022	FISCAL 2021	CHANGE
Total number of training hours*	4,949,054	4,085,047	+21.2%
Average number of hours of training per employee	11.8	10.0	+18.5%
% of Group revenues of countries employing environmental experts	99.5%	98.5%	+1.0 pt
Number of employees trained on sustainable practices	83,285	74,203	+12.2%

* The number of training hours excludes Germany due to constraints imposed by trade unions. It is underestimated in France where the number of training hours is only captured for active employees as of 31st of August 2022, and doesn't capture all training hours followed by employees having left the company during Fiscal 2022.

Investing in the development of our employees through training is a priority which is reflected in the 18.5% increase in the number of training hours per employee during the year. This year, we created several virtual training modules on the topics of corporate responsibility, data awareness and operations support which has enabled us to reach more employees at more sites.

We created the Sodexo Academy during the year to offer training programs to enhance the positive experience of employees and to guarantee to our clients that our employees have the necessary skills to work effectively. The Sodexo Academy is led by learning and development teams from Sodexo's head office and regions.The Academy's roadmap prioritizes the provision of a solid training base for our on-site employees and our new recruits, taking into account the specific requirements of on-site work and the training challenges that this represents.

The global training program on empathetic and collective leadership, which started in 2021 in France and will be extended to our global teams in 2022, aims to engage all of our 1,600 top managers *via* an individual digital pathway and group coaching.

2.5.4 Providing and encouraging our consumers to access healthy lifestyle choices

	FISCAL 2022	FISCAL 2021	CHANGE
% of On-site Services revenues of countries having a system to ensure that employees with food service responsibilities are trained in compliance with local laws and regulations and Global Food Safety and Hygiene Policy	96.9%	96.5%	+0.4 pt
% of our consumers offered healthy lifestyle choices	89.3%	90.3%	-1.0 pt
% of Group revenues of countries having one or more ISO 9001 certification	94.7%	94.9%	-0.2 pt
% of On-site Services revenues of countries having either ISO 9001 or ISO 22000 certification for food safety ☑	96.6%		
% of On-site Services revenues of countries providing Health and Wellness Services including physical wellness services	85.1%	84.0%	+1.1 pt
Number of registered dietitians employed by Sodexo	5,594	5,402	+3.6%

For the second time, we are publishing the percentage of our consumers offered healthy lifestyle choices. This indicator was collected at Sodexo client sites through SEA (Site Engagement Assessment). SEA is an innovative on-site environmental and societal performance management tool developed by Sodexo. In Fiscal 2022, 4,284 sites participated in SEA which will continue to be rolled out to cover all relevant sites by 2025.

Indicators related to food safety remain stable and at high levels. The pandemic has confirmed that health and safety remains one of the priority topics for clients and consumers. At Sodexo, we are convinced that food safety is everyone's business. This is why through our Food Safety and Hygiene policy, we have defined the essentials that we apply throughout our value chain (evaluations of suppliers, certifications of our sites, training of our teams, etc.).

Another important issue in supporting our employees concerns the preservation of mental health. On World Mental Health Day, which takes place in October each year, webinars are organized globally by Sodexo for its employees, and in October 2021 a portal dedicated to mental health and well-being was launched.

2.5.5 Promoting local development, fair, inclusive and sustainable business practices

	FISCAL 2022	FISCAL 2021	CHANGE
% of Group revenues of countries having specific initiatives to integrate SMEs (Small and Medium Enterprises) into Sodexo's Value Chain	91.3%	89.5%	+1.8 pt
Our business value benefiting SMEs (in billions of euro)	7.8	6.9	+13.0%
% in kg of certified sustainable coffee	58.1%	57.4%	+0.7 pt
% of spend with contracted suppliers having signed the Sodexo Supplier Code of conduct ☑	95.2%	95.6%	-0.4 pt

Our business value benefiting SMEs increased significantly in Fiscal 2022. This is mainly due to the implementation of specific monitoring of merchants and affiliates for the Benefits & Rewards Services activity. This increase is also explained by a sharp increase in the Benefits & Rewards Services activity with SMEs in Brazil, representing more than 40% of the value of the indicator.

2.5.6 Sourcing responsibly and providing management services that reduce carbon emissions

	FISCAL 2022	FISCAL 2021	CHANGE
Responsible Sourcing			
% of certified sustainable palm oil (including RSPO credits, Mass Balance, Segregation and Identity Preserved)	100%	100%	–
% of physical certified sustainable palm oil (Mass Balance, Segregation and Identity Preserved) ☑	42.3%	32.4%	+9.9 pts
% of cage free shell eggs (of the total of shell eggs purchased by Sodexo) ☑	21.0%	20.9%	+0.1 pt
% of cage free liquid eggs (of the total liquid eggs purchased by Sodexo) ☑	68.3%	61.9%	+6.4 pts
% of On-site Services revenues of countries having the 2020 Sodexo Animal Welfare Supplier charter available in at least one official language	98.1%	93.1%	+5.0 pts
% of certified sustainable fish and seafood as a % of total fish and seafood	46.1%	44.6%	+1.5 pt
% of sustainable fish and seafood which is sustainable as a % of total seafood (in kg)* ☑	85.3%	86.0%	-0.7 pt
% of spend on certified sustainable hygiene paper as a % of total hygiene paper ☑	81.7%	78.8%	2.9 pts
% of spend on certified sustainable office paper as a % of total office paper ☑	70.1%		

* As per Sodexo Sustainable Seafood Sourcing Guide.

The share of certified physical palm oil increased sharply compared to the previous period, due to an increase in the volume of purchases of certified palm oil in the United States, France and Belgium. This increase is also due to the decline in Sodexo's activity in Kuwait, which represented a large volume of purchases of non-certified oil.

Cage free liquid eggs indicator increased significantly during the period due to increases in results in several countries such as the United States, France, Italy and United Kingdom.

	FISCAL 2022	FISCAL 2021	CHANGE
Reduction in carbon emissions – Scope 1 & 2			
Energy consumption for our direct operations (MWh)	546,662	500,436	+9.2%
% renewable electricity in our direct operations ☑	26.2%	23.7%	+2.5 pts
Scope 1 emissions (tCO_2e) ☑	84,126	72,742	+15.6%
Scope 2 emissions (tCO_2e) - market-based ☑	19,822	20,597	-3.8%
Scope 2 emissions (tCO_2e) - location-based	23,010	27,024	-14.9%
Total Scope 1 & 2 emissions (tCO_2e) - market-based ☑	103,947	93,339	+11.4%
% reduction in absolute Scope 1 & 2 emissions (market-based) (compared to 2017 baseline)	-24.0%	-31.8%	
% reduction in intensity (tCO_2e/ million euros of turnover) Scope 1 & 2 emissions (market-based) (compared to 2017 baseline)	-21.9%	-15.9%	

Since Fiscal 2020, we have been reporting greenhouse gas emissions reductions compared to the 2017 baseline, allowing us to assess our progress towards the -34% target set by the Group and validated in July 2019 by the Science Based Target initiative (SBTi).

We have recorded an increase in Scope 1 emissions compared to the previous period, which is due to the recovery in post-Covid-19 activity and mainly linked to the increase in fuel oil consumption generated by the resumption of business travel. On the contrary, the intensity is still improving this year, down 24.4% compared to 2017, thanks to the increase in the share of electricity from renewable sources and less impacting fuel oil such as biodiesel in the energy mix.

The reduction in absolute value of greenhouse gas emissions from scopes 1 & 2 compared to the baseline year 2017 is in line with our forecasts and the trajectory that the Group must follow in order to achieve the overall objective of -34% reduction by 2025, despite the resumption of post-pandemic activity.

	FISCAL 2022	FISCAL 2021	CHANGE
Reduction in carbon emissions – Scope 3			
Scope 3 - Purchased Goods & Services (tCO_2e) (On-site Services only) ☑	6,625,286	5,327,977	+24.3%
Scope 3 - Upstream Transportation and Distribution (tCO_2e) (On-site Services only) ☑	166,798	230,054	-27.5%
% reduction in absolute Scope 3 - Supply Chain ("purchased goods & services" & "upstream transportation & distribution") emissions (compared to 2017 baseline)	-18.5%	-33.3%	
% reduction in intensity Scope 3 - Supply Chain ("purchased goods & services" & "upstream transportation & distribution") emissions (compared to 2017 baseline)	-16.8%	-17.9%	
Scope 3 - Fuel- and Energy-related activities not included in Scope 1 or Scope 2 (tCO_2e)	27,998	23,955	+16.9%
Scope 3 - Business travel (tCO_2e)	29,226	7,907	+269.6%
Scope 3 - Employee Commuting (tCO_2e)*			
Scope 3 - End-of-Life Treatment of Sold Products (waste generated by our services at client sites) (tCO_2e) (On-site Services only)	319,772	264,098	+21.1%
Scope 3 - Use of Sold Products (energy consumed by our services at client sites) (tCO_2e) (On-site Services only)	10,362,889		
Total Scope 3 emissions covered by our SBTi commitment (tCO_2e)	17,531,969		
% reduction in absolute Scope 3 emissions (compared to 2017 baseline)	-27.0%		
% reduction in absolute Scope 1& 2 and 3 emissions (compared to 2017 baseline)	-27.0%		

* Sodexo does not publish this KPI as the calculation methodology is in the process of being made more reliable.

For the first time, we are publishing all the indicators related to greenhouse gas emissions by respecting the categories of the GHG Protocol - Protocol on Greenhouse Gases. We have also carried out a recalculation of the baseline year emissions, as recommended by the SBTi. This methodological change allows us to now align ourselves with international GHG reporting standards and SBTi recommendations.

The absolute reduction in Scope 3 supply chain greenhouse gas emissions compared to the 2017 baseline remains significant, but less significant compared to the prior year. This is due to the resumption of activity in 2022.

The reduction in intensity of greenhouse gas emissions from the Scope 3 supply chain nevertheless remains significant, confirming the efforts made by the local purchasing teams to reduce emissions linked to our suppliers and ensure the achievement of the objectives of the Better Tomorrow 2025.

Carbon footprint of the Benefits & Rewards Activity

In Fiscal 2022, Sodexo calculated for the first time the carbon footprint of the Benefits & Rewards Activity. This activity, representing 4% of Group revenues, has its own carbon footprint specificities very different from the On-site Services activity emissions.

After a pilot phase involving France, Belgium, Turkey, India, Chile and Brazil, the reporting was deployed to all countries, with a 100% participation rate. This allowed the Group to estimate the total Benefits & Rewards carbon footprint at **33 $ktCO_2e$**, less than 1% of Sodexo's total carbon footprint.

2.5.7 Act sustainably for a free-hunger world

	2015-2022 PERIOD
Number of Stop Hunger beneficiaries (in millions) ☑	63.9
Funds invested in programs to empower women working to end hunger in their communities (in thousands of euro)	6,513

As part of Better Tomorrow 2025, Sodexo has set itself the ambitious objective of reaching 100 million Stop Hunger beneficiaries, through its various initiatives, over the period 2015-2025. At the end of the Fiscal 2022, the cumulative result represents 63.9 million beneficiaries, an increase compared to 51.9 million in 2021. This is mainly due to the increase in the number of partnerships with NGOs in the United States.

For more information, see the Stop Hunger website: www.stop-hunger.org

2.5.8 Driving diversity and inclusion as a catalyst for societal change

	FISCAL 2022	FISCAL 2021	CHANGE
Empowered women in communities	80,440	54,768	+46.9%
% of workforce of countries with initiatives to improve the quality of life of women	92.3%	95.4%	-3.1 pts

The number of women in empowered communities continues to grow, mainly due to the actions of the Stop Hunger teams and the Diversity, Equity and Inclusion teams in the countries.

2.5.9 Championing sustainable resource usage

	FISCAL 2022	FISCAL 2021	CHANGE
% of food waste reduction in sites having already deployed the WasteWatch Program	41.5%	45.8%	
% of WasteWatch Sites Deployment Coverage as a % of Group Raw Material Cost	45.6%		
% of Group revenues of countries working to deliver on the United Nations' food waste objective	91.6%	88.7%	+2.9 pts
% of Group revenues of countries having one or more ISO 14001 certification	92.9%	87.8%	+5.1 pts
Direct water consumption (in m^3)	3,807,457	3,814,282	-0.2%

Sodexo is continuing its actions to achieve its objective of halving food waste in its food services activities by 2025, thanks to its digital and technological program and behavior change: WasteWatch, with daily measurement and monitoring of food waste.

The -41.5% reduction in food waste was achieved thanks to strong governance with dedicated project managers to support the roll-out of the program in countries, coupled with training programs that engaged teams on sites on the actions to reduce food waste. Variations on food waste reduction are expected in the coming years, as we will gradually include new sites in the program.

2.6 Controversies

Sodexo employs and serves individuals working and living in complex environments and operates in sectors that may be considered controversial, such as the Energy and Resources industry and Justice Services.

In all our operations, we enforce strict Human Rights policies and health and safety protocols, while seeking to mitigate our impact on the environment and contributing to communities' development and inclusion.

Energy and Resources

As part of our Energy and Resources activities, we provide project management, cleaning, grounds maintenance as well as catering services to support operations in remote areas, away from regional centres or near communities with little infrastructure. Our first priority remains the health and safety of our employees and all individuals working on those remote locations.

We are proud to say, that, to date, this segment has the lowest lost time injury rate (LTIR) compared to our other activities.

Sodexo also acknowledges that projects in remotes areas can also happen on ancestral land and have an impact on indigenous communities. We are fully committed to deepening our understanding and expanding the ways in which we can contribute to building respect, relationships and provide opportunities to improve the Quality of Life of indigenous communities around the world.

Justice Services

In the face of rising pressure to reduce both reoffending and costs of operations, even as prison populations expand, authorities increasingly look to the private sector to provide an expanding range of services and innovative solutions. Fostering rehabilitation is one of our main priorities. By offering opportunities for detainees to acquire life skills, work experience, qualifications and resources, we support their successful re-entry into society.

Sodexo operates prisons under 4 strict criteria:

- only in democratic countries;
- only in countries that do not administer the death penalty;
- only in countries where rehabilitation is the ultimate goal; and
- only where our team members are not required to carry firearms.

Thus, in line with those criteria, Sodexo Justice services provides a range of services to in public prisons in France, Chile, Belgium, Italy, the Netherlands and in the United Kingdom.

Sodexo decided 20 years ago to exit the largest prison private services market in the world, the United States.

Coal Industry

Sodexo is also committed to progressively transition away from coal sector projects as part of its strategy to selectively grow its presence in specific mining markets since 2015; aiming to exit the sector by 2025. Sodexo is increasingly supporting diversified energy clients that are willing to shift to new business streams and renewable energies.

2.7 Our reporting methodology

2.7.1 Non-financial Indicators

Choice of indicators

In Fiscal 2022, we continue to disclose our Corporate Responsibility related information and data in our Integrated Report (chapter 1) and chapter 2 of the present report.

As part of the Integrated Report we have presented our Value Creation Model, our Materiality Matrix and our Corporate Responsibility Roadmap Better Tomorrow 2025. These three elements are linked and interdependent.

Chapter 2 presents our 9 Better Tomorrow 2025 commitments, the highlights of Fiscal 2022 and our key performance indicators as well as their progress compared to the previous year.

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

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

In addition, Sodexo's indicators:

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

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

Scope of consolidation

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

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

Additional restrictions may be applicable and are specified in the "Limits" on the next page.

Fiscal 2022 workforce indicators

Workforce indicators are consolidated for all Sodexo entities, except for:

- the number of training hours which excludes data from Germany;
- the number of days of absence for non work related accident or illness in Brazil that has been restated from the total number of days of absence for Fiscal 2022 and Fiscal 2021;
- number of disabled employees as this information cannot be collected in all the countries where Sodexo operates.

Engagement rate published indicators reflect the results of the Fiscal 2021 Engagement survey, and were verified at a reasonable level of assurance at the time.

Fiscal 2022 societal and environmental indicators

Societal and environmental indicators are calculated and consolidated for entities representing over 99.3% of Group revenues.

In order to streamline the collection and reporting process for the societal and environmental indicators, we have changed the reporting period. The new reporting period starts on June 1 and ends on May 31.

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

Scope 1 and Scope 2 energy consumption and related carbon emissions are extrapolated for the Group based on the energy consumption and carbon emissions calculation for a set of major countries representing 97.1% of Group revenues.

The supply chain emissions of Scope 3, corresponding to the categories "1. Purchased goods and services" and "4. Upstream transportation and distribution" of the GHG Protocol, are extrapolated from real data covering 94.8% of On-site Services revenues. Therefore, the emissions have been extrapolated to 100% of On-site Services activity.

Calculation methodology

Scope 1 & 2

Scope 1 includes energy consumption and emissions associated with the vehicle fleet, as well as fossil fuel consumption in directly controlled buildings.

Scope 2 includes electricity consumption for buildings and sites that Sodexo directly controls.

Emissions linked to energy consumption in scope 1 & 2 are calculated using internationally recognized databases, such as: the International Energy Agency (IEA), the UK Government GHG Conversion Factors for Company Reporting, ADEME Carbon Base, US EPA, AIB.

Scope 3 – Supply chain

Emissions are calculated using consolidated volumes by type of commodity, applying emission factors including the entire life of the products before purchase (production and agriculture, land use, processing, packaging, transport). The last part of the distribution to client sites is added next.

The databases used are Agribalyse v3.0.1 (ADEME) and EcoInvent v3.8 (Allocation cut-off).

For Fiscal 2022, we have recalculated the data for previous years in order to take into account the improvement in methodology:

The last part of the distribution was overestimated for Fiscal 2017, and has been updated using the history of the last three years of reporting.

The emission factors used in previous years have been corrected to take into account emissions related to consumption weight rather than live weight at the farm gate for meat.

Scope 3 - Business travel

The data is reported by our main suppliers (for planes and trains) and supplemented by specific reporting related to the reimbursement of our expenses.

Reporting framework and tools

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

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

The consolidation of workforce data is performed by Group Human Resources with the exception of the Health and Safety data which is consolidated by Group Health and Safety and the consolidation of environmental data is performed by Group Corporate Responsibility. Certain strategic workforce indicators are consolidated monthly or quarterly for a detailed follow up.

All information published in this report was also examined by the Group's external auditors; more details of the assessment are presented in section 2.7.4 of this document.

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

Limitations

Sodexo employs 422,000 people, in 53 countries, with differing regulations and operates on a significant number of client sites of different sizes and types of activity.

Certain indicators therefore require some specific explanation as follows:

- number of work-related accidents requiring absence:
  - excludes commuting accidents,
  - includes Sodexo workforce only,
  - excludes temporary labor, sub-contracted labor and other personnel that are not Sodexo employees,
  - may have insignificant differences created by the way that work-related illness is accounted for locally;
- average number of days absence:
  - includes absences for work-related accidents and illness as well as personal accidents and illness,
  - may have insignificant differences created by the way the number of days of absence is accounted for locally; as some include weekend and others only working days, the minimum number of days of absence from which the absence is recorded;
  - to be noted that in the United States, no distinction is made between part-time and full-time employees for the count of these absences that are overestimated
  - in Fiscal 2022 in the United States, some days of absence have been corrected with 2021 data due to reporting cut-off methodology.
- number of training hours:
  - the number of training hours in the U.S. is based on an estimation. The estimation is an extrapolation of actual data covering 28% of the population.
  - in France, the number of training hours is only captured for active employees as of 31st of August 2022, and doesn't capture all training hours followed by employees having left the Company during Fiscal 2022.

Certain information is extremely difficult to gather given the nature of the Group's activities:

- total business value benefiting SMEs: Data for Sodexo On-site Services USA includes non-contracted suppliers;
- to ensure that the entire volume of Sodexo palm oil is certified as sustainable, the purchasing teams have implemented a process for analyzing and purchasing RSPO credits between the months of May and April following the end of the Fiscal year.

Sodexo's missions is to improve quality of life for its employees and all who it serves. Sodexo's services are, in the majority of cases, provided by its own employees on a significant number of client sites where the Company operates throughout the world. The following information is therefore not applicable or not material for Sodexo:

- preventive or corrective actions with regard to discharges into the atmosphere, water and soil with a significant negative impact on the surrounding environment;
- consideration of noise and any other activity-specific pollution;
- land usage;
- importance of sub-contracting.

2.7.2 Reconciliation tables

The Sustainability Accounting Standards Board (SASB) reconciliation table

The Sustainability Accounting Standards Board (SASB) is an independent organization of normalization that promotes the sharing of important information on sustainability, in order to satisfy investors' needs. The table below refers to the norm as defined by the SASB, and highlights the Group's references.

Accounting Metrics	Code	Sodexo actions & performance
Energy Management		
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	FB-RN-130a.1	(1) 1,967,553 GJ Energy consumption on our direct operations. (2) 30.2% energy consumption from grid electricity. (3) 10.2% renewable energy in our direct operations.
Water Management		
(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	FB-RN-140a.1	(1) 3,807,457 direct water consumption in m^3. Our water withdrawal has slightly decreased compared to last year. (2) Sodexo uses WWF Water Risk Filter for assessing levels of water stress. However, the approach is currently at country level. We will communicate this data with a more granular level next year.
Food & Packaging Waste Management		
(1) Total amount of waste, (2) percentage food waste, and (3) percentage diverted	FB-RN-150a.1	(2) Sodexo targets to halving our food waste on all relevant sites using our WasteWatch program, page 102
(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	FB-RN-150a.2	(1) Total weight of packaging (food service disposables) : 25,662 tonnes (2) percentage made from recycled and/or renewable materials: 8,230 tonnes (32.1%) and (3) percentage that is recyclable, reusable, and/or compostable : "Not Applicable"
Food Safety		
(1) Percentage of restaurants inspected by a food safety oversight body, (2) percentage receiving critical violations	FB-RN-250a.1	(1) In Fiscal 2022, 11,731 food service sites were part of a risk-based site audit program for Food Safety and Hygiene.
(1) Number of recalls issued and (2) total amount of food product recalled	FB-RN-250a.2	In Fiscal 2022, total 156 voluntary recalls issued by sites and 235 involuntary recalls requested by the supplier/ regulatory authorities.
Number of confirmed foodborne illness outbreaks, percentage resulting in U.S. Centers for Disease Control and Prevention (CDC) investigation	FB-RN-250a.3	Sodexo does not currently track this indicator but is looking to make improvements in our reporting systems.
Nutritional Content		
(1) Percentage of meal options consistent with national dietary guidelines and (2) revenue from these options	FB-RN-260a.1	(1) Sodexo is reporting the % of sites offering healthy lifestyle options, page: 100.
(1) Percentage of children's meal options consistent with national dietary guidelines for children and (2) revenue from these options	FB-RN-260a.2	Sodexo does not currently track this indicator.
Number of advertising impressions made on children, percentage promoting products that meet national dietary guidelines for children	FB-RN-260a.3	Sodexo does not currently track this indicator.
Labor Practices		
1) Voluntary and (2) involuntary turnover rate for restaurant employees	FB-RN-310a.1	The voluntary turnover rate is disclosed for employees and on-site manager employees who remain with the Company for at least three months, page 95 & 96.
(1) Average hourly wage, by region and (2) percentage of restaurant employees earning minimum wage, by region	FB-RN-310a.2	Sodexo does not currently consolidate this information at Group level.
Total amount of monetary losses as a result of legal proceedings associated with (1) labor law violations and (2) employment discrimination	FB-RN-310a.3	Information regarding litigation can be found page 169 - 171.
Supply Chain Management & Food Sourcing		
Percentage of food purchased that (1) meets environmental and social sourcing standards and (2) is certified to third-party environmental and/or social standards	FB-RN-430a.1	(1) 95.2% of spend came from contracted suppliers having signed the Sodexo Supplier Code of conduct page 100 . (2) please refer to the results page 100.
Percentage of (1) eggs that originated from a cage-free environment and (2) pork that was produced without the use of gestation crates	FB-RN-430a.2	(1) please refer to the results page 100. (2) Sodexo does not currently track this indicator.
Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-RN-430a.3	98.1% of On-site Services revenues of countries have the 2020 Sodexo Animal Welfare Supplier charter available in at least one official language

Accounting Metrics	Code	Sodexo actions & performance
Activity Metric		
Number of (1) Company-owned and (2) franchise restaurants	FB-RN-000.A	(1) Sodexo does not currently track this indicator.
Number of employees at (1) Company-owned and (2) franchise locations	FB-RN-000.B	(1) 421,991 total number of employees worldwide.

Task force on Climate-related Financial Disclosures (TCFD) reconciliation table

The Task force on Climate-related Financial Disclosures (TCFD) has been created upon the request of the G20 leaders. It aims to encourage companies and organizations to communicate in a transparent manner on the financial risks linked to climate, in order to help investors to integrate them in their decisions.

In 2017, the TCFD published a set of recommendations to encourage a consistent and reliable financial reporting based on 4 pillars: governance, strategy, measure and objectives, as well as risk management.

Topic	Recommended Disclosure	Pages
Governance	a) Describe the Board's oversight of climate-related risks and opportunities.	65
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	65
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	275
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	275
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2ºC or lower scenario.	88-89
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	275
	b) Describe the organization's processes for managing climate-related risks.	275
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	275
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	101
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	101, 275
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	101, 275

Reconciliation tables are presented in the section 9 of the present document.

2.7.3 Green Taxonomy

In accordance with the European Union (EU) regulation 2020/852 of June 18, 2020 and its delegated acts (referred to as the "Taxonomy" regulation), Sodexo is required to publish, for Fiscal 2022, performance indicators that highlight the proportion of its eligible revenues, investments (CapEx), and operating expenditure (OpEx) associated with economic activities considered to be sustainable within the meaning of this regulation and its delegated acts for the first two climate-related targets regarding climate change mitigation and adaption[(1)].

The methodology elements on the basis of which the Group based its analysis – definitions, assumptions, and estimates – are described below.

The financial information used to conduct this initial analysis was subject to self-assessment by country teams and additional reporting as part of the year-end closing. The indicators were reviewed and analyzed jointly by Corporate Responsibility and Finance teams, and supported by third-party experts, in order to ensure consistency of the decisions regarding eligibility and consistency with Fiscal 2022 consolidated revenue, investments and operating expenses.

Corporate responsibility has always been at the heart of our mission and everything we do. Despite limited Taxonomy-eligible activities today, we are convinced that our services bring positive impact to our employees, consumers, clients, suppliers, and shareholders. For details on our Corporate Responsibility approach, please refer to chapter 2 of the Universal Registration Document.

[(1)] Climate delegated regulation of 4 June, 2021 and the appendices thereto supplementing (EU) regulation 2020/852 by specifying the technical criteria for determining under what conditions a business activity can be considered as making a substantial contribution to climate change mitigation or adaptation; European Commission delegated regulation 2021/2178 of 6 July, 2021 and the appendices thereto, supplementing (EU) regulation 2020/852 specifying the method for calculating the key performance indicators and the narrative information to be published.

In Fiscal 2023, the Group will review and adapt its methodology and eligibility analysis as the introduction of the Taxonomy progresses and in light of changes to the regulations, listed activities and technical review criteria. The concept of alignment, provided by the regulation with effect from the next fiscal year, will be addressed by the Group in the next Universal Registration Document.

Eligible activities

Sodexo carried out a review of its On-site Services and Benefits & Rewards Services activities in its most significant countries in terms of revenues and investments (CapEx), with a view to determining which are likely to be eligible within the meaning of the EU Taxonomy and its delegated act for climate change mitigation. No activity was considered eligible for the climate change adaptation objective.

As of today, Food services and Benefits & Rewards services activities are not considered as eligible in the meaning of the EU Taxonomy for the Climate change mitigation objective and only some Facilities Management services provided by Sodexo are included in the EU taxonomy:

- services related to the renovation of workspaces and buildings; installation, maintenance, and repair of energy-related equipment as well as professional services related to energy performance (Taxonomy activities 7.2 Renovation of existing buildings; 7.3 Installation, maintenance and repair of energy efficiency equipment; 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings and 9.3 Professional services related to energy performance of buildings);
- waste management services (Taxonomy activity 5.5 Collection and transport of non-hazardous waste in source segregated fractions);
- transportation services (Taxonomy activities 6.5 Transport by motorbikes, passenger cars and light commercial vehicles and 6.7 Inland passenger water transport).

Based on existing reporting processes, systems and estimates formulated by management and the subsidiaries, less than 2% of consolidated revenues have been identified as eligible in the meaning of the Taxonomy.

Eligible Investments (CapEx)

Sodexo's eligible CapEx includes:

- CapEx directly associated with its eligible activities; and
- CapEx considered individually eligible, as defined in the Taxonomy Regulation.

The eligible CapEx identified mainly corresponds to increase of right-of-use assets related to leases on buildings and vehicles (Taxonomy activities 7.7 Acquisition and ownership of buildings and 6.5 Transport by motorbikes, passenger cars and light commercial vehicles respectively).

Following this analysis and before specific review of technical screening criteria, eligible CapEx was assessed at about 7% of Total CapEx as defined by Taxonomy Regulation (518 million euros in denominator including additions and scope entrance of tangible and intangible assets as well as right-of-use assets).

Eligible Operational Expenditure (OpEx)

Operational expenditure within the meaning of the Taxonomy Regulation is limited to costs linked to direct non-capitalized research and development, direct maintenance, and renovation of Sodexo assets (including direct cost of employees), and direct short-term leases. Given that the operational expenditure was less than 10% of Group operating expenses, Sodexo has used the exemption provided in the regulation and has not published the performance indicator for eligible OpEx.

2.7.4 Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement

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

Sodexo S.A.

Head Office: 255, Quai de la Bataille de Stalingrad

92130 Issy-les-Moulineaux

For the year ended August 31, 2022

To the Annual General Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "entity") appointed as independent third party, and accredited by the COFRAC under number 3-1884 [1], we have undertaken a limited assurance engagement on the historical financial information (actual or extrapolated) of the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended August 31th, 2022 (hereinafter, respectively, the "Information" and the "Statement"), included in the Group's management report pursuant to the requirements of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

At the request of the entity, we conducted works designed to express a reasonable assurance conclusion on the information selected by the entity and identified by the sign √ in the Statement.

Limited assurance conclusion

Based on the procedures performed, as set out in the "Nature and scope of our work" section of this report, and the information collected, nothing has come to our attention that causes us to believe that the Statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Reasonable assurance conclusion on a selection of non-financial information

Based on the procedures performed, as set out in the "Nature and scope of our work" and "Nature and scope of additional work on the information selected by the entity and identified by the sign √" sections of this report, and the evidences collected, the information selected by the entity and identified with the symbol √ in the Statement has been prepared, in all material respects, in accordance with the Guidelines.

Preparation of the Statement

The absence of a commonly used generally accepted reporting framework or as established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, the main elements of which are presented in the Statement or available upon request from the entity's registered office.

Inherent limitations in preparing the Information

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and the quality of external data used. Some information is sensitive to methodological choices, assumptions and/or estimates used for their preparation and presentation in the Statement.

Responsibility of the entity

The Management Board is responsible for:

- Selecting or establishing suitable criteria for preparing the Information;
- Preparing a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main extra-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators, and the information provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- Implementing internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by applying the entity's Guidelines as mentioned previously.

[1] Accreditation Cofrac Inspection, number 3-1884, scope available at www.cofrac.fr

Responsibility of the Statutory Auditor, appointed as independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- The fairness of the historical financial information (actual or extrapolated) provided in accordance with Article R.225-105-I(3) and II of the French Commercial Code concerning action plans and policy outcomes, including the key performance indicators on the main risks.

As it is our responsibility to provide an independent conclusion on the Information as prepared by Management, we are not authorised to help prepare said Information, as that could compromise our independence.

At the request of the entity and outside of the scope of certification, we may express reasonable assurance that the information selected by the entity, presented in the appendices, and identified by the symbol √ has been prepared, in all material respects, in accordance with the Guidelines.

However, it is not our responsibility to comment on:

- The entity's compliance with other applicable legal and regulatory requirements (in particular, the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation), the French duty of care law and anti-corruption and tax avoidance legislation);
- The fairness of the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional guidance

We performed our work described below in accordance with the provisions of Articles A. 225 1 and following of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) and our own procedures relating to this engagement and International Standard on Assurance Engagements ISAE 3000 (Revised) [2].

Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) for statutory auditors. Our firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with applicable legal, regulatory and ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors relating to this engagement.

Means and resources

Our work was carried out by a team of twelve people between July and October 2022 and took a total of about fourteen weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted some fifteen interviews with the people responsible for preparing the Statement.

Nature and scope of our work

We planned and performed our work to address the areas where we identified that a material misstatement of the Information was likely to arise.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented,

[2] ISAE 3000: international standard on assurance engagements other than audits or reviews of historical financial information.

- corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. Concerning certain risks[3], our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities[4];
- We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code, within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, as presented in Appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection[4] of contributing entities and covers between 19% and 100% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

2

Nature and extent of additional work on the information selected by the entity and identified by the sign √

With regard to the information selected by the entity, presented in the appendix and identified by the symbol √ in the Statement, we conducted the same work as described in the paragraph "Nature and scope of our work" above for the Information considered to be the most important, but in a more in-depth manner, in particular with regard to the number of tests.

The selected sample accounts for between 52% and 100% of the information identified by the symbol √.

We believe that our work is sufficient to provide a basis for our reasonable assurance opinion on the information selected by the entity and identified by the symbol √.

Paris-La Défense, on October 25th 2022

KPMG S.A.

Fanny Houlliot
Partner
ESG Center of Excellence

Caroline Bruno-Diaz
Partner

[3] Safety and quality of food and FM services, Food Waste, Respect of human and workers' rights in the supply chain, Access to affordable and healthy food, local socio-economic impacts, Employee social dialogue, Fight Against Tax evasion
[4] Entities that were selected for limited assurance:
- Sodexo On-Site services: United States of America and France.
Entities that were selected for reasonable assurance:
- Sodexo On-Site Services: Brazil, Australia, United Kingdom & Ireland;
- Sodexo Benefits & Rewards Services: United Kingdom & Ireland.

Appendix

Qualitative information (actions and results) considered most important

Measures to improve health and well-being of employees
Funding and other actions to prevent food waste
Commitments to reduce the carbon footprint of the Group's activities
Business integrity measures and principles
Raising employee awareness regarding violence against women
Actions to promote the recruitment of disabled people
Measures taken to promote consumer access to a heathy lifestyle

Key performance indicators and other quantitative results considered most important

SOCIAL KEY PERFORMANCE INDICATORS AND OUTCOMES	LEVEL OF ASSURANCE
Total Workforce by category, activity and segment	Reasonable
Retention rate for total workforce	Reasonable
Retention rate for site managers	Reasonable
Number of Resignations (after 3 months) for permanent contracts	Reasonable
Number of Hiring, excluding acquired companies and staff takeovers	Limited
Average number of work day absences per employee	Limited
Total number of training hours	Limited
Average number of hours of training per employee	Limited
% of workforce covered by collective agreements	Reasonable
% of women on the Board of Directors	Reasonable
% of women on the Executive Committee	Reasonable
% of women among Group Senior Executives	Reasonable
% of women among managers	Reasonable
% of women among employees	Reasonable

SAFETY KEY PERFORMANCE INDICATORS AND OUTCOMES	LEVEL OF ASSURANCE
Number of work-related accidents requiring leave	Reasonable
LTIR	Reasonable
% LTIR reduction	Reasonable
% of Group revenues of countries having one or more OHSAS 18001 or ISO 45001 certification	Reasonable

ENVIRONMENTAL KEY PERFORMANCE INDICATORS AND OUTCOMES	LEVEL OF ASSURANCE
Total Scope 1 & 2 emissions (tCO2e) – market-based	Reasonable
% renewable electricity in our direct operations	Reasonable
% reduction in absolute Scope 1 & 2 emissions (market-based)	Limited
Scope 3 - Purchased Goods & Services (tCO2e)	Reasonable
Scope 3 - Upstream Transportation and Distribution (tCO2e)	Reasonable
% reduction in absolute Scope 3 - Supply Chain ("purchased goods & services" & "upstream transportation & distribution") emissions	Limited
% of Group revenues of countries employing environmental experts	Limited

SOCIETAL KEY PERFORMANCE INDICATORS AND OUTCOMES	LEVEL OF ASSURANCE
% of On-site Services revenues of countries having either ISO 9001 or ISO 22000 certification for food safety	Reasonable
% of physical certified sustainable palm oil	Reasonable
% of cage free shell eggs	Reasonable
% of cage free liquid eggs	Reasonable
% of sustainable fish and seafood which is sustainable as a % of total seafood	Reasonable
% of spend on certified sustainable hygiene paper as a % of total hygiene paper	Reasonable
% of spend on certified sustainable office paper as a % of total office paper	Reasonable
% of spend with contracted suppliers having signed the Sodexo Supplier Code of conduct	Reasonable
Business value benefiting SMEs	Limited
Number of Stop Hunger beneficiaries	Reasonable

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FISCAL YEAR ACTIVITY REPORT

3.1 Fiscal year highlights – strong increase in revenues and profitability

3.1.1 Fiscal 2022 operating performance

The operating performance in Fiscal 2022 reflected strong recovery from the Covid-19 pandemic, successful pass-through of inflation and a return to positive net new business.

Fiscal 2022 Revenues reached 21.1 billion euros, representing 97% of Fiscal 2019 revenues, adjusted for currencies. The trend improved throughout the year, with the last quarter back up at Fiscal 2019 levels. Fiscal 2022 organic growth was +16.9%. The Underlying operating profit margin increased +170 bps to 5.0%, despite the inflationary pressures. Net profit rebounded to 695 million euros, multiplied by five year on year, and above the level of Fiscal 2019. Underlying net profit doubled to 699 million euros compared to the previous year.

On-site Services retention increased +140 bps to 94.5% and development was up +150 bps to 7.5%. As a result, net new business signed during the year was positive for the first time since 2018, with a particularly strong contribution from North America.

3.1.2 A record year for new business signatures

Fiscal 2022 was rich in new signatures and renewals of contracts during the year and here are some examples:

- Sodexo has strengthened its commercial relationship with Ardent Health Services, a company specializing in healthcare in the United States, by signing a new contract aimed at improving the experience of patients and employees. Growing from 4 to 50 locations, this reaffirmed partnership will employ more than 1,500 Sodexo employees, providing patient and employee catering and nutrition services as well as infection prevention services at Ardent locations across six states;
- Sodexo has become an Official Supporter of the Paris Olympic Games 2024, through Sodexo Live!, which is set to provide catering at the athletes' village, as well as public catering on around 15 competition sites. For a five-week period, Sodexo Live! will employ 1,000 people per day at the village;
- Sodexo and the University Hospitals (UH) network (23 hospitals, more than 50 health centers and outpatient facilities and over 200 physician offices) are renewing and expanding their collaboration in the United States. Indeed, Sodexo provides UH with a range of services, including patient nutrition and retail food, facilities and construction management, as well as healthcare technology management over a period of 5 years, renewable for 3 years;
- Sodexo has signed a new contract with Austrian Post to develop a digital solution for its meal vouchers. The call for tenders launched in 2020 was won by the Benefits & Rewards Services activity. This fully digital and highly secure solution has been activated with 8,000 merchants and integrates mobile payments for more than 16,000 Austrian Post employees.

3.1.3 Portfolio management

The Group continued to sell non-strategic activities and geographies, reducing from 56 countries in 2021 to 53 countries today. This more active management of the portfolio aims to reduce the presence in certain countries where the size and/or growth opportunities were insufficient.

Sodexo transferred ownership of its activities in Russia, which represented less than 1% of Group revenue, to the local management who will continue operations in Russia *via* an independent structure and brand.

The sale of Sodexo's Childcare services to the Grandir Group was completed in March 2022.

Le Lido was sold to the Accor Group in February 2022.

3.1.4 New acquisitions to develop Advanced Food Models

As part of the acceleration of the deployment of advanced food models, a number of acquisitions and strategic investments were made during the period:

- Sodexo acquired Frontline Food Services in North America, a major player in the fast-growing smart take-out convenience market. With this acquisition, Sodexo is strengthening its multi-channel offering, notably *via* click and collect, take-out, delivery and flexible and self-service on-site distribution formats;
- Sodexo has further invested in Meican in China, leveraging online ordering, mobile apps and smart services to enhance the food offering. This also brings the opportunity of signing new contracts with smaller customers;

- the larger-scale deployment of on-site brands and service offerings accelerated during the period with the development of The Good Eating Company in the United States and new contract signings in the tech and finance sectors for new, more modern, convenience and off-site production offers;
- the Group has also invested organically and through acquisitions in new off-site production centers in Boston and Beijing.

These Advanced food model activities represented 6% of Businesses & Administrations food revenues in Fiscal 2022.

3.1.5 Working towards a Better Tomorrow

Guided by our Corporate Social Responsibility roadmap, we deliver on our commitments to ensure a positive impact on Individuals, Communities and the Environment.

During Fiscal 2022, Sodexo continued to reinforce its commitments to reduce its environmental footprint:

- in October 2021, Sodexo United Kingdom & Ireland has announced a comprehensive roadmap to net zero and decarbonization of its business. Having already exceeded the target to reduce carbon emissions by 34% by 2025 (compared to a 2017 baseline), the region has set out its next steps:
  - to become Carbon Neutral in its direct operations by 2025,
  - to continue to reduce carbon emissions across all three scopes, to reach 55% below the 2017 baseline by 2030,
  - to decarbonize United Kingdom & Ireland business, with 90% of all carbon emissions cut across all three scopes by 2045;
- in collaboration with EY and Traace, Sodexo released an innovative digital Carbon Trajectory Tool on a worldwide basis in April 2022. This tool is aimed at helping each activity, country by country, create and manage its carbon reduction roadmap by 2025 and beyond;
- in April 2022, Sodexo greenhouse emission reduction targets for its Benefits & Rewards Services activity in Belgium have been validated by the Science Based Targets initiative (SBTi). The aim is to reduce absolute emissions by 64.9% by 2030, compared to a 2019 baseline.

Once again, our Corporate Responsibility achievements have been externally recognized:

- Sodexo remains at the top of its industry for the 17th consecutive year in the Dow Jones Sustainability World Indices (DJSI);
- Sodexo earns its 15th consecutive 100 on the Human Rights Campaign Foundation's annual assessment of LGBTQ+ workplace equality;
- Sodexo is ranked #1 of the food service sector in World Benchmarking Alliance's (WBA) first Food and Agriculture Benchmark, which measures how the world's 350 most influential companies in the industry are transforming the food system for a more sustainable future;
- Sodexo was awarded Supplier Engagement Leader by CDP, placing us in the 8% top companies taking action to measure and reduce environmental risks within its supply chain.

3.1.6 Sophie Bellon, Chairwoman of the Board of Directors and Chief Executive Officer

Sophie Bellon became Chief Executive Officer of Sodexo on February 15, 2022, a position she had held on an interim basis since October 1, 2021. The Board considers she is the best placed to lead the Group through this new phase in its history.

Indeed, the Board of Directors noted the very strong momentum around the priorities set by Sophie Bellon to strengthen Sodexo's competitiveness and accelerate its transformation.

These priorities being:

- boost growth in the United States by recruiting new sales executives, launching a new digital training program and implementing a specific compensation and long-term incentive program for the management team in North America;
- transform our food models through the large-scale deployment of our brands and offers, the development of partnerships with high-end brands and the digitalization of the consumer experience;
- more actively manage our business portfolio through strategic acquisitions and investments and the disposal of non-strategic businesses and geographies;
- improve organizational efficiency.

3.1.7 Acceleration of the Benefits & Rewards Services activity

In order to accelerate the development of the Benefits & Rewards Services activity, a strategic review has been undertaken since the beginning of the year, leading Sodexo to define a new, more ambitious and value-creating roadmap.

This strategic review resulted in an ambitious plan, presented during the Capital Markets Day on November 2, 2022, which can be summed up by:

- the strengthening of its leading position in its existing countries;
- accelerating growth by fully exploiting the capacities of its existing assets.

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The Benefits & Rewards Services roadmap is built around three key pillars:

- growing its core business and accelerating into the meals and food market including enhanced functionality, technology and data, increased SME penetration, investments in technology, digital offers, brand, sales and marketing;
- the development of its near core business by enriching its offerings with a wider range of services, gradually integrated into a single multi-benefit platform, as is already the case in the United Kingdom and the United States;
- in a longer-term ambition, diversification beyond the core business.

This ambitious roadmap will involve capex to support product digitization, as well as a program of targeted acquisitions.

For all these reasons, the Benefits & Rewards Services activity is confident in achieving its medium-term outlook, which is:

- for Fiscal 2023, +12% to +15% of organic growth and around 30% Underlying operating profit margin;
- for Fiscal 2024 and 2025, low double-digit growth and more than 30% Underlying operating profit margin.

3.1.8 Regionalization of the On-Site Services organization

In On-Site Services, the process to transfer end-to-end P&L management to the regions and countries regrouped in three geographic zones (North America, Europe and the Rest of the World) was fully effective from October 1, 2022.

These three zones are led by Sarosh Mistry, Sunil Nayak and Johnpaul Dimech respectively. This simplification will bring agility and speed of execution.

3.1.9 Changes in the Board of Directors

- The renewal of Véronique Laury, Luc Messier and Cécile Tandeau de Marsac, as independent directors, will be proposed at the next Shareholders Meeting.
- Sophie Stabile's mandate will not be renewed at the next Shareholders Meeting. The Board warmly thanks Sophie Stabile for her extensive contribution to the Board's discussions over the past four years, in particular for her active participation as Chairwoman of the Audit Committee and member of the Compensation Committee.
- Jean-Baptiste Chasseloup de Chatillon, independent director who joined the Board and the Audit Committee in 2021, will become Chairman of the Audit Committee. Luc Messier will also join this Committee that will remain 75% independent.
- Federico J. González Tejera, independent director, will join the Compensation Committee. As a result, the Committee will remain 100% independent.
- Patrice de Talhouët will be proposed as a new member of the Board. Patrice de Talhouët joined Bellon SA this year as Managing Director. He has an international experience of more than 20 years in the United States, United Kingdom and Belgium in finance within major family-controlled such as Mars, Coty and JAB. Recently he was Finance Director of Coty, the cosmetics group listed in New York and an S&P 500 stock and then European director for JAB consumer fund, the Coty family holding company.
- Should all the resolutions concerning the appointment and reelection of Board members be approved at the Shareholders Meeting, the Board will be made up of six women and six men and 60% of its elected members will be independent.

3.1.10 Evolution in the operational governance

Sodexo is evolving its organization to a simplified and more effective model.

- For On-site Services:
  - end-to-end P&L management has been transferred to countries and regions, consolidated into three geographic zones: North America, Europe and the Rest of the World, which includes Asia-Pacific, Middle East, Africa ("APMEA"), Brazil, and Latin America. This brings empowerment, decision-making and quicker response times to a local level,
  - a Growth and Commercial role has been created to accelerate our profitable growth and further develop the value of our segmentation,
  - a Tech & Services function has been created to provide expertise as well as technical and operational support. This function will bring together strategic planning, IS&T, data, digital, innovation and R&D, and also include our food and Facilities Management expertise;
- For Benefits & Rewards Services:
  - a dedicated governance is in place;
- For the Group:
  - a Group Chief Impact Officer has been appointed to ensure that Sodexo's purpose, mission and values are constantly reflected in our operations and continue to provide a competitive advantage.

As of December 1, 2022, Sodexo's Leadership Team will comprise the following:

- Sophie Bellon, Chairwoman & Chief Executive Officer;
- Nathalie Bellon-Szabo, CEO Sodexo Live! Worldwide;
- Johnpaul Dimech, President APMEA, Brazil & Latin America;
- Sarosh Mistry, President North America;
- Sunil Nayak, President Europe;
- Anna Notarianni, Group Chief Impact Officer;
- Marc Plumart, Chief Growth and Commercial Officer;
- Marc Rolland, Group Chief Financial Officer;
- Alexandra Serizay, Chief Tech & Services Officer;
- Aurélien Sonet, CEO Benefits & Rewards Services;
- Annick de Vanssay, Group Chief Human Resources Officer.

3.2 Fiscal year performance

3.2.1 Consolidated income statement

(in million euros)	FISCAL 2022	FISCAL 2021	DIFFERENCE	DIFFERENCE CONSTANT RATES
Revenue	21,125	17,428	+21.2%	+15.7%
UNDERLYING OPERATING PROFIT	**1,059**	**578**	**+83.3%**	**+73.5%**
UNDERLYING OPERATING PROFIT MARGIN	**5.0%**	**3.3%**	**+170 bps**	**+170 bps**
Other operating expenses	(5)	(239)		
OPERATING PROFIT	**1,054**	**339**	**+210.9%**	**+199.1%**
Net financial expense	(87)	(106)		
PRE-TAX PROFIT excluding share of profit from Equity method companies	960	229		
Tax charge*	(264)	(101)		
NET INCOME GROUP SHARE	**695**	**139**	**+400.0%**	**+380.2%**
EPS (in euros)	**4.75**	**0.95**	**+398.9%**	
UNDERLYING NET PROFIT	**699**	**346**	**+102.0%**	**+92.0%**
Underlying EPS (in euros)	4.78	2.37	+101.8%	

* Fiscal 2022 effective tax rate (ETR) is 27.5%, compared to an ETR of 43.9% or an underlying ETR of 28.3% in Fiscal 2021.

3.2.2 Currency effect

Exchange rate fluctuations do not generate operational risks, because each subsidiary bills its revenues and incurs its expenses in the same currency. However, given the weight of the Benefit & Rewards Services activity in Brazil, and the high level of its margins relative to the Group, when the Brazilian real declines against the euro, it has a negative effect on the Underlying operating margin due to a change in the mix of margins. Conversely, when the Brazilian real strengthens Group margins increase.

1€=	AVERAGE RATE FY 2022	AVERAGE RATE FY 2021	AVERAGE RATE FY 2022 VS. FY 2021	CLOSING RATE AT 08/31/2022	CLOSING RATE AT 08/31/2021	CLOSING RATE 08/31/2022 VS. 08/31/2021
U.S. dollar	1.101	1.197	+8.7%	1.000	1.183	+18.3%
Pound Sterling	0.846	0.878	+3.7%	0.860	0.859	-0.2%
Brazilian real	5.772	6.441	+11.6%	5.148	6.139	+19.2%

The +5.5% positive impact of currencies on Fiscal 2022 revenues is linked to the weakness of the euro against most currencies. In particular, the U.S. dollar, which was up +8.7% and the Brazilian real up +11.6%. The impact of currency mix on the Underlying operating margin was negligible.

Sodexo operates in 53 countries. The percentage of total revenues and Underlying operating profit denominated in the main currencies are as follows:

FISCAL 2022	% OF REVENUES	% OF UNDERLYING OPERATING PROFIT
U.S. dollar	40%	47 %
Euro	24%	(2)%
UK pound Sterling	10%	10 %
Brazilian real	5%	17 %

The currency effect is determined by applying the previous year's average exchange rates to the current year figures.

3.2.3 Revenues

REVENUES BY ACTIVITY

REVENUES (in million euros)	FISCAL 2022	FISCAL 2021	RESTATED ORGANIC GROWTH*	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Business & Administrations	11,167	8,884	+22.7%	+22.7%	-1.8%	+4.8%	+25.7%
Healthcare & Seniors	5,459	4,762	+4.0%	+8.1%	+0.5%	+6.0%	+14.6%
Education	3,637	3,041	+22.0%	+14.3%	-2.5%	+7.7%	+19.6%
ON-SITE SERVICES	**20,263**	**16,687**	**+17.0%**	**+17.0%**	**-1.3%**	**+5.7%**	**+21.4%**
BENEFITS & REWARDS SERVICES	**865**	**745**	**+14.2%**	**+14.2%**	**-0.6%**	**+2.6%**	**+16.2%**
Elimination	(3)	(3)					
TOTAL GROUP	**21,125**	**17,428**	**+16.9%**	**+16.9%**	**-1.2%**	**+5.5%**	**+21.2%**

* As part of the streamlining of the organization in certain regions, some contracts or operations have been reallocated between segments, with main impacts being in Europe from Education to Healthcare & Seniors.

Fiscal 2022 consolidated revenues reached 21.1 billion euros, up +21.2% year-on-year, driven by organic growth of +16.9%, a net contribution from acquisitions and disposals of -1.2% and a strong positive currency impact of +5.5%.

ON-SITE SERVICES

Fiscal 2022 On-site Services organic revenue growth was up +17.0%. The recovery continued throughout the year quarter by quarter. By the fourth quarter, Business & Administrations were back up over 100% of the 2019 level. Corporate Services has substantially recovered in the last two quarters of the year, since the end of the Omicron wave, with a major return to the office.

Sports & Leisure also had a significant recovery in the Second half of Fiscal 2022 as events and conventions picked up very strongly. Schools was impacted by the sale of the Childcare activities since March 2022 and some contract losses.

The performance of the main segments relative to Fiscal 2019 revenues is as follows:

	% OF FISCAL 2019 REVENUES, AT CONSTANT CURRENCIES					
AT CONSTANT RATES	Q3 FY2021	Q4 FY2021	Q1 FY2022	Q2 FY2022	Q3 FY2022	Q4 FY2022
Business & Administrations	**78%**	**82%**	**91%**	**91%**	**97%**	**101%**
Of which Corporate Services	75%	79%	87%	89%	93%	98%
Of which Sports & Leisure	22%	43%	64%	61%	83%	90%
Education	**79%**	**85%**	**92%**	**88%**	**90%**	**85%**
Of which Schools	88%	99%	104%	92%	88%	79%
Of which Universities	72%	71%	84%	84%	91%	91%
Healthcare & Seniors	**96%**	**100%**	**105%**	**104%**	**102%**	**102%**
On-site Services	**83%**	**87%**	**95%**	**94%**	**97%**	**99%**
Benefits & Rewards Services	**96%**	**97%**	**107%**	**106%**	**111%**	**115%**
Group	**83%**	**87%**	**95%**	**94%**	**97%**	**100%**

In Fiscal 2022, Facilities Management services were up +2.9%, having been particularly resilient during the crisis, and well up on Fiscal 2019 levels at 108% in the fourth quarter. Food services were up strongly at +29.3%, as the recovery came through, reaching 94% of Fiscal 2019 in the fourth quarter of Fiscal 2022.

Key performance indicators improved significantly in Fiscal 2022:

- client retention rate was 94.5%, up +140 bps compared to the previous year. This record performance was the result of an improvement in almost all regions, and particularly in North America. In France, difficult inflation negotiations, particularly in public sector schools led to some contract exits;
- new sales development was up +150 bps at 7.5%, with a solid contribution from all segments. Total development, including cross-selling, was 1.5 billion euros;
- as a result, the net new business signed during the year was more than 300 million euros. The in-year net new business contribution remained slightly negative;
- same site sales growth was strong at +21.0% due to the progressive post-Covid recovery, as well as a solid contribution from cross-selling.

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ON-SITE SERVICES REVENUES BY REGION

REVENUES BY REGION (in million euros)	FISCAL 2022	FISCAL 2021	ORGANIC GROWTH
North America	8,828	6,514	+24.0%
Europe	7,774	7,002	+13.0%
Asia-Pacific, Latam, Middle East and Africa	3,661	3,171	+11.5%
ON-SITE SERVICES TOTAL	**20,263**	**16,687**	**+17.0%**

- Organic growth in North America was strong at +24.0%, resulting in revenues picking back up to 96% of Fiscal 2019 level in the fourth quarter. Sports & Leisure is back up to 96% of Fiscal 2019 level in the fourth quarter, while the return to the office, schools and universities was slower than in other regions. All other segments are strong, boosted also by price inflation. As a result, North America represented 44% of On-site Services revenues, back up to the pre-Covid level;
- Europe (representing 38% of On-site Services revenues) achieved solid growth in Fiscal 2022, up +13.0%, to 94% of pre-Covid level in the fourth quarter. Growth slowed progressively during the year. This was due to a higher comparative base each quarter as the Covid-19 recovery had come through earlier in Europe, as well as the end of the Testing Centers in the UK from the end of March 2022;
- Asia-Pacific, Latin America, Middle East and Africa (18% of On-site Services revenues) ended the year up +11.5%, with strong post-Covid recovery in India and solid demand and new business in Energy & Resources, in particular in the mining sector in Latin America. The impact of the multiple lockdowns in China was relatively limited as activity tended to be higher on industrial sites partially compensating the effect of the closure of tertiary offices. By the end of the year, the whole region was at 118% of Fiscal 2019 level, excluding any currency impacts.

Business & Administrations

REVENUES

REVENUES BY REGION (in million euros)	FISCAL 2022	FISCAL 2021	RESTATED ORGANIC GROWTH
North America	2,983	1,859	+45.1%
Europe	4,898	4,200	+20.3%
Asia-Pacific, Latam, Middle East and Africa	3,285	2,825	+11.6%
BUSINESS & ADMINISTRATIONS TOTAL	**11,167**	**8,884**	**+22.7%**

Fiscal 2022 Business & Administrations revenues totaled **11.2 billion euros**, growing +22.7% organically. This is the result of ongoing growth in Energy & Resources and Government & Agencies, the recovery to pre-Covid levels of Sports & Leisure events and a solid return to office in all countries. The trend in the last two months of the year confirms our Work From Home (WFH) estimates made in 2020, even though we are convinced that there is still further improvement to come.

Organic growth in **North America** was +45.1%, with a progressive return to the office quarter on quarter and a strong recovery in all the Sports & Leisure activities, firstly in the stadiums and then in the convention centers. The Government & Agencies and Energy & Resources segments were both up thanks to new business and a gradual return of office workers on-site, neither segments having been significantly impacted by the pandemic. Although slower than in other regions, the return to the office gathered pace during the year. Many clients chose to enhance their on-site food services to attract their staff back into the office. The new food offers, providing more flexible, more healthy and sustainable meals grew significantly.

In **Europe**, revenues were up +20.3% organically, driven by the progressive return to the office, strong recovery in the Sports & Leisure activities, first in the sporting events, and then in corporate entertaining and tourism in the second half. Government & Agencies and Energy & Resources were flat for the year, due to respectively the end of the significant Transforming Rehabilitation contract in the UK and weak activity in the energy sector.

In **Asia-Pacific, Latam, Middle East and Africa**, organic revenue growth was +11.6%. Growth in Corporate Services segment remained solid across all regions, particularly in India, where the Covid-related recovery was strong. Energy & Resources continued to achieve very solid growth, against a backdrop of double digit growth in Fiscal 2020 and Fiscal 2021. New business ramp-ups in Latin America, and particularly in the mining sector, more than offset the lack of new oil & gas projects and some contract losses in the Asia-Pacific region.

Healthcare & Seniors

REVENUES BY REGION (in million euros)	FISCAL 2022	FISCAL 2021	RESTATED ORGANIC GROWTH
North America	3,047	2,642	+6.1%
Europe	2,106	1,838	+0.7%
Asia-Pacific, Latam, Middle East and Africa	305	281	+8.5%
HEALTHCARE & SENIORS TOTAL	**5,459**	**4,762**	**+4.0%**

Healthcare & Seniors revenues amounted to **5.5 billion euros,** up +4.0% organically.

In **North America**, organic growth was +6.1%, boosted by cross-selling, progressive recovery in hospital retail sales and Senior occupancy and pricing, particularly in the last two quarters. The contribution of net new business remained slightly negative, as the signings during the year have not yet fed through into revenues.

In **Europe,** organic growth was +0.7%, impacted by the early closure of the Testing Centers in the UK at the end of March 2022. This shortfall was compensated by the combination of pricing, new contracts in Seniors in France and some increase in volumes, especially in retail sales.

In **Asia-Pacific, Latam, Middle East and Africa**, organic revenue growth was a solid +8.5%, resulting from increased volumes, pricing and some new business.

Education

REVENUES BY REGION (in million euros)	FISCAL 2022	FISCAL 2021	RESTATED ORGANIC GROWTH
North America	2,798	2,013	+27.9%
Europe	769	963	+6.5%
Asia-Pacific, Latam, Middle East and Africa	70	65	+24.0%
EDUCATION TOTAL	**3,637**	**3,041**	**+22.0%**

Fiscal 2022 revenues in Education were **3.6 billion euros,** up +22.0% organically.

In **North America,** organic growth was +27.9%, reflecting the reopening of schools and universities from the beginning of the 2021 academic year. However, events and special catering activities remained restricted due to staff shortages and ongoing fears of the pandemic. In the fourth quarter, summer camps and conference activity was solid and the 2022 start of the academic year was helped by an extra day and higher levels of staffing.

In **Europe**, revenue was up +6.5% organically. All schools and universities were fully opened. However, meal volumes were impacted by high levels of absenteeism due to Covid-19 waves.

In **Asia-Pacific, Latam, Middle East and Africa**, organic growth was +24.0% reflecting reopening of schools and universities in China and India.

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BENEFITS & REWARDS SERVICES

Fiscal 2022 Benefits & Rewards Services revenue amounted to 865 million euros, up +16.2%, helped by a +2.6% impact from currencies, offset somewhat by the impact of net disposals of -0.6%. As a result, organic growth was +14.2%.

REVENUES BY ACTIVITY (in million euros)	FISCAL 2022	FISCAL 2021	ORGANIC GROWTH
Employee Benefits	711	577	+18.7%
Services Diversification*	154	168	-1.3%
BENEFITS & REWARDS SERVICES	**865**	**745**	**+14.2%**

* Including Incentive & Recognition, Mobility & Expenses and Public Benefits.

Employee Benefits organic growth was +18.7%, accelerating quarter by quarter, and reaching +23.1% in the fourth quarter. Issue volume amounted to 14.3 billion euros for the year and was up +16.2% organically, boosted by strong net new business leveraging digital products and enhanced sales efficiency, as well as face value increases. Financial revenues were also up strongly supported by rising interest rates, particularly in Latin America and Eastern Europe.

Services Diversification was down -1.3% organically for the year. Public Benefits fell back significantly during the year after a very strong Covid-linked performance, offsetting the solid growth in mobility solutions in Latin America.

REVENUES BY REGION (in million euros)	FISCAL 2022	FISCAL 2021	ORGANIC GROWTH
Europe, USA and Asia	558	499	+14.4%
Latin America	307	246	+13.8%
BENEFITS & REWARDS SERVICES	**865**	**745**	**+14.2%**

Organic revenue growth was strong across all geographies, respectively +14.4% in Europe, USA and Asia, and +13.8% in Latin America, accelerating quarter by quarter.

This performance was due to strong net new business in all key markets as well as sustained increase in face values. In addition, financial revenues were also up strongly thanks to increasing interest rates.

REVENUES BY NATURE (in million euros)	FISCAL 2022	FISCAL 2021	ORGANIC GROWTH
Operating Revenues	804	701	+12.4%
Financial Revenues	61	43	+43.7%
BENEFITS & REWARDS SERVICES	**865**	**745**	**+14.2%**

The increase in Operating revenues of +12.4% reflects strong growth in issue volumes due to face value increases and significant net new business in most countries and in most services, except Public Benefits.

Financial revenues were up +43.7% due to the progressive effect of the increase in interest rates.

3.2.4 Underlying operating profit

Fiscal 2022 Underlying operating profit was 1,059 million euros, up +83.3%, or +73.5% excluding the currency effect. The Underlying operating profit margin reached 5.0%, up +170 bps. The currency mix effect was negligible.

(in million euros)	UNDERLYING OPERATING PROFIT FISCAL 2022	DIFFERENCE	DIFFERENCE (EXCLUDING CURRENCY EFFECT)	UNDERLYING OPERATING PROFIT MARGIN FISCAL 2022	DIFFERENCE IN MARGIN	DIFFERENCE IN MARGIN (EXCLUDING CURRENCY MIX EFFECT)
Business & Administrations	391	+279.2%	+263.7%	3.5%	+230 bps	+230 bps
Healthcare & Seniors	352	+14.2%	+7.6%	6.5%	0 bps	-10 bps
Education	183	+144.5%	+122.6%	5.0%	+250 bps	+240 bps
On-site Services	**926**	**+90.4%**	**+79.4%**	**4.6%**	**+170 bps**	**+160 bps**
Benefits & Rewards Services	**248**	**+33.2%**	**+30.5%**	**28.6%**	**+360 bps**	**+370 bps**
Corporate expenses & Intragroup eliminations	(115)	-21.1%	-20.5%			
UNDERLYING OPERATING PROFIT	**1,059**	**+83.3%**	**+73.5%**	**5.0%**	**+170 bps**	**+170 bps**

The traditional seasonal gap between the first and second half Underlying operating profit margin, particularly in Education, has now reasserted itself, with a margin of 4.8% in the Second half of Fiscal 2022, versus 5.2% in the First half.

The recovery in the margin is due to the flow-through from the progressive post-Covid recovery in revenues combined with continued tight cost control, contract management to pass-through inflation in the On-site Services activities, including price increases and mitigation actions, more active portfolio management, and the contribution from the GET efficiency program.

On-site Services Underlying operating profit was up +90.4%, or +79.4% excluding the positive impact of currencies. The margin came out at 4.6% up +170 bps or +160 bps excluding currencies, helped by the strong dollar particularly in Healthcare and Education where the weight of North American revenues is the highest. The performance by segment at constant rates is as follows:

- Business & Administrations Underlying operating profit was multiplied by nearly four times, up +263.7%. As a result, the margin was up +230 bps to 3.5%. This improved performance reflects the flow-through of the significant improvement in the activity levels in Corporate Services and Sports & Leisure, operational efficiency and strong price increases and mitigation to offset inflation;
- in Healthcare & Seniors, the +7.6% increase in Underlying operating profit resulted in a margin of 6.5%, down -10 bps, in a highly inflationary environment, particularly in North America. Pricing has also been strong in this segment, the teams have been very active in rolling out their inflation mitigation actions and the results of the portfolio clean-up of the preceding years is now coming through;
- in Education, Underlying operating profit was up +144.5% and the margin up +250 bps to 5.0% thanks to the flow-through of the revenue recovery, particularly in North America. High inflation and staff shortages have been offset by very significant mitigation efforts on the ground, as well as pricing in North America. Pricing has been more difficult in France where the national inflation index used in the Schools contracts has underperformed our input cost increases.

Benefits & Rewards Services Underlying operating profit was up +33.2%, or +30.5% excluding the positive impact of currencies. The margin increased to 28.6% up +360 bps or +370 bps excluding currencies, helped by the strong acceleration in volumes and, in particular, the financial revenues from quarter to quarter throughout the year. While processing costs have remained stable relative to revenues, all other cost increases have been contained.

The GET efficiency program has provided a significant improvement in profitability in Fiscal 2021 and Fiscal 2022. Half of the initiatives were aimed at protecting the gross profit margin by adapting on-site costs to the new post-Covid levels of activity and to compensate for the end of government aid. The other half of the program was aimed at structurally reducing SG&A for the long-term by simplifying the structures in the Group, to free up capacity to invest in growth and to enhance margins.

Fiscal 2022 results benefited from the final tranche of cost savings of 164 million euros, of which 98 million euros in cost avoidance and 66 million euros in SG&A. The cash impact for the year was 73 million euros.

(in million euros)	GET PROGRAM FISCAL 2020	FISCAL 2021	FISCAL 2022	TARGET
	CUMULATED NUMBERS			
Total exceptional costs	**158**	**312**	**322**	**350**
Cash impact	**(75)**	**(217)**	**(290)**	**(315)**
SG&A savings	—	91	157	175
Gross profit cost avoidance	—	127	225	175
Total savings	**—**	**218**	**382**	**350**
Savings/Costs			**119%**	**100%**

Cumulated, the GET program has cost 322 million euros, generated 382 million euros of annual savings, with a cash impact of 290 million euros. As a result, the program exceeded the target cost savings by 32 million euros with a ratio of savings to costs of 119%, also above the target of 100%.

3

3.2.5 Group net profit

Other operating income and expenses amounted to -5 million euros compared to -239 million euros in the previous year. This significant reduction is due to the end of the GET program, with only 10 million euros of restructuring costs, a spill-over from Fiscal 2021, compared to 153 million euros in the previous year, and 117 million euros of gains related to the disposals program.

As a result, the Operating Profit recovered to 1,054 million euros compared to 339 million euros in the previous year.

(in million euros)	FISCAL 2022	FISCAL 2021
UNDERLYING OPERATING PROFIT	**1,059**	**578**
Net scope change impacts	50	(32)
Restructuring and rationalization costs	(10)	(153)
Amortization of purchased intangible assets	(46)	(33)
Other	1	(21)
OTHER OPERATING INCOME AND EXPENSES	**(5)**	**(239)**
OPERATING PROFIT	**1,054**	**339**

Fiscal 2022 Net financial expenses decreased to 87 million euros against 106 million euros in the previous year. The reduction came from the net effect of the debt reimbursements and issuance in Fiscal 2021 and Fiscal 2022, an increase in interest income related to higher levels of activity and some positive currency impacts. The blended cost of debt at Fiscal 2022 year end was stable at 1.6% relative to year end Fiscal 2021.

The tax charge was up significantly to 264 million euros, reflecting the higher pre-tax profit. However, the Effective tax rate on Pre-tax profit (excluding the share of profit of companies accounted for using the equity method) of 960 million euros was 27.5%, back down to a more normal rate, against 43.9% last year.

The share of profit of other companies accounted for using the equity method was stable at 8 million euros. Profit attributed to non-controlling interests was 9 million euros compared to the previous year amount of -2 million euros.

As a result, Group net income was multiplied by five to reach 695 million euros, compared to 139 million euros in Fiscal 2021. Underlying net profit adjusted for Other operating income and expenses net of tax doubled to reach 699 million euros, compared to 346 million euros in Fiscal 2021.

3.2.6 Earnings per share

Published EPS was 4.75 euros against 0.95 euro in Fiscal 2021. The weighted average number of shares for Fiscal 2022 was more or less stable at 146,295,576 compared to 146,004,484 shares for Fiscal 2021. As a result of much lower Other income and expenses, Underlying EPS was very close to the published number, amounting to 4.78 euros, double the previous year.

3.2.7 Proposed dividend

The Board of Directors has proposed a dividend of 2.40 euros, up +20% compared to Fiscal 2021, in line with our policy of a pay-out-ratio of 50% of Underlying net profit.

3.3 Consolidated financial position

3.3.1 Cash flows

Cash flows were as follows:

(in million euros)	FISCAL 2022	FISCAL 2021
Operating cash flow	1,243	766
Change in working capital excluding change in BRS financial assets(1)	(63)	171
IFRS 16 outflow	(208)	(242)
Net capital expenditure	(341)	(211)
Free cash flow(2)	**631**	**483**
Net acquisitions	14	(42)
Share buy-backs	(13)	(11)
Dividends paid to shareholders	(294)	—
Other changes (including scope and exchange rates)	(128)	(40)
(Increase)/decrease in net debt	**210**	**390**

(1) Excluding change in financial assets related to the Benefits & Rewards Services activity of -145 million euros in Fiscal 2022 *versus* 45 million euros in Fiscal 2021. Total change in working capital as reported in consolidated accounts: in Fiscal 2022: -208 million euros = -63 million euros -145 million euros and in Fiscal 2021: 216 million euros = 171 million euros + 45 million euros.

(2) The Group does not believe the accounting treatment introduced by IFRS 16 modifies the operating nature of its lease transactions. Accordingly, to ensure the Group's performance measures continue to best reflect its operating performance, the Group considers repayments of lease liabilities as operating items impacting the Free cash flow, which integrates all lease payments (fixed or variable). To be consistent, the lease liabilities are not included in Net debt (treated as operating items).

Free cash flow, adjusted for IFRS 16, was 631 million euros against 483 million euros in Fiscal 2021.

Operating cash flow of 1,243 million euros improved significantly compared to the previous year at 766 million euros, boosted by the strong recovery in Underlying operating profit and by the Benefits & Rewards Services indemnity from the Hungarian government related to closure of the business for 34 million euros.

The Working capital outflow in Fiscal 2022 of 63 million euros was due to some significant exceptional items such as restructuring costs, a cash contribution to the UK pension fund for 71 million euros, the unwinding of government Covid-linked payment delays for 117 million euros, the reimbursement of the Tokyo Olympics hospitality packages for 55 million euros and the Benefits & Rewards fine related to the dispute with the French competition authorities which is being paid monthly.

Net capital expenditure, including client investments, increased to 341 million euros, and 1.6% of revenues, compared to 211 million euros in the preceding year, at 1.2% of revenues. Gross capex was 478 million euros, or 2.3% of revenues. Digital and IT investments accounted for 30% of the gross spend, with the remainder focused on client facing investments.

Benefits & Rewards Services continued to invest heavily, at a rate of 9.1% of revenues, with 93% of its investments in IT and digital. The Business & Administrations gross capital expenditure to revenues ratio was at 1.3%, nearly double last year, linked to the recovery in Sports & Leisure activity. Healthcare was also at 1.5%, the highest level in many years, due to some significant investments in several hospitals in North America and Continental Europe. On the other hand, in Education, capex to sales was down -60 bps this year at 2.7% of revenues even though the euro amount remained stable.

Cash conversion was 91%, below the normal level of 100%, but including 363 million euros of negative non-recurring elements.

M&A activity restarted in Fiscal 2022 with acquisition spend of 70 million euros, but was more than offset by disposals of 84 million euros.

After taking into account Other changes, consolidated net debt decreased by 210 million euros ending the year to 1,268 million euros at August 31, 2022.

3.3.2 Acquisitions and disposals for the period

Fiscal 2022 has been an active year for closing numerous disposals of non core activities and geographies:

- the On-site Services activities in Morocco, the Congo and Russia;
- Lido in France;
- non-strategic account portfolios in Australia and the Czech Republic;
- Benefits & Rewards activities in Russia in December 2021, followed by the On-site activities in the Second half;
- Benefits & Rewards sports cards in Germany, Romania and Spain;
- the Childcare activities, completed mid-March.

On the other hand, further strategic acquisitions and investments have also been made:

- in the Advanced Food Model, Sodexo has acquired Frontline Food Services and VendEdge in North America and an off-site production unit in China. Sodexo has also increased its participation in the digital food services company, Meican;
- in the GPO space, three investments have been made to strengthen the position of Entegra Europe;
- in the Healthcare segment, Sodexo has acquired a technical equipment management activity in Asia-Pacific.

Overall disposals net of acquisitions amounted to 14 million euros.

3.3.3 Condensed consolidated statement of financial position at August 31, 2022

(in million euros)	AUGUST 31, 2022	AUGUST 31, 2021
Non-current assets	10,785	9,360
Current assets excluding cash	5,653	5,030
Restricted cash Benefits & Rewards	960	773
Financial assets Benefits & Rewards	297	289
Cash	3,225	3,539
TOTAL ASSETS	**20,920**	**18,991**

(in million euros)	AUGUST 31, 2022	AUGUST 31, 2021
Shareholders' equity	4,415	3,168
Non-controlling interests	10	7
Non-current liabilities	7,223	6,962
Current liabilities	9,272	8,854
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**20,920**	**18,991**
Borrowings	**5,742**	**6,072**
Net debt	**1,268**	**1,478**
Gearing	**28.7%**	**46.6%**
Net debt ratio	**1.0x**	**1.7x**

The increase in shareholders' equity was due to several factors: the currency translation adjustment of some currencies such as U.S. dollar and the Brazilian real, as well as the revaluation of financial assets under IFRS 9.

As of August 31, 2022, net debt fell to 1,268 million euros, representing a gearing of 28.7%, and a net debt ratio of 1.0x, at the bottom of the target range of between 1 and 2x.

In October 2021, Sodexo reimbursed a 600 million euros bond in advance, which was due to mature in January 2022.

At year end, the Group's gross debt of 5.7 billion euros was 71% euro-denominated, 22% dollar-denominated and 6% sterling denominated, with an average maturity of 4.8 years, 96% at fixed rates and 100% covenant-free.

By the end of Fiscal 2022, Operating cash reached a total of 4,474 million euros, including 960 million euros of restricted cash and 297 million euros of financial assets of Benefits & Rewards Services. The Benefits & Rewards Services activity asset to liability coverage is at 121% compared to 113% as at August 31, 2021, with operating cash of 2,764 million euros and client receivables of 1,482 million euros, compared to voucher liabilities of 3,509 million euros. The rest of the Group also had a significant operating cash position of 1,710 million euros.

At the year end, unused credit lines totaled 2.0 billion euros.

3.3.4 Subsequent events

No major events have occurred since the closing of the accounts.

3.3.5 Outlook

For the Group, given that **On-Site activity** in the fourth quarter was in line with pre-pandemic levels, we expect revenues and margins for Fiscal 2023 to be back up to Fiscal 2019 levels. As a result:

- Fiscal 2023 organic revenue growth is expected to be between +8 and +10% driven by:
  - further recovery in Corporate Services and Sports & Leisure,
  - positive net new business momentum including expected further improvement in retention,
  - inflationary pricing at 4-5%,
  - somewhat offset by the impact of the end of the Testing Centers contract in the UK (-100 bps);
- Fiscal 2023 Underlying Operating Profit margin close to 5.5%, at constant rates, supported by:
  - continued price increases and inflation mitigation action plans,
  - operational excellence including supply chain efficiencies,
  - further ramp-up in volume,
  - increased investments to sustain growth.

For the first time, we are providing specific guidance for **Benefits & Rewards Services**:

- organic growth of +12 to +15% for Fiscal 2023, driven by:
  - further progress in new business, cross-selling and retention,
  - strong demand in all regions,
  - benefits from inflation and higher interest rates;
- underlying operating profit margin around 30% at constant rates for Fiscal 2023, supported by:
  - the benefits of the topline growth flow-through,
  - increased investment in technology, digital offers, brand and sales & marketing.

3.3.6 Alternative Performance Measure definitions

Blended cost of debt

The blended cost of debt is calculated at period end and is the weighted blended financing rate on borrowings (including derivative financial instruments and commercial papers) and cash pooling balances at period end.

Financial ratios

Please refer to Chapter 4, 4.3.1.

Free cash flow

Please refer to the section entitled Consolidated financial position.

Growth excluding currency effect

The currency effect is determined by applying the previous year's average exchange rates to the current year figures except in hyper-inflationary economies where all figures are converted at the latest closing rate for both periods when the impact is significant.

Issue volume

Issue volume corresponds to the total face value of service vouchers, cards and digitally delivered services issued by Benefits & Rewards Services for beneficiaries on behalf of clients.

Net debt

Net debt is defined as Group borrowing at the balance sheet date, less operating cash.

Organic growth

Organic growth corresponds to the increase in revenue for a given period (the "current period") compared to the revenue reported for the same period of the prior fiscal year, calculated using the exchange rate for the prior fiscal year; and excluding the impact of business acquisitions (or gain of control) and divestments, as follows:

- for businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- for businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded;
- for businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded;
- for businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded.

Underlying net profit

Underlying Net profit presents a net income excluding significant unusual and/or infrequent elements. Therefore, it corresponds to the Net Income Group share excluding Other Income and Expense and significant non-recurring elements in both Net Financial Expense and Income Tax Expense where relevant.

Underlying net profit per share

Underlying Net profit per share presents the Underlying net profit divided by the average number of shares.

Underlying operating profit margin

The underlying operating profit margin corresponds to Underlying operating profit divided by revenues.

Underlying operating profit margin at constant rates

The underlying operating profit margin at constant rates corresponds to Underlying operating profit divided by revenues, calculated by converting 2022 figures at Fiscal 2021 rates, except for countries with hyperinflationary economies.

4

CONSOLIDATED FINANCIAL STATEMENTS

4.1 Consolidated financial statements

4.1.1 Consolidated income statement

(in million euros)	NOTES	FISCAL 2022	FISCAL 2021
Revenues	**4.1**	**21,125**	**17,428**
Cost of sales	**4.2**	**(18,088)**	**(15,006)**
Gross profit		**3,037**	**2,422**
Selling, General and Administrative costs	4.2	(1,985)	(1,849)
Share of profit of companies accounted for using the equity method that directly contribute to the Group's business	8	7	4
Underlying operating profit	**4.1**	**1,059**	**578**
Other operating income	4.2	153	56
Other operating expenses	4.2	(158)	(295)
Operating profit		**1,054**	**339**
Financial income	12.1	37	18
Financial expenses	12.1	(124)	(124)
Share of profit of other companies accounted for using the equity method	8	1	4
Profit for the year before tax		**968**	**237**
Income tax expense	9.2	(264)	(101)
Net profit for the year		**704**	**137**
Of which:			
Attributable to non-controlling interests		9	(2)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**695**	**139**
Basic earnings per share (in euros)	**11.2**	**4.75**	**0.95**
Diluted earnings per share (in euros)	**11.2**	**4.69**	**0.94**

4.1.2 Consolidated statement of comprehensive income

(in million euros)	NOTES	FISCAL 2022	FISCAL 2021
NET PROFIT FOR THE YEAR		704	137
Components of other comprehensive income that may be reclassified subsequently to profit or loss		**715**	**121**
Change in fair value of cash flow hedge instruments	12.5 and 11.1	—	—
Change in fair value of cash flow hedge instruments reclassified to profit or loss	12.5 and 11.1	—	—
Currency translation adjustment	11.1	686	117
Currency translation adjustment reclassified to profit or loss	11.1	29	1
Tax on components of other comprehensive income that may be reclassified subsequently to profit or loss	11.1	—	—
Share of other components of comprehensive income (loss) of companies accounted for using the equity method, net of tax	11.1 and 8	—	3
Components of other comprehensive income that will not be reclassified subsequently to profit or loss		**129**	**110**
Remeasurement of defined benefit plan obligation	5.1 and 11.1	87	14
Change in fair value of financial assets revalued through other comprehensive income	12.3 and 11.1	65	98
Tax on components of other comprehensive income that will not be reclassified subsequently to profit or loss	11.1	(23)	(2)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), AFTER TAX		844	231
Comprehensive income		**1,548**	**368**
Of which:			
Attributable to equity holders of the parent		1,534	369
Attributable to non-controlling interests		14	(1)

4.1.3 Consolidated statement of financial position

Assets

(in million euros)	NOTES	AUGUST 31, 2022	AUGUST 31, 2021
Goodwill	6.1	6,611	5,811
Other intangible assets	6.2	678	631
Property, plant and equipment	6.3	510	461
Right-of-use assets relating to leases	7.2	895	903
Client investments	4.4	667	560
Investments in companies accounted for using the equity method	8	73	63
Non-current financial assets	12.3 and 12.5	1,025	734
Other non-current assets		172	31
Deferred tax assets	9.3	154	165
NON-CURRENT ASSETS		**10,785**	**9,360**
Financial assets	12.3 and 12.5	57	55
Inventories		352	256
Income tax receivable		171	158
Trade and other receivables	4.3	5,068	4,271
Restricted cash and financial assets related to the Benefits & Rewards Services activity	4.5 and 12.3	1,257	1,062
Cash and cash equivalents	12.2	3,225	3,539
Assets held for sale	3.2	5	290
CURRENT ASSETS		**10,135**	**9,632**
TOTAL ASSETS		**20,920**	**18,991**

Shareholders' equity and liabilities

(in million euros)	NOTES	AUGUST 31, 2022	AUGUST 31, 2021
Share capital		590	590
Additional paid-in capital		248	248
Reserves and retained earnings		3,577	2,330
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**4,415**	**3,168**
NON-CONTROLLING INTERESTS		**10**	**7**
SHAREHOLDERS' EQUITY	**11.1**	**4,425**	**3,175**
Long-term borrowings	12.4 and 12.5	5,709	5,453
Long-term lease liabilities	7.1	759	763
Employee benefits	5.1	282	357
Other non-current liabilities	4.3	197	181
Non-current provisions	10.1	115	106
Deferred tax liabilities	9.3	161	101
NON-CURRENT LIABILITIES		**7,223**	**6,962**
Bank overdrafts	12.2	8	7
Short-term borrowings	12.4 and 12.5	35	635
Short-term lease liabilities	7.1	184	176
Income tax payable		207	188
Current provisions	10.1	99	148
Trade and other payables	4.3	5,230	4,429
Voucher liabilities	4.5	3,509	3,133
Liabilities directly associated with assets held for sale	3.2	—	138
CURRENT LIABILITIES		**9,272**	**8,853**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**20,920**	**18,991**

4.1.4 Consolidated cash flow statement

(in million euros)	NOTES	FISCAL 2022	FISCAL 2021
Operating profit		**1,054**	**339**
Depreciation, amortization and impairment of intangible assets, property, plant and equipment and right-of-use assets*		523	601
Provisions		(52)	(1)
(Gains) losses on disposals		(48)	27
Other non-cash items		31	20
Dividends received from companies accounted for using the equity method	8	6	9
Net interest expense paid		(54)	(63)
Interests paid on lease liabilities		(17)	(20)
Income tax paid		(200)	(145)
Operating cash flow		**1,243**	**766**
Change in inventories		(68)	—
Change in trade and other receivables		(563)	(263)
Change in trade and other payables		390	449
Change in vouchers payable		178	(16)
Change in financial assets related to the Benefits & Rewards Services activity		(145)	45
Change in working capital from operating activities		**(208)**	**216**
NET CASH PROVIDED BY OPERATING ACTIVITIES		1,035	982
Acquisitions of property, plant and equipment and intangible assets		(345)	(296)
Disposals of property, plant and equipment and intangible assets		17	72
Change in client investments	4.4	(13)	13
Change in financial assets and share of companies accounted for using the equity method		(58)	(19)
Business combinations	3.1	(64)	(62)
Disposals of activities	3.2	77	(11)
NET CASH USED IN INVESTING ACTIVITIES		(386)	(303)
Dividends paid to Sodexo S.A. shareholders	11.1	(294)	—
Dividends paid to non-controlling shareholders of consolidated companies		(5)	(14)
Purchases of treasury shares	11.1	(13)	(11)
Sales of treasury shares	11.1	4	—
Change in non-controlling interests		—	(14)
Proceeds from borrowings	12.4	106	1,075
Repayment of borrowings	12.4	(699)	(5)
Repayments of lease liabilities	7.1	(208)	(242)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		(1,109)	789
NET EFFECT OF EXCHANGE RATES AND OTHER EFFECTS ON CASH		145	44
CHANGE IN NET CASH AND CASH EQUIVALENTS		**(315)**	**1,511**
NET CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		**3,532**	**2,021**
NET CASH AND CASH EQUIVALENTS, END OF YEAR	**12.2**	**3,217**	**3,532**

* Including 208 million euros corresponding to the depreciation of right-of-use assets recognized in Fiscal 2022 pursuant to IFRS 16 (253 million euros recognized in Fiscal 2021) .

4.1.5 Consolidated statement of changes in shareholders' equity

(in million euros)	NUMBER OF SHARES OUTSTANDING	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	RESERVES AND COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENT	TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
Notes	**11.1**			**11.1**				
Shareholders' equity as of August 31, 2021	**147,454,887**	**590**	**248**	**3,455**	**(1,125)**	**3,168**	**7**	**3,175**
Impact of changes in accounting principles*				(21)		(21)		(21)
Shareholders' equity as of September 1, 2021	**147,454,887**	**590**	**248**	**3,434**	**(1,125)**	**3,147**	**7**	**3,154**
Net profit for the year				695		695	9	704
Other comprehensive income (loss), net of tax				129	710	839	5	844
Comprehensive income				**824**	**710**	**1,534**	**14**	**1,548**
Dividends paid				(294)		(294)	(11)	(305)
Treasury share transactions				(9)		(9)		(9)
Share-based payment (net of income tax)				38		38		38
Change in ownership interest without any change of control				1		1	(1)	—
Other	—	—	—	(1)		(1)	1	—
SHAREHOLDERS' EQUITY AS OF AUGUST 31, 2022	**147,454,887**	**590**	**248**	**3,992**	**(415)**	**4,415**	**10**	**4,425**

* See note 2.1.2 "New accounting standards and interpretations applied".

(in million euros)	NUMBER OF SHARES OUTSTANDING	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	RESERVES AND COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENT	TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
Notes	**11.1**			**11.1**				
Shareholders' equity as of August 31, 2020	**147,454,887**	**590**	**248**	**3,162**	**(1,242)**	**2,758**	**15**	**2,773**
Net profit for the year				139		139	(2)	137
Other comprehensive income (loss), net of tax				113	117	230	1	231
Comprehensive income				**252**	**117**	**369**	**(1)**	**368**
Dividends paid				—		—	(9)	(9)
Treasury share transactions				(11)		(11)		(11)
Share-based payment (net of income tax)				32		32		32
Change in ownership interest without any change of control				(1)		(1)	2	1
Other				21		21	—	21
SHAREHOLDERS' EQUITY AS OF AUGUST 31, 2021	**147,454,887**	**590**	**248**	**3,455**	**(1,125)**	**3,168**	**7**	**3,175**

4.2 Notes to the consolidated financial statements

DETAILED LIST OF NOTES

Sodexo is a *société anonyme* (a form of limited liability company) registered in France, with its headquarters located in Issy-les-Moulineaux.

Sodexo's consolidated financial statements for the fiscal year ended August 31, 2022 were approved by the Board of Directors on October 25, 2022 and will be submitted to the Annual Shareholders Meeting on December 19, 2022.

The numbers shown in the tables were prepared in thousands of euros and are presented in million euros (unless otherwise indicated).

NOTE 1. SIGNIFICANT EVENTS

1.1 Impact of the Covid-19 pandemic

While Fiscal 2021 was significantly impacted by the Covid-19 pandemic, the operating performance in Fiscal 2022 reflected strong recovery, with revenue reaching 21.1 billion euros which represents 97% of Fiscal 2019 revenues (adjusted for currencies). The trend improved throughout the year, with the last quarter back up at Fiscal 2019 levels.

1.2 Change in On-site Services organization

As announced on July 1, 2022, the Group has decided to modify the organization of its On-site Services activity as of Fiscal 2023. The On-site Services organization will thus see its effectiveness enhanced with the transfer of the full accountability for operational management to the countries and regions, regrouped into three geographic zones: North America, Europe and Rest of the World.

These three zones will be led respectively by Sarosh Mistry, Sunil Nayak and Johnpaul Dimech. This simplification will bring agility and speed to execution.

This change in organization, progressively implemented from September through to December 2022, had no impact on Fiscal 2022 consolidated financial statements.

1.3 Disposal of Childcare activities

On March 11, 2022, the Group disposed of its global Childcare activities (France, Spain and Germany) to Grandir group for 197 million euros generating a disposal gain of 76 million euros (see note 4.2.2 "Other Operating income and expenses"), with Sodexo becoming a minority shareholder owning 19% of Grandir Group, recognized as a non consolidated investment for 93 million euros (see note 12.3.1 "Current and non-current financial assets").

1.4 Impacts of the Ukraine-Russia war

Sodexo does not have activities in Ukraine and stopped its activities in Russia, which represented less than 1% of Group revenues. Sodexo transferred ownership of its activities in the country to local management who will continue operations *via* an independent structure and brand. No material impact in the consolidated financial statements has been recognized.

4

NOTE 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Accounting policies

2.1.1 General principles

Pursuant to European regulation 1606/2002 of July 19, 2002, the consolidated financial statements of the Sodexo Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union as of the year end. A comprehensive list of the accounting standards adopted by the European Union is available for consultation on the European Commission website at https://ec.europa.eu/commission/index_en.

Information for the comparative year presented has been prepared using the same principles.

The Group does not apply IFRS standards that are not approved by the European Union at the closing date. During the past three years, considering the Company closing date, the IFRS application dates as approved by the European Union have been the same as those for the IFRS standards published by the IASB.

Furthermore, the Group did not elect to early adopt non-mandatory new standards, amendments and interpretations for Fiscal 2022. The Group does not anticipate the application of non-mandatory new standards, amendments and interpretations to have a material impact on its consolidated financial statements.

With reference to the interest rate benchmarks reform, the Group finalized discussions with counterparties to negotiate the change of benchmarks for the main instruments impacted (primarily the multicurrency confirmed credit facility; see note 12.4.1). As of August 31, 2022, the Group exposure to indexed financial instruments to benchmarks that will disappear, and whose maturity date is greater than the date of implementation of the reform, is limited and no significant impact on the consolidated financial statements is anticipated when the new reform will be implemented.

2.1.2 New accounting standards and interpretations applied

The accounting policies used by the Group to prepare its consolidated financial statements for the fiscal year ended August 31, 2022 are the same as those used for the consolidated financial statements as of August 31, 2021, except for the principles impacted by the decisions of the IFRS Interpretation Committee mentioned below. The other texts effective as of September 1, 2021 had no impact on the consolidated financial statements of the Group.

In April 2021, the IFRS Interpretation Committee issued its final decision clarifying the calculation methods, in application of IAS 19 "Employee benefits", for commitments with an obligation to be present in the Group at the time of retirement and of which the rights are capped to a certain number of years of seniority. The application of this decision impacted the consolidated shareholders' equity as of September 1, 2021 for +10 million euros net of tax. Comparative information relating to Fiscal 2021 has not been restated, the impact having been considered immaterial for the Group.

This same Committee, in March 2021, made final its decision providing details on the accounting for configuration and customization costs of SaaS (Software as a Service) type software. This decision clarifies that configuration and customization costs related to SaaS software are to be recognized as an expense except if the costs meet the definition of an intangible asset in application of IAS 38 "Intangible Assets". The application of this decision impacted the consolidated shareholders' equity as of September 1, 2021 for -31 million euros net of tax. Comparative information relating to Fiscal 2021 has not been restated, the impact having been considered immaterial for the Group.

2.2 Use of estimates

The preparation of financial statements requires the Management of Sodexo and its subsidiaries to make estimates and assumptions which affect the amounts reported for assets, liabilities and contingent liabilities as of the date of preparation of the financial statements, and for revenues and expenses for the year.

These estimates and valuations are updated continuously based on past experience and on various other factors considered reasonable in view of current circumstances and are the basis for the assessments of the carrying amount of assets and liabilities. Unpredictability generated by the Covid-19 pandemic made the use of estimates and assumptions a key factor in the establishment of the consolidated financial statements.

Actual amounts may differ from these estimates if assumptions or circumstances change.

2.2.1 Key estimates and assumptions

Significant items subject to such estimates and assumptions include the following:

- impairment of current and non-current assets (notes 4.3 to 6.4);
- provisions for risks, litigation and restructuring (notes 10.1 and 10.2);
- recognition of deferred tax assets (note 9);
- liabilities recognized for uncertain tax positions (note 9);
- fair value of financial assets and derivative financial instruments (notes 12.5 and 12.6);
- valuation of post-employment defined benefit plan assets and liabilities (note 5.1);
- share-based payments (note 5.2);
- valuation of intangible assets acquired as part of a business combination, as well as their estimated useful lives (note 3);
- assessment of the lease term in measuring the lease liabilities and related right-of-use assets (note 7.1).

2.2.2 Assessment of the effects of climate change

As part of its Climate Strategy, the Group has set the objective of significantly reducing its environmental impact at every level of its value chain, in particular through the following actions:

- implementing the WasteWatch program, to minimize food waste by facilitating the operational and behavioral changes required to eliminate avoidable product waste, both in the kitchen and by consumers;
- developing the plant-based food offer, to raise consumer awareness of the nutritional and environmental benefits of meals based on vegetable protein, another essential driver in reducing carbon emissions;
- using 100% renewable electricity at its directly operated sites by 2025, and deploying its energy management service to assist its clients with their renewable energy choices;
- progressively transitioning away from coal sector projects, with the aim of exiting the sector by 2025.

The many initiatives undertaken by Sodexo aim, in particular, to achieve the objective of a 34% reduction in the Group's greenhouse gas emissions by 2025 (as compared to the 2017 reference year), as part of its corporate responsibility roadmap Better Tomorrow 2025 defined in 2017.

The Group took into account the estimated costs of implementing these actions within the business plans drawn up for each operating segment when preparing its impairment tests.

The potential long-term impact of climate-related risks and opportunities on other components of business plans – primarily the effect on the cost of sales and the margin of possible disruptions to the Group's supply chain due to physical risks after taking into account the anticipated impact of the mitigating measures – is considered *via* sensitivity analysis of the value in use estimated for the purposes of the impairment tests to the variation in operational assumptions, the results of which are presented in note 6.4.

The commitments made by the Group in relation to climate change had no other impact on the judgments and estimates used by Management in the context of the preparation of its consolidated financial statements as of August 31, 2022, in particular regarding the assessment of the useful life of property, plant and equipment, the estimate of their recoverable value or the recognition of liabilities.

2.3 Valuation bases

The consolidated financial statements are prepared using the historical cost convention, except for:

- goodwill and intangible assets acquired as part of a business combination, measured at fair value (note 3.1);
- derivative financial instruments, cash and cash equivalents and non-consolidated investments, measured at fair value (note 12);
- post-employment defined benefit plan assets and liabilities, measured at fair value (note 5.1);
- share-based payment, measured at fair value (note 5.2);
- right-of-use assets relating to leases and lease liabilities (note 7.1).

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). In line with the IFRS 13 "Fair Value Measurement" classification, there are 3 levels of fair value:

- level 1: fair value determined using unadjusted quoted prices in active markets for identical assets or liabilities, used for the valuation of cash and cash equivalents;
- level 2: fair value determined by models that use observable inputs for the asset or liability, either directly (*i.e.*, prices) or indirectly (*i.e.*, price-based data), used for the valuation of derivative financial instruments (valuation models commonly used for derivative instruments traded on a regulated or over-the-counter market);
- level 3: fair value determined using valuation techniques based on unobservable inputs, used for the valuation of client relationships acquired as part of a business combination and non-consolidated investments.

NOTE 3. MAIN CHANGES IN SCOPE OF CONSOLIDATION

ACCOUNTING PRINCIPLES AND POLICIES

Principles and methods of consolidation

INTRAGROUP TRANSACTIONS

Intragroup transactions and balances, and unrealized losses and gains between Group subsidiaries, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, unless they represent an impairment charge.

CONSOLIDATION METHODS

A subsidiary is an entity directly or indirectly controlled by Sodexo S.A. The Group controls a subsidiary when it is exposed or has rights to obtain variable benefits from its involvement with the subsidiary and has the ability to influence those benefits through its power over the subsidiary. In determining whether control exists, voting rights granted by equity instruments are taken into account only when they give the Group substantive rights. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained to the date on which control ceases to be exercised.

Associates are companies in which Sodexo S.A. directly or indirectly exercises significant influence over financial and operating policy without exercising exclusive or joint control. Joint ventures are joint arrangements in which Sodexo S.A. directly or indirectly exercises joint control and has rights to the net assets of the arrangement. Associates and joint ventures are accounted for using the equity method. Sodexo has a number of equity interests in project companies established in connection with Public-Private Partnership (PPP) contracts. These contracts enable governments to call upon the private sector for the design, construction, financing and management of public infrastructure (hospitals, schools, barracks, prisons), with detailed performance criteria. An analysis is performed for each of these equity interests, in order to determine whether they qualify as associates or joint ventures.

Sodexo only makes equity and subordinated debt investments in such projects when it acts as a service provider to the project company.

Further information on the main entities consolidated as of August 31, 2022 is provided in note 14.4 "Scope of consolidation".

FOREIGN CURRENCY TRANSLATION

The exchange rates used are derived from rates quoted by the European Central Bank and on other major international financial markets.

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies at the period end are translated using the closing rate. The resulting translation differences are reported in financial income or expense.

Non-monetary foreign currency assets and liabilities reported at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities reported at fair value are translated using the exchange rate at the date when the fair value was determined.

Transactions for the period are translated at the exchange rate at the transaction date.

Translation differences on monetary items that are in substance part of a net investment in a foreign operation consolidated by Sodexo are reported in other comprehensive income until the disposal or liquidation of the investment.

Financial statements denominated in foreign currencies

(i) Countries with stable currencies

The separate financial statements of each consolidated entity are presented on the basis of the primary economic environment (functional currency) in which the entity operates.

For consolidation purposes, all foreign currency assets and liabilities of consolidated entities are translated into the reporting currency of the Sodexo Group (the euro) at the closing exchange rate, and all income statement items are translated at the average exchange rate for the period. The resulting translation differences are recognized in other comprehensive income under "Currency translation adjustment".

(ii) Countries with hyperinflationary economies
Non-monetary assets and liabilities in hyperinflationary countries, as well as the income statement, are adjusted to reflect the changes in the general pricing power of the functional currency in accordance with IAS 29 "Financial reporting in hyperinflationary economies". Moreover, financial statements of subsidiaries in hyperinflationary countries are translated at the closing rate of the period in accordance with IAS 21 "The effects of changes in foreign exchange rates". Since April 2022, Turkey has been classified as a country with a hyperinflationary economy. However, the impacts of hyperinflation in that country were not material at Group level during Fiscal 2022.

Business combinations

The purchase method is used to account for acquisitions of subsidiaries by the Group. Fair value of the consideration corresponds to the fair value of assets acquired, equity instruments issued by the purchaser and liabilities assumed as of the date of the acquisition. Costs directly related to the acquisition are expensed as incurred in the income statement.

Changes to the measurement of identifiable assets and liabilities resulting from specialist valuations or additional analysis may be recognized as adjustments to goodwill if they are identified within one year of the date of acquisition and result from facts and circumstances existing at the acquisition date. Once this one-year period has elapsed, the effect of any adjustments is recognized directly in the income statement (unless it is the correction of an error), including recognition of deferred tax assets which are recognized in the income statement as a tax benefit if recognized more than one year after the acquisition date. Goodwill arising on the acquisition of associates and joint ventures is included in the value of the equity method investment.

Goodwill is not amortized but is subject to impairment tests immediately if there are indicators of impairment, and at least once per year. Impairment test procedures are described in note 6.4 "Impairment of non-current assets". Goodwill impairment charges recognized in the income statement are irreversible.

STEP ACQUISITIONS

In a step acquisition, the fair value of the Group's previous interest in the acquired entity is measured at the date that control is obtained and is recognized in profit or loss. In determining the amount of goodwill recognized, the fair value of the consideration transferred (for example the price paid) is increased by the fair value of the interest previously held by the Group.

3.1 Business combinations

A total goodwill amount of 149 million euros was recognized during Fiscal 2022, mainly due to the acquisition of Frontline Food Services in the United States and of Probics BV in the Netherlands for On-site Services, and to goodwill adjustment on Wedoogift in France for Benefits & Rewards Services.

The table below shows the values of the assets acquired and liabilities assumed as of August 31, 2022. The values are estimated provisionally as of August 31, 2022 for most of Fiscal 2022 acquisitions:

(in million euros)	AUGUST 31, 2022
Intangible assets	30
Property, plant and equipment	21
Financial assets	2
Trade receivables	47
Cash and cash equivalents	71
Income tax payable	—
Trade and other payables	(117)
Net deferred tax	(4)
TOTAL IDENTIFIABLE NET ASSETS	**50**
CONSIDERATION TRANSFERRED(1)	**199**
GOODWILL(2)	**149**

(1) Including 63 million euros increase corresponding to the increase of liabilities recognized in connection with written put options over non-controlling interests in certain subsidiaries.
(2) Goodwill is recognized as the difference between the acquisition price and identifiable net assets at fair value. It principally represents the *savoir-faire* and expertise of employees and synergies expected from acquired companies.

Business combinations impacts the cash flow statement as follows:

Price paid during the year	133
Cash acquired	69
Business combinations	**64**

Companies consolidated during Fiscal 2022 were integrated from the date of acquisition, and contributed for 71 million euros to consolidated revenue and for -1 million euros to the consolidated underlying operating profit of the period.

Goodwill variations during Fiscal 2022 and the comparative period are presented in note 6.1 “Goodwill”.

3.2 Disposed or held for sale activities

ACCOUNTING PRINCIPLES AND POLICIES

In accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”, when the Group expects to recover the value of an asset or a group of assets through its sale rather than by its use, this asset or group of assets is presented on a separate line “Assets held for sale” of the consolidated statement of financial position. Non-current assets classified as such are measured at the lower of their carrying value and their fair value net of disposal costs and therefore are no longer subject to depreciation.

The liabilities relating to the asset or group of assets are also presented on a separate line of the consolidated statement of financial position (“Liabilities directly associated with assets held for sale”).

In addition, when the asset or group of assets held for sale represents a separate major line of business or geographic area of operations, its contribution to income and cash flows is presented on separate lines in the consolidated income statement and the consolidated cash flow statement.

The Group continued its portfolio rationalization by disposing of a certain number of activities, including Childcare activities in France and in Spain, On-site Services activities in Morocco, the Lido in France and non-strategic account portfolios in Australia and in Czech Republic, resulting in a net gain on disposal of 50 million euros recognized in “Other operating income and expenses” during Fiscal 2022 (see note 4.2.2 “Other operating income and expenses”).

During Fiscal 2021, assets and liabilities classified as “Assets held for sale” of 290 million euros and “Liabilities directly associated with assets held for sale” of 138 million euros mainly concern Childcare activities in France and in Spain, which were disposed of on March 11, 2022.

NOTE 4. SEGMENT INFORMATION AND OTHER OPERATING ITEMS

ACCOUNTING PRINCIPLES AND POLICIES

Income statement

The Group presents its income statement by function.

Operating profit comprises the following components:

- gross profit;
- Selling, General and Administrative costs (SG&A); and
- other operating income and expenses.

In order to better focus the Group's financial communication on recurring operating profit and to simplify benchmarking with competitors, the consolidated income statement includes the indicator "Underlying operating profit", which corresponds to operating profit before "Other operating income" and "Other operating expenses".

Other operating income and expenses include the following:

- gains and losses arising from changes in the scope of consolidation;
- gains and losses arising from changes in post-employment benefit obligations;
- restructuring and rationalization costs;
- acquisition-related costs;
- amortization and impairment of purchased intangible assets (primarily client relationships and trademarks);
- goodwill impairment;
- impairment of non-current assets and other unusual or non-recurring items representing material amounts.

Underlying operating profit also comprises the Group's share of profit of companies accounted for using the equity method that directly contribute to the Group's business.

Underlying operating profit has replaced operating profit in the segment information, as it is the main indicator reviewed regularly by the Executive Committee, which is the Group's main operating decision-maker.

REVENUES

Revenues reported by Sodexo relate to the sale of services in connection with the ordinary activities of fully consolidated companies as follows:

- **On-site Services:** Revenues include all revenues stipulated in a contract, whether Sodexo acts as principal (the vast majority of cases) or agent.

  Food services revenues are recognized when the consumer pays at the check-out (the date on which control of the goods is transferred to the consumer, since the sales do not represent any other unsatisfied performance obligation at that date). Facilities Management services mainly represent routine or recurring services, whose benefits are simultaneously received and consumed by clients as they are performed by the Group, and therefore correspond to performance obligations satisfied over time. Consequently, the Group applies the practical expedient provided for in IFRS 15 "Revenue from contracts with customers" and recognizes the revenue for its right to bill (invoicing based on contractual prices, which represent the transaction prices of the different promised services).

  As a result, revenue recognition matches with billing for most of the On-site Services.

  Principal versus Agent considerations

  When a third party is involved in providing goods or services to a client (for example, a subcontractor), the Group evaluates whether or not it obtains control of goods or services before transferring control to the client. When the Group controls the good or service before it is transferred to the client, the revenue is recognized on a gross basis. Otherwise, when the control is not obtained, the Group is not considered to be acting as principal in the transaction and the revenue is recognized on a net basis;

- **Benefits & Rewards Services:** Revenues include mainly commissions received from clients and affiliates, financial income from the investment of cash generated by the activity, and profits from vouchers and cards not reimbursed.

  Commissions received from clients in the Benefits & Rewards Services activity are recognized when the cards are credited or the vouchers are issued and sent to the client. Commissions received from affiliates are recognized when the cards are used or the vouchers are reimbursed. Profits from unreimbursed cards and vouchers are recognized based on their expiration date and the deadline for presentation for reimbursement by the affiliate.

Revenues are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the clients, net of discounts and rebates as well as Value Added Tax (VAT) and other taxes. The financial component of each commercial transaction is considered as negligible and therefore is not recognized separately in accordance with IFRS 15 provisions.

VENDOR DISCOUNTS AND DISCOUNT ALLOWANCES

As part of its food or other material supply contracts with manufacturers and distributors, the Group can earn discounts, rebates, or credits related to the purchases made under those contracts. Vendor Discounts and Allowances (VDA) are earned on the volume of materials purchased under the contract, on the periodic purchase volumes exceeding certain contractually-defined thresholds, or as fixed amounts in exchange for certain commitments such as vendor exclusivity arrangements. The Group retains VDAs to the extent consistent with the food or Facilities Management services contract signed with the client and applicable law.

VDAs are typically recognized as a reduction to the cost of sales in the period the purchases are made based on the volume of materials purchased in the period and the contractual VDA rate. VDAs earned based on purchase volumes reaching contractually-defined thresholds are recognized in proportion to the purchases made as soon as the Group considers it probable that the thresholds will be reached. If the Group does not consider it probable that its purchase volumes will reach the contractually-defined thresholds, any VDAs earned are recognized if and when the thresholds are reached. Fixed-amount VDAs are recognized immediately unless certain conditions need to be met in order for them to be earned or if there is a clear link between the amount promised and the future purchase volumes. In such cases, fixed-amount VDAs are recognized over the period of the related commitment.

Cash flow statement

The cash flow statement analyzes changes in net cash and cash equivalents, defined as cash and cash equivalents less current bank overdrafts and credit bank balances payable on demand that form an integral component of treasury management.

4.1 Segment information

ACCOUNTING PRINCIPLES AND POLICIES

In accordance with IFRS 8 "Operating segments", the segment information presented below has been prepared based on internal management data as monitored by the Group Executive Committee, which is Sodexo's chief operating decision-maker: On-site Services and Benefits & Rewards Services.

For On-site Services, Revenue and Underlying operating profit are followed by global client segments. These global client segments meet the definition of operating segments in IFRS 8.

Sodexo's operating segments and groups of operating segments are as follows:

- On-site Services:
  - Business & Administrations, which includes Corporate Services, Energy & Resources, Government & Agencies, Sports & Leisure and other non-segmented activities,
  - Healthcare, combined with Seniors,
  - Education, comprising Schools and Universities;
- Benefits & Rewards Services.

The operating segments that have been aggregated carry out similar operations – both in terms of type of services rendered and processes and methods used to deliver the services – and have similar economic characteristics (notably in terms of margins they generate).

Segment assets and liabilities are not presented as they are not included in the chief operating decision-maker's measurement of segment performance.

No single Group client or contract accounts contribute for more than 2% of the consolidated revenues.

4.1.1 By business segment

FISCAL 2022 (in million euros)	ON-SITE SERVICES	*BUSINESS & ADMINISTRATIONS*	*HEALTHCARE & SENIORS*	*EDUCATION*	BENEFITS & REWARDS SERVICES	ELIMINATIONS AND CORPORATE EXPENSES	GROUP TOTAL
Revenues (third-party)	20,263	*11,167*	*5,459*	*3,637*	862		21,125
Inter-segment sales (Group)					3	(3)	—
TOTAL REVENUES	**20,263**	***11,167***	***5,459***	***3,637***	**865**	**(3)**	**21,125**
Underlying operating profit*	926	*391*	*352*	*183*	248	(115)	1,059

* Including Group's share of profit of companies accounted for using the equity method that directly contribute to the Group's business and excluding other operating income and expenses.

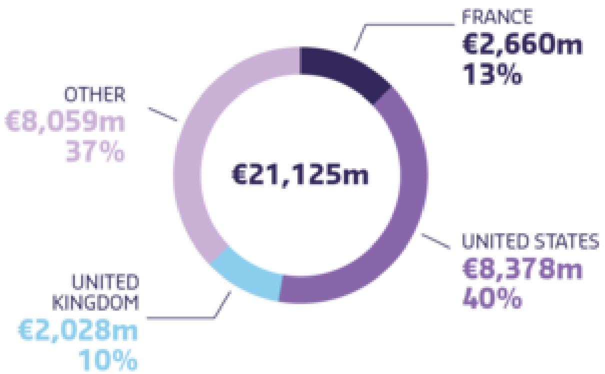
FISCAL 2021 (in million euros)	ON-SITE SERVICES	*BUSINESS & ADMINISTRATIONS*	*HEALTHCARE & SENIORS*	*EDUCATION*	BENEFITS & REWARDS SERVICES	ELIMINATIONS AND CORPORATE EXPENSES	GROUP TOTAL
Revenues (third-party)	16,687	*8,884*	*4,762*	*3,041*	741		17,428
Inter-segment sales (Group)					3	(3)	—
TOTAL REVENUES	**16,687**	***8,884***	***4,762***	***3,041***	**745**	**(3)**	**17,428**
Underlying operating profit*	486	*103*	*310*	*74*	186	(95)	578

* Including Group's share of profit of companies accounted for using the equity method that directly contribute to the Group's business and excluding other operating income and expenses.

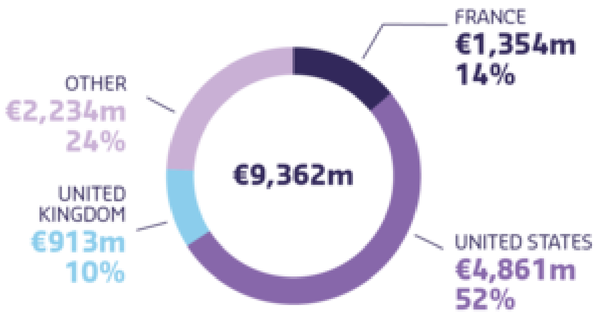
4.1.2 By significant country

The Group's operations are spread across 53 countries, including three that each represent over 10% of consolidated revenues in Fiscal 2022: France (the Group's registration country), the United States and the United Kingdom. Revenues and non-current assets in these countries are as follows:

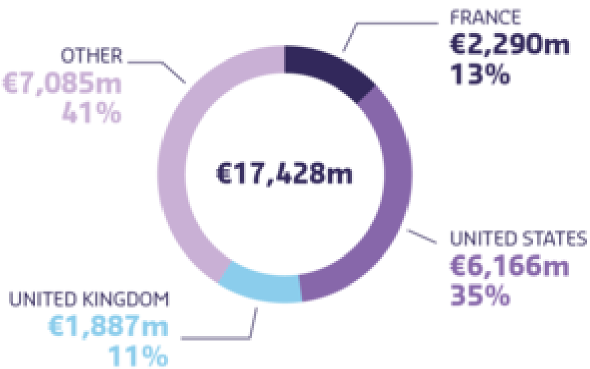
Revenue Fiscal 2022



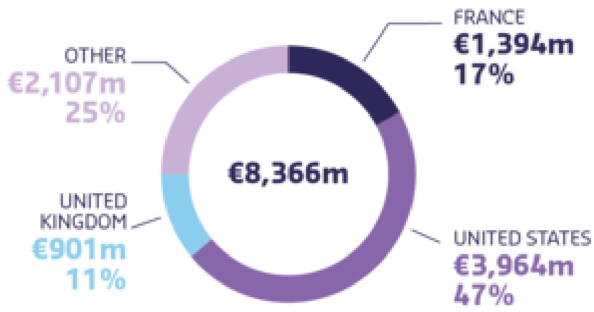
Non-current assets as of August 31, 2022



Revenue Fiscal 2021



Non-current assets as of August 31, 2021



Non-current assets are composed of goodwill, other intangible assets, property, plant and equipment, client investments and right-of-use assets relating to leases.

4.1.3 By line of services

Revenues by line of services are as follows:

(in million euros)	FISCAL 2022	FISCAL 2021
Food services	12,236	9,052
Facilities Management services	8,027	7,634
Total On-site Services revenues	**20,263**	**16,687**
Benefits & Rewards Services	**865**	**745**
Eliminations	(3)	(3)
TOTAL CONSOLIDATED REVENUES	**21,125**	**17,428**

4.2 Operating expenses by nature and other operating income and expenses

4.2.1 Operating expenses by nature

(in million euros)	FISCAL 2022	FISCAL 2021
Employee costs	(10,395)	(9,274)
• Wages and salaries	(8,137)	(7,228)
• Other employee costs(1)	(2,258)	(2,046)
Purchases of consumables and change in inventory	(5,236)	(3,899)
Depreciation, amortization, and impairment losses(2)	(524)	(619)
• Amortization of intangible assets and property, plant and equipment and right-of-use assets relating to leases	(528)	(600)
• Impairment of intangible assets and property, plant and equipment and right-of-use assets relating to leases	4	(19)
Rent and attached charges(3)	(418)	(154)
Other operating expenses(4)	(3,505)	(3,147)
TOTAL NET OPERATING EXPENSES	**(20,078)**	**(17,093)**

(1) Primarily payroll taxes, but also including costs associated with defined benefit plans and defined contribution plans (see note 5.1) and restricted share plans (see note 5.2.1).
(2) Including the depreciation of right-of-use assets relating to lease contracts of 208 million euros recognized in Fiscal 2022 in accordance with IFRS 16 (252 million euros in Fiscal 2021).
(3) Corresponds to rent not included in the measurement of the lease liabilities, primarily variable lease payments (commissions based on performance indicators of locations operated under concession arrangements), as well as lease expenses relating to short-term lease contracts and lease contracts of low value assets. The increase observed over the year relates mainly to the variable part of commissions due under concession arrangements, explained by the increase in revenues of the sites concerned.
(4) Other expenses mainly include professional fees, other purchases used for operations, sub-contracting costs and travel expenses.

4.2.2 Other operating income and expenses

(in million euros)	FISCAL 2022	FISCAL 2021
Gains related to consolidation scope changes(1)	117	31
Gain on disposals of non-current assets	1	12
Gains on changes of post-employment benefits	1	4
Other(2)	34	9
OTHER OPERATING INCOME	**153**	**56**
Restructuring and rationalization costs(3)	(10)	(153)
Losses related to consolidation scope changes(1)	(67)	(63)
Amortization of purchased intangible assets	(46)	(33)
Impairment of goodwill and non-current assets	(1)	(27)
Acquisition-related costs	(3)	(5)
Losses on changes of post-employment benefits	(5)	(5)
Losses on disposals of non-current assets	(1)	(2)
Other	(25)	(8)
OTHER OPERATING EXPENSES	**(158)**	**(295)**
TOTAL OTHER OPERATING INCOME AND EXPENSES	**(5)**	**(239)**

(1) Gains and losses relating to disposed activities during Fiscal 2022 mentioned in note 3.2.
(2) Indemnity received from the Hungarian State (see note 10.2).
(3) The costs incurred in Fiscal 2021 mainly correspond to restructuring measures of the GET program (*cf.* note 10).

4.3 Trade and other receivables and payables

4.3.1 Trade and other receivables

ACCOUNTING PRINCIPLES AND POLICIES

Trade and other receivables are initially recognized at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services and are subsequently measured at amortized cost less impairment charges recognized in the income statement.

Trade and other receivables are impaired to reflect the expected credit losses, assessed using an impairment matrix (application of the simplified impairment model as provided for in IFRS 9 “Financial instruments”). This method consists of applying for each aging balance category a separate impairment rate based on historical credit losses adjusted, when necessary, to take into account prospective factors.

	AUGUST 31, 2022			AUGUST 31, 2021		
(in million euros)	GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT	GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT
Advances to suppliers	25	—	25	12		12
Trade receivables	4,454	(160)	4,294	3,866	(158)	3,708
Other operating receivables	538	(21)	517	381	(13)	368
Prepaid expenses	226	—	226	182	—	182
Non-operating receivables	7	(1)	6	2	(1)	1
TOTAL TRADE AND OTHER RECEIVABLES	**5,250**	**(182)**	**5,068**	**4,443**	**(172)**	**4,271**

The maturities of trade receivables as of August 31, 2022 and August 31, 2021 respectively were as follows:

	AUGUST 31, 2022			AUGUST 31, 2021		
BREAKDOWN OF TRADE RECEIVABLES DUE AS OF AUGUST 31	GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT	GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT
Less than 3 months past due	487	(11)	476	350	(9)	341
More than 3 months and less than 6 months past due	89	(12)	77	86	(9)	77
More than 6 months and less than 12 months past due	39	(7)	32	39	(9)	30
More than 12 months past due	112	(104)	8	121	(93)	28
TOTAL TRADE RECEIVABLES DUE	**727**	**(134)**	**593**	**597**	**(121)**	**476**
Total trade receivables not yet due	3,727	(26)	3,701	3,269	(36)	3,234
TOTAL TRADE RECEIVABLES	**4,454**	**(160)**	**4,294**	**3,866**	**(158)**	**3,708**

During the fiscal years presented, the Group was not affected by any significant change resulting from proven client failures. In addition, given the geographic dispersion of the Group’s activities and the wide range of client industries, there is no material concentration of risk in individual receivables due but not written down.

4.3.2 Trade and other payables

ACCOUNTING PRINCIPLES AND POLICIES

Trade and other payables are classified as financial liabilities measured at amortized cost, as defined in IFRS 9 "Financial instruments". Financial liabilities are recognized at their nominal amount, which represents a reasonable estimate of fair value in light of their short maturities.

Sodexo's Group has set up several reverse factoring programs in its main operating countries, which give its suppliers the opportunity of being paid in advance. In practice, these programs involve sales of trade receivables to a factor, organized by Sodexo.

Relations between the parties concerned are governed by two totally separate contracts:

- the Group signs a master agreement with the factor, pursuant to which it undertakes to pay on the scheduled due dates the invoices sold by its suppliers to the factor (which have been approved in advance). Each supplier is free to choose whether or not to sell each of its invoices;
- the Group's suppliers can, if they wish, sign a master agreement with the factor enabling them to sell their invoices before their scheduled due date, on terms that benefit from the Group's credit rating.

Employee-related liabilities mainly include short-term employee benefits (see note 5.1).

(in million euros)	AUGUST 31, 2022	AUGUST 31, 2021
Operating payables	158	147
Non-operating payables	39	34
OTHER NON-CURRENT LIABILITIES	**197**	**181**
Trade payables	2,707	2,179
Employee-related liabilities	1,473	1,258
Advances from clients	448	394
Tax liabilities	260	306
Other operating payables	182	153
Deferred revenues	124	108
Non-operating payables	36	32
TRADE AND OTHER CURRENT PAYABLES	**5,230**	**4,429**
TOTAL TRADE AND OTHER PAYABLES	**5,427**	**4,610**

As of August 31, 2022, the total amount of receivables transferred by Sodexo's suppliers through the reverse factoring programs is 373 million euros (274 million euros as of August 31, 2021).

Trade payables that have been financed through a reverse factoring program as of the fiscal year-end are still classified as trade payables and included in the total of trade payables.

MATURITIES OF TRADE AND OTHER PAYABLES AS OF AUGUST 31, 2022 (in million euros)	CARRYING AMOUNT	UNDISCOUNTED CONTRACTUAL VALUE
Less than 3 months	3,789	3,789
More than 3 months and less than 6 months	331	331
More than 6 months and less than 12 months	894	894
More than 1 year and less than 5 years	349	349
More than 5 years	64	64
TOTAL TRADE AND OTHER PAYABLES	**5,427**	**5,427**

MATURITIES OF TRADE AND OTHER PAYABLES AS OF AUGUST 31, 2021 (in million euros)	CARRYING AMOUNT	UNDISCOUNTED CONTRACTUAL VALUE
Less than 3 months	3,103	3,103
More than 3 months and less than 6 months	301	301
More than 6 months and less than 12 months	905	905
More than 1 year and less than 5 years	214	219
More than 5 years	87	96
TOTAL TRADE AND OTHER PAYABLES	**4,610**	**4,624**

4.4 Client investments

ACCOUNTING PRINCIPLES AND POLICIES

Some client contracts provide for a financial contribution by Sodexo. For example, the Group may participate in financing the purchase of equipment or fixtures on the client site that are necessary to fulfill service obligations, or it may make a financial contribution that will be recovered over the life of the contract. They are recognized in accordance with the application of IFRS 15 "Revenue from contracts with customers" for consideration payable to the customer, as a reduction in the transaction price in the absence of a separate good or service provided by the customer. These contributions are recognized as an asset in "Client investments" and spread as a revenue deduction over the service duration. The amortization is recognized as a reduction to revenues over the life of the contract. The amortization period is in general less than 10 years, in line with the contract duration, but may be amortized over a longer period if the contract duration permits.

In the cash flow statement, changes in the value of these investments are presented as a component of investing cash flows.

Client investments are subject to an impairment test in the same way as other non-current assets directly linked to contracts concluded with clients showing an indication of loss in value (onerous or low profit contracts). The methodology applied for this impairment test is detailed in note 6.4.

(in million euros)	FISCAL 2022	FISCAL 2021
Client investments as of September 1	**560**	**575**
Increases during the fiscal year	133	87
Decreases during the fiscal year	(120)	(101)
Impairment	2	(3)
Change in scope of consolidation	—	—
Currency translation adjustment and other movements	92	1
CLIENT INVESTMENTS AS OF AUGUST 31	**667**	**560**

4.5 Benefits & Rewards Services activity

(in million euros)	AUGUST 31, 2022	AUGUST 31, 2021
Trade and other receivables	1,482	1,295
Trade and other payables(1)	(394)	(329)
Voucher liabilities(2)	(3,509)	(3,133)
Vouchers in circulation	*(2,844)*	*(2,599)*
Voucher payables	*(489)*	*(370)*
Other(1)	*(176)*	*(164)*
WORKING CAPITAL EXCLUDING RESTRICTED CASH AND FINANCIAL ASSETS OF THE BENEFITS & REWARDS SERVICES ACTIVITY	**(2,421)**	**(2,166)**
Restricted cash and financial assets related to the Benefits & Rewards Services activity	1,257	1,062
Restricted cash	*960*	*773*
Market securities > 3 months	*297*	*289*
Cash and cash equivalents(1)	1,508	1,200
Bank overdrafts	(1)	(5)
OPERATING CASH ASSETS OF THE BENEFITS & REWARDS SERVICES ACTIVITY	**2,764**	**2,257**

(1) Including intragroup transactions.
(2) Voucher liabilities are accounted for at fair value as current liabilities, which is the face value of vouchers in circulation and of vouchers back at Sodexo and not yet reimbursed.

NOTE 5. GROUP HEADCOUNT, EMPLOYEE BENEFITS AND SHARE-BASED PAYMENT

5.1 Employee benefits

ACCOUNTING PRINCIPLES AND POLICIES

Short-term benefits

Group employees receive short-term benefits such as vacation pay, sick pay, bonuses and other benefits (other than termination benefits), the payment of which is expected within 12 months of the related service period.

These benefits are reported as current liabilities.

Post-employment benefits

In accordance with IAS 19 “Employee Benefits”, Sodexo measures and recognizes post-employment benefits as follows:

- contributions to defined-contribution plans are recognized as an expense; and
- defined benefit plans are measured using actuarial valuations.

Sodexo uses the projected unit credit method as the actuarial method for measuring its post-employment benefit obligations, on the basis of the national or Companywide collective agreements effective within each entity. Factors used in calculating the obligation include length of service, life expectancy, salary inflation, staff turnover, and macro-economic assumptions specific to countries in which Sodexo operates (such as inflation rate and discount rate).

Remeasurements of the net obligation under defined benefit plans - including actuarial gains and losses, differences between the return on plan assets and the corresponding interest income recognized in the income statement, as well as any changes in the effect of the asset ceiling - are recognized in other comprehensive income and have no impact on profit for the period.

Plan amendments and the establishment of new defined benefit plans result in past service costs that are recognized immediately in the income statement.

The accounting treatment applied to defined benefit plans is as follows:

- the obligation, net of plan assets, is recognized as a non-current liability in the consolidated statement of financial position if the obligation exceeds the plan assets;
- if the value of plan assets exceeds the obligation under the plan, the net amount is recognized as a non-current asset. Plan surpluses are recognized as assets only if they represent future economic benefits that will be available to Sodexo. Where the calculation of the net obligation results in an asset for Sodexo, the amount recognized for this asset may not exceed the present value of all future refunds and reductions in future contributions under the plan;
- the expense recognized in the income statement comprises:
  - current service cost, past service cost, if any, and the effect of plan settlements, all of which are recorded in operating income,
  - the interest expense (income) on the net defined benefit obligation (asset), calculated by multiplying the obligation (asset) by the discount rate used to measure the defined benefit obligation at the beginning of the period.

These post-employment benefits are reported as non-current liabilities.

The Group contributes to multi-employer plans, primarily in the United States. These plans are accounted for as defined contribution plans, as the information provided by the plan administrators is insufficient for them to be accounted for as defined benefit plans.

Other long-term employee benefits

Other long-term employee benefits are measured in accordance with IAS 19. The expected cost of such benefits is recognized as a non-current liability over the employee’s period of service. Actuarial gains and losses and past service costs arising from plan amendments and the establishment of new plans are recognized immediately in the income statement. Other long-term employee benefits are reported as non-current liabilities.

5.1.1 Long-term employee benefits

(in million euros)	August 31, 2022	September 1, 2021	Impact of changes in accounting principles[2]	August 31, 2021
Post-employment benefits – Net defined benefit plan obligation	131	158	(13)	171
Other long-term employee benefits	151	186	—	186
Post-employment benefits – Net defined benefit plan assets[1]	(150)	(10)	—	(10)
Employee benefits	**132**	**334**	**(13)**	**347**

(1) Included in “Other non-current assets” in the consolidated statement of financial position.
(2) Impact of the application of the IFRS Interpretation Committee decision related to IAS 19 (May 2021). See note 2.1.2 "New accounting standards and interpretations applied".

5.1.1.1 POST-EMPLOYMENT BENEFITS

Defined contribution plans

Under a defined contribution plan, periodic contributions are made to an external entity that is responsible for the administrative and financial management of the plan. Under such a plan, the employer is relieved of any future obligation (the external entity is responsible for paying benefits to employees as they become due and the employer is not required to make additional payments related to prior or current years if the entity does not have sufficient funds).

Contributions to defined contribution plans – which were recognized in operating expenses – amount to 390 million euros for Fiscal 2022, compared to 401 million euros for Fiscal 2021.

Contributions made by the Group are expensed in the period to which they relate.

Defined benefit plans

The characteristics of Sodexo’s principal defined benefit plans are described below:

- in France, the obligation primarily represents lump-sum benefits payable on retirement if the employee is still with the Company at retirement age. These obligations are covered by specific provisions in the consolidated statement of financial position;
- in the United Kingdom, Sodexo’s obligation relates to a complementary retirement plan funded by externally held assets, and calculated on the basis of:
  - for managers working in the private sector, a percentage of final base salary,
  - for managers working on public sector contracts, benefits comparable to those offered in the public sector,
  - this plan was closed to new employees effective July 1, 2003 and the level of contributions was increased in order to cover the shortfall in the fund.

The United Kingdom plan is regularly evaluated by the plan’s actuary in compliance with UK law. A formal actuarial valuation by the plan’s actuary is required to be conducted every three years, and any shortfall identified at that time must be addressed through mutual agreement between the plan’s Trustee and Sodexo UK. Following a consultation process with the members of the pension plan carried out with a view to freezing benefit accruals for certain members, an agreement was signed in October 2012 between the plan’s Trustee and Sodexo UK whereby from November 1, 2012 the plan would remain open only to employees who transferred to Sodexo UK from the public sector, as Sodexo UK has a legal obligation to pay them certain benefits. As part of the 12-year plan to address the funding shortfall, Sodexo UK also agreed to pay annual contributions of (i) 10 million pounds Sterling per year over the five years from January 1, 2013 and (ii) 7.5 million pounds Sterling per year over the following seven years. Lastly, in October 2012, Sodexo S.A. issued a Parent company guarantee to the Trustee in order to cover Sodexo UK’s obligations in connection with the plan. This guarantee initially fixed for an amount up to 100 million pounds Sterling for a duration of 12 years, has been changed to 40 million pounds Sterling after an employer contribution of 60 million pounds Sterling during Fiscal 2022. On completion of the most recent valuation of the fund in July 2016, Sodexo UK and the Trustee agreed to keep unchanged the amount of contributions and the terms and conditions of the Parent company guarantee as set in October 2012.

In Continental Europe other than France, the main defined benefit plans are as follows:

- in the Netherlands, certain employees are entitled to complementary retirement or early retirement benefits.

In Fiscal 2017, Sodexo negotiated an agreement to convert its pension plans in the Netherlands from defined benefit to defined contribution plans as from January 1, 2016. The entitlements accumulated up until that date under the plans in their previous defined benefit form have been frozen and the plans are still accounted for as defined benefit plans in view of the related indexation commitments given by Sodexo. These plans are fully funded;

- in Italy, there is a legal obligation to pay a lump-sum retirement benefit (“TFR”).

Changes in the present value of the defined benefit plan obligation and the fair value of plan assets are shown below:

(in million euros)	FISCAL 2022			FISCAL 2021		
	BENEFIT OBLIGATION	PLAN ASSETS	NET BENEFIT OBLIGATION	BENEFIT OBLIGATION	PLAN ASSETS	NET BENEFIT OBLIGATION
As of August 31	**1,435**	**(1,275)**	**160**	**1,476**	**(1,284)**	**192**
Impact of changes in accounting principles[1]	(13)	—	(13)	—	—	—
As of September 1	**1,422**	**(1,275)**	**147**	**1,476**	**(1,284)**	**192**
Expense/(income) recognized in the income statement	32	(19)	13	33	(19)	13
Current service cost	*17*	—	*17*	*20*	*(1)*	*18*
Past service cost	*(6)*	—	*(6)*	*(8)*	—	*(8)*
Effect of settlements	—	—	—	—	—	—
Interest cost/(income)	*21*	*(19)*	*2*	*21*	*(18)*	*3*
Remeasurement losses/(gains)	(391)	303	(88)	50	(60)	(10)
Actuarial losses/(gains) arising from changes in demographic assumptions	*11*	—	*11*	*(11)*	—	*(11)*
Actuarial losses/(gains) arising from changes in financial assumptions	*(404)*	*303*	*(101)*	*59*	*(60)*	*(1)*
Experience adjustments	*2*	—	*2*	*2*	—	*2*
Currency translation adjustment	13	(8)	5	41	(41)	—
Contributions made by plan members	2	(2)	—	1	(1)	—
Employer contributions[2]	—	(82)	(82)	—	—	—
Benefits paid from plan assets	(37)	40	3	(44)	41	(3)
Benefits paid other than from plan assets	(13)	—	(13)	(16)	(15)	(31)
Changes in scope of consolidation and other[3]	29	(33)	(4)	(106)	104	(2)
AS OF AUGUST 31	**1,057**	**(1,076)**	**(19)**	**1,435**	**(1,275)**	**160**
Of which:						
Partially funded plans	932	(1,076)	(144)	1,308	(1,275)	33
Unfunded plans	125	—	125	127	—	127

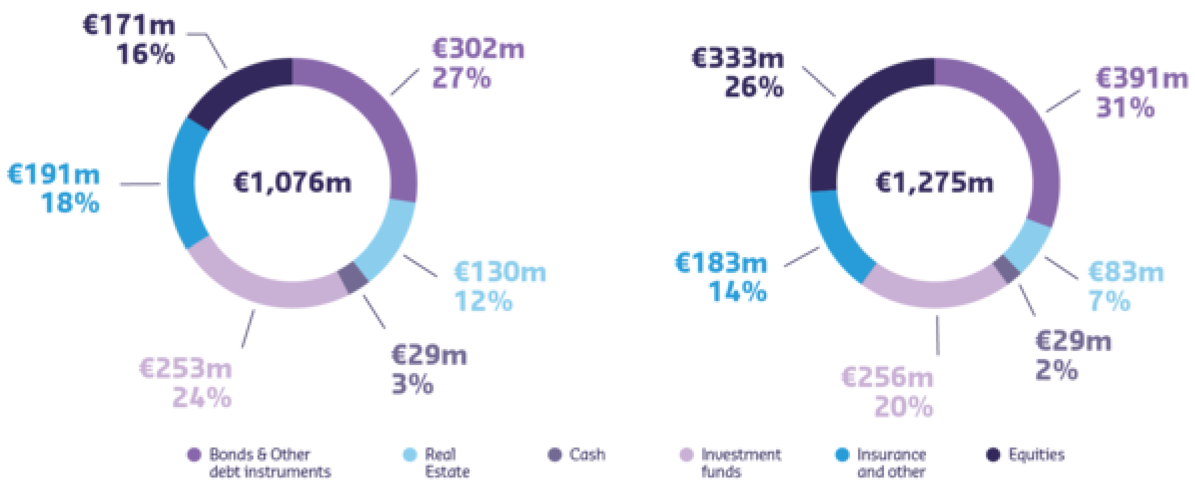
(1) Impact of the application of IFRS Interpretation Committee decision related to IAS 19 (May 2021). See note 2.1.2 "New accounting standards and interpretations applied".
(2) Contributions made by the employer to different plan assets of which 75 million euros of contributions to the UK pension plan assets.
(3) Including for Fiscal 2021 a benefit obligation decrease amounting to 104 million euros and assets for the same amount, linked to the retirement benefit obligations in six UK companies due to expiry of the contract.

The amounts recorded in the income statement for defined benefit plans totaled 13 million euros in Fiscal 2022 (13 million euros in Fiscal 2021) and consist of:

- net expense of 8 million euros (net expense of 8 million euros in Fiscal 2021) in Cost of sales;
- net expense of 5 million euros (net expense of 6 million euros in Fiscal 2021) in Selling, General and Administrative costs;
- net income of 2 million euros in Other Income and Expenses;
- net expense of 2 million euros in financial expenses (see note 12.1).

Defined benefit plan assets comprise:

As of August 31, 2022 | **As of August 31, 2021**



Recognized net actuarial gains arising from changes in financial assumptions amounted to 101 million euros, of which 73 million euros in the United Kingdom. In the United Kingdom, these gains were mainly due to the updated discount rate.

The following assumptions were used for actuarial valuations for the principal countries as of August 31, 2022 and 2021:

AUGUST 31, 2022	FRANCE	NETHERLANDS	UNITED KINGDOM	ITALY
Discount rate(1)	2.60%	2.50%	4.30%	2.15%
Salary long-term inflation rate(2)	2.50%	N/A	3.85%	N/A
General long-term inflation rate(3)	2.00%	2.00%	3.35%	2.00%
Net liability (in million euros)	65	—	(150)	14
Average term of the plans (in years)	8	16	15	6

(1) Discount rates in each country have been adjusted to reflect the term of the plans. For the euro zone and the United Kingdom, the Group uses discount rates based on yield curves for high quality corporate bonds drawn up by an external actuary.
(2) The salary inflation rate disclosed includes general inflation.
(3) United Kingdom : Retail Price Index (RPI): 3.35%; Consumer Price Index (CPI): 2.70% for Fiscal 2022.

AUGUST 31, 2021	FRANCE	NETHERLANDS	UNITED KINGDOM(4)	ITALY
Discount rate(1)	1.05%	0.80%	1.70%	0.35%
Salary long-term inflation rate(2)	2.25%	N/A	3.80%	N/A
General long-term inflation rate(3)	1.75%	1.75%	3.30%	1.75%
Net liability (in million euros)	87	2	(9)	17
Average term of the plans (in years)	9	18	19	6

(1) Discount rates in each country have been adjusted to reflect the term of the plans. For the euro zone and the United Kingdom, the Group uses discount rates based on yield curves for high quality corporate bonds drawn up by an external actuary.
(2) The salary inflation rate disclosed includes general inflation.
(3) Retail Price Index (RPI): 3.30%; Consumer Price Index (CPI): 2.55% for Fiscal 2021.
(4) Excluding 104 million euros in retirement benefit obligations in the 6 UK companies (offset by an asset in the same amount).

With respect to the assumptions provided in the above table, for Fiscal 2022, a reduction of 1% in the discount rate would increase the gross obligation to 1,215 million euros (compared with 1,057 million euros based on the assumptions used as of August 31, 2022), while a rise of 0.5% in the general long-term inflation rate would increase the gross obligation to 1,104 million euros.

Based on estimates derived from reasonable assumptions, the amount to be recorded in the income statement for defined benefit plans in Fiscal 2023 is 17 million euros.

Multi-employer plans

In the USA, as of August 31, 2022, Sodexo contributed to 44 multi-employer defined benefit pension plans under the terms of collective-bargaining agreements ("CBA") that cover its union-represented employees. The risks of participating in these multi-employer plans are different to those of single-employer plans in the following respects:

- assets contributed to the multi-employer plan are used to provide benefits to all beneficiaries of the plan, including beneficiaries of other participating employers;
- if a multi-employer plan is considered to be in "critical" status as defined by the U.S. Pension Protection Act of 2006, the plan will be required to adopt a rehabilitation plan which may require the Company to increase its required contributions to the plan;
- if a participating employer ceases to contribute to the plan, the unfunded obligations of the plan may have to be borne by the Company and the other remaining participating employers; and
- if Sodexo ceases to participate in a multi-employer plan, entirely or partially in excess of a threshold, or if substantially all of the participating employers of a given plan cease to participate, Sodexo may be required to pay that plan an amount based on the value of unfunded vested benefits of the plan and the Sodexo's *pro-rata* share of total plan contributions, referred to as withdrawal liability.

The Group does not have the ability to account for these multi-employer plans as defined benefit plans because it does not have timely access to information about plan assets, plan obligations, actuarial gains and losses, service costs, and interest costs. As such, the multi-employer plans are accounted for as defined contribution plans.

The Group contributed 11 million euros to U.S. multi-employer defined benefit plans in Fiscal 2022 and 12 million euros in Fiscal 2021. Of the contributions made by Sodexo, 51% and 7% were made to plans considered to be in "critical" status or "endangered" status respectively, as defined by the U.S. Pension Protection Act of 2006 and per each plan's most-recent notice of plan funding status. Plans are generally considered to be in "critical" status when they are funded at less than 65%, among other factors, and are considered to be "endangered" when they are funded at 65% or more, but at less than 80%, among other factors.

5.1.1.2 OTHER EMPLOYEE BENEFITS

Other employee benefits, for an amount of 151 million euros as of August 31, 2022 (186 million euros as of August 31, 2021), mainly comprise a liability related to a deferred compensation program in the United States and obligations relating to long-service awards.

The total expense recognized with respect to these benefits in Fiscal 2022 was 8 million euros (6 million euros in Fiscal 2021).

5.2 Share-based payments

ACCOUNTING PRINCIPLES AND POLICIES

Some Group employees receive compensation in the form of share-based payments, for which payment is made in equity instruments.

The services compensated by these plans are recognized as an expense, with the offset recognized in shareholders' equity, over the vesting period. The amount of expense recognized in each period is determined by reference to the fair value of the equity instruments granted, as of the grant date.

The fair value of restricted shares is estimated at the date of grant based on the share price at that date after deductions for dividends on the shares that will not be paid to beneficiaries during the vesting period. The fair value of restricted shares subject to a performance condition based on Total Shareholder Return is estimated using a binomial model that takes into account the vesting conditions.

Each year, Sodexo reassesses the number of shares that is likely to be delivered to beneficiaries of restricted shares based on the applicable vesting conditions. The impact of any change in estimates is recognized in the income statement, with the offset recognized in shareholders' equity.

5.2.1 Restricted share plans

PRINCIPLE FEATURES OF RESTRICTED SHARE PLANS

Rules governing restricted share plans are as follows:

- shares vest only if the beneficiary is still working for the Group on the vesting date; in addition, some restricted share grants are subject to performance conditions;
- from 2020, the presence condition is 3 years from the grant date, which is consistent with the acquisition period and the performance conditions evaluation; This presence condition applies to all beneficiaries;
- the proportion of shares subject to a performance condition ranges from 10% to 100%, depending on the total number of shares awarded.

The performance criteria applied are directly linked to the Group's strategic priorities and are intended to measure performance in a global manner:

- two criteria linked to the Group's financial performance with the revenue and the underlying operating profit margin excluding currency effects from 2020 plans;
- two criteria are subject to the achievement of Corporate Responsibility objectives including diversity in top Group management as well as an internal objective of sustainable development for the shares granted since 2022;
- a performance criterion is related to stock market performance with the TSR (Total Shareholder Return) of Sodexo compared to that of one peer group. This one is made up of companies selected based on their size, the similarity of their operations to those of Sodexo and the fact that they all operate in the outsourcing and shared services industry. For 2022 plans, 7 companies were included in the panel (Aramark, Compass, Edenred, Elior, ISS, Rentokil, Securitas).

MOVEMENTS IN FISCAL 2022 AND FISCAL 2021

The table below shows movements in free shares in Fiscal 2022 and Fiscal 2021:

	FISCAL 2022	FISCAL 2021
Outstanding at the beginning of the year	**2,315,627**	**2,447,754**
Granted during the year	834,629	922,840
Forfeited during the year	(423,329)	(640,922)
Delivered during the year	(439,262)	(414,045)
Outstanding at the end of the year	**2,287,665**	**2,315,627**

The weighted average fair value of the restricted shares granted in Fiscal 2022 is 73.48 euros per share (64.92 euros per shares granted in Fiscal 2021).

The table below shows the grant dates of restricted shares outstanding as of August 31, 2022, the assumptions used to estimate their fair value at the grant date and the number of restricted shares outstanding at the period end:

DATE OF GRANT		VESTING PERIOD (in years)	EXPECTED DIVIDEND YIELD (in%)	RISK-FREE INTEREST RATE (in%)	LOAN INTEREST RATE (in%)	VOLATILITY* (in%)	NUMBER OF SHARES OUTSTANDING AS OF AUGUST 31
September 18, 2018	International	4	2.7%	0.0%	N/A	21.3%	24,539
June 19, 2019	International	4	3.0%	0.0%	N/A	21.9%	626,957
November 6, 2020	International	4	3.0%	0.0%	N/A	21.9%	8,000
November 20, 2020	International	3	1.8%	0.0%	N/A	38.8%	803,000
February 1, 2022	International	3	3.0%	0.0%	N/A	39.0%	800,080
June 22, 2022	International	3	3.0%	1.4%	N/A	43.7%	25,089
TOTAL							**2,287,665**

* Applicable for the portion of the restricted share grants subject to the TSR performance condition. Volatility is determined by reference to the share's historical weighted average volatility over a certain period prior the grant date and the implicit volatility expected by the market.

5.2.2 Expense recognized during the fiscal year

The expense recognized in the Fiscal 2022 income statement for restricted shares is 38 million euros (33 million euros in Fiscal 2021).

5.3 Group headcount

The following table shows the headcount of Group employees:

	AUGUST 31, 2022	AUGUST 31, 2021
AVERAGE HEADCOUNT AS OF AUGUST 31	**418,393**	**409,100**
TOTAL HEADCOUNT AS OF AUGUST 31	**421,991**	**412,088**

5.4 Compensation, loans, post-employment benefits and other benefits granted to Board members and the Executive Committee

The compensation, loans, post-employment benefits and other benefits granted to Board members, the Executive Committee, including the Group Chief Executive Officer of Sodexo in office as of August 31, 2021 and the Chairwoman and Chief Executive Officer as of August 31, 2022 respectively for Fiscal 2021 and Fiscal 2022 comprise the following:

(in euro)	FISCAL 2022	FISCAL 2021
Short-term benefits*	12,890,980	14,221,131
Post-employment benefits	63,187	229,350
Fair value of free shares at the grant date	10,669,789	12,203,100

* Short-term benefits correspond to compensations paid by the Group to Board members and to the Executive Committee during Fiscal 2022 (including variable compensations of the prior year).

These benefits include directors' compensation, and all forms of compensation and benefits paid (or earned during the period for offices held) by Sodexo S.A., other Sodexo Group companies or Bellon SA.

In addition, Executive Committee members of the Group, holding an employment contract with one of its French subsidiaries, are beneficiaries of a defined benefit pension plan governed by article L.137-11-2 of the French Social Security Code. This pension plan was introduced in 2021 in line with the following rules: subject to one year of seniority within the Group, pension rights of up to 0.5% per year are granted for the first five years of the plan, and then up to 1% beyond five years, not exceeding a total of 10%. The rights are determined based on the fixed and variable compensation received during the calendar year. The rights vest subject to an achievement rate for annual variable compensation targets. The resulting pension will top up the pensions provided by the basic compulsory plans and will not generate any corresponding obligation on the Company's balance sheet.

As a reminder, Denis Machuel, Group Chief Executive Officer from January 23, 2018, to September 30, 2021 was paid by Sodexo S.A. but did not have an employment contract with Sodexo S.A.

Sophie Bellon, Chairwoman and Group Chief Executive Officer since October 1, 2021 is paid by Sodexo S.A. but do not have an employment contract with Sodexo S.A.

The Company has entered into non-compete clauses with a maximum term of 24 months with the Chairwoman and Chief Executive Officer and the members of the Executive Committee in order to protect the Group by restricting their freedom to hold a position as employee or director, or carry out any consulting work, for any of Sodexo's competitors, either directly or through another legal entity.

No loans have been granted to the Board or Executive Committee members.

NOTE 6. GOODWILL, OTHER INTANGIBLE AND TANGIBLE ASSETS

6.1 Goodwill

ACCOUNTING PRINCIPLES AND POLICIES

Goodwill

Any residual difference between the fair value of the consideration transferred (for example the amount paid), increased by the amount of the non-controlling interest in the acquired company (measured either at fair value or its share in the fair value of the identifiable net assets acquired) and the fair value as of the date of acquisition of the assets acquired and liabilities assumed, is recognized as goodwill in the statement of financial position.

The Group measures non-controlling interests on a case-by-case basis for each business combination either at fair value or based on their percentage interest in the fair value of identifiable net assets acquired.

Bargain purchases

When the fair value of the assets acquired and the liabilities assumed as of the acquisition date is greater than acquisition cost, increased by the amount of any non-controlling interest, the excess – representing negative goodwill – is immediately recognized in the income statement in the period of acquisition, after reviewing the procedures for the identification and measurement of the different components included in the calculation.

Transactions in non-controlling interests

Changes in non-controlling interests, in the absence of either assumption or loss of control, are recognized in shareholders' equity. In particular, when additional shares in an entity already controlled by the Group are acquired, the difference between the acquisition cost of the shares and the share of net assets acquired is recognized in equity attributable to equity holders of the parent. The value of the assets and liabilities of the subsidiary (including goodwill) remains unchanged.

Purchase price adjustments and/or earn-outs

Purchase price adjustments and/or earn-outs related to business combinations are recognized at their fair value as of the date of acquisition even if they are considered to be not probable. After the date of acquisition, changes in estimates of the fair value of price adjustments lead to an adjustment to goodwill only if they occur within the time allowed (a maximum of one year as of the date of acquisition) and if they result from facts and circumstances that existed at the acquisition date. In all other cases, the change is recognized in profit or loss except when the consideration transferred consists of an equity instrument.

Changes in goodwill during the fiscal year were as follows:

(in million euros)	AUGUST 31, 2021	INCREASES DURING THE PERIOD	DECREASES DURING THE PERIOD	IMPAIRMENT	RECLASSIFICATION	CURRENCY TRANSLATION ADJUSTMENT	AUGUST 31, 2022
Corporate Services	976	5			22	92	1,095
Government & Agencies	331	—	—		—	14	345
Sports & Leisure	373	—	—	—	—	52	425
Energy & Resources	293	—	—	—	15	32	340
Other non-segmented activities	529	96	(5)		(37)	33	616
Business & Administrations	**2,503**	**101**	**(5)**	**—**	**—**	**223**	**2,822**
Healthcare	937	5	—	—		126	1,068
Seniors	645	1			(1)	77	722
Healthcare & Seniors	**1,582**	**6**	**—**	**—**	**(1)**	**203**	**1,790**
Schools	380	2	—		41	41	464
Universities	764	—	—	—	(20)	127	871
Education	**1,145**	**2**	**—**	**—**	**21**	**168**	**1,336**
On-site Services	**5,230**	**109**	**(5)**	**—**	**20**	**594**	**5,948**
Benefits & Rewards Services	**581**	**40**	**(3)**	**—**	**—**	**45**	**663**
TOTAL	**5,811**	**149**	**(8)**	**—**	**—**	**639**	**6,611**

Reclassifications during Fiscal 2022 relate to the adjustment of the goodwill affected to Childcare activities following their effective disposal, reallocated to the Schools segment, and to the reallocation of contracts since the beginning of Fiscal 2022 (from Universities segment and Other non-segmented activities to Schools, Corporate Services and Energy & Resources segments).

(in million euros)	AUGUST 31, 2020	INCREASES DURING THE PERIOD	DECREASES DURING THE PERIOD	IMPAIRMENT	RECLASSIFICATION	CURRENCY TRANSLATION ADJUSTMENT	AUGUST 31, 2021
Corporate Services	938	23	(1)	—		15	976
Government & Agencies	322	—	—	—		9	331
Sports & Leisure	369	—	—	—		4	373
Energy & Resources	289	—	—	—		4	293
Other non-segmented activities	523	—	—	—		7	529
Business & Administrations	**2,441**	**23**	**(1)**	**—**		**40**	**2,503**
Healthcare	920	6	—	—		12	937
Seniors	616	21	—	—	(1)	10	645
Healthcare & Seniors	**1,536**	**26**	**—**	**—**	**(1)**	**22**	**1,582**
Schools	484	—	(3)	—	(105)	4	380
Universities	756	—	—	—		8	764
Education	**1,240**	**—**	**(3)**	**—**	**(105)**	**12**	**1,145**
On-site Services	**5,217**	**50**	**(4)**	**—**	**(107)**	**74**	**5,230**
Benefits & Rewards Services	**547**	**45**	**(16)**	**(8)**	**—**	**13**	**581**
TOTAL	**5,764**	**94**	**(20)**	**(8)**	**(107)**	**87**	**5,811**

The reclassification movements during Fiscal 2021 mainly result from the classification as asset held for sale of the goodwill affected to Childcare activities.

6.2 Other intangible assets

ACCOUNTING PRINCIPLES AND POLICIES

Separately acquired intangible assets are initially measured at cost. Intangible assets acquired in connection with a business combination and which can be reliably measured, are controlled by the Group and are separable or arise from a legal or contractual right, are recognized at fair value separately from goodwill. Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortization and impairment charges.

Intangible assets other than certain trademarks having an indefinite useful life are considered to have finite useful lives, and are amortized by the straight-line method over their expected useful lives:

Integrated management software	3-7 years
Other software	3-4 years
Patents and licenses	2-10 years
Client relationships	3-20 years
Other intangible assets	3-20 years

Acquired trademarks with a finite useful life are generally amortized over a period of less than ten years. Trademarks that the Group considers as having an indefinite useful life (notably based on criteria relating to their durability and brand recognition) are not amortized. The amortization periods for client relationships recognized in connection with business combinations have been set by Management based on the estimated attrition rate for the contracts concerned (with a maximum of 20 years).
The cost of licenses and software recognized in the statement of financial position comprises the costs incurred in acquiring the software and bringing it into use, and is amortized over the estimated useful life of the asset.
Subsequent expenditures on intangible assets are capitalized only if they increase the expected future economic benefits associated with the asset to which they relate. Other expenditures are expensed as incurred.

6.2.1 Gross value of other intangible assets

(in million euros)	LICENSES AND SOFTWARE	CLIENT RELATIONSHIPS, TRADEMARKS AND OTHER	TOTAL
Gross value as of August 31, 2020	**679**	**927**	**1,605**
Acquisitions	109	25	133
Disposals	(38)	(71)	(109)
Translation Adjustments	6	14	20
Reclassifications(1)	(4)	(37)	(43)
Change in scope of consolidation	(12)	(17)	(29)
Other	—	—	—
Gross value as of August 31, 2021	**739**	**838**	**1,577**
Impact of changes in accounting principles(2)	(74)	—	(74)
Gross value as of September 1, 2021	**665**	**838**	**1,503**
Acquisitions	97	71	168
Disposals	(22)	(40)	(62)
Translation Adjustments	30	97	127
Reclassifications	(2)	(5)	(7)
Change in scope of consolidation	(6)	7	1
Other	—	—	—
Gross value as of August 31, 2022	**762**	**967**	**1,729**

(1) Corresponds mainly to the reclassification of assets held for sale (see note 3.2 "Disposed or held for sale activities").
(2) See note 2.1.2 "New accounting standards and interpretations applied".

6.2.2 Amortization and impairment of other intangible assets

(in million euros)	LICENSES AND SOFTWARE	CLIENT RELATIONSHIPS, TRADEMARKS AND OTHER	TOTAL
Amortization and impairment as of August 31, 2020	**(432)**	**(501)**	**(933)**
Amortization	(78)	(54)	(131)
Disposals	29	59	88
Impairment	—	(9)	(9)
Translation Adjustments	(5)	(9)	(13)
Reclassifications(1)	6	27	33
Change in scope of consolidation	11	8	19
Other	—	—	—
Amortization and impairment as of August 31, 2021	**(469)**	**(478)**	**(947)**
Impact of changes in accounting principles(2)	34	—	34
Amortization and impairment as of September 1, 2021	**(435)**	**(478)**	**(913)**
Amortization	(75)	(69)	(144)
Disposals	19	37	56
Impairment	(1)	—	(1)
Translation Adjustments	(20)	(46)	(66)
Reclassifications	1	3	4
Change in scope of consolidation	2	11	13
Other	—	—	—
Amortization and impairment as of August 31, 2022	**(509)**	**(542)**	**(1,051)**

(1) Corresponds mainly to the reclassification of assets held for sale (see note 3.2 "Disposed or held for sale activities").
(2) See note 2.1.2 "New accounting standards and interpretations applied".

Amortization is reported under either Cost of sales or Administrative and Sales Department costs, except for amortization of intangibles assets acquired during a business combination transactions are recognized in "Other operating expenses".

6.2.3 Net value of other intangible assets

(in million euros)	LICENSES AND SOFTWARE	CLIENT RELATIONSHIPS, TRADEMARKS AND OTHER	TOTAL
Net carrying amount as of August 31, 2020	247	425	673
Net carrying amount as of August 31, 2021	270	360	631
*Impact of changes in accounting principles**	*(40)*	—	*(40)*
Net carrying amount as of September 1, 2021	230	360	625
Net carrying amount as of August 31, 2022	**253**	**425**	**678**

* See note 2.1.2 "New accounting standards and interpretations applied".

6.3 Property, plant and equipment

ACCOUNTING PRINCIPLES AND POLICIES

Property, plant and equipment are measured at cost less accumulated depreciation and impairment charges, except for land, which is measured at cost less accumulated impairment charges. Cost includes expenditures directly incurred to acquire the asset, and in some cases may also include estimated unavoidable future dismantling, removal and site remediation costs.

Subsequent expenditures are included in the carrying amount of the asset, or recognized as a separate component, if it is probable that the future economic benefits of the expenditures will flow to Sodexo and the cost can be measured reliably. All other repair and maintenance costs are recognized as expenses during the period in which they are incurred, except costs incurred to improve productivity or extend the useful life of an asset, which are capitalized.

Items of property, plant and equipment are depreciated over their expected useful lives using the component-based approach, taking account of their residual value. The straight-line method of depreciation is regarded as the method that most closely reflects the expected pattern of consumption of the future economic benefits embodied in items of property, plant and equipment.

The useful lives generally used by the Group are:

Buildings	20-30 years
General fixtures and fittings	3-10 years
Plant and machinery	3-8 years
Motor vehicles	4 years
Boats and pontoons (depending on the component)	5-15 years

The residual values and useful lives of items of property, plant and equipment are reviewed at each period end and, if necessary, adjusted.

The carrying amounts of items of property, plant and equipment are tested for impairment if there is an indication that an item may be subject to impairment.

6.3.1 Gross value of property, plant and equipment

(in million euros)	LAND AND BUILDINGS	PLANT AND EQUIPMENT	CONSTRUCTION IN PROGRESS AND OTHER	TOTAL
Gross value as of August 31, 2020	**136**	**1,807**	**216**	**2,159**
Acquisitions	3	116	38	158
Disposals	(12)	(125)	(15)	(151)
Translation Adjustments	1	15	2	17
Reclassifications*	(52)	(44)	(23)	(119)
Change in scope of consolidation	(3)	(40)	(1)	(44)
Other	—	—	—	—
Gross value as of August 31, 2021	**73**	**1,730**	**217**	**2,020**
Acquisitions	4	147	46	197
Disposals	(4)	(83)	(20)	(107)
Translation Adjustments	2	90	12	104
Reclassifications	6	3	(19)	(10)
Change in scope of consolidation	(6)	(40)	2	(44)
Other	—	—	—	
Gross value as of August 31, 2022	**75**	**1,847**	**238**	**2,159**

* Corresponds mainly to the reclassification of assets held for sale (see note 3.2 “Disposed or held for sale activities”).

No item of property, plant and equipment is pledged as collateral for a liability.

6.3.2 Depreciation and impairment of property, plant and equipment

(in million euros)	LAND AND BUILDINGS	PLANT AND EQUIPMENT	CONSTRUCTION IN PROGRESS AND OTHER	TOTAL
Depreciation and impairment as of August 31, 2020	**(87)**	**(1,362)**	**(144)**	**(1,593)**
Amortization	(7)	(162)	(20)	(189)
Disposals	11	108	12	130
Impairment	(2)	(8)	—	(10)
Translation Adjustments	—	(11)	(1)	(12)
Reclassifications*	31	44	4	78
Change in scope of consolidation	1	35	1	36
Other	—	—	—	—
Depreciation and impairment as of August 31, 2021	**(54)**	**(1,356)**	**(149)**	**(1,559)**
Amortization	(4)	(156)	(16)	(176)
Disposals	3	78	13	94
Impairment	—	(1)	1	—
Translation Adjustments	(1)	(63)	(8)	(72)
Reclassifications	(1)	10	1	10
Change in scope of consolidation	2	50	1	53
Other				
Depreciation and impairment as of August 31, 2022	**(55)**	**(1,438)**	**(157)**	**(1,650)**

* Corresponds mainly to the reclassification of assets held for sale (see note 3.2 "Disposed or held for sale activities").

Depreciation is reported under either Cost of sales or Selling, General and Administrative costs.

6.3.3 Net book value of property, plant and equipment

(in million euros)	BUILDINGS	PLANT AND EQUIPMENT	CONSTRUCTION IN PROGRESS AND OTHER	TOTAL
Net carrying amount as of August 31, 2020	49	446	72	567
Net carrying amount as of August 31, 2021	19	374	68	461
Net carrying amount as of August 31, 2022	**20**	**409**	**81**	**510**

6.4 Impairment of non-current assets

ACCOUNTING PRINCIPLES AND POLICIES

Impairment of assets with finite useful lives

Property, plant and equipment and intangible assets with finite useful lives are tested for impairment if there is any indication of impairment. Impairment charges are recognized in the income statement, and may be reversed subsequently.

Impairment of assets with indefinite useful lives

Goodwill and other intangible assets considered to have an indefinite useful life (such as certain trademarks) are tested for impairment whenever there is an indication of impairment, and at least annually, in the last quarter of the fiscal year. The results of the impairment tests are then confirmed using actual data as of August 31.

Cash Generating Units

Assets that do not generate cash inflows that are largely independent of those from other assets, and hence cannot be tested for impairment individually, are grouped together in Cash Generating Units (CGUs).

Impairment tests are performed at the level of the CGU or group of CGUs corresponding to the lowest level at which goodwill is monitored by the Group.

Goodwill is generally analyzed per operating segment for On-site Services activity, as reflected in the Group's organizational structure (see note 4.1), and by geographical area for Benefits & Rewards Services activity:

- On-site Services activity:
  - Business & Administrations, which includes Corporate Services, Energy & Resources, Government & Agencies, Sports & Leisure and other non-segmented,
  - Healthcare, combined with Seniors,
  - Education, comprising Schools and Universities;
- Benefits & Rewards Services activity:
  - Americas,
  - Europe,
  - Rest of the world.

Goodwill is not tested for impairment at a higher level than the operating segments before aggregation for segment reporting.

The assets allocated to each CGU or group of CGUs comprise:

- goodwill, which is allocated when the CGU or group of CGUs is likely to benefit from the business combination;
- other intangible assets, property, plant and equipment, client investments, right-of-use assets relating to leases and net working capital.

Indications of impairment

The main indicators that a CGU or group of CGUs may be impaired are a significant decrease in the CGU or group of CGUs revenues and underlying operating profit or material changes in market trends.

Methods used to determine the recoverable amount

An impairment charge is recognized in the income statement when the carrying amount of an asset or CGU or group of CGUs is greater than its recoverable amount.

Recoverable amount is the greater of:

- fair value less costs of disposal, *i.e.*, the amount obtainable from the sale of an asset (net of selling costs) in an orderly transaction between market participants at the measurement date; and
- value in use, which is the present value of the future cash flows expected to be derived from continuing use and ultimate disposal of the asset or CGU or group of CGUs.

The value in use of a CGU or group of CGUs is estimated using after-tax cash flow projections based on business plans and a terminal value calculated by extrapolating data for the final year of the business plan.

Business plans generally cover five years. These plans have been drawn up for each operating segment resulting from the Group's organizational structure as described in note 4.1.

Management, both at Group and subsidiary levels, prepare underlying profit forecasts on the basis of past performance and expected market trends.

The growth rate used beyond the initial period of the business plans reflects the growth rate of the operating segment concerned, taking into account the geographic regions in which the operating segment conducts business.

Expected future cash flows are discounted at the weighted average cost of capital calculated for the Group. For certain CGUs or groups of CGUs a premium is added to the weighted average cost of capital in order to reflect the greater risk factors affecting certain countries in which the operating segment concerned conducts business.

Recognition of impairment charges

An impairment charge recognized with respect to a CGU or group of CGUs is allocated initially to reducing the carrying amount of any goodwill allocated to that CGU, and then to reducing the carrying amount of the other assets of the CGU or group of CGUs in proportion to the carrying amount of each asset.

Reversal of impairment charges

Impairment charges recognized with respect to goodwill cannot be reversed.

Impairment charges recognized with respect to any other asset may only be reversed if there is an indication that the impairment charge is lower or no longer exists. The amount reversed is based on the new estimates of the recoverable amount.

The increased carrying amount of an asset resulting from the reversal of an impairment charge cannot exceed the carrying amount that would have been determined for that asset had no impairment charge been recognized.

Impairment charges against property, plant and equipment and intangible assets (including goodwill) amounted to 1 million euros as of August 31, 2022 (32 million euros as of August 31, 2021), and is recognized in other operating expenses in Fiscal 2022 for 1 million euros (27 million euros in Fiscal 2021).

The main assumptions used are as follows:

	FISCAL 2022		FISCAL 2021	
	DISCOUNT RATE	LONG-TERM GROWTH RATE	DISCOUNT RATE	LONG-TERM GROWTH RATE
On-Site Services :				
Corporate Services	9.0%	2.2%	8.0%	2.2%
Energy & Resources	9.0%	2.5%	8.2%	2.6%
Government & Agencies	8.5%	2.0%	7.5%	2.1%
Sports & Leisure	8.4%	1.9%	7.3%	2.1%
Healthcare	8.6%	2.1%	7.3%	2.2%
Seniors	8.5%	1.8%	7.6%	2.0%
Schools	8.5%	1.9%	7.5%	2.0%
Universities	8.4%	2.0%	7.0%	2.0%
Other non-segmented activities	9.1%	2.3%	7.9%	2.0%
Benefits & Rewards Services	9.5%	2.4%	8.8%	2.7%
Americas	10.4%	2.9%	n/a	n/a
Europe	8.9%	1.9%	n/a	n/a
Rest of the World	13.0%	6.2%	n/a	n/a

The discount rates used by segment (group of CGUs) were set based on the weighted average of the discount rates for each geographic region, taking into account the relative weighting of each segment in the segment's revenues.

The discount rates of the main regions are as follows:

	DISCOUNT RATE	
	FISCAL 2022	FISCAL 2021
Continental Europe	9.1%	7.9%
North America	8.4%	7.0%
United Kingdom and Ireland	8.3%	7.5%
Latin America	9.2%	9.1%
France	8.5%	7.6%

4

SENSITIVITY ANALYSIS

Sodexo has analyzed the sensitivity of goodwill impairment test results to different financial and operational scenarios:

- the results of the goodwill sensitivity analysis indicated no probable scenario where a change in the discount rate or long-term growth rate would result in the recoverable amount of segment assets becoming less than its carrying amount. In fact, the results of the impairment testing demonstrate that even an increase of 150 basis points in the discount rate or a reduction of 150 basis points in the long-term growth rate would not result in an impairment of the assets tested for any segment;
- the Group also performed a sensitivity analysis on the operational assumptions used in order to determine whether a 10% decrease in forecast net cash flows over the time period of the business plans prepared by management and in terminal value would result in the recognition of an impairment in the Group's consolidated financial statements as of August 31, 2022. The results of this analysis did not indicate any risk of impairment for any of the segments.

NOTE 7. LEASES

ACCOUNTING PRINCIPLES AND POLICIES

The Group determines whether a contract is or contains a lease at inception of the contract. The Group classifies as a lease a contract that conveys to the Group the right to control the use of an identified asset for a given period of time.

Leases are recognized on the consolidated statement of financial position at the commencement date of the contract, except for leases covered by the exemptions allowed by IFRS 16 (short-term leases and leases of low value assets), adopted by the Group.

Leases are reflected in the consolidated statement of financial position by recognizing an asset representing the right to use the leased asset and a related liability corresponding to the obligation to make future lease payments. In the consolidated income statement, a depreciation of the right-of-use assets is recorded in operating expenses, separately from the interest expense on lease liabilities. In the consolidated cash flow statement, cash outflows relating to interest on lease liabilities impact operating activities flows, while repayment of the lease liabilities impact financing activities flows.

Short-term leases (*i.e.* lease term of 12 months or less) and leases of low-value assets (such as IT equipment) are expensed directly in operating expenses on a straight-line basis over the lease term.

Particular rent concessions payments due until June 30, 2022 occurring as a direct consequence of the Covid-19 pandemic are recorded in operating profit as if they were not lease modifications in accordance with the practical expedient permitted by amendments to IFRS 16 "Covid-19-Related Rent Concessions" and "Covid-19-Related Rent Concessions beyond June 30, 2021" published respectively in May 2020 and March 2021.

The leases contracted by the Group as a lessee mainly relate to the following categories of assets:

- real estate (land and buildings): the Group leases land and buildings for its offices. Terms and conditions are negotiated on an individual case basis and contain numerous different clauses, depending on the legal environment specific to each country. These leases are entered into for terms of 1 to 20 years and may contain extension options;
- sites and spaces operated as part of concession arrangements: the Group operates various sites (restaurants, retail spaces and kitchens) made available pursuant to concession agreements. The commissions paid in that respect are based on performance indicators of the location (variable payments, generally based on turnover) and may contain a minimum guarantee fee. Terms and conditions are negotiated on an individual case basis and contain numerous different clauses. These leases are entered into for terms of 1 to 18 years and may contain extension options;
- vehicles: the Group leases vehicles for some of its employees. These leases are entered into for terms of 1 to 5 years;
- equipment: the Group also leases some equipment necessary for its operations (kitchen equipment, vending machines…). Terms and conditions are negotiated on a case-by-case basis and contain numerous different clauses. These leases are entered into for terms of 1 to 5 years and may contain extension options.

The amount of lease concessions granted by lessors due to the Covid-19 pandemic which was recognized in the income statement during Fiscal 2022 and Fiscal 2021 in application of the practical expedient provided for by the amendments to IFRS 16 is not significant.

7.1 Lease liabilities

ACCOUNTING PRINCIPLES AND POLICIES

The Group recognizes a lease liability at the date on which the underlying asset is made available for use. The lease liability is measured at the net present value of lease payments to be made over the lease term.

Lease payments

The lease payments included in the measurement of the lease liability comprise:

- fixed rents (including minimum guarantee fee to be paid in accordance with concession agreements), less any lease incentive receivable from the lessor;
- variable rents that depend on an index or a rate;
- in-substance fixed payments.

Payments expected to be made to the lessor at the termination of the contract are also included (relatively rare in practice within the Group), such as:

- residual value guarantees;
- exercise price of a purchase option, when its exercise is reasonably certain; and
- termination penalties payable to the lessor, when the exercise of a termination option is reasonably certain.

Variable lease payments that do not depend on an index or a rate (notably, rents or commissions based on turnover) remain recognized in operating expenses when incurred. In addition, the Group elected to exclude, where applicable, non-lease components of the contract in the measurement of the lease liability (for example, vehicle maintenance services). Consequently, payments in relation to service components of the lease contracts are recorded in operating expenses, in the same way as variable lease payments.

Lease term

The lease term is assessed for each lease as the non-cancellable period of the contract, adjusted to reflect periods covered by an option to extend the lease that the Group is reasonably certain to exercise, and periods covered by an option to terminate the lease that the Group is reasonably certain not to exercise.

The legal environment and market practices specific to each country are also considered in assessing the lease term. This applies in particular to open-ended leases, for which an enforceable period is determined in light of circumstances specific to each situation. In assessing the enforceable period of each contract, the Group determines whether it would incur a penalty on termination that is more than insignificant, taking into account various relevant indicators (indemnities arising from contractual obligations and economic penalties based on operational criteria, in accordance with the clarifications provided by IFRS IC). In the specific case of French commercial property leases (also referred to as "3/6/9 leases"), the assessment is made on a case-by-case basis, that may lead to consider an enforceable period that is beyond the residual length of the initial 9-year term in some instances.

Discount rate

The discount rate used is generally the lessee incremental borrowing rate, as the rate implicit in the lease cannot be readily determined for most of the contracts. The incremental borrowing rate is calculated using the following parameters: risk-free rate of the relevant currency, duration of the lease, credit spread of the subsidiary concerned.

Subsequently, the lease liability is recognized at amortized cost using the effective interest method and is remeasured after the commencement date to reflect changes arising from:

- any modification of the lease term, reflecting a contractual modification or a reassessment of the probability of an extension or termination option being exercised;
- any changes in rent amount, resulting for example from a change in an index or a rate used to determine lease payments;
- any reassessment of the probability of a purchase option being exercised;
- any other contractual modification, such as the scope of the underlying asset.

As of August 31, 2022, the lease liabilities amount to 943 million euros, including 759 million euros of non-current lease liabilities and 184 million euros of current lease liabilities. The change in lease liabilities during Fiscal 2022 breaks down as follows:

(in million euros)	FISCAL 2022	FISCAL 2021
Lease liabilities as of September 1	939	**1,357**
Increase/(Decrease)[1]	186	(94)
Repayment of the principal	(225)	(242)
Translation adjustments	75	7
Change in scope of consolidation	(33)	(9)
Other movements[2]	1	(78)
LEASE LIABILITIES AS OF AUGUST 31	**943**	**939**

(1) Impact of new leases entered into, rent indexation, contractual modifications, as well as changes in assessment of the likelihood that renewal and termination options will be exercised. During Fiscal 2021, some significant contracts were terminated early.
(2) For Fiscal 2021, the other movements are mostly due to the reclassification of assets held for sale.

Lease liabilities maturity breaks down as follows:

(in million euros)	FISCAL 2022	FISCAL 2021
< 1 year	184	176
1 to 3 years	260	227
3 to 5 years	185	171
> 5 years	314	366
LEASE LIABILITIES CARRYING VALUE	**943**	**939**

7.2 Right-of-use assets relating to leases

ACCOUNTING PRINCIPLES AND POLICIES

A right-of-use asset is recognized for each lease contract (except for those covered by the exemptions), as a counterpart of the lease liability. This right-of-use asset is measured as the initial amount of the lease liability (assessed as specified above) plus, where applicable, the initial direct costs incurred in obtaining the contract (fees and administrative costs), the advance lease payments made to the lessor and the estimated costs to be incurred in restoring the underlying asset to the condition required by the terms and conditions of the contract.

The right-of-use asset is depreciated on a straight-line basis over the lease term used to measure the lease liability and, when necessary, is subject to impairment tests according to the same rules as those used for intangible assets and property, plant and equipment. The carrying amount is subsequently adjusted to reflect the change in the lease liability arising from amendments to the lease provisions and other remeasurement events (see above).

Right-of-use assets break down as follows, by type of underlying asset:

(in million euros)	LAND AND BUILDINGS	SITES AND SPACES OPERATED UNDER CONCESSION AGREEMENTS	VEHICLES	EQUIPMENT	TOTAL
Gross value as of August 31, 2020	**570**	**877**	**125**	**23**	**1,595**
Increase	22	90	47	5	164
Translation Adjustments	3	5	1	—	9
Reclassifications[1]	(106)	—	1	—	(105)
Change in scope of consolidation	(5)	(1)	(5)	(1)	(13)
Other movements[2]	(46)	(276)	(19)	(7)	(348)
Gross value as of August 31, 2021	**438**	**695**	**149**	**21**	**1,304**
Increase	19	84	(3)	2	102
Translation Adjustments	23	70	5	3	101
Reclassifications	(3)	—	—	—	(3)
Change in scope of consolidation	(46)	(11)	(1)	—	(58)
Other movements	(2)	—	—	—	(2)
Gross value as of August 31, 2022	**429**	**838**	**151**	**26**	**1,444**

(1) Corresponds mainly to the reclassification of assets held for sale.
(2) Corresponds mainly to significant contracts that were early-terminated.

(in million euros)	LAND AND BUILDINGS	SITES AND SPACES OPERATED UNDER CONCESSION AGREEMENTS	VEHICLES	EQUIPMENT	TOTAL
Amortization and impairment as of August 31, 2020	**(93)**	**(133)**	**(40)**	**(8)**	**(274)**
Amortization	(88)	(108)	(48)	(9)	(252)
Reversals	15	62	15	5	96
Impairment	(4)	(1)	—	—	(5)
Translation Adjustments	(1)	(2)	—	—	(3)
Reclassifications*	29	4	—	—	34
Change in scope of consolidation	1	1	2	—	4
Other movements	—	—	—	—	—
Amortization and impairment as of August 31, 2021	**(140)**	**(177)**	**(72)**	**(11)**	**(400)**
Amortization	(71)	(91)	(45)	(4)	(211)
Reversals	25	13	28	4	70
Impairment	1	—	—	—	1
Translation Adjustments	(9)	(18)	(2)	(2)	(31)
Reclassifications	3	—	—	—	3
Change in scope of consolidation	4	6	10	(1)	19
Other movements	—	—	—	—	—
Amortization and impairment as of August 31, 2022	**(187)**	**(267)**	**(81)**	**(14)**	**(549)**

* Corresponds mainly to the reclassification of assets held for sale (see note 3.2 "Disposed or held for sale activities").

(in million euros)	LAND AND BUILDINGS	SITES AND SPACES OPERATED UNDER CONCESSION AGREEMENTS	VEHICLES	EQUIPMENT	TOTAL
Net carrying amount as of August 31, 2020	477	744	84	15	1,321
Net carrying amount as of August 31, 2021	299	518	77	10	903
Net carrying amount as of August 31, 2022	**242**	**571**	**69**	**12**	**895**

NOTE 8. INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

ACCOUNTING PRINCIPLES AND POLICIES

Associates are companies in which Sodexo S.A. directly or indirectly exercises significant influence over financial and operating policy, without exercising exclusive or joint control. Joint ventures are joint arrangements in which Sodexo S.A. directly or indirectly exercises joint control and has rights to the net assets of the arrangement. Associates and joint ventures are accounted for using the equity method. Sodexo has a number of equity interests in project companies established in connection with Public-Private Partnership (PPP) contracts. These contracts enable governments to call upon the private sector for the design, construction, financing and management of public infrastructure (hospitals, schools, barracks, prisons), with detailed performance criteria. An analysis is performed for each of these equity interests, in order to determine whether they qualify as associates or joint ventures.

When Sodexo is legally or constructively obligated to make payments on behalf of companies accounted for using the equity method, a provision is made under liabilities in the consolidated statement of financial position for its share in the negative shareholders' equity of the said companies (see note 10.1).

Changes in the Group's share of the net assets of companies accounted for using the equity method in Fiscal 2021 and Fiscal 2022 are shown below:

(in million euros)	FISCAL 2022	FISCAL 2021
Carrying amount as of September 1	**57**	**53**
Of which Investments in companies accounted for using the equity method	***63***	***60***
Of which Provisions	***(6)***	***(7)***
Share of profit for the period	8	9
Other comprehensive income (loss)	—	3
Dividend paid for the period	(6)	(9)
Currency translation adjustment	6	—
Other movements	—	2
CARRYING AMOUNT AS OF AUGUST 31	**65**	**57**
Of which Investments in companies accounted for using the equity method	***73***	***63***
Of which Provisions	***(8)***	***(6)***

NOTE 9. INCOME TAX

ACCOUNTING PRINCIPLES AND POLICIES

Income tax expense

Income tax expense for the year includes current taxes and deferred taxes. It includes the *cotisation sur la valeur ajoutée des entreprises (CVAE)*, a business tax assessed on corporate value-added generated by the French subsidiaries, which is reported under income tax expense as the Group considers that it meets the definition of a tax on income contained in IAS 12 “Income Tax”.

Tax credits which do not affect taxable profit and are always refunded by tax authorities if they have not been deducted from corporate income tax are recognized as subsidies and therefore deducted from the expenses to which they relate.

Uncertain income tax liabilities related to tax positions are estimated in accordance with IFRIC 23 “Uncertainty over income tax treatments” and presented in Income tax payable. The accounting for uncertain tax treatments requires an entity to make estimates and judgments about whether the relevant taxation authority will accept the position taken by the entity in its tax filings (most likely amount or expected value corresponding to the probability-weighted average of the possible outcomes).

Deferred taxes

Deferred taxes are recognized on temporary differences between the carrying amount of an asset or liability and its tax base, using the tax rate that is expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantially enacted at the period end.

Deferred taxes are not recognized on the following items:

- initial recognition of goodwill;
- initial recognition of an asset in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit; and
- temporary differences on investments in subsidiaries that are not expected to reverse in the foreseeable future.

Taxes on items recognized directly in shareholders’ equity or in other comprehensive income are recognized in shareholders’ equity or in other comprehensive income, respectively, and not in the income statement.

Residual deferred tax assets on temporary differences and tax loss carry-forwards (after offset of deferred tax liabilities) are only recognized if their recovery is considered probable.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets and liabilities and the deferred taxes relate to the same taxable entity and tax authority.

9.1 Components of income tax expense

(in million euros)	FISCAL 2022	FISCAL 2021
Current income tax (expenses)/income	(211)	(107)
Withholding taxes	(9)	(7)
Deferred income tax (expenses)/income	(45)	14
INCOME TAX EXPENSE	**(264)**	**(101)**

As of Fiscal 2022, the change in deferred income tax income corresponds to the reversal of deferred tax assets and the non recognition of deferred tax assets previously recognized in new countries impacted by losses.

9.2 Income tax rate reconciliation

(in million euros)	FISCAL 2022	FISCAL 2021
Profit for the year before tax	969	237
Share of profit of companies accounted for using the equity method	(8)	(9)
Profit before tax excluding share of profit of companies accounted for using the equity method	**961**	**229**
Tax rate applicable to Sodexo S.A.	28.4%	32.02%
Theoretical income tax (expense)/income	**(273)**	**(73)**
Effect of jurisdictional tax rate differences	39	37
Permanently non-deductible expenses or non-taxable income	2	(1)
Other tax repayments/(charges), net	8	(18)
Tax loss carry-forwards used or recognized during the period but not recognized as a deferred tax asset in prior periods	4	8
Tax loss carry-forwards and temporary differences arising during the period or prior years but not recognized as a deferred tax asset*	(35)	(46)
Actual income tax expense	**(256)**	**(94)**
Withholding taxes	(9)	(7)
TOTAL INCOME TAX EXPENSE	**(264)**	**(101)**

* Including unrecognized deferred tax assets arising from non-recurring tax loss carry-forwards and temporary differences for 20 million euros in Fiscal 2022 (31 million euros in Fiscal 2021).

The effective tax rate, calculated on profit for the period before tax and excluding the share of profit of companies accounted for using the equity method, went from 43.9% for Fiscal 2021 to 27.5% for Fiscal 2022. Income tax expense of 264 million euros is driven by tax loss carry-forwards and temporary differences arising during the period but not recognized as a deferred tax asset for 35 million euros, mainly in France due to material non-recurring expenses, where there no prospect of short-term recoverability.

9.3 Deferred taxes

Movements in deferred taxes were as follows in Fiscal 2022:

(in million euros)	AUGUST 31, 2021	CHANGE IN ACCOUNTING PRINCIPLES	SEPTEMBER 1, 2021	DEFERRED TAX BENEFIT/ (EXPENSE)	DEFERRED TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENT AND OTHER	AUGUST 31, 2022
Employee-related liabilities	154	(3)	151	(4)	(22)	21	146
Fair value of financial instruments	16	—	16	(13)	(2)	2	3
Goodwill	(200)	—	(200)	(4)	—	(36)	(240)
Intangible assets	(22)	10	(12)	(6)	—	(4)	(22)
Other temporary differences	18	—	18	(9)	1	(2)	8
Tax loss carry-forwards	97	—	97	(9)	—	10	98
TOTAL NET DEFERRED TAX ASSETS/ (LIABILITIES)	**63**	**7**	**70**	**(45)**	**(23)**	**(9)**	**(7)**
Of which deferred tax assets	**165**	**—**	**176**	**—**	**—**	**—**	**154**
Of which deferred tax liabilities	**(101)**	**—**	**(106)**	**—**	**—**	**—**	**(161)**

Movements in deferred taxes were as follows in Fiscal 2021:

(in million euros)	AUGUST 31, 2020	DEFERRED TAX BENEFIT/ (EXPENSE)	DEFERRED TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENT AND OTHER	AUGUST 31, 2021
Employee-related liabilities	151	1	(1)	3	154
Fair value of financial instruments	2	13	2	(1)	16
Goodwill	(199)	5	—	(6)	(200)
Intangible assets	(30)	9	—	(1)	(22)
Other temporary differences	38	(26)	3	3	18
Tax loss carry-forwards	77	13	—	7	97
TOTAL NET DEFERRED TAX ASSETS/(LIABILITIES)	**39**	**15**	**4**	**5**	**63**
Of which deferred tax assets	**137**	**—**	**—**	**—**	**165**
Of which deferred tax liabilities	**(97)**	**—**	**—**	**—**	**(101)**

As of August 31, 2022, the deferred tax assets arising from tax loss carry-forwards amount to 98 million euros (97 million euros as of August 31, 2021). Brazil and Germany are the main countries with tax loss carry-forwards recognized (for those countries, the use of tax loss carry-forwards is unlimited). The recoverability of the deferred tax assets arising from tax loss carry-forwards is assessed based on a business plan performed at the level of each tax jurisdiction.

Unrecognized deferred tax assets arising from tax loss carry-forwards because their recovery is considered to be uncertain amounted to 215 million euros as of August 31, 2022 (192 million euros as of August 31, 2021). France is the main country with unrecognized deferred tax assets on tax loss carry-forwards. Unrecognized deferred tax assets arising from tax losses generated within the French tax group in Fiscal 2022 amount to 8 million euros.

Temporary differences on employee-related liabilities relate primarily to post-employment benefits.

NOTE 10. PROVISIONS, LITIGATION AND CONTINGENT LIABILITIES

ACCOUNTING PRINCIPLES AND POLICIES

A provision is recognized if the Group has a legal or constructive obligation at the closing date and it is probable that settlement of the obligation will require an outflow of resources and the amount of the liability can be reliably measured.

Provisions primarily cover commercial, employee-related and tax-related risks and litigation (other than those related to income tax) arising in the course of operating activities, and are measured using assumptions that take account of the most likely outcomes.

Where the effect of the time value of money is material, the amount of the provision is determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and any risks specific to the liability.

A provision for onerous contracts is established where the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it.

10.1 Provisions

(in million euros)	AUGUST 31, 2021	INCREASES/ CHARGES	REVERSALS WITH UTILIZATION	REVERSALS WITHOUT UTILIZATION	CURRENCY TRANSLATION ADJUSTMENT AND OTHER	CHANGES IN SCOPE OF CONSOLIDATION	AUGUST 31, 2022
Reorganization costs	67	9	(45)	(15)	2	(1)	17
Employee claims and litigation	56	17	(10)	(8)	1	(1)	55
Tax and social security exposures	30	5	(1)	(3)	1	—	32
Contract termination and loss-making contracts	27	6	(10)	(6)	4	—	21
Client/supplier claims and litigation	23	22	(10)	—	2	—	37
Negative net assets of associates*	6	—	—	—	2	—	8
Other provisions	45	11	(9)	(5)	—	2	44
TOTAL PROVISIONS	**254**	**70**	**(85)**	**(37)**	**12**	**—**	**214**

* Investments in companies accounted for using the equity method that have negative net assets (see note 8).

(in million euros)	AUGUST 31, 2020	INCREASES/ CHARGES	REVERSALS WITH UTILIZATION	REVERSALS WITHOUT UTILIZATION	CURRENCY TRANSLATION ADJUSTMENT AND OTHER	CHANGES IN SCOPE OF CONSOLIDATION	AUGUST 31, 2021
Reorganization costs(1)	81	49	(54)	(12)	3	—	67
Employee claims and litigation	42	32	(14)	(4)	(1)	—	56
Tax and social security exposures	27	9	(4)	(3)	1	—	30
Contract termination and loss-making contracts	37	9	(14)	(1)	(5)	—	27
Client/supplier claims and litigation	18	16	(11)	—	—	—	23
Negative net assets of associates(2)	7	—	—	—	—	—	6
Other provisions	43	21	(18)	(4)	2	—	45
TOTAL PROVISIONS	**255**	**137**	**(114)**	**(24)**	**1**	**(1)**	**254**

(1) The provisions for reorganization mainly consist of the restructuring and right-sizing costs resulting from the rigorous measures implemented in the context of the Covid-19 pandemic in all segments and activities to adjust on-site staff costs, as government employment measures progressively fell apart, and to sustainably reduce the Selling, General and Administrative costs.
(2) Investments in companies accounted for using the equity method that have negative net assets (see note 8).

Provisions for exposures and litigation are determined on a case-by-case basis and rely on management's best estimate of the outflows deemed likely to satisfy legal or implicit obligations to which the Group is exposed as of the end of the fiscal year.

Current and non-current provisions are as follows:

(in million euros)	AUGUST 31, 2022		AUGUST 31, 2021	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Reorganization costs	17	—	67	—
Employee claims and litigation	21	34	30	26
Tax and social security exposures	14	18	13	18
Contract termination and loss-making contracts	13	8	14	13
Client/supplier claims and litigation	23	14	14	9
Negative net assets of associates*	—	8	—	6
Other provisions	11	33	10	35
TOTAL PROVISIONS	**99**	**115**	**148**	**106**

* Investments in companies accounted for using the equity method that have negative net assets (see note 8).

10.2 Litigation and contingent liabilities

DISPUTES WITH THE BRAZILIAN TAX AUTHORITIES

The subsidiary Sodexo Pass do Brasil is in dispute with the Brazilian tax authorities regarding the tax deductibility of the amortization of goodwill recognized on the purchase of VR in March 2008. For the record, in Fiscal 2017, Sodexo Pass do Brasil received a tax reassessment notice from the Brazilian tax authorities for fiscal years 2010, 2011 and 2012 relating to the deductibility for tax purposes of the amortization of goodwill, with 150% penalties and late payment interest. The reassessment amounts to 573 million Brazilian real to date, *i.e.*, 111 million euros as of August 31, 2022 (29 million euros in principal, 43 million euros in penalties and 40 million euros in late payment interest).

Sodexo is firmly disputing this reassessment, which the Brazilian tax authorities originally envisaged during a previous tax audit covering fiscal years 2008 and 2009 but then abandoned. Sodexo considers that the tax amortization of goodwill was valid, both in terms of its underlying reasons and the way it has been recorded. Therefore, the Group considers that there is a strong probability of winning the dispute with the tax authorities, which has been confirmed by its tax advisors.

This dispute was presented on August 14, 2018 for judgment of the competent administrative court (CARF). The court ruled in favor of Sodexo Pass do Brasil as it considered that the goodwill and corresponding tax amortization were legitimately recognized on the acquisition of VR. The judgment therefore confirms that Sodexo Pass do Brasil acquired a full business structure when it purchased VR.

The Brazilian tax authorities challenged the decision by appealing to the Superior Court of Appeal (CSRF). Due to the pandemic, the review of the dispute by the CSRF was postponed several times, and was finally put on the agenda for the hearing of September 13, 2022. This collegiate hearing confirmed the ruling favorable to Sodexo Pass do Brasil by 7 votes to 1. The Group is awaiting written notification of this decision which would definitively end the dispute in its favor.

Consequently, the Group believes, after consulting its advisors, that the risk of an outflow of resources on final settlement of this dispute is low and considers that no provision is to be accounted for in its financial statements as of August 31, 2022.

It is recalled that the tax savings generated by this tax amortization were offset in the consolidated accounts of the Group by a deferred tax expense of the same amount for each of the financial periods concerned, in accordance with IFRS rules. The deferred tax liability related to the reassessed periods amounts to 29 million euros as of August 31, 2022 (24 million euros as of August 31, 2021).

During Fiscal 2021, the subsidiary Sodexo do Brasil Comercial also received a tax reassessment notice mainly linked to the tax deductibility of the amortization of goodwill recognized on the purchase of Puras. The reassessment covers the period from 2015 to 2017 and amounts to 198 million Brazilian real to date, *i.e.*, 38 million euros as of August 31, 2022 (of which 9 million euros in principal and 29 million euros in penalties and late payment interests). In August 2021, the competent administrative Court ruled in favor of Sodexo do Brasil Comercial but the Brazilian tax authorities appealed this first instance decision. However, the Group considers that the risks of a change in the decision are low, considering, on the one hand, that it has strong arguments to contest the tax reassessment and, on the other hand, the outcome of the final hearing favorable to Sodexo Pass do Brasil mentioned above.

The goodwill amount has been fully amortized. The tax savings generated by this tax depreciation were offset in the consolidated accounts of the Group by a deferred tax expense of the same amount for each of the related financial periods, in accordance with the IFRS rules. The balance of the related deferred tax liability amounts to 28 million euros as of August 31, 2022.

In addition, Sodexo and its main competitors have a different interpretation from that of the Tax Administration on the deductibility of PIS/COFIN on certain purchases that are made at a zero rate. Proceedings are still ongoing but suspended pending the decision of the Supreme Courts (which will judge in law on another taxpayer). Based on the opinion of its tax advisers, the Group considers that its chances of success in these proceedings are good and therefore did not consider it necessary at this stage to provision for appropriations deducted to date.

DISPUTE WITH THE FRENCH COMPETITION AUTHORITY

On October 9, 2015, the company Octoplus filed a complaint with the French Competition Authority (*Autorité de la concurrence*) concerning several French meal voucher issuers, including Sodexo Pass France. Following the hearing of the parties concerned in April and July 2016, the Competition Authority decided on October 6, 2016 to continue the proceedings, without ordering interim measures against Sodexo Pass France.

On February 27, 2019, the prosecution services sent their final investigation report to Sodexo Pass France. In its response filed on April 29, 2019, the Group contested both of the grievances notified by the Authority (exchange of information and foreclosure of the meal voucher market through the *Centrale de Règlement des Titres). On* December 17, 2019, the French Competition Authority ruled against the meal voucher issuers and fined Sodexo Pass France, jointly and severally with Sodexo S.A., 126 million euros. This decision was formally notified to Sodexo Pass France and Sodexo S.A. on February 6, 2020. Sodexo vigorously contests this decision considering that it demonstrates a flawed understanding of the practices in question and of the way in which the market operates. Sodexo has therefore lodged an appeal against the decision with the Paris Court of Appeal. The hearing was held on November 18, 2021, and the Court of Appeal is expected to render its decision on November 24, 2022.

Given the significant impact of the Covid-19 pandemic on the Group's activities and performance, Sodexo obtained a decision from the State collection services allowing it to defer payment of the fine until December 15, 2021 without any penalty being due, subject to providing a bank guarantee, and from that date a monthly settlement plan until the decision of the Court of Appeal.

After consultation with its legal advisers, the Group considers that it has solid arguments capable of resulting in the reversal or revision of the decision of the Competition Authority. As a result, no provision has been made for this dispute.

DISPUTE IN HUNGARY

Following legislative and regulatory changes to the issuance of food and meal voucher market in Hungary, Sodexo made an application to the International Center for Settlement of Investment Disputes (ICSID) in July 2014 for arbitration proceedings against the Hungarian State.

The ICSID issued its decision on January 28, 2019, ordering the Hungarian State to pay compensation in an amount of 73 million euros to Sodexo, together with accrued interest from December 31, 2011. On May 27, 2019, the Hungarian State lodged an appeal against this decision which was rejected by the ICSID on May 7, 2021 thereby definitively confirming its decision of January 28, 2019 and the obligation of the Hungarian State to compensate Sodexo in accordance with international law.

The Hungarian State paid an indemnity in an amount of 33.5 million euros to Sodexo Pass International on December 31, 2021 in consideration of the prejudice caused as a result of the expropriation by the Hungarian State of Sodexo Pass International's investment in Hungary further to the legislative and regulatory changes implemented by the Hungarian State in the issuance of food and meal voucher market in Hungary.

This payment definitively puts an end to the dispute with regard to the ICSID arbitration award.

An income of 33.5 million euros has been recognized accordingly in other operating income in Fiscal 2022 (see note 4.2.2 “Other operating income and expenses”).

FRENCH TAX REASSESSMENT

Sodexo S.A. received in December 2021 a notification for a proposed tax reassessment concerning fiscal years 2016, 2017 and 2018 with interruption of the statute of limitations. After review with its tax advisors, the Company considers it has strong arguments to contest the proposed reevaluation.

OTHER DISPUTES

Group subsidiaries can also be subject to tax audits, a number of which may result in reassessments. The main disputes are described above. In each case, the risk is assessed by management and its advisors and any charges deemed probable are recorded as provisions or tax liabilities.

The Group is not aware of any other governmental, judicial or arbitral proceedings which are outstanding or threatened and which may have, or have had in the past 12 months, material effects on the Group's financial position or profitability.

The Group is also involved in other legal proceedings arising in the normal course of its business. The Group does not anticipate that any potential related liabilities will in the aggregate be material to its activities or to its consolidated financial position.

NOTE 11. EQUITY AND EARNINGS PER SHARE

ACCOUNTING PRINCIPLES AND POLICIES

Sodexo treasury shares

Sodexo shares held by Sodexo S.A. itself and/or by other Group companies are shown as a reduction in consolidated shareholders' equity at their acquisition cost.

Gains and losses on acquisitions and disposals of treasury shares are recognized directly in consolidated shareholders' equity and do not affect profit or loss for the year.

Commitments to purchase non-controlling interests

As required by IAS 32 "Financial instruments: Presentation", Sodexo recognizes commitments to purchase non-controlling interests as a liability within borrowings in the consolidated statement of financial position. Commitments to purchase non-controlling interests given in connection with business combinations are recognized as follows:

- the liability arising from the commitment is recognized in other borrowings at the present value of the purchase commitment;
- the corresponding non-controlling interests are cancelled; and
- additional goodwill is recognized for the balance.

Earnings per share

Earnings per share is calculated by dividing profit for the period by the weighted average number of ordinary shares outstanding during the period, net of treasury shares.

In the calculation of diluted earnings per share, the denominator is increased by the number of potentially dilutive shares, and the numerator is adjusted for all dividends and interest recognized in the period and any other change in income or expenses that would result from conversion of the potentially dilutive shares.

Potential ordinary shares are treated as dilutive if and only if their conversion to shares would decrease earnings per share or increase loss per share.

11.1 Equity

11.1.1 Statement of changes in shareholders' equity

Composition of share capital and treasury shares

(number of shares)	AUGUST 31, 2022	AUGUST 31, 2021
Share Capital(1)	147,454,887	147,454,887
Treasury shares(2)	841,102	1,166,593
Outstanding shares	146,613,785	146,288,294

(1) With a par value of 4 euros each.
(2) Treasury shares value of 74 million euros as of August 31, 2022 (108 million euros as of August 31, 2021).

Dividends

	AUGUST 31, 2022	AUGUST 31, 2021
Dividends paid (in million euros)	294	—
Dividend per share paid (in euros)	2	—

Sodexo's bylaws confer double voting rights on shares held in registered form for more than four years.

Furthermore, since Fiscal 2013, shares held in registered form for at least four years and still held in that form when the dividend becomes payable, are entitled to a dividend premium equal to 10% of the dividend paid on the other shares. The number of shares eligible for this dividend premium may not exceed 0.5% of the share capital for any single shareholder.

Other Comprehensive Income

Items recognized directly in Other Comprehensive Income (OCI) (Group share) are shown below:

	FISCAL 2022			FISCAL 2021		
(in million euros)	INCREASE/ (DECREASE) DURING THE YEAR, PRE-TAX	INCOME TAX (EXPENSE)/ BENEFIT	INCREASE/ (DECREASE) DURING THE YEAR, NET OF TAX	INCREASE/ (DECREASE) DURING THE YEAR, PRE-TAX	INCOME TAX (EXPENSE)/ BENEFIT	INCREASE/ (DECREASE) DURING THE YEAR, NET OF TAX
Financial assets measured at fair value through other comprehensive income*	65	(2)	63	98	(2)	96
Share of other components of comprehensive income/(loss) of companies accounted for using the equity method	—	—	—	3	—	3
Remeasurements of net defined benefit obligation	87	(21)	66	15	(1)	14
Currency translation adjustment	715	—	715	118	—	118
TOTAL OTHER COMPREHENSIVE INCOME/ (LOSS) (GROUP SHARE)	**867**	**(23)**	**844**	**233**	**(3)**	**231**

* See note 12.3.

11.1.2 Policy for managing the Company's capital structure

Sodexo takes a long-term view in managing its capital structure, with the objective of ensuring the Group's liquidity, optimizing its financial structure and allowing shareholders to benefit from its strong cash flow generation.

Contributing to decisions made may be objectives for earnings per share or estimated future cash flows, or for balancing various components of the consolidated statement of financial position in order to meet the net debt criteria defined by Group management and communicated to the marketplace.

11.2 Earnings per share

The table below presents the calculation of basic and diluted earnings per share:

	FISCAL 2022	FISCAL 2021
Profit for the year attributable to equity holders of the parent (in million euros)	695	139
Basic weighted average number of shares	146,295,576	146,004,484
Basic earnings per share* (in euros)	**4.75**	**0.95**
Average dilutive effect of free share plans	1,770,216	1,618,597
Diluted weighted average number of shares	148,065,793	147,623,081
Diluted earnings per share* (in euros)	**4.69**	**0.94**

* Basic and diluted earnings per share do not reflect the effect of the dividend premium to be paid on certain registered shares meeting the criteria described in note 11.1. Based on the number of registered shares as of August 31, 2022, such shares total 8,891,925 (8,963,835 as of August 31, 2021).

NOTE 12. CASH, FINANCIAL ASSETS AND LIABILITIES, AND FINANCIAL INCOME AND EXPENSE

ACCOUNTING PRINCIPLES AND POLICIES

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying non-current asset are included in the cost of that asset. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying non-current asset are recognized as an expense using the effective interest method.

Financial instruments

Financial assets and liabilities are recognized in the statement of financial position on the transaction date, which is the date when Sodexo becomes a party to the contractual provisions of the instrument.

The fair values of financial assets and derivative instruments are generally determined on the basis of quoted market prices, of values resulting from recent transactions or of valuations carried out by the depositary bank.

FINANCIAL ASSETS

Financial assets are measured and recognized in three main categories:

- **financial assets measured at fair value through other comprehensive income** include investments in non-consolidated entities, which correspond to equity instruments that the Group has irrevocably elected to classify in this category. When an equity instrument is sold, the cumulative fair value adjustment recognized in other comprehensive income is not transferred to the income statement; only dividends are booked in the income statement. For securities listed on an active market, fair value is considered to equal the market value. If no active market exists, the fair value is generally determined based on an appropriate financial criteria for the specific security;
- **financial assets measured at amortized cost** represent debt instruments for which contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and that are held within a business model whose objective is to hold assets to collect contractual cash flows. They include financial and security deposits, and loans to non-consolidated entities. These financial assets are initially recognized at fair value in the statement of financial position and subsequently at amortized cost, using the effective interest rate method (which is equivalent to acquisition cost as no significant transaction costs are incurred in acquiring such assets). They are impaired to cover the estimated expected credit losses;
- **financial assets at fair value through profit or loss** include marketable securities with maturities greater than three months and other financial assets held for trading and acquired for the purpose of resale in the near term (instruments that are not eligible to be classified as financial assets measured at amortized cost or at fair value through other comprehensive income). These assets are measured at fair value, with changes in fair value recognized in financial income or expense in the income statement, with the exception of changes in the fair value of financial assets related to the Benefits & Rewards Services activity which are recognized in operating income or expense.

DERIVATIVE FINANCIAL INSTRUMENTS

Sodexo's policy is to finance the majority of acquisition costs insofar as possible in the currency of the acquired entity, generally at fixed rates of interest.

Derivative financial instruments are initially recognized at fair value in the statement of financial position. Subsequent changes in the fair value of derivative instruments are recognized in the income statement, except in the case of instruments that qualify as cash flow hedges.

For cash flow hedges, the necessary documentation is prepared at inception and updated at each period end. Gains or losses arising on the effective portion of the hedge are recognized in other comprehensive income, and are not recognized in the income statement until the underlying asset or liability is realized. Gains or losses arising from the ineffective portion of the hedge are recognized in the income statement.

Interest-rate derivatives are also used as fair value hedges (fixed-rate bond swapped for a floating rate). In the case of fair value hedge relationships, the portion of financial liabilities hedged by the interest-rate derivatives are remeasured to the extent of risk hedged. Changes in the value of hedged items are recognized in profit and loss for the period and are offset by symmetrical adjustments in interest-rate derivatives.

The fair value of these derivative instruments is generally determined based on valuations provided by the bank counter-parties.

BANK BORROWINGS AND BOND ISSUES

All borrowings, including bank credit facilities and overdrafts, are initially recognized at the fair value of the amount received less directly attributable transaction costs.

Subsequent to initial recognition, borrowings are measured at amortized cost using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of a financial liability to the net carrying amount of that liability. The calculation includes the effects of transaction costs, and of differences between the issue proceeds (net of transaction costs) and reimbursement value.

Cash and cash equivalents

Cash and cash equivalents comprise current bank account balances, cash on hand and short-term cash investments in money-market instruments. Money-market instruments correspond to authorized "short-term" or "standard" money-market funds under the new regulation adopted by the European Union (market funds that are eligible to the presumption as to classification as cash equivalents pursuant to the common AMF and ANC position issued in November 27, 2018) and have an initial maturity of less than three months at the moment of purchase or may be withdrawn at any time at a known cash value with no material risk of loss in value.

12.1 Financial income and expense

(in million euros)	FISCAL 2022	FISCAL 2021
Gross borrowing cost[1]	(91)	(89)
Interest income from short-term bank deposits and equivalent	15	6
NET BORROWING COST	**(76)**	**(83)**
Interest on financial lease liabilities IFRS 16[2]	(17)	(20)
Net foreign exchange gains/(losses)	3	(2)
Net interest cost on net defined benefit plan obligation	(2)	(3)
Interest income from loans and receivables at amortized cost	5	4
Other financial income	14	8
Other financial expense	(14)	(9)
NET FINANCIAL EXPENSE	**(87)**	**(106)**
Of which Financial income	**37**	**18**
Of which Financial expense	**(124)**	**(124)**

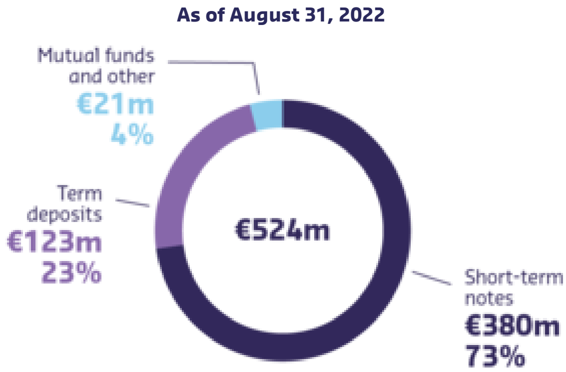
(1) Gross borrowing cost represents interest expense on financial liabilities at amortized cost and interest expense on hedging instruments.
(2) Interests on lease liabilities recognized in accordance with IFRS 16.

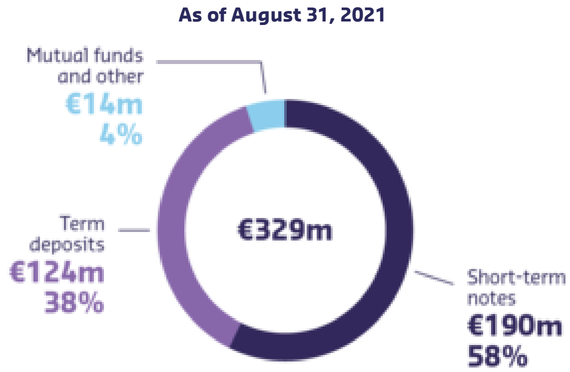
12.2 Cash and cash equivalents

(in million euros)	FISCAL 2022	FISCAL 2021
Marketable securities	524	329
Cash*	2,701	3,211
CASH AND CASH EQUIVALENTS	**3,225**	**3,539**
Bank overdrafts	(8)	(7)
CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	**3,217**	**3,532**

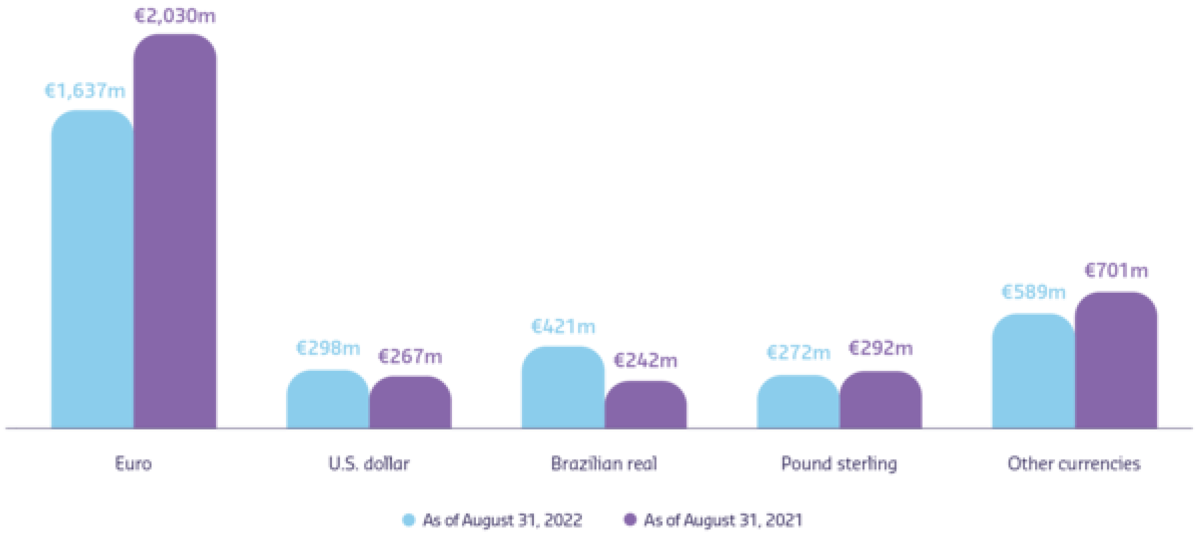
* Including 10 million euros allocated to the liquidity contract signed with an investment services provider, which complies with the Code of conduct drawn up by the French financial markets association Association française des marchés financiers – AMAFI) and approved by the French securities regulator (Autorité des marchés financiers – AMF), for the purpose of improving the liquidity of Sodexo shares and the regularity of the quotations.

Marketable securities comprise:





Cash, cash equivalents and overdraft break down as follows by currency:



This currency allocation is presented after clearing the positive and negative positions of the Group's two cash pools with an asset position of 2,710 million euros and a liability position of 17 million euros as of August 31, 2022.

More than 85% of the Group’s cash and cash equivalents, restricted cash and financial assets related to the Benefits & Rewards Services activity, is held with A+, A1- or A2-rated financial institutions.

No significant amount of cash or cash equivalents was subject to any restrictions as of August 31, 2022.

12.3 Financial assets

12.3.1 Current and non-current financial assets

	FISCAL 2022		FISCAL 2021	
(in million euros)	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Investments in non-consolidated companies	**—**	**863**	**—**	**643**
Financial assets related to the Benefits & Rewards Services activity, including restricted cash	**1,257**	**—**	**1,062**	**—**
Cost*	1,257	—	1,062	—
Impairment	—	—	—	—
Receivables from investees	**—**	**79**	**—**	**17**
Cost	—	79	—	17
Impairment	—	—	—	—
Loans and deposits	**54**	**83**	**39**	**75**
Cost	54	120	39	104
Impairment	—	(37)	—	(29)
Derivative financial instruments	**3**	**—**	**16**	**—**
FINANCIAL ASSETS	**1,314**	**1,025**	**1,117**	**734**
Cost	1,314	1,098	1,117	815
Impairment	—	(73)	—	(81)

* The split between financial assets at amortized cost and cash and cash equivalent is presented in note 12.6.

PRINCIPAL INVESTMENTS IN NON-CONSOLIDATED COMPANIES

The Group holds 19.61% of the shares in Bellon SA, the Parent company of Sodexo S.A., carried at a value of 541 million euros. In accordance with IFRS 9, this financial asset is, as from September 1, 2018, measured at fair value through other comprehensive income. The method used for determining the fair value of this investment is described in note 12.6 “Financial instruments”.

RESTRICTED CASH AND FINANCIAL ASSETS RELATED TO THE BENEFITS & REWARDS SERVICES ACTIVITY

Restricted cash corresponds to 960 million euros of “Financial assets related to the Benefits & Rewards Services activity” primarily in funds set aside to comply with regulations governing the issuance of service vouchers in France (304 million euros), Romania (191 million euros), Belgium (167 million euros), India (127 million euros) and China (80 million euros). The funds remain the property of Sodexo but are subject to restrictions on their use. They may not be used for any purpose other than to reimburse affiliates and must be kept separate from the Group’s unrestricted cash. These funds are invested in interest-bearing instruments.

Restricted cash and financial assets related to the Benefits & Rewards Services activity break down as follows by currency:

(in million euros)	FISCAL 2022	FISCAL 2021
Euro	491	439
U.S. dollar	7	6
Brazilian real	156	206
Romanian Leu	191	123
Indian rupee	142	106
Yuan Renminbi	87	70
Other currencies	183	112
TOTAL RESTRICTED CASH AND FINANCIAL ASSETS RELATED TO THE BENEFITS & REWARDS SERVICES ACTIVITY	**1,257**	**1,062**

12.3.2 Changes in current and non-current financial assets excluding derivative financial instruments

CARRYING AMOUNT (in million euros)	AUGUST 31, 2021	INCREASE/ (DECREASE) DURING THE PERIOD	IMPAIRMENT	CHANGES IN SCOPE OF CONSOLIDATION	CHANGE IN FAIR VALUE		CURRENCY TRANSLATION ADJUSTMENT AND OTHER	AUGUST 31, 2022
					INCOME	OCI[1]		
Investments in non-consolidated companies[2]	643	149	—	—		64	7	863
Financial assets related to the Benefits & Rewards Services activity, including restricted cash	1,062	145	—	—	—	1	49	1,257
Receivables from investees[3]	17	62	—	—	—	—	—	79
Loans and deposits	113	5	(5)	3	—	—	21	137
FINANCIAL ASSETS EXCLUDING FINANCIAL DERIVATIVES INSTRUMENTS	**1,835**	**361**	**(5)**	**3**	**—**	**65**	**77**	**2,336**

(1) Other comprehensive income.
(2) Increase/decrease related to investments in non-consolidated companies include 93 million euros for The Grandir Group SAS (see note 1.3).
(3) Increase/decrease related to receivables from investees include 62 million euros for The Grandir Group SAS's bonds convertible into shares (see note 1.3).

CARRYING AMOUNT (in million euros)	August 31, 2020	INCREASE/ (DECREASE) DURING THE PERIOD	IMPAIRMENT	CHANGES IN SCOPE OF CONSOLIDATION	CHANGE IN FAIR VALUE		CURRENCY TRANSLATION ADJUSTMENT AND OTHER	AUGUST 31, 2021
					INCOME	OCI		
Investments in non-consolidated companies	485	64	1	(1)	—	98	(3)	643
Financial assets related to the Benefits & Rewards Services activity, including restricted cash	1,103	(45)	—	(1)	—	(5)	10	1,062
Receivables from investees	17	(1)	—	—	—	—	1	17
Loans and deposits	140	(10)	(15)	—	—	—	1	113
FINANCIAL ASSETS EXCLUDING FINANCIAL DERIVATIVE INSTRUMENTS	**1,744**	**7**	**(14)**	**(2)**	**—**	**93**	**8**	**1,835**

12.4 Borrowings

Changes in borrowings during Fiscal 2022 and Fiscal 2021 were as follows:

(in million euros)	AUGUST 31, 2021	INCREASES	REPAYMENTS	DISCOUNTING EFFECTS AND OTHER	CURRENCY TRANSLATION ADJUSTMENT	CHANGES IN SCOPE OF CONSOLIDATION	AUGUST 31, 2022
Bond issues[1]	6,053	81	(682)	(44)	192	—	5,600
Private Placements and bank borrowings	1	—	(2)	—	—	2	1
Other borrowings[2]	30	25	(3)	—	—	56	108
TOTAL BORROWINGS EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**6,084**	**106**	**(687)**	**(44)**	**192**	**58**	**5,709**
Net fair value of derivative financial instruments[3]	(13)	—	(12)	53	5	—	33
TOTAL BORROWINGS	**6,071**	**106**	**(699)**	**9**	**197**	**58**	**5,742**

(1) The repayment of 682 million euros mainly corresponds to the early repayment of the 600 million euros bond in October 2021 (see note 12.4.2).
(2) Changes in scope of consolidation related to other borrowings include written put options over non-controlling interests for 57 million euros including 44 million euros for Wedoogift.
(3) Including derivative financial instruments of 14 million euros recorded in liabilities as of August 31, 2022 (4 million euros as of August 31, 2021).

(in million euros)	AUGUST 31, 2020	INCREASES	REPAYMENTS	DISCOUNTING EFFECTS AND OTHER	CURRENCY TRANSLATION ADJUSTMENT	CHANGES IN SCOPE OF CONSOLIDATION	AUGUST 31, 2021
Bond issues	4,960	1,116	(57)	9	26	—	6,053
Private Placements and bank borrowings	6	5	(10)	—	—	—	1
Finance lease obligations	—	—	—	—	—	—	—
Other borrowings	29	44	(2)	(14)	1	(28)	30
TOTAL BORROWINGS EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**4,996**	**1,165**	**(69)**	**(5)**	**26**	**(28)**	**6,084**
Net fair value of derivative financial instruments	(4)	(1)	13	(10)	(11)	—	(13)
TOTAL BORROWINGS	**4,992**	**1,165**	**(57)**	**(15)**	**15**	**(28)**	**6,071**

12.4.1 Borrowings by currency

(in million euros)	FISCAL 2022 CURRENT	FISCAL 2022 NON-CURRENT	FISCAL 2021 CURRENT	FISCAL 2021 NON-CURRENT
Bond issues[1]				
U.S. dollar (USD)	11	1,212	18	1,056
Euro	7	4,080	613	4,076
Sterling pound	1	289	1	289
TOTAL	**19**	**5,581**	**631**	**5,421**
Private Placements and bank borrowings				
U.S. dollar (USD)	—	—	—	—
Euro	1	—	1	—
Other currencies	—	—	—	—
TOTAL	**1**	**—**	**1**	**—**
Other borrowings[2]				
Euro	8	55	—	8
Sterling pound	0	8	—	8
Other currencies	6	31	—	14
TOTAL	**14**	**94**	**—**	**30**
BORROWINGS EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**34**	**5,675**	**633**	**5,451**
Net fair value of derivative financial instruments[3]	1	32	(14)	1
BORROWINGS	**35**	**5,707**	**619**	**5,453**

(1) Including, as of August 31, 2022, 4,377 million euros bonds issued by Sodexo S.A. and 1,223 million euros bonds issued by Sodexo, Inc.
(2) Of which 78 million euros as of August 31, 2022 (25 million euros as of August 31, 2021) corresponding to liabilities recognized in connection with written put options over non-controlling interests in certain subsidiaries.
(3) Described in note 12.5.

For borrowings other than bond issues, amortized cost is equivalent to historical cost (nominal amount) insofar as no significant transaction costs are incurred.

12.4.2 Bond issues

On April 16, 2021, Sodexo, Inc., U.S. a subsidiary of Sodexo S.A., completed a bond issue of 1.25 billion U.S. dollars structured in two tranches:

- 500 million U.S. dollars redeemable at par value in April 2026 and bearing interest at an annual rate of 1.634%, with interest payable semi-annually on April and October 16;
- 750 million U.S. dollars redeemable at par value in April 2031 and bearing interest at an annual rate of 2.718%, with interest payable semi-annually on April and October 16;
  - 375 million (or 50%) of the 750 million U.S. dollars bond due in April 2031 was converted at the time of issuance from fixed to floating rate using interest rate swaps. During fiscal year 2022, Sodexo terminated one of the swaps with a nominal value of 125 million U.S. dollars early and renegotiated the LIBOR-indexed swap, also with a nominal value of 125 million U.S. dollars. Therefore, as of August 31, 2022, 250 million (or 33%) out of the 750 million U.S. dollars obligation is floating rate hedged using interest rate swaps indexed to SOFR rates. The applicable interest rate on these floating interest rate swaps as of August 31, 2022 was 3.15%. Consequently, as of August 31, 2022, the Group no longer has any derivative instruments indexed to indices that are set to be discontinued.

Accrued interest on these bonds amounted to 11 million euros as of August 31, 2022.

On July 17, 2020, Sodexo S.A. issued a bond structured in two tranches:

- 500 million euros tranche redeemable at par value on January 17, 2024 and bearing interest at an annual rate of 0.5%, with interest payable annually on January 17;
- 500 million euros tranche redeemable at par value on July 17, 2028 and bearing interest at an annual rate of 1.0%, with interest payable annually on July 17.

Accrued interest on these bonds amounted to 2 million euros as of August 31, 2022.

On April 27, 2020, Sodexo S.A. issued a bond structured in two tranches:

- 700 million euros tranche redeemable at par value on April 27, 2025 and bearing interest at an annual rate of 0.75%, with interest payable annually on April 27;
- 800 million euros tranche redeemable at par value on April 27, 2029 and bearing interest at an annual rate of 1.0%, with interest payable annually on April 27.

Accrued interest on these bonds amounted to 5 million euros as of August 31, 2022.

On June 26, 2019, Sodexo S.A. issued bonds for 250 million British pounds Sterling redeemable in June 2028 and bearing interest at an annual rate of 1.75%, with interest payable annually on June 26. Accrued interest on this bond amounted to 1 million euros as of August 31, 2022.

On May 22, 2018, Sodexo S.A. issued bonds for 300 million euros redeemable in May 2025 and bearing interest at an annual rate of 1.125%, with interest payable annually on May 22. Accrued interest on this bond amounted to 1 million euros as of August 31, 2022.

On October 14, 2016 Sodexo S.A. issued bonds for 600 million euros redeemable in April 2027 and bearing interest at an annual rate of 0.75%, with interest payable annually on April 14. On August 1, 2017, the Company increased this issue with an additional 200 million euros of bonds. Accrued interest on these bonds amounted to 2 million euros as of August 31, 2022.

On June 24, 2014, Sodexo S.A. completed a bond issue structured in two tranches:

- a 600 million euros tranche redeemable at par value on January 24, 2022 and bearing interest at an annual rate of 1.75%, with interest payable annually on January 24. On 26 October 2021, following the appropriate notice period and process, Sodexo decided to redeem this bond 3 months early at par. This bond is now repaid;
- a 500 million euros tranche redeemable at par value on June 24, 2026 and bearing interest at an annual rate of 2.50%, with interest payable annually on June 24.

Accrued interest on this bond amounted to 2 million euros as of August 31, 2022.

None of the above-described bonds are subject to financial covenant.

12.4.3 Other borrowings

12.4.3.1 CREDIT FACILITIES

July 2011 multi-currency confirmed credit facility

On July 18, 2011, Sodexo S.A. contracted a multi-currency credit facility for a maximum of 600 million euros plus 800 million U.S. dollars, with an original maturity date of July 18, 2016. This facility has been amended on a number of occasions with the most recent amendment being in July 2019 with a new maturity date of July 2024, with two options to extend the maturity by one year each, up to July 2026. The first option to extend this facility was executed during Fiscal 2020 and the second was executed during Fiscal 2021. The facility maturity date is now July 2026. The maximum available limits under this facility now are 589 million euros plus 785 million U.S. dollars.

The most recent amendment also incorporates a sustainability clause that links the credit facility cost to Sodexo's ability to comply with its public commitment to reduce its food waste by 50% by 2025.

Amounts drawn on this facility carry floating interest indexed on the LIBOR and EURIBOR rates. This credit facility is not subject to any covenant.

Concerning the benchmark rate reform, the Group is finalizing the discussions with their counterparts to negotiate the change of the rates, which include essentially this multilateral credit facility.

No amounts had been drawn down on the facility as of either August 31, 2022 nor as of August 31, 2021.

Bilateral confirmed credit facility

On December 18, 2019, the Group obtained two 150 million euros bilateral confirmed credit facility, both are due to expire in December 2023.

On February 13, 2020, the Group obtained a third 150 million euros bilateral confirmed credit facility expiring in February 2024.

On May 20, 2020, the Group obtained a further two bilateral facilities totaling 250 million euros. One facility is a 150 million euros facility and matured in May 2021 and the second facility is a 100 million euros facility that matured in September 2021 following the execution of the option to extend the facility for a further 8 months in January 2021.

No amounts had been drawn down on any of these facilities as of August 31, 2022.

12.4.3.2 COMMERCIAL PAPER

Borrowings under the Sodexo S.A. and Sodexo Finance commercial paper programs are nil either as of August 31, 2022 nor of August 31, 2021.

12.4.4 Interest rates

In order to comply with the Group's financing policy, substantially all borrowings are long term and at fixed interest rates.

As of August 31, 2022, 96% of the Group's borrowings were at fixed rate. The average rate of interest as of the same date was 1.6%.

As of August 31, 2021, 95% of the Group's borrowings were at fixed rate. The average rate of interest as of the same date was 1.6%.

The bond issues and borrowings from financial institutions described above include customary early redemption clauses. These clauses include cross-default and change-in-control clauses which apply to all of the borrowings.

12.4.5 Maturity of borrowings

Borrowings excluding derivative financial instruments as of August 31, 2022

Borrowings excluding derivative financial instruments as of August 31, 2021

For borrowings expressed in a foreign currency, amounts are translated at the year-end closing rate.

Maturities include interest accrued as of the period end. Credit facility renewal rights are taken into account to determine the maturities.

The undiscounted contractual maturities include payment of future interest not due yet.

12.5 Derivative financial instruments

The fair values of Sodexo's derivative financial instruments are as follows:

DERIVATIVE FINANCIAL INSTRUMENTS (in million euros)	IFRS CLASSIFICATION	FISCAL 2022	FISCAL 2021
Currency instruments		**(4)**	**2**
Assets	Trading	1	6
Liabilities	Trading	(5)	(4)
Interest instruments*		**(29)**	**11**
Assets	Fair value hedge	1	11
Liabilities	Fair value hedge	(30)	—
NET DERIVATIVE FINANCIAL INSTRUMENTS		**(33)**	**13**

* Correspond to the floating-rate swaps on fixed-rate bonds issued by Sodexo, Inc. described in note 12.4.2.

The face value and fair value of currency instruments and cross-currency swaps are as follows by maturity:

	FISCAL 2022				FISCAL 2021			
(in million euros)	LESS THAN 1 YEAR	5 YEARS	MORE THAN 5 YEARS	TOTAL	LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
Currency lender positions	**176**	**18**	**8**	**202**	**45**	**8**	**1**	**54**
Canadian Dollar/Euro	142	—	—	142	—	—	—	—
Czech crown/Euro	16	—	—	16	—	—	—	—
Polish zloty/Euro	14	—	—	14	9	—	—	9
Other	4	18	8	30	36	8	1	45
Currency borrower positions	**(42)**	**(29)**	**(56)**	**(127)**	**(374)**	**(10)**	**(10)**	**(394)**
Pound Sterling/Euro	—	(7)	(56)	(63)	—	—	—	—
Brazilian real/Euro	—	—	—	—	—	—	—	—
Dollar/Euro	—	—	—	—	(302)	—	—	(302)
Other	(42)	(22)	—	(64)	(72)	(10)	(10)	(92)
TOTAL FACE VALUE	**134**	**(11)**	**(48)**	75	**(329)**	**(1)**	**(9)**	**(340)**
Fair value	**(1)**	**(1)**	**(31)**	**(33)**	**17**	**(4)**	**—**	**13**

The face value represents the nominal value of currency hedging instruments, including amounts related to forward agreements. Foreign currency amounts are translated at year-end closing rates.

12.6 Financial instruments per category

The table below presents the categories of financial instruments, their carrying amount and their fair value, by item in the consolidated statement of financial position.

The fair value hierarchy used in classifying financial instruments is provided for in IFRS 13 "Fair value measurement" as defined in note 2.3.

			FISCAL 2022		FAIR VALUE LEVEL			
FINANCIAL ASSETS (in million euros)	CATEGORY	NOTE	CARRYING AMOUNT	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Marketable securities	Financial assets at fair value through profit or loss	12.2	524	524	21	503	—	524
Restricted cash and financial assets related to the Benefits & Rewards Services activity	Financial assets at amortized cost	12.3	960	960	—	—	—	—
	Cash and cash equivalents	12.3	297	297	297	—	—	297
Trade and other receivables	Financial assets at amortized cost	4.3	5,068	5,068	—	—	—	—
Other financial assets	Financial assets at fair value through other comprehensive income	12.3	863	863	—	—	863	863
	Financial assets at amortized cost	12.3	154	154	—	—	—	—
	Financial assets at fair value through profit or loss	12.3	62	62	—		62	62
Derivative financial instrument assets	Derivative financial instrument	12.5	2	2	—	2	—	2

FINANCIAL LIABILITIES (in million euros)	CATEGORY	NOTE	FISCAL 2022 CARRYING AMOUNT	FAIR VALUE	FAIR VALUE LEVEL LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Bond issues*	Financial liabilities at amortized cost	12.4	5,600	5,113	5,113	—	—	5,113
Bank borrowings	Financial liabilities at amortized cost	12.4	1	1	—	—	—	—
Put options over non-controlling interests	Financial liabilities at fair value through profit or loss	12.4	79	79	79	—	—	79
Other borrowings	Financial liabilities at amortized cost	12.4	29	29	—	—	—	—
Trade and other payables	Financial liabilities at amortized cost	4.3	5,230	5,230	—	—	—	—
Vouchers payable	Financial liabilities at amortized cost	4.5	3,509	3,509	—	—	—	—
Derivative financial instrument liabilities	Derivative financial instrument	12.5	35	35	—	35	—	35

* Fair value is calculated on the basis of listed bond prices as of August 31, 2022.

FINANCIAL ASSETS (in million euros)	CATEGORY	NOTE	FISCAL 2021 CARRYING AMOUNT	FAIR VALUE	FAIR VALUE LEVEL LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Marketable securities	Financial assets at fair value through profit or loss	12.2	328	328	15	313	—	328
Restricted cash and financial assets related to the Benefits & Rewards Services activity	Financial assets at amortized cost	12.3	773	773	—	—	—	—
	Cash and cash equivalents	12.3	289	289	289	—	—	289
Trade and other receivables	Financial assets at amortized cost	4.3	4,271	4,271	—	—	—	—
Other financial assets	Financial assets at fair value through other comprehensive income	12.3	643	643	—	—	643	643
	Financial assets at amortized cost	12.3	131	131	—	—	—	—
Derivative financial instrument assets	Derivative financial instrument	12.5	17	17	—	17	—	17

FINANCIAL LIABILITIES (in million euros)	CATEGORY	NOTE	FISCAL 2021 CARRYING AMOUNT	FAIR VALUE	FAIR VALUE LEVEL LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Bond issues*	Financial liabilities at amortized cost	12.4	6,053	6,283	6,283	—	—	6,283
Bank borrowings	Financial liabilities at amortized cost	12.4	1	1	1	—	—	1
Other borrowings	Financial liabilities at amortized cost	12.4	30	30	30	—	—	30
Bank overdrafts	Financial liabilities at amortized cost	12.2	7	7	7	—	—	7
Trade and other payables	Financial liabilities at amortized cost	4.3	4,429	4,429	—	—	—	—
Vouchers payable	Financial liabilities at amortized cost	4.5	3,133	3,133	—	—	—	—
Derivative financial instrument liabilities	Derivative financial instrument	12.5	4	4	—	4	—	4

* Fair value is calculated on the basis of listed bond prices as of August 31, 2021.

There were no transfers between the various fair value hierarchy levels between Fiscal 2021 and Fiscal 2022.

FAIR VALUE LEVEL 3: MEASUREMENT OF BELLON SA SECURITIES

The Group holds, through its wholly-owned subsidiary Sofinsod, a 19.61% stake in Bellon SA, a company that controls Sodexo S.A. with 42.75% of its shares and 57.50% of its voting rights exercisable on August 31, 2022. This shareholding does not give the Group significant influence over Bellon SA, as voting rights attached to Bellon SA shares cannot be exercised by Sofinsod, in accordance with the provisions of article L.233-31 of French *Code de commerce*.

Due to the application of IFRS 9, the Group assessed this investment at its fair value, determined in accordance with IFRS 13. The valuation of the fair value of the investment depends, among other things, on the revalued Net Asset Value (NAV) of Bellon SA which has limited debt and holds no assets other than shares of Sodexo S.A. These shares are valued at their closing share price for the calculation of the NAV of Bellon SA.

The bylaws of Bellon SA include a clause which restricts the sale of Bellon SA shares to non-shareholder third parties, subject to the prior approval of its Supervisory Board. Bellon SA is controlled 72.6% by Mrs. Pierre Bellon, and her four children who signed in June 2015 a 50-year agreement preventing the direct descendants of Mr. and Mrs. Pierre Bellon from freely disposing of their Bellon SA shares. The sole asset of Bellon SA being its interest in Sodexo, it can be inferred that Bellon SA does not intend to sell this interest to third parties.

These specific characteristics imply very limited liquidity for the shares that Sofinsod holds in Bellon SA. The valuation method used by management (Level 3 of the hierarchy defined by IFRS 13) incorporates this illiquidity on the one hand, as well as all of the characteristics of the holding's ownership structure, on the other hand. This method results in a discount to net asset value on Bellon SA estimated at 40% as of August 31, 2022 and August 31, 2021.

As of August 31, 2022, the fair value of the investment is assessed at 541 million euros, and its change since the opening of the year has been recorded in other non-recyclable items of comprehensive income. Its fair value was assessed to 481 million euros as of August 31, 2021.

NOTE 13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

The Group policies and procedures adopted by the Board of Directors, the Group Chairwoman and Chief Executive Officer, and the Group Chief Financial Officer are designed to prevent speculative positions. Furthermore, under them:

- substantially all borrowings must be at fixed rates of interest, or converted to fixed-rate using hedging instruments;
- in the context of financing policy, foreign exchange risk on loans to subsidiaries must be hedged;
- the maturity of hedging instruments must not exceed the maturity of the borrowings they hedge.

13.1 Analysis of sensitivity to interest rates

As of August 31, 2022, an increase or a decrease in interest rates would have had no material impact on profit before tax or on shareholders' equity as 96% of all liabilities at those dates were at a fixed rate of interest.

13.2 Analysis of sensitivity to foreign exchange rates and exchange rate exposures on principal currencies

Because Sodexo has operations in 53 countries, all components of the financial statements are influenced by foreign currency translation effects, and in particular by fluctuations in the U.S. dollar. However, exchange rate fluctuations do not generate any operational risk, because each of the Group's subsidiaries invoices its revenues and incurs its expenses in the same currency.

Sodexo S.A. uses derivative instruments to manage the Group's risk exposure resulting from the volatility of exchange rates.

SENSITIVITY TO EXCHANGE RATES

IMPACT OF A 10% APPRECIATION OF THE EXCHANGE RATE OF THE FOLLOWING CURRENCIES AGAINST THE EURO (in million euros)	AUGUST 31, 2022				AUGUST 31, 2021			
	IMPACT ON REVENUES	IMPACT ON OPERATING PROFIT	IMPACT ON PROFIT BEFORE TAX	IMPACT ON SHAREHOLDERS' EQUITY	IMPACT ON REVENUES	IMPACT ON OPERATING PROFIT	IMPACT ON PROFIT BEFORE TAX	IMPACT ON SHAREHOLDERS' EQUITY
U.S. dollar (USD)	839	46	31	316	619	20	7	220
Brazilian real (BRL)	105	17	13	78	82	12	6	64
Pound Sterling (GBP)	203	13	15	81	189	8	11	74

13.3 Exposure to liquidity risk

The nature of the Group's bank borrowings and bond issues as of August 31, 2022 is described in detail in note 12.4.

As of August 31, 2022, the same as prior year, more than 98% of the Group's consolidated borrowings was raised on capital markets, and bank financing covered less than 2% of the Group's financing needs. The maturity dates of the main borrowings range between Fiscal 2023 and Fiscal 2031.

13.4 Exposure to counterparty risk

Exposure to counterparty risk is limited to the carrying amount of financial assets.

Group policies and procedures are to manage and spread counterparty risk. For derivative financial instruments, each transaction with a bank is required to be based on a master contract modelled on the standard contract issued by the French Bankers' Association (AFB) or the International Swaps and Derivatives Association (ISDA).

Counterparty risk relating to client accounts receivable is immaterial. Due to the Group's geographic and segment spread, there is no concentration of risk on past due individual receivables for which no provision has been recorded. Given the degradation in the economic environment resulting from the Covid-19 pandemic, the Group has reinforced its credit risk tracking.

Thus, the Group did not record any significant change in the impacts related to the proven financial failures of its customers during the year. The net carrying amount of overdue receivables amounts to 538 million euros, of which 90 million are beyond 6 months (2.1% of total net accounts receivable as of August 31, 2022 *vs.* 1.6% as of August 31, 2021).

The main counterparty risk is bank-related. The Group has limited its exposure to counterparty risk by diversifying its investments and limiting the concentration of risk held by each of its counterparties. Transactions are conducted with highly creditworthy counterparties taking into consideration country risk. The Group has instituted a regular reporting of the risk spread between counterparties and of their quality.

To reduce this risk further, the Group has an international cash pooling mechanism between its main subsidiaries (with a netting facility), reducing the amount of liquidity held by third parties by concentrating it in the Group's financial holding companies.

The maximum counterparty represents approximately 19% (17% as of August 31, 2021) of the Group's operating cash (including restricted cash and financial assets related to the Benefits & Rewards Services activity) and is with a banking group whose rating is A-1.

NOTE 14. OTHER INFORMATION

14.1 Subsequent events

None

14.2 Commitments and contingencies

14.2.1 Sureties

Commitments arising from surety arrangements (pledges, charges secured against plant and equipment, and real estate mortgages) contracted by Sodexo S.A. and its subsidiaries in connection with operating activities during Fiscal 2022 are not material.

14.2.2 Other commitments given

	FISCAL 2022				FISCAL 2021
(in million euros)	LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL	TOTAL
Financial guarantees to third parties	5	8	73	85	20
Site management commitments	—	—	—	—	—
Performance bonds given to clients	—	31	107	137	136
Other commitments	9	35	47	92	145
TOTAL OTHER COMMITMENTS GIVEN	**14**	**74**	**227**	314	**301**

The performance bonds given to clients relate to around fifteen sub-contracting contracts, where the Group considers that it may be exposed to indemnity payments if it is unable to fulfill the service obligation. These bonds are subject to regular review by the management of the business unit and a provision is recorded as soon as payment under a bond becomes probable. For all other contracts with a performance bond, Sodexo considers that it can deploy the additional resources needed to avoid paying compensation under the bond.

The Group also has performance obligations to clients, but regards these as having the essential features of a performance guarantee rather than an insurance contract designed to compensate the client in the event of non-fulfillment of the service obligation (compensation is generally due only where Sodexo is unable to provide alternative or additional resources to fulfill the obligation to the client).

In practice, given its size and geographical reach, Sodexo considers itself capable of providing the additional resources required to avoid paying compensation to clients protected by such clauses.

At this time, no provision has been recorded in the consolidated statement of financial position with respect to these guarantees.

The "Other commitments" line mainly includes the 10-year guarantee given by Sodexo S.A. in December 2021 to the Trustee of the UK pension plan (*i.e.*, until December 2031), for a maximum of 40 million pounds Sterling as of August 31, 2022, in order to cover Sodexo UK's obligations in connection with the plan.

14.3 Related parties

14.3.1 Principal shareholder

As of August 31, 2022, Bellon SA held 42.75% of the capital of Sodexo and 57.50% of the exercisable voting rights.

The expense recognized in Fiscal 2022 under an assistance and advisory services contract between Bellon SA and Sodexo S.A. amounts to 3.5 million euros (3.7 million euros in Fiscal 2021).

Sodexo S.A. paid a dividend of 126 million euros during Fiscal 2022.

The Group received dividends of 3.3 million euros from Bellon SA during Fiscal 2022.

14.3.2 Associates and Joint Ventures

Other transactions with related companies comprise loans advanced, commercial transactions, and off-balance sheet commitments involving associates.

	FISCAL 2022			FISCAL 2021
(in million euros)	GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT	CARRYING AMOUNT
Loans	45	—	45	52

OFF-BALANCE SHEET COMMITMENTS	FISCAL 2022	FISCAL 2021
Financial guarantees to third parties	85	20
Performance bonds given to clients	137	136

TRANSACTIONS	FISCAL 2022	FISCAL 2021
Revenues	284	299
Operating expenses	(5)	(3)
Financial income and expense, net	1	1

14.4 Scope of consolidation

The main companies consolidated as of August 31, 2022 and presented in the table below together represent over 80% of consolidated revenues, operating profit, profit for the period attributable to equity holders of the parent, and shareholders' equity. The other entities individually represent less than 0.6% of each of these items.

The first column shows the percentage interest held by the Group, and the second column the percentage of voting rights held by the Group. Percentage interests and percentage of voting rights are only shown if less than 97%.

Companies newly consolidated during the year are indicated by the letter "N".

	% INTEREST	% VOTING RIGHTS	PRINCIPAL ACTIVITY	COUNTRY
France				
Sodexo S.A.			Holding	France
Sodexo Entreprises (consolidated)			On-site	France
Sodexo Santé Médico Social			On-site	France
Société Française de Restauration et Services (consolidated)			On-site	France
Sogeres			On-site	France
Sodexo Sports et Loisirs			On-site	France
Sodexo Justice Services			On-site	France
Société d'Exploitation des Vedettes Paris Tour Eiffel (SEVPTE)			On-site	
Sodexo Energie et Maintenance			On-site	France
Foodchéri			On-site	France
Sodexo Pass International SAS			Holding	France
Sodexo Pass France SA			Benefits & Rewards	France
Glady (formerly named Wedoogift)	88%	88%	Benefits & Rewards	France
Sofinsod SAS			Holding	France

		% INTEREST	% VOTING RIGHTS	PRINCIPAL ACTIVITY	COUNTRY
Americas					
	Sodexo do Brasil Comercial SA (consolidated)			On-site	Brazil
	Sodexo Pass do Brasil Serviços E Comércio SA			Benefits & Rewards	Brazil
	Sodexo Facilities Services Ltda			On-site	Brazil
	Sodexo S.A.S.			On-site	Colombia
	Sodexo Canada Ltd (consolidated)			On-site	Canada
	Centerplate Canada			On-site	Canada
	Sodexo Chile SpA (consolidated)			On-site	Chile
	Sodexo, Inc. (consolidated)			On-site	United States
	Centerplate Ultimate Holdings, Corp.			On-site	United States
N	Frontline US			On-site	United States
	CK Franchising Inc.			On-site	United States
	Sodexo Global Services, LLC			Holding	United States
	Sodexo Peru SAC			On-site	Peru
Europe					
	Sodexo Services GmbH (consolidated)			On-site	Germany
	Sodexo Beteiligungs BV & Co. KG			On-site	Germany
	GA-tec Gebäude und Anlagentechnik GmbH			On-site	Germany
	Sodexo Services Solutions Austria GmbH			On-site	Austria
	Sodexo Belgium SA (consolidated)			On-site	Belgium
	Imagor SA			Benefits & Rewards	Belgium
	Sodexo Pass Belgium SA (consolidated)			Benefits & Rewards	Belgium
	Sodexo Iberia SA (consolidated)			On-site	Spain
	Sodexo Soluciones de Motivation Espana			Benefits & Rewards	Spain
	Novae Restauration SA			On-site	Switzerland
	Sodexo Italia SpA (consolidated)			On-site	Italy
	Sodexo Nederland BV (consolidated)			On-site	Netherlands
	Sodexo Pass Česka Republika AS			Benefits & Rewards	Czech Republic
	Sodexo Ltd (consolidated)			On-site	United Kingdom
	Sodexo Global Services UK Ltd			Holding	United Kingdom
	Sodexo Motivation Solutions UK Ltd			Benefits & Rewards	United Kingdom
	Sodexo Luxembourg SA			On-site	Luxembourg
	Sodexo Finances USD Ltd			Holding	United Kingdom
	Sodexo Holdings Ltd			On-site	United Kingdom
	Sodexo Finance Designated Activity Company			Holding	Ireland
	Sodexo Ireland Ltd			On-site	Ireland
	Sodexo Remote Sites Scotland Ltd			On-site	Scotland
	Sodexo Pass Romania Srl			Benefits & Rewards	Romania
	Sodexo Avantaj Ve Odullendirme Hizmetleri AS			Benefits & Rewards	Turkey
	Sodexo AB			On-site	Sweden
Asia, Pacific, Middle East, Africa					
	Sodexo Remote Sites Australia Pty Ltd			On-site	Australia
	Sodexo India Services Private LTD			On-site	India
	Sodexo (China) Enterprise Management Sces Co., Ltd			On-site	China
	Beijing Sodexo Service Co., Ltd.			On-site	China
	Sodexo Management Company Ltd Shanghaï			On-site	China
	Sodexo Singapore PTE Ltd			On-site	Singapore
	Kelvin Catering Services (Emirates) LLC	49%	49%	On-site	United Arab Emirates

14.5 Auditors' fees

	PWC				KPMG			
	PRICEWATERHOUSECOOPERS AUDIT		NETWORK		KPMG SA		NETWORK	
(in million euros excluding VAT)	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Audit of individual company financial statements and consolidated financial statements								
Issuer	0.7	61%	n/a	n/a	0.8	33%	n/a	n/a
Consolidated subsidiaries	0.2	15%	4.5	70%	1.1	46%	2.8	93%
TOTAL AUDIT SERVICES	**0.9**	**76%**	**4.5**	**70%**	**1.9**	**79%**	**2.8**	**93%**
Other services								
Issuer	0.3	24%	0.3	5%	0.4	17%	—	0%
Consolidated subsidiaries	0.0	0%	1.5	25%	0.1	4%	0.2	7%
TOTAL OTHER SERVICES	**0.3**	**24%**	**1.8**	**30%**	**0.5**	**21%**	**0.2**	**7%**
TOTAL FEES	**1.2**	**100%**	**6.3**	**100%**	**2.4**	**100%**	**3.0**	**100%**

Services other than the certification of accounts provided by PricewaterhouseCoopers Audit and its network to the issuer and consolidated subsidiaries mainly consist of due diligence and, outside France, tax compliance services.

Services other than the certification of accounts provided by KPMG SA to the consolidating entity mainly consist of professional services in the context of the non-financial performance; services other than the certification of accounts provided by its network to the consolidated subsidiaries mainly consist of professional services in the context of agreed upon procedures, issuance of attestations and tax compliance services.

4.3 Supplemental information and condensed Group organization chart

4.3.1 Financial ratios

		FISCAL 2022	FISCAL 2021
Gearing ratio	Borrowings (1) – operating cash (2) / Shareholders' equity and non-controlling interests	28.7%	46.6%
Net debt ratio	Borrowings (1) – operating cash (2) / Underlying EBITDA (underlying operating profit before Interest, Taxes, Depreciation and Amortization) (3)	1.0	1.7
Debt coverage	Borrowings / Operating cash flow	4.6 years	8 years
Financial independence	Long-term borrowings / Shareholders' equity and non-controlling interests	128.3%	171.7%
Return on equity	Profit attributable to equity holders of the parent / Equity attributable to equity holders of the parent (before profit for the period)	18.7%	4.6%
ROCE (Return on capital employed)	Underlying operating profit after tax (4) / Average capital employed (5)	17.2%	9.9%
Interest cover	Operating profit / Net borrowing cost	13.9	4.1

Financial ratios have been computed based on the following key indicators:

(in million euros)		FISCAL 2022	FISCAL 2021
(1) Borrowings[1]	Long-term borrowings	5,709	5,453
	+ Short-term borrowings	35	635
	- Derivative financial instruments recognized as assets	(2)	(17)
	BORROWINGS	**5,742**	**6,072**
(2) Operating cash	Cash and cash equivalents	3,225	3,539
	+ Restricted cash and financial assets related to the Benefits & Rewards Services activity	1,257	1,062
	- Bank overdrafts	(8)	(7)
	OPERATING CASH	**4,474**	**4,594**
(3) Underlying EBITDA	Underlying operating profit	1,059	578
	+ Depreciation and amortization	477	537
	- Lease payments	(225)	(260)
	UNDERLYING EBITDA (UNDERLYING OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION)	**1,311**	**854**
(4) Underlying operating profit after tax	Underlying operating profit	1,059	578
	Underlying Effective tax rate[4]	27.5%	28.3%
	UNDERLYING OPERATING PROFIT AFTER TAX	**768**	**414**
(5) Average capital employed[2]	Property, plant and equipment	485	513
	+ Right-of-use assets relating to leases	899	1,112
	+ Leases liabilities	(942)	(1,148)
	+ Goodwill	6,211	5,787
	+ Other intangible assets	655	652
	+ Client investments	614	568
	+ Working capital excluding restricted cash and financial assets of the Benefits & Rewards Services activity	(3,452)	(3,391)
	+ Impact of assets held for sale net of liabilities[3]	3	78
	AVERAGE CAPITAL EMPLOYED	**4,473**	**4,172**

(1) The Group does not believe the accounting treatment introduced by IFRS 16 modifies the operating nature of its lease transactions. Accordingly, to ensure the Group's performance measures continue to best reflect its operating performance, the Group considers repayments of lease liabilities as operating items impacting the Free cash flow, which integrates all lease payments (fixed or variable). Consistently, the lease liabilities are not included in Net debt.
(2) Average capital employed between the beginning and the end of the period.
(3) Reinstatement of the capital employed of Childcare activity which gave rise to classification in assets and liabilities held for sale.
(4) Below the underlying effective tax rate calculation:

(in million euros)	AUGUST 31, 2022 PROFIT BEFORE TAX EXCLUDING SHARE OF PROFIT OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	AUGUST 31, 2022 INCOME TAX	AUGUST 31, 2022 RATE	AUGUST 31, 2021 PROFIT BEFORE TAX EXCLUDING SHARE OF PROFIT OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	AUGUST 31, 2021 INCOME TAX	AUGUST 31, 2021 RATE
EFFECTIVE	**960**	**(264)**	**27.5%**	**229**	**(101)**	**43.9%**
Adjustments:						
Restructuring costs	14	(4)		153	(39)	
Impairment losses and amortization of intangible assets relating to client relationships and trademarks	46	(12)		60	(15)	
Non recognition of non recurrent deferred taxes	—	20		—	31	
Others	(56)	(5)		25	(8)	
UNDERLYING	**964**	**(265)**	**27.5%**	**467**	**(132)**	**28.3%**

4.3.2 Two-year financial summary

(in million euros, unless otherwise indicated)	FISCAL 2022	FISCAL 2021
Total shareholders' equity	**4,425**	**3,175**
Equity attributable to equity holders of the parent	4,415	3,167
Non-controlling interests	10	7
Borrowings[(1)]	**5,742**	**6,072**
Non-current borrowings	5,709	5,453
Current borrowings	33	619
Cash and equivalent, net of bank overdrafts	**3,217**	**3,532**
Financial assets of the Benefits & Rewards Services activity (including restricted cash)	**1,257**	**1,062**
Net borrowings[(2)]	**1,268**	**1,478**
Revenue	**21,125**	**17,428**
Underlying Operating profit	**1,059**	**578**
Operating profit	1,054	339
Net profit for the year	704	137
Net profit attributable to non-controlling interests	9	(2)
Net profit attributable to equity holders of the parent	**695**	**139**
Weighted average number of shares	**146,295,576**	**146,004,484**
Earnings per share (in euro)	4.75	1.0
Dividend per share paid during the fiscal year (in euros)	2.0	—
Share price at August 31 (in euros)	76.44	70.02
Highest share price in the fiscal year (in euros)	87.98	88.04
Lowest share price in the fiscal year (in euros)	62.40	53.40

(1) Including net financial instruments at fair value, excluding bank overdrafts.
(2) Cash and cash equivalents + restricted cash and financial assets of the Benefits & Rewards Services activity – borrowings.

4.3.3 Exchange rates

The exchange rates of non-member countries of the euro zone used to prepare the consolidated financial statements are mainly:

ISO CODES	COUNTRIES	CURRENCY	CLOSING EXCHANGE RATE AT AUGUST 31, 2022 1 EURO =	AVERAGE EXCHANGE RATE FISCAL 2022 1 EURO =
USD	United States	U.S. dollar	1.000000	1.101100
GBP	United Kingdom	Pound Sterling	0.860350	0.846463
BRL	Brazil	Brazilian real	5.148200	5.772225
AUD	Australia	Australian dollar	1.459100	1.532913
CAD	Canada	Canadian dollar	1.311100	1.400438
CNY	China	Yuan Renminbi	6.894700	7.148950
SEK	Sweden	Swedish Krona	10.678800	10.367138
INR	India	Indian Rupee (thousands)	0.079547	0.083727

4.3.4 Investment policy

(in million euros)	FISCAL 2022	FISCAL 2021
Acquisitions of property, plant, equipment, intangible assets, and client investments	341	211
Acquisitions of equity interests	133	84

As of the date of this document Sodexo has not made any significant firm commitment to acquire equity interests.

Because of the nature of the Group's activities, net investments represent less than 2% of revenues and mainly relate to investments on the Group's sites, which are used to support operating activities and are financed by operating cash. None of these investments is individually significant in Fiscal 2022.

The main acquisitions made during Fiscal 2022 are indicated in notes 3.1 "Business combinations" and 6.1 "Goodwill" to the consolidated financial statements.

A detailed description of changes in investments is provided in notes 4.4, 6.2 and 6.3 to the consolidated financial statements.

4.3.5 Condensed Group organization chart

SODEXO SA

Holds directly or indirectly 100% of the subsidiaries indicated

UNITED KINGDOM	SODEXO LTD SODEXO IRELAND LTD SODEXO REMOTE SITES SCOTLAND LTD
NORTH AMERICA	SODEXO, INC CENTERPLATE ULTIMATE HOLDINGS, CORP. CK FRANCHISING, INC SODEXO CANADA LTD
FRANCE	SOGERES SA SODEXO ENTREPRISES SAS SODEXO SANTE MEDICO SOCIAL SAS SOCIETE FRANCAISE DE RESTAURATION ET SERVICES SODEXO ENERGIE ET MAINTENANCE SODEXO SPORTS ET LOISIRS SODEXO JUSTICE SERVICES
EUROPE	SODEXO SERVICE SOLUTIONS AUSTRIA GMBH SODEXO ITALIA SPA SODEXO BELGIUM SA SODEXO SERVICES GMBH (GERMANY) SODEXO IBERIA SA SODEXO AB (SWEDEN) SODEXO NEDERLAND BV SODEXO LUXEMBOURG SA
SOUTH AMERICA	SODEXO CHILE SPA SODEXO DO BRASIL COMERCIAL SA SODEXO FACILITIES SERVICES LTDA (BRASIL) SODEXO PEROU SAC SODEXO SAS (COLOMBIA)
ASIA AUSTRALIA	SODEXO (CHINA) ENTERPRISE MANAGEMENT SCES CO LTD BEIJING SODEXO SCES CO LTD SODEXO SINGAPORE PTE LTD SODEXO REMOTE SITES AUSTRALIA PTY LTD SODEXO INDIA SERVICES PRIVATE LTD KELVIN CATERING SERVICES LLC (UNITED ARAB EMIRATES)*
BENEFITS & REWARDS SERVICES	SODEXO PASS INTERNATIONAL SAS (FRANCE) SODEXO PASS FRANCE SA SODEXO PASS DO BRASIL SERV. E COMERCIO SA SODEXO MOTIVATION SOLUTIONS MEXICO SA DE CV SODEXO PASS ROMANIA SRL SODEXO PASS BELGIUM SA SODEXO MOTIVATION SOLUTIONS UK LTD INSPIRUS LLC (USA)

*Third party non-controlling interest

NB: The operating subsidiaries indicated for each geographic area or activity are those with highest revenues for Fiscal 2022.

4.4 Statutory Auditors' Report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended August 31, 2022

SODEXO

255, quai de la Bataille-de-Stalingrad

92866 Issy-les-Moulineaux Cedex 9, France

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Sodexo for the year ended August 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at August 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for Statutory Auditors for the period from September 1, 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of goodwill

(Note 6.4 to the consolidated financial statements)

Description of risk

At August 31, 2022, the goodwill balance amounted to 6,611 million euros, representing the largest item in the consolidated statement of financial position. An impairment loss is recognized if the recoverable amount of goodwill as determined during the annual impairment test or during a specific test carried out where there is an indication of impairment, is lower than its carrying amount.

The recoverable amount is typically determined based on the present value of future cash flows and requires significant judgment from management, in particular as regards the preparation of business forecasts, as well as the discount and long-term growth rates used.

We deemed the measurement of the recoverable amount of goodwill to be a key audit matter, due to the size of the goodwill balance in the consolidated statement of financial position and the inherent uncertainty of certain inputs, in particular the likelihood of achieving forecast results included in such measurement.

How our audit addressed this risk

We performed a critical review of the methods applied by management to determine the recoverable amount of goodwill. Our audit work consisted in:

- assessing the components of the carrying amount of cash-generating units (CGUs) or groups of CGUs, corresponding to the level at which goodwill is monitored by Group management, and their consistency with those used in projecting future cash flows;
- assessing the consistency of the projected future cash flows with the economic environments in which the Group operates;
- assessing, with the support of our evaluation experts, the consistency of the growth rates used for projected cash flows with available long-term inflation forecasts for the geographical areas concerned;
- assessing, with the support of our evaluation experts, the reasonableness of the discount rates applied to projected future cash flows, verifying in particular that the various inputs used to calculate the weighted average cost of capital for each CGU or group of CGUs were sufficient to approximate the return expected by market participants for similar activities;
- assessing the sensitivity analyses of value in use to changes in the main assumptions used by Group management;
- verifying that note 6.4 to the consolidated financial statements contains the appropriate disclosures on the sensitivity analyses of the results of goodwill impairment tests.

Tax risks

(Note 10.2 to the consolidated financial statements)

Description of risk

The Group has operations in numerous countries around the world and, in the normal course of business, is subject to regular inspections by local tax authorities.

Such inspections may give rise to tax adjustments and disputes with tax authorities.

Estimates of the impacts of these tax risks and any related provisions involve significant judgment by management, especially as regards the expected outcome of disputes in progress or the probability of identified risks occurring. Accordingly, we deemed this subject to be a key audit matter.

How our audit addressed this risk

We held meetings with Group management to gain an understanding of the internal control procedures implemented to identify tax risks and uncertain tax positions, and, when necessary, determine any provisions.

With the support of our tax experts, we also:

- held meetings with the Group tax department and local management to assess the latest status of any inspections in progress and tax adjustments notified by the tax authorities, and to monitor developments in any disputes in progress;
- consulted the recent decisions and correspondence of Group companies with the tax authorities, and gained an understanding of the correspondence between the companies concerned and their tax advisors;
- analyzed the responses of the tax advisors to our requests for information or their analyses of disputes in progress;
- conducted a critical review of the estimates and positions adopted by management;
- verified that the latest developments had been factored into the risk analysis and the estimates of the provisions set aside in the statement of financial position.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the information pertaining to the Group presented in the management report includes the consolidated non-financial information statement required under article L.225-102-1 of the French Commercial Code. However, in accordance with article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the consolidated financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chairwoman and Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018. As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Sodexo by the Shareholders' Meetings held on February 22, 1994 for PricewaterhouseCoopers Audit and on February 4, 2003 for KPMG Audit.

At August 31, 2022, PricewaterhouseCoopers Audit and KPMG Audit were in the twenty-ninth and the twentieth consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris La Défense, October 25, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG Audit
		Department of KPMG SA
Stephane Basset	Bardadi Benzeghadi	Caroline Bruno-Diaz

5

INFORMATION ON THE ISSUER

5.1 Sodexo S.A. individual Company financial statements

5.1.1 Income statement

(in million euros)	NOTES	FISCAL 2022	FISCAL 2021
Revenues	**3**	**202**	**168**
Other operating income		277	211
Purchases		(2)	(1)
Employee costs		(100)	(104)
Other operating expenses		(310)	(259)
Taxes other than income taxes		(10)	(7)
Depreciation, amortization and change in provisions		(20)	(26)
Operating profit		**37**	**(18)**
Financial income/(expense), net	4	326	143
Exceptional income/(expense), net	5	(51)	(4)
Employee profit-sharing		—	—
Income taxes	6	9	15
Net income		**321**	**136**

5.1.2 Balance sheet

Assets

(in million euros)	NOTES	AUGUST 31, 2022	AUGUST 31, 2021
NON-CURRENT ASSETS, NET			
Intangible assets	7	60	56
Property, plant and equipment	7	5	7
Financial investments	7	7,676	7,067
TOTAL NON-CURRENT ASSETS	**7**	**7,741**	**7,130**
CURRENT AND OTHER ASSETS			
Accounts receivable	9	69	45
Prepaid expenses, other receivables and other assets	9	300	734
Marketable securities	11	74	108
Cash		532	934
TOTAL CURRENT AND OTHER ASSETS		**975**	**1,821**
TOTAL ASSETS		**8,716**	**8,951**

Liabilities and equity

(in million euros)	NOTES	AUGUST 31, 2022	AUGUST 31, 2021
SHAREHOLDERS' EQUITY			
Share capital		590	590
Additional paid-in capital		248	248
Reserves and retained earnings		1,969	1,943
Restricted provisions		15	15
TOTAL SHAREHOLDERS' EQUITY	**13**	**2,822**	**2,796**
Provisions for contingencies and losses	10	386	362
LIABILITIES			
Borrowings		4,988	5,595
Accounts payable		101	75
Other liabilities		419	123
TOTAL LIABILITIES AND PROVISIONS	**14**	**5,894**	**6,155**
TOTAL LIABILITIES AND EQUITY		**8,716**	**8,951**

5.2 Notes to the individual Company financial statements

DETAILED LIST OF NOTES

NOTE 1. SIGNIFICANT EVENTS

1.1 Capital transactions

During Fiscal 2022, Sodexo S.A. purchased 170,000 of its own shares for 13 million euros, to be used for restricted share grants.

1.2 Loans and borrowings

On October 26, 2021, the Group early redeemed in full its outstanding 600 million euros bonds with ISIN XS1080163709 issued in June 2014, bearing an annual interest coupon of 1.75% and initially due to mature on January 24, 2022. This redemption without penalties reduces the cost of debt and the non performing surplus cash deposits.

1.3 Equity investments

During Fiscal 2022, Sodexo S.A. recapitalized several of its subsidiaries, mainly in the Netherlands, Germany and Spain, for a total of 82 million euros. In addition, capital reductions on Sodexo Belgium, Sodexo Participations & Assets and Sofinsod were carried out in 2022 for a total amount of 231 million euros.

During the fiscal year, Sodexo S.A. acquired the shares of Sodexo Canada through its subsidiary Sodexo Participations & Assets, which granted it a payment of the acquisition price of the shares over 3 years (see note 7).

Sodexo S.A. also purchased from its subsidiary Sodexo Belgium the 19% stake in the Grandir group resulting from the sale by the Sodexo Group of its global Childcare activities in France, Spain and Germany (see note 7).

Investments in Sodexo Maroc (Morocco), Sodexo Euroasia in Russia, Sodexo Congo and Sodexo SRO in Czech Republic were sold during Fiscal 2022 (see note 5).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The individual Company financial statements have been prepared in accordance with the plan *comptable général* of 2014 and regulation no. 2014-03 issued by the Autorité des *normes comptables* (ANC), as amended by regulation no. 2016-07 dated November 4, 2016.

The accounting policies applied in preparing the individual Company financial statements for Fiscal 2022 are the same as those applied for Fiscal 2021.

In accordance with regulation no. 2015-06 issued by the ANC, merger deficits are included in "Other financial assets" (see note 7, "Non-current assets").

ANC regulation no. 2015-05 concerning forward financial instruments and hedging transactions has been effective for Sodexo S.A. since September 1, 2017 (see note 2.5 below for further details).

General accounting conventions were applied with respect to the principle of prudence and in accordance with basic assumptions as follows:

- going concern;
- consistency of accounting policies from one period to the next;
- proper cut-off between periods.

The basic method used to value the items recognized in the accounts is the historical cost method. Only significant information is disclosed.

The amounts presented in the tables in these notes are in million euros.

Exceptional items comprise items that do not relate to the Company's ordinary activities, and certain items that do relate to ordinary activities but are of an exceptional nature.

The balance sheet and income statement of Sodexo S.A. include amounts for branches in metropolitan France and in French overseas departments and territories.

2.1 Non-current assets

Non-current assets are valued at acquisition cost or historical cost. Acquisition cost comprises the amount paid plus all incidental costs directly related to the acquisition or to the installation of the asset, and incurred to enable the asset to function as intended.

Depreciation is calculated over the useful life of the asset using the straight-line method, which is considered to best reflect the underlying economic reality.

2.1.1 Intangible assets

Software is amortized over three to five years and integrated management software packages are amortized over three to seven years, depending on their expected useful lives.

The difference between the accounting and tax amortization of intangible assets is recognized as exceptional amortization.

2.1.2 Property, plant and equipment

The straight-line depreciation lives generally used are:

Buildings	20 years
General fixtures and fittings	3-10 years
Plant and machinery	4-10 years
Motor vehicles	4 years
Office and computer equipment	3-10 years
Other property, plant and equipment	5-10 years

2.1.3 Financial investments

Equity investments and other financial investments are carried on the balance sheet at historical cost. At each balance sheet date, a provision for impairment is recorded if the value in use of these assets is less than their net carrying amount including any merger deficits allocated to the assets for accounting purposes.

The value in use of investments is determined on the basis of net asset value, profitability and the future prospects of the investee.

When the carrying amount of an investment is higher than the net book value of the share of net assets of the subsidiary, the valuation is also supported by comparing the carrying amount of the investment to its value in use based on discounted future cash flows, using the following parameters:

- after-tax cash flows derived from business plans and a terminal value calculated by extrapolating the data for the final year of the business plan using a long-term growth rate specific to the business activity and geographic region Business plans generally cover one to five years;
- the cash flows are discounted using a rate based on the weighted average cost of capital.

Based on the estimated value in use, an investment may be maintained at a carrying amount in excess of the share of book net assets held.

Costs incurred to acquire shares in companies recognized at cost are recognized for tax purposes as exceptional amortization over a five-year period.

Receivables related to equity investments are recognized at face value. A provision for impairment is recorded where the recoverable amount is less than the carrying amount.

When an equity investment is sold or liquidated, any provision for impairment previously recognized against that investment is released and recorded as exceptional income.

2.2 Accounts receivable

Accounts receivable are recognized at face value. An allowance for doubtful accounts is recorded where the recoverable amount is less than the carrying amount.

2.3 Marketable securities (excluding treasury shares)

Marketable securities are recognized at acquisition cost, with any unrealized losses at the balance sheet date covered by a provision for impairment.

2.4 Treasury shares – restricted share plans

A provision is recorded when it is probable that restricted share plans will give rise to an outflow of resources. The amount of the provision is based on the cost of the treasury shares acquired (or to be acquired) for allocation to each plan.

Depending on the plan terms, the provision is recognized over the period in which the services are rendered by the beneficiaries, as applicable.

The provision is released upon delivery of the shares and recognition of a capital loss in an amount equal to the average cost of the delivered shares.

When treasury shares are neither allocated to a plan nor held for the purpose of being cancelled, they are valued at the lower of the average purchase price and the average market price for the last month of the fiscal year.

Treasury shares acquired for cancellation purposes are recognized in other financial assets and no provision for impairment is recorded.

2.5 Foreign currency transactions

Foreign currency revenues and expenses are translated using the exchange rate as of the transaction date. Foreign currency liabilities and receivables are translated in the balance sheet at the exchange rate prevailing as of the balance sheet date. Any difference arising from the retranslation of foreign currency liabilities and receivables at the closing exchange rate is recorded in the balance sheet. Unrealized foreign exchange losses at the balance sheet date are recognized to the extent the underlying balance is not hedged.

In accordance with the ANC regulation no. 2015-05, for foreign currency transactions a distinction is now made between commercial transactions and financial transactions, with the exchange gains and losses on these transactions recognized as follows:

- within operating profit, under "Other operating expenses" for commercial transactions;
- within "Financial income/(expense), net" for financial transactions, which includes the premiums on currency hedges recognized over the duration of the contracts.

2.6 Debt issuance costs

Debt issuance costs are recognized as a deferred charge asset in the balance sheet and amortized straight-line over the term of the debt.

2.7 Retirement benefits

Retirement benefit obligations due to active employees by law or under collective agreements are included in off-balance sheet commitments.

Commitments under supplementary retirement plans are estimated using the projected unit credit method based on final salary and are also included in off-balance sheet commitments, net of any plan assets. The commitment which remains carried by Sodexo S.A. only concerns rights acquired before the date of replacement of the plan.

The Board decided to replace this additional scheme with a plan provided for in article L.137-11-2 of the Social Security Code. This new plan was put in place during Fiscal 2021. This contract is managed exclusively by an insurer which, in return for the insurance premium paid, is responsible for life annuity payments. It therefore does not generate social liabilities for the Company (refer to section 6.5.2 of the Universal Registration Document).

2.8 French tax consolidation

Sodexo S.A. is the lead company in the French tax consolidation, and has sole liability for income taxes for the entire French tax group. Each company included in the French tax consolidation recognizes the income tax for which it would have been liable had there been no French tax consolidation. Any income tax gains or losses arising from the French tax consolidation are recognized in the Sodexo S.A. financial statements.

Regarding the recognition of a provision by the Parent company benefiting from the tax consolidation, Sodexo S.A. has opted for the following accounting treatment: for the tax losses of subsidiaries generated within the framework of tax consolidation and which will probably be returned to them in the event of a withdrawal, a provision for risks and charges has been booked in its accounts.

NOTE 3. ANALYSIS OF NET REVENUES

(in million euros)	FISCAL 2022	FISCAL 2021
Revenues by business activity		
On-site Services	—	—
Holding company services	202	168
TOTAL	**202**	**168**
Revenues by geographic region		
France	202	168
TOTAL	**202**	**168**

NOTE 4. FINANCIAL INCOME AND EXPENSE, NET

(in million euros)	FISCAL 2022	FISCAL 2021
Dividends received from subsidiaries and affiliates	424	319
Interest income	14	17
Interest expense	(74)	(83)
Net foreign exchange gain/(loss)	1	6
Net change in provisions for financial items	(39)	(116)
TOTAL	**326**	**143**

The net change in provisions for financial items primarily corresponds to the net total of charges to and releases of provisions for impairment of equity investments for -31 million euros.

NOTE 5. EXCEPTIONAL ITEMS, NET

(in million euros)	FISCAL 2022	FISCAL 2021
Net change in provision for negative net assets of subsidiaries and equity investments	2	67
Net expense on treasury shares and commitments under stock option plans	(8)	(9)
Net change in provisions for tax losses reclaimable and other risks and charges	(8)	(22)
Net gain/(loss) on asset disposals	(27)	(32)
Other provision increase or decrease	(11)	(8)
Other	1	—
TOTAL	**(51)**	**(4)**

The net loss on asset disposals includes mainly the gains and losses related to Morocco, Russia, Congo and Czech Republic divestment.

The 8 million euros net loss on treasury shares and commitments under restricted shares plans comprises:

- a 47 million euros loss on the sale of treasury shares in connection with the delivery of restricted shares;
- a 39 million euros net release of provisions for restricted share grants.

NOTE 6. ANALYSIS OF INCOME TAX EXPENSE

(in million euros)	PRE-TAX INCOME	INCOME TAXES	AFTER-TAX INCOME
Operating income	37	(10)	27
Financial income/(expense), net	326	8	334
Exceptional income/(expense), net*	(51)	11	(40)
Employee profit-sharing	—	—	—
TOTAL	**312**	**9**	**321**

* This amount includes the 9 million euros tax gain arising from the French tax consolidation. This benefit represents the difference between the aggregate of the tax income and expenses recognized by the French subsidiaries included in the French tax consolidation and the income tax of Sodexo S.A. as lead company in the French tax consolidation.

NOTE 7. NON-CURRENT ASSETS

(in million euros)	GROSS VALUE AT AUGUST 31, 2021	ADDITIONS DURING THE PERIOD	DECREASES DURING THE PERIOD	OTHER MOVEMENTS DURING THE PERIOD	GROSS VALUE AT AUGUST 31, 2022	NET VALUE AT AUGUST 31, 2022
Intangible assets	122	21	4	—	139	60
Property, plant and equipment	19	—	—	—	19	5
Financial investments						
• Equity investments	7,268	870	333	—	7,805	7,515
• Receivables related to equity investments	16	10	11	1	16	7
• Other financial assets	88	65	2	3	154	154
TOTAL FINANCIAL INVESTMENTS	**7,371**	**945**	**346**	**4**	**7,975**	**7,676**
TOTAL	**7,512**	**966**	**350**	**4**	**8,133**	**7,741**

In accordance with ANC regulation no. 2015-06, merger deficits are included in “Other financial assets” for 74 million euros as of August 31, 2022.

Sodexo S.A. participated in the recapitalization of its subsidiaries mainly in the Netherlands, Germany and Spain for a total of 82 million euros. In addition, capital reductions on Sodexo Belgium, Sodexo Participations & Assets and Sofinsod were carried out in 2022 for a total amount of 231 million euros.

Sodexo S.A. recapitalized Sodexo Participations & Assets as part of the buyback of Sodexo Canada shares for a total of 338 million euros. Sodexo S.A. then bought back the shares of Sodexo Canada from Sodexo Participations & Assets for an amount of 338 million euros.

Sodexo S.A. purchased from its subsidiary Sodexo Belgium the 19% stake in the Grandir group for an amount of 93 million euros as well as the convertible bonds of The Grandir Group S.A.S. for an amount of 62 million euros.

Investments in Morocco, Russia, Congo and Czech Republic were sold during Fiscal 2022.

NOTE 8. DEPRECIATION AND AMORTIZATION

(in million euros)	ACCUMULATED DEPRECIATION AND AMORTIZATION AUGUST 31, 2021	INCREASES DURING THE PERIOD	DECREASES DURING THE PERIOD	OTHER MOVEMENTS DURING THE PERIOD	ACCUMULATED DEPRECIATION AND AMORTIZATION AUGUST 31, 2022
Intangible assets	66	14	2	—	78
Property, plant and equipment	12	2	—	—	14
TOTAL	**78**	**16**	**2**	**—**	**92**

NOTE 9. AMOUNT AND MATURITY OF RECEIVABLES AND OTHER ASSETS

(in million euros)	GROSS VALUE	LESS THAN 1 YEAR	MORE THAN 1 YEAR	AMORTIZATION AND PROVISIONS	CARRYING AMOUNT
Equity investments	7,805		7,805	290	7,515
Receivables related to equity investments	16	16	—	9	7
Other financial assets	154	11	143	—	154
TOTAL FINANCIAL INVESTMENTS	**7,975**	**27**	**7,948**	**299**	**7,676**
Accounts receivable	70	70		1	69
Prepaid expenses, other receivables and other assets	300	170	130	—	300
TOTAL ACCOUNTS AND OTHER RECEIVABLES	**370**	**240**	**130**	**1**	**369**
TOTAL	**8,345**	**267**	**8,078**	**300**	**8,045**

There is no commercial paper included in accounts receivable.

NOTE 10. PROVISIONS AND IMPAIRMENT

(in million euros)	AUGUST 31, 2021	INCREASES AND CHARGES DURING THE PERIOD	DECREASES, RELEASES AND RECLASSIFICATIONS DURING THE PERIOD	OTHER MOVEMENTS DURING THE PERIOD	AUGUST 31, 2022
Provisions for contingencies and losses	362	117	93	—	386
Impairment					
• financial investments	305	48	54	—	299
• current assets	1	—	—		1
TOTAL IMPAIRMENT	306	48	54	—	300
TOTAL	**668**	**165**	**147**	**—**	**686**
Increases and decreases:					
• operating items		15	21		
• financial items		78	43		
• exceptional items		72	83		

As of August 31, 2022, the main provisions for contingencies and losses were for the following:

- restricted share grants for 141 million euros;
- losses reclaimable by subsidiaries included in the French tax consolidation and other risks and charges for 169 million euros;
- subsidiaries in negative net equity positions for 19 million euros;
- foreign exchange losses for 31 million euros;
- litigation for 25 million euros;
- restructuring for 1 million euros.

NOTE 11. MARKETABLE SECURITIES

(in million euros)	GROSS VALUE AUGUST 31, 2022	NET VALUE AUGUST 31, 2022	NET VALUE AUGUST 31, 2021
Treasury shares	69	69	96
Cash in the liquidity contract account	5	5	12
TOTAL	**74**	**74**	**108**

NOTE 12. TREASURY SHARES

MOVEMENTS IN TREASURY SHARES DURING THE FISCAL YEAR

	MARKETABLE SECURITIES	OTHER FINANCIAL ASSETS
Number of shares held		
September 1, 2021	1,166,593	—
Acquisitions	2,332,598	—
Disposals	(2,658,089)	—
Cancellation of treasury shares leading to a reduction in capital and additional paid-in capital		—
Allocation as treasury shares held for cancellation	—	—
August 31, 2022	841,102	—
Gross value of shares held (in million euros)		
September 1, 2021	108	—
Acquisitions	174	—
Disposals	(208)	
Cancellation of treasury shares leading to a reduction in capital and additional paid-in capital		—
Allocation as treasury shares held for cancellation	—	—
August 31, 2022	74	—

Acquisitions and disposals include the implementation of the liquidity contract signed with an investment services provider, which complies with the decision 2021-01 of the French securities regulator (Autorité des marchés financiers – AMF), for the purpose of improving the liquidity of Sodexo shares and the regularity of the quotations.

Disposals of treasury shares also include those resulting from the delivery of restricted shares granted to employees in prior years.

NOTE 13. SHAREHOLDERS' EQUITY

13.1 Share capital

As of August 31, 2022, the Company's share capital totaled 589,819,548 euros and comprised 147,454,887 shares, including 70,217,797 with double voting rights.

Since Fiscal 2013, all shares held in registered form for at least four years and still held in that form when the dividend becomes payable for the related fiscal year, qualify for a 10% dividend premium, limited to 0.5% of the capital per shareholder.

13.2 Changes in shareholders' equity

(in million euros)	
Shareholders' equity at end of previous fiscal year	2,796
Dividends approved by Shareholders Meeting and paid	(296)
Dividends on treasury shares	2
Net income for the fiscal year	321
Restricted provisions	—
Cancellation of treasury shares leading to a reduction in capital and additional paid-in capital	—
Other – Premiums/discounts on currency forwards	(1)
SHAREHOLDERS' EQUITY AT END OF FISCAL YEAR	**2,822**

In accordance with article L.225-210 of the French Commercial Code, Sodexo has reserves in addition to the legal reserve at least equal to the value of treasury shares held.

NOTE 14. AMOUNT AND MATURITY OF LIABILITIES

LIABILITIES (in million euros)	GROSS AMOUNT	LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS
Bond issues	4,393	13	2,800	1,580
Borrowings from related companies	595	15	—	580
Other borrowings	—	—	—	—
SUB-TOTAL BORROWINGS	**4,988**	**28**	**2,800**	**2,160**
Accounts payable*	101	101		
Other liabilities	419	416	3	
TOTAL	**5,508**	**545**	**2,803**	**2,160**

* Only accounts payable and accrued expenses are included in this line item.

There is no commercial paper included in payables.

ACCOUNTS PAYABLE BY AMOUNT AND DUE DATE (in million euros)	TOTAL	Not Due	< 30 DAYS	31-44 DAYS	45-75 DAYS	76-90 DAYS	> 90 DAYS
Non-Group accounts payable*	92	75	15	—	2	—	—
Group accounts payable	9	13	(4)	—	—	—	—
TOTAL	**101**	**88**	**11**	**—**	**2**	**—**	**—**

* Only accounts payable and accrued expenses are included in this line item.

NOTE 15. BOND ISSUES AND OTHER BORROWINGS

15.1 Bond issues

On July 17, 2020, Sodexo S.A. completed a bond issue structured in two tranches:

- a 500 million euros tranche redeemable at par on January 17, 2024 and bearing interest at an annual rate of 0.5%, with interest payable annually on January 17;
- a 500 million euros tranche redeemable at par on July 17, 2028 and bearing interest at an annual rate of 1%, with interest payable annually on July 17.

Accrued interest on this bond amounted to 2 million euros as of August 31, 2022.

On April 27, 2020, Sodexo S.A. completed a bond issue structured in two tranches:

- a 700 million euros tranche redeemable at par on April 27, 2025 and bearing interest at an annual rate of 0.75%, with interest payable annually on April 27;
- a 800 million euros tranche redeemable at par on April 27, 2029 and bearing interest at an annual rate of 1%, with interest payable annually on April 27.

Accrued interest on this bond amounted to 5 million euros as of August 31, 2022.

On June 26, 2019, Sodexo S.A. issued bonds for 250 million pounds Sterling redeemable in June 2028 and bearing interest at an annual rate of 1.75%, with interest payable annually on June 26. Accrued interest on this bond was 1 million euros as of August 31, 2022.

On May 22, 2018, Sodexo S.A. issued bonds for 300 million euros redeemable in May 2025 and bearing interest at an annual rate of 1.125%, with interest payable annually on May 22. Accrued interest on this bond was 1 million euros as of August 31, 2022.

On October 14, 2016 Sodexo S.A. issued bonds for 600 million euros redeemable in April 2027 and bearing interest at an annual rate of 0.75%, with interest payable annually on April 14. On August 1, 2017, the Company increased this issue with an additional 200 million euros of bonds. Accrued interest on these bonds was 2 million euros as of August 31, 2022.

On June 24, 2014, Sodexo S.A. completed a bond issue structured in two tranches:

- a 600 million euros tranche redeemable at par on January 24, 2022 and bearing interest at an annual rate of 1.75%, with interest payable annually on January 24; This tranche was repaid early without penalties on October 26, 2021, thereby reducing the cost of debt and excess non-yielding cash.
- a 500 million euros tranche redeemable at par on June 24, 2026 and bearing interest at an annual rate of 2.50%, with interest payable annually on June 24.

Accrued interest on these bonds amounted to 2 million euros as of August 31, 2022.

None of the above-described bonds are subject to financial covenants.

15.2 Other borrowings

15.2.1 July 2011 multi-currency confirmed credit facility

On July 18, 2011, Sodexo S.A. contracted a multi-currency credit facility for a maximum of 600 million euros plus 800 million U.S. dollars, with an original maturity date of July 18, 2016. This facility has been amended on a number of occasions with the most recent amendment being in July 2019 with a new maturity date of July 2024, with two options to extend the maturity by one year each, up to July 2026. The first option to extend this facility was executed during Fiscal 2020 and the second was executed during Fiscal 2021. The maturing date is now July 2026. The maximum available limits under this facility now are 589 million euros plus 785 million U.S. dollars.

The most recent amendment also incorporates a sustainability clause that links the credit facility cost to Sodexo's ability to comply with its public commitment to reduce its food waste by 50% by 2025.

Amounts drawn on this facility carry floating interest indexed on the LIBOR and EURIBOR rates. This credit facility is not subject to any covenants.

No amounts had been drawn down on the facility as of either August 31, 2022 or August 31, 2021.

15.2.2 Commercial paper

As of August 31, 2022, borrowings under the Sodexo S.A. commercial paper programs are nil, as on August 31, 2021.

The bonds and loans from financial institutions described above include customary early redemption clauses. These early redemption clauses include cross-default or change of control clauses that apply to all borrowings.

15.3 Borrowings from related companies

On September 14, 2017, Sodexo S.A. borrowed 580 million euros from its subsidiary Sodexo Finance Designed Activity Company redeemable in September 2034. The amount of accrued interest relating to this loan amounted to 15 million euros as of August 31, 2022.

NOTE 16. ACCRUED EXPENSES – DEFERRED REVENUES AND PREPAID EXPENSES

ACCRUED EXPENSES (in million euros)	
Borrowings	29
Accounts payable	45
Tax and employee-related liabilities	41
TOTAL	**115**

DEFERRED REVENUES AND PREPAID EXPENSES (in million euros)	
Deferred revenues	—
Prepaid expenses	13

NOTE 17. RELATED-PARTY INFORMATION

(in million euros)	RELATED PARTIES	ASSOCIATED COMPANIES	OTHER	TOTAL
Assets – Gross value				
Equity investments	7,710	95		7,805
Receivables related to equity investments	5	11		16
Other investment securities	—			—
Advances to suppliers	—			—
Accounts receivable	67	1		68
Other operating receivables	2			2
Due from related companies	58			58
Non-operating receivables	—			—
TOTAL	**7,842**	**107**		**7,949**
Liabilities				
Accounts payable	9			9
Due to related companies	338			338
TOTAL	**347**	**—**		**347**
Income statement				
Revenues	202			202
Other operating income	245			245
Other operating expenses	144			144
Financial income	450			450
Financial expenses	69	23		92
Exceptional income	90			90
Exceptional expenses	17	2		19

Related parties: fully consolidated companies.

Associated companies: companies accounted for using the equity method, and non-consolidated companies in which Sodexo S.A. has an equity interest of more than 10%.

Other: companies accounted for using the equity method, and non-consolidated companies in which Sodexo S.A. has an equity interest of less than 10%.

There has been no related-party transaction that is both material and falls outside the framework of normal business dealings concluded at conditions that are not arm's-length.

NOTE 18. FINANCIAL COMMITMENTS

18.1 Commitments made by Sodexo S.A.

(in million euros)	AUGUST 31, 2022	AUGUST 31, 2021
Performance bonds given to Sodexo Group clients	1,821	1,506
Financial guarantees to third parties	6,354	6,087
Retirement benefit commitments	5	8
Other commitments	59	137
TOTAL	**8,239**	**7,738**

Financial guarantees to third parties concern:

- guarantees for loans granted to Sodexo S.A. subsidiaries;
- guarantees related to reverse factoring programs set up by Sodexo S.A. subsidiaries, capped at 580 million euros (of which 101 million euros was guaranteed as of August 31, 2022);
- a 1.9 billion euros guarantee for a commercial paper program.

The leases for the Group's corporate headquarters in Issy-les-Moulineaux represent commitments for office leases for 11 million euros.

Other commitments notably include the guarantee issued by Sodexo S.A. in October 2012 to cover Sodexo UK's retirement plan obligation in the United Kingdom. This guarantee was issued to the plan trustee for a maximum 100 million British pounds Sterling with a 12-year term (*i.e.*, until October 2024). This guarantee was reduced to 40 million British pounds Sterling in 2022 following a payment to the fund of 60 million British pounds Sterling).

18.2 Commitments received by Sodexo S.A.

(in million euros)	AUGUST 31, 2022	AUGUST 31, 2021
Commitments received	1,600	2,400

Commitments received correspond to counter-guarantees by Sodexo, Inc. of Sodexo S.A.'s financial borrowings, which decreased due to the reimbursement of the borrowings during the year.

18.3 Financial instrument commitments

The ongoing commitments as of the end of the year were as follows:

DESCRIPTION	INCEPTION DATE	EXPIRATION DATE	NOMINAL AMOUNT	MARKET VALUE AS OF AUGUST 31, 2022
Forward currency purchase	June 2019	June 2028	£250 million	€19 million

Sodexo S.A. may use derivative financial instruments in order to hedge its exposure to volatility in interest and currency exchange rates.

NOTE 19. MAIN ADJUSTMENTS TO THE FUTURE TAX BASIS

INCREASES (in million euros)	
Exceptional amortization	16

DECREASES (in million euros)	
Employee profit-sharing	—
Other non-deductible provisions	21

The future tax asset related to this unrealized tax difference was 1 million euros, calculated at a rate of 25.83%.

NOTE 20. RETIREMENT BENEFIT COMMITMENTS

20.1 Retirement benefits payable by law or under collective agreements

Sodexo S.A. is required to pay benefits to retiring employees on the terms stipulated in a Company-wide collective agreement. The amount of the commitment has been calculated on the basis of rights vested at the balance sheet date, taking into account assumptions about final salary, discount rates and employee turnover.

This commitment, which is not recognized as a liability in the balance sheet, was estimated at 4 million euros as of August 31,2022 2022, including impact of IFRIC decision from May 2021.

20.2 Commitments related to a supplemental pension plan

Commitments related to a supplemental pension plan were estimated using the projected unit credit method based on final salary and net of funding for the plan. These commitments, amounting to 1 million euros as of August 31, 2022, are not recognized in the financial statements.

The new retirement plan implemented in Fiscal 2021 is not subject to any provision in the balance sheet apart from the insurance premium to be paid and does not generate an off-balance sheet commitment, the pensions being paid directly by the insurer.

NOTE 21. DIRECTORS' FEES

Directors' fees paid to Board members during the fiscal year represented less than 1 million euros (refer to section 6.5.3 of the Universal Registration Document).

NOTE 22. CONTINGENT LIABILITIES

A tax rectification proposal concerning Fiscal years 2016, 2017 and 2018 was received by Sodexo S.A. in December 2021. The Company believes, after having taken advice from its tax advisers, that it has solid arguments to contest the proposed increases.

NOTE 23. AVERAGE NUMBER OF EMPLOYEES

	AUGUST 31, 2022	AUGUST 31, 2021
Managers	455	428
Supervisors	15	23
Other	4	1
Apprentices	13	13
TOTAL	**487**	**465**

The average number of employees is an average of the number of employees present at the end of each quarter.

NOTE 24. CONSOLIDATION

Sodexo S.A. is consolidated in the financial statements of Bellon SA, which has its registered office at 17-19, place de la Résistance, Issy-les-Moulineaux, France. The consolidated financial statements of the Sodexo Group are presented in chapter 4 of this Universal Registration Document.

NOTE 25. SUBSEQUENT EVENTS

None

NOTE 26. LIST OF SUBSIDIARIES AND OTHER EQUITY INVESTMENTS

(in thousand euros)	CAPITAL	OTHER SHAREHOLDERS' EQUITY	PERCENTAGE INTEREST IN CAPITAL	BOOK VALUE OF INVESTMENT		LOANS AND ADVANCES GRANTED, NET	GUARANTEES GIVEN	REVENUES FOR MOST RECENT FISCAL YEAR	INCOME FOR MOST RECENT FISCAL YEAR	DIVIDENDS RECEIVED DURING THE FISCAL YEAR
				GROSS	NET					
Detailed information										
French subsidiaries										
Sodexo Pass International SAS	410,858	59,014	100.0%	662,242	662,242		—	—	—	194,941
Sodexo Entreprises	51,697	(36,086)	100.0%	224,674	224,674		—	543,126	15,808	—
Sofinsod SAS	32,838	(634)	100.0%	88,551	88,551		85,300	—	(5,901)	—
Sogeres	2,153	(24,712)	92.3%	107,717	107,717		—	449,359	(12,454)	—
Sodexo GC	15,095	14,474	100.0%	72,218	72,218		—	—	7,648	—
SEVPTE	16,799	(377)	100.0%	51,619	51,619		—	55,978	9,705	—
ETIN	36,030	(16,552)	100.0%	22,213	22,213		370,000	—	(5,855)	—
Société Française de Restauration et Services	30,236	(24,122)	100.0%	107,139	107,139		2,140	222,821	(13,626)	—
Sodexo en France	1,041	910	100.0%	12,040	12,040		12,000	794	1,049	—
Sodexo Sports et Loisirs	10,144	(17,016)	100.0%	18,610	18,610		21,431	124,260	(4,821)	—
CSM	2,658	(3,773)	100.0%	7,403	1,000		80	2,893	(7,638)	—
FoodChéri	293	(2,681)	100.0%	59,668	44,668		200	28,332	(8,105)	—
Ouest Catering	516	(666)	100.0%	7,900	7,900		—	—	(423)	—
Lenôtre SA	2,606	(18,014)	100.0%	136,767	1,517		—	62,389	(1,205)	—
Sodexo Afrique SARL	1,624	(3,940)	100.0%	14,539	1		—	—	(660)	—
Sodexo Ventures France	4,139	(2,408)	100.0%	32,425	3,500		—	—	(1,937)	—
Sodexo Participations & Assets	314,360	375	100.0%	314,360	314,360		—	—	385	—
French equity investments										
The Grandir Group S.A.S	4,595	4,595	19.0%	93,380	93,380		—	83,760	(483)	—
Foreign subsidiaries										
Sodexo, Inc.	37,430	1,884,598	100.0%	2,120,843	2,120,843		1,441,995	7,545,175	214,024	84,121
Sodexo Canada	12,966	172,706	100.0%	338,164	338,164		15,495	438,928	2,359	—
Sodexo Finance Designated Activity Company	379,830	579,656	100.0%	807,830	807,830		3,329,000	—	—	49,000
Sodexo Holdings Ltd	441,270	(20,901)	100.0%	555,305	555,305		1,162	—	(4,874)	—
Sodexo do Brasil Comercial SA	106,390	250,939	98.6%	446,825	446,825		—	620,017	29,995	21,644
Sodexo Belgium SA	39,799	31,594	99.9%	66,461	66,461		3,957	300,132	43,519	—
Sodexo Beteiligungs BV & Co. KG	194	208,484	100.0%	225,455	225,455		—	33	(595)	—
Sodexo Food Solutions India Private Limited	28,503	12,128	100.0%	144,792	144,792		—	263,686	11,894	—
Sodexo Australia Pty Ltd	139,651	(89,349)	100.0%	136,418	136,418		3,598	48,596	22	—
Sodexo Nederland B.V.	45	58,927	100.0%	137,585	101,689		—	216,732	4,260	—
Novae Holding SA	1,021	2,911	100.0%	112,045	88,045		—	96,853	897	—
Sodexo AB	10,150	47,438	100.0%	101,264	101,264		—	330,278	14,824	—
Sodexo Services Asia	94,778	7,973	100.0%	89,462	89,462		30,000	—	1,199	7,559
Compagnie Financière Aurore International	58,010	12,305	100.0%	68,920	68,920		—	—	162	—
Sodexo SAS	104	6,537	100.0%	40,153	40,153		—	134,621	5,255	6,548
Sodexo Inversiones SA	23,377	24,848	100.0%	28,041	28,041		42,862	—	1,076	—
Prima Assistance SA	16	3,010	85.0%	27,762	27,762		—	44,383	1,850	—
Sodexo Iberia SA	3,467	2,681	100.0%	43,197	43,197		—	213,164	(1,723)	—
Sodexo Entegre Hizmet Yonetimi AS	3,296	—	100.0%	25,530	25,530		1,650	52,466	—	—
Sodexo Global Services UK Limited	26,152	87,406	100.0%	24,391	24,391		—	—	66,003	35,302
Sodexo Mexico SA de CV	6,402	10,123	100.0%	17,434	17,434		—	89,043	2,923	—
Sodexo On-Site Services Israel Ltd	109	11,121	100.0%	23,491	23,491		12,515	50,022	627	—
Sodexo Chile SpA	10,333	25,555	100.0%	10,999	10,999		39,579	462,707	13,793	—

(in thousand euros)	CAPITAL	OTHER SHAREHOLDERS' EQUITY	PERCENTAGE INTEREST IN CAPITAL	BOOK VALUE OF INVESTMENT		LOANS AND ADVANCES GRANTED, NET	GUARANTEES GIVEN	REVENUES FOR MOST RECENT FISCAL YEAR	INCOME FOR MOST RECENT FISCAL YEAR	DIVIDENDS RECEIVED DURING THE FISCAL YEAR
				GROSS	NET					
Kalyx Limited	17	2,416	100.0%	9,430	2,438		—	—	—	—
Sodexo SRL	7,417	(5,742)	100.0%	8,872	1,709		—	4,424	—	—
Sodexo Singapore Pte Ltd	9,664	5,128	100.0%	8,614	8,614		—	64,382	2,641	—
Sofinsod Insurance Designed Activity Company	9,618	2,006	100.0%	9,618	9,618		7,100	—	2,609	—
Sodexo OY	5,046	(1,590)	100.0%	7,054	7,054		—	90,240	1,930	—
Sodexo Italia SPA	1,898	52,020	100.0%	7,029	7,029		—	404,297	10,261	16,133
Foreign equity investments										
Sodexo GmbH	308	307,400	37.4%	38,702	38,702			—	16	—
Mentor Technical Group Corporation	3	51,376	45.0%	18,423	18,423			72,154	5,206	912
Socat LLC	662	(1,154)	49.0%	11,372	8,531			31,983	(2,352)	—
Aggregate information										
Other French subsidiaries				12,928	12,479		26,376			1,753
Other foreign subsidiaries				46,172	34,606		56,524			6,717
Other French equity investments				—	—		2,689			55
Other foreign equity investments				1,204	—	2,073	—			—
TOTAL				**7,805,251**	**7,515,024**	**2,073**	**5,505,654**			**424,685**

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5.3 Supplemental information on the individual Company financial statements

5.3.1 Five-year financial summary

(in million euros)	FISCAL 2022(1)	FISCAL 2021	FISCAL 2020	FISCAL 2019	FISCAL 2018
Capital at end of period					
Share capital	590	590	590	590	590
Number of ordinary shares outstanding	147,454,887	147,454,887	147,454,887	147,454,887	147,454,887
Maximum number of potential new shares issuable by conversion of bonds	—	—	—	—	—
Income statement data					
Revenues excluding taxes	202	168	135	128	114
Earnings before income tax, employee profit-sharing, depreciation, amortization and provisions	339	184	266	632	450
Income tax	9	15	14	23	62
Employee profit-sharing	—	—	—	—	—
Earnings after income tax, employee profit-sharing, depreciation, amortization and provisions	321	136	221	597	481
Dividend payout		294	—	430	407
Per share data					
Earnings after income tax and employee profit-sharing but before depreciation, amortization and provisions	2.36	1.35	1.90	4.44	3.47
Earnings after income tax, employee profit-sharing, depreciation, amortization and provisions	2.18	0.93	1.50	4.05	3.26
Net dividend per share(2)	2.40	2.00	—	2.90	2.75
Dividend premium per eligible share(2)	0.24	0.20	—	0.290	0.275

(1) Subject to approval by the Annual Shareholders Meeting to be held on December 19, 2022.
(2) The Board of Directors proposes at the Annual Shareholders Meeting on December 19, 2022, to pay a dividend of 2.40 euros per share for Fiscal 2022.

(in million euros)	FISCAL 2022	FISCAL 2021	FISCAL 2020	FISCAL 2019	FISCAL 2018
Employee data					
Average number of employees during the fiscal year	487	465	448	434	370
Salary expense for the fiscal year	65	73	43	55	44
Social security and other employee benefits paid during the fiscal year	35	31	22	22	20

5.3.2 Appropriation of earnings

(in million euros)	FISCAL 2022[1]	FISCAL 2021	FISCAL 2020	FISCAL 2019	FISCAL 2018
Net income	321	136	221	597	481
Retained earnings	1,506	1,664	1,443	1,276	1,202
Retained earnings[2]	28	28	28	23	18
Retained earnings[3]	—	—	—	—	—
Transfer to legal reserve	—	—	—	—	—
Transfer from long-term capital gains reserve	**—**	**—**	**—**	**—**	**—**
Distributable earnings	1,855	1,828	1,692	1,896	1,701
Net dividend	354	292	—	427	405
Dividend premium[4]	2	2	—	3	2
Reserves	—	—	—	—	—
Retained earnings	**1,499**	**1,534**	**1,692**	**1,466**	**1,294**
Number of shares outstanding	**147,454,887**	**147,454,887**	**147,454,887**	**147,454,887**	**147,454,887**
Number of shares entitled to a dividend	**147,454,887**	**147,454,887**	**147,454,887**	**147,454,887**	**147,454,887**
Earnings per share (in euros)	**2.18**	**0.93**	**1.50**	**4.05**	**3.26**

(1) Subject to approval by the Annual Shareholders Meeting to be held on December 19, 2022.
(2) Corresponding to dividends not paid on treasury shares.
(3) Corresponding to the 10% dividend premium not paid.
(4) The Board of Directors proposes at the Annual Shareholders Meeting on December 19, 2022, to pay a dividend of 2.40 euros per share for Fiscal year 2022.

5.3.3 Supplier and client past due invoices

INVOICES RECEIVED AND PAST DUE AS OF AUGUST 31, 2022

(in million euros)	0 DAY	1-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 91 DAYS	TOTAL (1 DAY AND OVER)
Classified as late payment						
Number of invoices	1,047					1,969
Amount (incl. VAT)	19	15	15	1	1	32
% of total purchases (net of VAT) for the fiscal year	7.8%	6.2%	6.2%	0.5%	0.4%	13.3%
Invoices related to disputed or unrecognized payables and not classified as late payment						
Number of invoices	—					
Amount (incl. VAT)	—					
Reference payment terms used						
	Contractual payment terms					

INVOICES ISSUED AND PAST DUE AS OF AUGUST 31, 2022

(in million euros)	0 DAY	1-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 91 DAYS	TOTAL (1 DAY AND OVER)
Classified as late payment						
Number of invoices	431					2,368
Amount (incl. VAT)	37	3	2	1	16	22
% of total purchases (net of VAT) for the fiscal year	8.2%	0.7%	0.5%	0.3%	3.5%	5.0%
Invoices related to disputed or unrecognized receivables and not classified as late payment						
Number of invoices	14					
Amount (incl. VAT)	1					
Reference payment terms used						
	Contractual payment terms					

5.4 Statutory Auditors' Report

5.4.1 Statutory Auditors' Report on the financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended August 31, 2022

SODEXO

255, quai de la Bataille-de-Stalingrad

92866 Issy-les-Moulineaux Cedex 9, France

To the shareholders,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Sodexo for the year ended August 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at August 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors for the period from September 1, 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments– Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Valuation of equity investments

Description of risk

The balance of equity investments at August 31, 2022 represented 7,515 million euro, the largest asset on the balance sheet. They are recognized at cost or contribution value. They are written down, where appropriate, when their value in use at the year-end is less than their carrying amount.

As described in note 2.1.3 to the financial statements, value in use is determined by management on the basis of net asset value, profitability and the future prospects of the investee.

When the carrying amount of an investment is higher than the net book value of the share of net assets of the subsidiary, value in use is determined based on discounted future cash flows, using business plans prepared by management generally covering one to five years. In preparing such business plans, management is required to exercise judgment.

Accordingly, we deemed the valuation of equity investments and any related receivables or provisions for contingencies to be a key audit matter, due to the inherent uncertainty of certain components of the valuation, in particular the likelihood of achieving forecast results used to calculate value in use.

How our audit addressed this risk

In order to assess the reasonableness of the estimate of the value in use of equity investments, based on the information provided to us, our audit work consisted mainly in verifying that the estimated values determined by management were based on an appropriate measurement method and underlying data, and, depending on the investee concerned:

- for valuations based on historical data: verifying that the equity values used were consistent with the financial statements of the entities concerned, and that any adjustments to equity were based on documentary evidence;
- for valuations based on forecast data:
  - obtaining forecast future cash flows of the investees concerned, and assessing their consistency with the business plans drawn up by management,
  - assessing, with the support of our evaluation experts, the consistency of the growth rates used for projected cash flows with available long-term inflation forecasts for the geographical areas concerned, in light of the economic environments in which the investees operate,
  - assessing, with the support of our evaluation experts, the reasonableness of the discount rates applied to estimated future cash flows, verifying in particular that the various inputs used to calculate the weighted average cost of capital for each investee were sufficient to approximate the return expected by market participants for similar activities.

Our audit work also consisted in:

- assessing the recoverability of receivables related to equity investments;
- verifying the recognition of provisions for contingencies where the Company is exposed to the losses of investees with negative equity.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in article D.441-6 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.22-10-9 of the French Commercial Code relating to compensation and benefits paid or awarded to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by the Company from controlled companies within its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of article L.22-10-11 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code (Code monétaire et financier) and prepared under the Chairwoman and Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors by the Shareholders' Meetings held on February 22, 1994 for PricewaterhouseCoopers Audit and on February 4, 2003 for KPMG Audit.

At August 31, 2022, PricewaterhouseCoopers Audit and KPMG Audit were in the twenty-ninth year and the twentieth consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris La Défense, October 25, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit

Stéphane Basset   Bardadi Benzeghadi

KPMG Audit
Department of KPMG SA
Caroline Bruno-Diaz

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5.4.2 Statutory Auditors' special report on related-party agreements

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

Shareholders' Meeting held to approve the financial statements for the year ended August 31, 2022

SODEXO

255, quai de la Bataille-de-Stalingrad

92866 Issy-les-Moulineaux Cedex 9,

France

To the shareholders,

In our capacity as Statutory Auditors of Sodexo, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements to be submitted for the approval of the Annual General Meeting

We were not informed of any agreements authorized and entered into during the year to be submitted for the approval of the Shareholders' Meeting pursuant to the provisions of article L.225-38 of the French Commercial Code.

Agreements already approved by Shareholders' Meetings

Agreements approved during the year

We were informed of the implementation during the year of the following agreement, which was already approved by the Shareholders' Meeting of December 14, 2021 based on the Statutory Auditors' report of November 8, 2021.

Service agreement between Bellon SA and Sodexo

- Persons concerned:

Sophie Bellon, Nathalie Bellon-Szabo, and François-Xavier Bellon, common Corporate Officers of Bellon S.A. and Sodexo.

- Nature and purpose:

At its meeting on June 23, 2021, the Board of Directors, on the recommendation of the Audit Committee, authorized the conclusion of a new service agreement, renewing under similar conditions the agreement previously entered into with effect from November 17, 2016 and expiring on November 17, 2021. The new agreement was entered into on October 26, 2021 and came into effect on November 17, 2021 for a period of five years.

Under this agreement, Bellon S.A. provides assistance and advisory services and assigns three of its employees to Sodexo to hold the positions of Group Chief Financial Officer, Group Chief People Officer and Group Chief Growth Officer, enabling Sodexo to benefit from their experience and skills in the implementation of its strategy.

- Terms and conditions:

Under this agreement, Bellon S.A. invoices Sodexo for the compensation of the Group Chief Financial Officer, Group Chief People Officer and Group Chief Growth Officer during the secondment period. This invoicing includes the compensation and associated benefits, as well as payroll and any other related taxes. The invoiced amount does not include a margin on the items invoiced.

The total fees billed under this agreement, and changes compared with the prior year, are reviewed annually by Sodexo's Audit Committee. In addition, and in compliance with the law, the agreement is reviewed every year by the Board of Directors.

The annual fees payable to Bellon S.A. are approved each year by the Board of Directors of the Company, with none of the directors who are Bellon family members taking part in the vote.

For the year ended August 31, 2022, the fees billed by Bellon S.A. under this agreement amounted to 3,467,580 euro excluding taxes.

Neuilly-sur-Seine and Paris La Défense, October 25, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit

Stéphane Basset   Bardadi Benzeghadi

KPMG Audit
Department of KPMG SA
Caroline Bruno-Diaz

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CORPORATE GOVERNANCE

This chapter includes the Board of Directors' Corporate Governance Report[1].

It provides information on:

- the composition of the Board of Directors;
- the preparation and organization of the Board's work;
- the terms and conditions for the exercise of executive management and any restrictions placed by the Board on the Chairwoman and Chief Executive Officer's powers;
- the related-party agreement authorized by the Board;
- the conditions governing shareholders' attendance at Shareholders Meetings;
- current valid authorizations for share capital increases; and
- information that could have an impact in the event of a public tender offer.

It also includes the components of :

- Corporate Officers' compensation packages;
- their compensation policies([2]).

The Board of Directors' Corporate Governance Report was approved at the October 25, 2022 Board meeting, and has been submitted in full to the Company's Statutory Auditors.

The Corporate Governance reference framework used by Sodexo is the AFEP-MEDEF Corporate Governance Code for listed companies in France (hereafter the "AFEP-MEDEF Code"). The Company's application of the recommendations contained in this Code is presented in section 6.2.2.

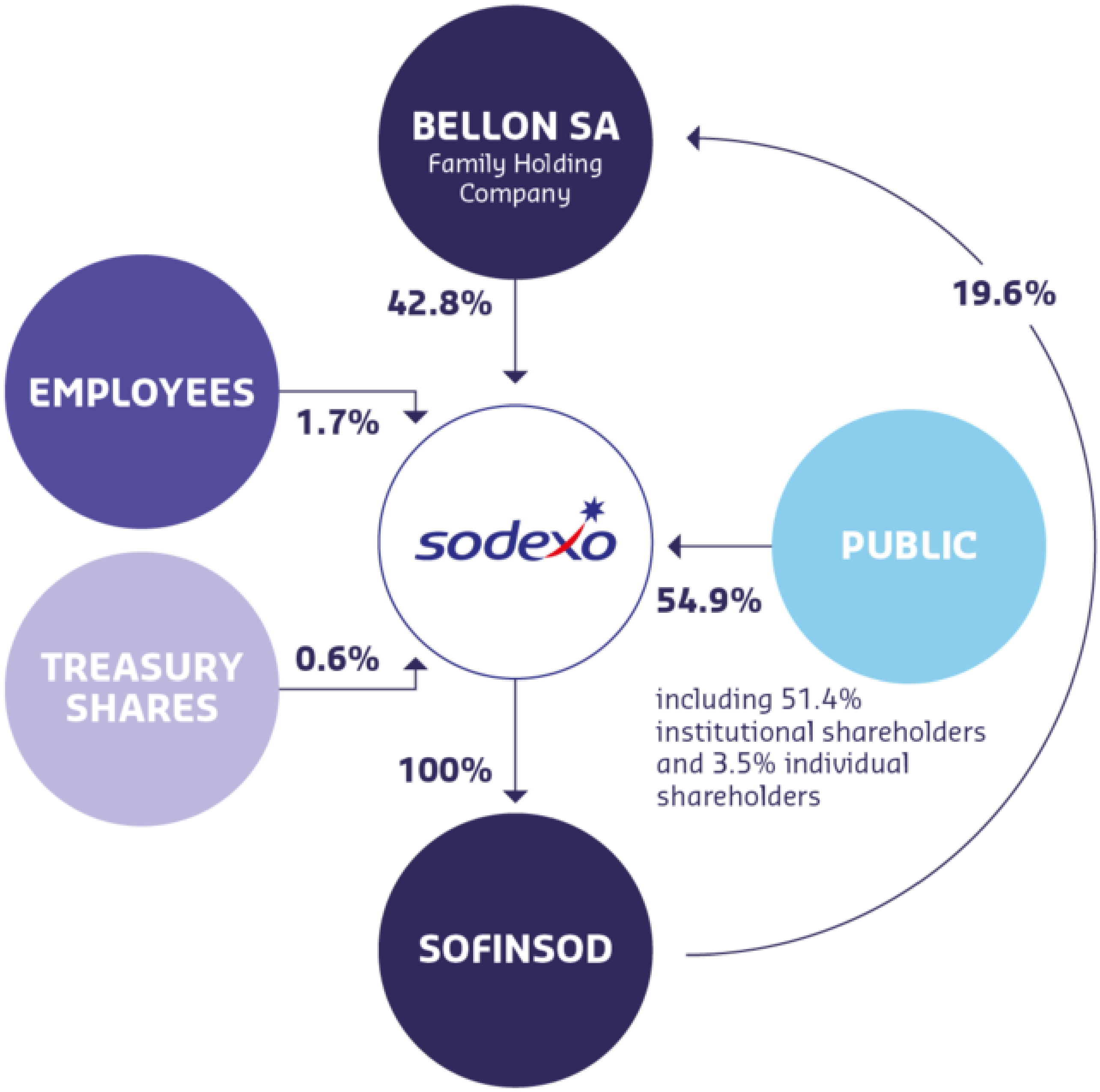
This chapter also provides information on:

- Sodexo's shareholding structure; and
- transactions in Sodexo shares disclosed by Corporate Officers.

Lastly, this chapter also describes the Group's risk management and internal control procedures (section 6.4) as well as its corporate responsibility vigilance plan[3] (section 6.3.4).

(1) In accordance with article L.225-37 of the French Commercial Code.
(2) In compliance with article L.22-10-8 (formerly article L.225-37-2) of the French Commercial Code.
(3) In accordance with article L.225-102-4 of the French Commercial Code.

6.1 Shareholding structure as of August 31, 2022[1]



For further information about the Group's shareholding structure, see chapter 7 of this Universal Registration Document.

[1] Percentages have been rounded to the nearest tenth.

6.2 Board of Directors

6.2.1 Composition and operating procedures of the Board of Directors

Sodexo is a French public limited company *(société anonyme)* governed by a Board of Directors.

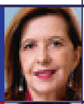
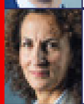
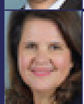
The rules and operating procedures of the Board of Directors are defined by the law, the Company's bylaws and the Internal Rules of the Board. In addition, three specialized Committees have been set up by the Board in order to enhance the Board's effectiveness and the Company's governance.

Directors hold office for a term of three years and may be reappointed. However, exceptionally, the Ordinary Shareholders Meeting may, on the recommendation of the Board of Directors, appoint or reappoint one or several directors for a period of one or two years, to stagger the reappointment of directors.

Sodexo is governed by a Board of Directors, which has been chaired by Sophie Bellon since January 26, 2016.

Since March 1, 2022, Sophie Bellon has been Chairwoman and Chief Executive Officer of Sodexo and Luc Messier has been appointed Lead Director. In this way, the Board of Directors aims to ensure that the definition and execution of the strategy are fully aligned, given that accelerating Sodexo's transformation requires swift and agile decision-making processes within the Company while, at the same time, maintaining strong governance.

6.2.1.1 Composition as of August 31, 2022

			DATE OF BIRTH	NATIONALITY	NUMBER OF DIRECTOR/ OFFICER POSITIONS HELD IN OTHER LISTED COMPANIES	FIRST APPOINTED	TERM EXPIRES (AT THE ANNUAL SHAREHOLDERS MEETING CALLED TO ADOPT THE FINANCIAL STATEMENTS FOR THE YEAR INDICATED)	SENIORITY (YEARS)	NUMBER OF SODEXO SHARES HELD	INDEPENDENT DIRECTORS[1]	BOARD COMMITTEES: AUDIT	NOMINATING	COMPENSATION
Chairwoman and CEO		Sophie Bellon	1961/08/19		1	1989/07/26	2023	33	7,964				
Independent directors		Françoise Brougher	1965/09/02		0	2012/01/23	2023	11	400	X		●	●
		Jean-Baptiste Chasseloup de Chatillon	1965/03/19		0	2021/12/14	2024	1	400	X	●		
		Federico J. González Tejera	1964/04/12		0	2021/01/12	2023	2	1,000	X			
		Véronique Laury[2]	1965/06/29		3	2020/01/21	2022	3	400	X	●		
		Luc Messier[2]	1964/04/21		1	2020/01/21	2022	3	400	X		●	
		Sophie Stabile[2]	1970/03/19		2	2018/07/01	2022	4	400	X	Chair		●
		Cécile Tandeau de Marsac[2]	1963/04/17		2	2017/01/24	2022	6	400	X		Chair	Chair
Family directors		François-Xavier Bellon	1965/09/10		0	1989/07/26	2024	33	36,383		●	●	
		Nathalie Bellon-Szabo	1964/01/26		0	1989/07/26	2023	33	3,052			●	
Director representing employees		Philippe Besson[3]	1956/09/21		0	2014/06/18	2022	8	—	N/A[3]			●
		Cathy Martin	1972/06/05		0	2015/09/10	2023	7	—	N/A[3]	●		

(1) Independent directors based on the criteria provided in the AFEP-MEDEF Code to which the Company refers.
(2) The Board of Directors proposes that the Combined Annual Shareholders Meeting to be held on December 19, 2022 reappoints Cécile Tandeau de Marsac, Véronique Laury and Luc Messier for a term of three years, *i.e.*, until the Annual Shareholders Meeting held to adopt the Fiscal 2025 financial statements. The term of office of Sophie Stabile, which is also expiring, will not be renewed.
(3) The term of office of Philippe Besson, who was appointed in 2014 and reappointed in 2017 and 2020 by the most representative trade union among the Group companies in France under the applicable legislation, expires at the end of the Combined Annual Shareholders Meeting on December 19, 2022. This mandate will be renewed. In accordance with French law and the AFEP-MEDEF Code, directors representing employees are not included in the calculation of the representation of men and women on the Board or the percentage of independent directors.

70%	57.5	60%
Independent directors (excluding directors representing employees)	Average age of directors	Female directors (excluding directors representing employees)

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6.2.1.2 Board members as of August 31, 2022

SOPHIE BELLON – CHAIRWOMAN AND CHIEF EXECUTIVE OFFICER

Born August 19, 1961

French nationality

Graduate of the *École des hautes études commerciales du Nord* (EDHEC)

First appointed: July 26, 1989

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements

Business address:

Sodexo

255, quai de la Bataille-de-Stalingrad

92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 7,964

Main role: Chairwoman and Chief Executive Officer of Sodexo*

Background

Sophie Bellon began her career in 1985 with Crédit Lyonnais in the United States as a mergers and acquisitions advisor for the bank's French clientele in New York.

She joined Sodexo in 1994 as a senior analyst in the Group Finance Department. In 2001, she was appointed Project Manager – Strategic Financial Planning within the Group Strategic Planning Department to develop and implement key performance indicators for the Group. In September 2005, she was named Group Vice President of Client Retention and was responsible for the worldwide deployment of the initiative on client retention.

In September 2008, she was appointed Chief Executive Officer of Corporate Services for Sodexo France. In that capacity, she also took over responsibility for Facilities Management activities in France in September 2010.

In November 2013, Sophie Bellon was appointed Vice Chairwoman of the Sodexo Board of Directors (replacing Robert Baconnier), and was also entrusted with specific responsibility for increasing, within Sodexo, the pace of Research, Development and Innovation, particularly in Quality of Life services.

On January 26, 2016, Sophie Bellon became Chairwoman of the Board of Directors of Sodexo S.A.

Following the departure of Denis Machuel on September 30, 2021, she first took on the position of interim Chief Executive Officer of Sodexo from October 1, 2021, before being appointed Chairwoman and Chief Executive Officer by the Board of Directors on February 15, 2022.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

- **Member of the Management Board:** Bellon SA

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

- **Chairwoman:** PB Holding SAS
- **Member of the Board of Directors:** L'Oréal*, and also Chairwoman of the Human Resources and Remuneration Committee; Chairwoman of the Nominations and Governance Committee and Member of the Audit Committee of L'Oréal
- **Member of the Board of Directors**: *Association nationale des sociétés par actions* (ANSA); *Association française des entreprises privées* (AFEP); *Association Comité France Chine* (CPC)

FOREIGN COMPANIES

None

Other positions and corporate offices held within the past five years but no longer held

- **Founding member:** Pierre Bellon Foundation *(Term ended: September 2018)*
- **Co-Chair:** Sodexo Women's international Forum for Talent (SWIFT) *(Term ended: June 2018)*

* Listed company.

FRANÇOIS-XAVIER BELLON

Born September 10, 1965
French nationality
Graduate of the European Business School
First appointed: July 26, 1989
Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2024 financial statements
Member of the Audit Committee
Member of the Nominating Committee

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 36,383

Main role: Chairman of the Management Board, Bellon SA

Background

François-Xavier Bellon began his career in 1990 with the Adecco group, working first in France and then in Spain.

In 1995, he joined the Sodexo Group, taking up an operational role in the Healthcare segment in France. In 1999, he was appointed Regional Director in Mexico DF and subsequently became Chief Executive Officer of Sodexo Mexico.

In 2004, he was appointed Chief Executive Officer of Sodexo UK & Ireland. He resigned from his post a few months later for health reasons.

He rejoined the Adecco group in September 2004 and headed up the Sales and Marketing Department of the Global Staffing Division as well as managing the Group's key international accounts, based between Zurich and London.

In May 2007, François-Xavier Bellon took over a company based in the United Kingdom that provides home care services to dependent people, of which he became Chief Executive Officer before founding LifeCarers. He then left LifeCarers in November 2019 to focus on his various roles within Bellon SA (Chairman of the Management Board) and Sodexo (director).

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

- **Chairman of the Management Board:** Bellon SA

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

- **Chief Executive Officer:** PB Holding SAS

FOREIGN COMPANIES

None

Other positions and corporate offices held within the past five years but no longer held

- **Chief Executive Officer and member of the Board of Directors:** LifeCarers Ltd. (UK) *(Term ended: November 2019)*
- **Member of the Board of Directors:** U1st Sports SA (Spain) (Term ended: January 2019); House of HR (Belgium) *(Term ended: January 2019)*
- **Advisor:** French Foreign Trade Commission *(Term ended: December 2018)*

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NATHALIE BELLON-SZABO

Born January 26, 1964

French nationality

Graduate of the European Business School

First appointed: July 26, 1989

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements

Member of the Nominating Committee

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 3,052

Main role: Chief Executive Officer, Sodexo Live!

Background

Nathalie Bellon-Szabo began her career in the Foodservices industry in 1987. In 1989, she became an account manager for Scott Traiteur, and then Sales Manager of Le Pavillon Royal.

She joined Sodexo in March 1996 as Sales Director for Sodexo Prestige in France, becoming a Regional Manager in 1999. In September 2003, she was appointed Managing Director of Sodexo Prestige, and Managing Director of L'Affiche in January 2006. She was named Chairwoman of the Management Board of the Lido in 2009. She became Chief Executive Officer of Sodexo Prestige Sports and Leisure in France on September 1, 2010 and Chairwoman of the Management Board of Lenôtre in 2012.

On September 1, 2015, Nathalie Bellon-Szabo was appointed Chief Executive Officer Sports and Leisure France, On-site Services and Chief Operating Officer Sports and Leisure Worldwide, On-site Services.

On June 19, 2018, she was appointed Chief Executive Officer Sports and Leisure (now Sodexo Live!) Worldwide and joined the Group Executive Committee.

She is Chairwoman of Pierre Bellon Foundation.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

- **Member of the Management Board:** Bellon SA
- **Chairwoman:** Gedex SAS; Lenôtre SAS; Umanis SAS; Pierre Bellon Foundation

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Other positions and corporate offices held within the past five years but no longer held

- **Chairwoman:** Yachts de Paris SAS (France) (*Term ended: November 2018*); Société d'exploitation des vedettes Paris Tour Eiffel SAS (France) (*Term ended: November 2018*); Sodexo Sports et Loisirs SAS (France) (*Term ended: November 2018*); Compagnie d'armateur fluvial et maritime SAS (France) *(Term ended: November 2018)*
- **Chairwoman of the Board of Directors:** Millenia SA (France) (*Term ended: December 2018*); Lenôtre SA (France) *(Term ended: July 2021)*
- **Member of the Board of Directors:** Altima SA (France) *(Term ended: December 2018)*
- **Chairwoman of the Management Board:** Société du Lido (SEGSMHI), (France) *(Term ended: February 2022)*

PHILIPPE BESSON – DIRECTOR REPRESENTING EMPLOYEES

Born September 21, 1956
French nationality
First appointed: June 18, 2014
Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2022 financial statements
Member of the Compensation Committee

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: N/A

Main role: Head of Projects for Sponsorship, Sodexo France

Background

Philippe Besson joined the Sodexo Healthcare Division in 1981 as Foodservices manager for the Paris Île-de-France region. He notably took part in the World Youth Days in Paris, Rome and Cologne, was responsible for the Tour de France departure villages for Sodexo and managed athlete Foodservices for the Pacific Games.

He has been Head of Projects for Sponsorship since 2014.

Other positions and corporate offices held

Companies linked to Sodexo	Companies not linked to Sodexo
FRENCH COMPANIES	FRENCH COMPANIES
None	None
FOREIGN COMPANIES	FOREIGN COMPANIES
None	None

Other positions and corporate offices held within the past five years but no longer held

None

FRANÇOISE BROUGHER

Born September 2, 1965

Dual French and American nationality

Graduate of ICAM-Lille (*Institut catholique d'arts et métiers*) (France) and Harvard University (United States)

First appointed: January 23, 2012

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements

Member of the Nominating Committee

Member of the Compensation Committee

Number of Sodexo shares held: 400

Business address:

Sodexo

255, quai de la Bataille-de-Stalingrad

92130 Issy-les-Moulineaux (France)

Main role: Director of Sodexo

Background

Françoise Brougher began her career in 1989 in a production unit of L'Oréal in Japan.

After receiving her MBA in 1994, she joined the strategy consulting firm Booz Allen & Hamilton, dividing her time between Europe and the United States.

In 1998, she joined the San Francisco-based Ocean Gem Pearl Corporation, an importer of black Tahitian pearls.

From 2000 to 2005, she was Vice President of Strategy at California-based brokerage firm Charles Schwab Corporation.

In March 2005, she joined Google, where she managed Business Operations for four years, becoming Vice President, Global SME Sales & Operations in 2009.

In April 2013, she joined San Francisco-based Square as Business Lead.

In February 2018, she was appointed Chief Operating Officer of Pinterest and stepped down from this role in April 2020.

Other positions and corporate offices held

Companies linked to Sodexo	Companies not linked to Sodexo
FRENCH COMPANIES	FRENCH COMPANIES
None	None
FOREIGN COMPANIES	FOREIGN COMPANIES
None	None

Other positions and corporate offices held within the past five years but no longer held

- **Member of the Board of Directors:** Blackbird Air (USA) *(Term ended: November 2020)*
- **Executive Officer:** Pinterest* (USA) *(Term ended: April 2020)*

* Listed company.

JEAN-BAPTISTE CHASSELOUP DE CHATILLON

Born March 19, 1965

French nationality

Graduate in Finance of the Paris Dauphine University and Lancaster University (UK)

First appointed: December 14, 2021

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2024 financial statements

Member of the Audit Committee

Number of Sodexo shares held: 400

Business address:

Sodexo

255, quai de la Bataille-de-Stalingrad

92130 Issy-les-Moulineaux (France)

Main role: Chief Financial Officer of Sanofi

Background

Jean-Baptiste Chasseloup de Chatillon began his career with the PSA Peugeot Citroën group in 1989, as internal consultant within the shared services for Europe, before being appointed Management Controller and then Treasurer for Spain. In 1999, he became Chief Financial Officer of the group's British subsidiaries in the UK and joined Automobiles Citroën in 2001 as Director of Imports for Europe. In 2003, he was appointed Managing Director of Citroën Benelux. Then, in 2007, he became Financial Controller of the Peugeot SA group before being promoted to Chief Financial Officer in 2012 and joining the Management Board and the Executive Committee. Chairman of Banque PSA Finance from 2012 to 2016, he was also in charge of the commercial divisions Spare parts, After sales, PSA Retail (PSA dealers network) and used vehicles, as well as of the Group IT Department.

In 2018, he was appointed Chief Financial Officer of the Sanofi group.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Other positions and corporate offices held within the past five years but no longer held

- **Member of the Board of Directors and of the Audit Committee:** Faurecia* *(Term ended: July 2018)*
- **Member of the Board of Directors:** GEFCO (company controlled by Russian Railways) (Term ended: September 2018); Dong Feng Peugeot Citroën Automobiles (DPCA) (Term ended: September 2018); Changan PSA (CAPSA) *(Term ended: September 2018)*

* Listed company.

6

FEDERICO J. GONZÁLEZ TEJERA

Born April 12, 1964

Spanish nationality

Graduate of the University Complutense de Madrid and the *École Supérieure de Commerce de Paris* (ESCP)

First appointed: January 12, 2021

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 1,000

Main role: Chief Executive Officer of Radisson Hotel Group

Background

After receiving degrees in Economics, International Trade and Finance in Spain in 1988, Federico J. González Tejera joined Procter & Gamble where he held various marketing positions in Spain. He later assumed additional responsibilities in Europe (based in Belgium) and the Nordic countries (based in Sweden) prior to being appointed country head of Portugal.

After 16 years at Procter & Gamble, he joined Eurodisney in 2004 as Vice President of Marketing and later, Chief Executive Officer of Eurodisney Vacations and Senior Vice President of Marketing and Sales, Paris and EMEA.

In 2012, he joined the Spanish group NH Hotel Group as Chief Executive Officer.

Since 2017, Federico J. González Tejera has been Chief Executive Officer of Radisson Hotel Group.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

- **Chief Executive Officer:** Radisson Hotel Group

Other positions and corporate offices held within the past five years but no longer held

None

VÉRONIQUE LAURY

Born June 29, 1965

French nationality

Graduate of the *Institut d'études politiques* (Sciences Po) of Paris

First appointed: January 21, 2020

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2022 financial statements (*recommended for reappointment*)

Member of the Audit Committee

Number of Sodexo shares held: 400

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Main role: Director of Sodexo

Background

After graduating from Sciences Po in 1988, Véronique Laury joined Leroy Merlin and took over various functions in the marketing and sales field for about 15 years.

In 2003, she joined Kingfisher, the European giant DIY retailer, parent company of B&Q, Brico Dépôt, Castorama and Screwfix. She was in charge of the Sales and Marketing Department of Castorama (France) and later of B&Q (UK) before being named Head of Group Sales and Marketing Strategy, taking over the responsibility of Group purchasing and brand development.

In 2013, Véronique Laury became Chief Executive Officer of Castorama France.

From September 2014 to September 2019, she was Chief Executive Officer of Kingfisher plc, listed in the FTSE 100 (UK).

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

- **Member of the Supervisory Board:** Tarkett (France)*

FOREIGN COMPANIES

- **Member of the Board of Directors:** IKEA Holding B.V. (Netherlands), WeWork Inc. (USA) *, British American Tobacco (UK) *
- **Member of the Supervisory Board:** Eczacibosi Holding (Turkey)

Other positions and corporate offices held within the past five years but no longer held

- **Chief Executive Officer:** Kingfisher plc* (UK) *(Term ended: September 2019)*

* Listed company.

CATHY MARTIN – DIRECTOR REPRESENTING EMPLOYEES

Born June 5, 1972

Canadian nationality

First appointed: September 10, 2015

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements

Member of the Audit Committee.

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: N/A

Main role: Regional Manager, On-site Services, Energy & Resources segment – East Canada, Sodexo Canada

Background

After completing her studies in nutrition in 1998, Cathy Martin began her career in the Foodservices industry.

In January 2000, she joined Sodexo as an on-site Foodservices manager. Over the past 20 years, she has held various operating and project management positions. In December 2014, she was named Regional Manager, On-site Services in the Education segment in Quebec, Canada. In 2017, she became Regional Manager – East Canada for the Energy & Resources segment.

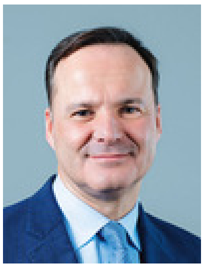
Other positions and corporate offices held

Companies linked to Sodexo	Companies not linked to Sodexo
FRENCH COMPANIES	FRENCH COMPANIES
None	None
FOREIGN COMPANIES	FOREIGN COMPANIES
None	None

Other positions and corporate offices held within the past five years but no longer held

None

LUC MESSIER – LEAD INDEPENDENT DIRECTOR



Born April 21, 1964

Dual Canadian and American nationality

Graduate of the University of Sherbrooke (civil engineering) and of UC Davis (viticulture and oenology)

First appointed: January 21, 2020

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2022 financial statements *(recommended for reappointment)*

Lead Independent Director

Member of the Nominating Committee

Number of Sodexo shares held: 400

Business address:

Sodexo

255, quai de la Bataille-de-Stalingrad

92130 Issy-les-Moulineaux (France)

Main role: President, Reus Technologies LLC (USA)

Background

Luc Messier began his career in engineering and project management at Pomerleau. He joined the Bouygues group in 1993 as an engineer, project manager in Hong Kong and in South Africa and was later appointed Chief Executive Officer of the Bouygues subsidiary handling construction work in Hong Kong.

In 2003, he joined Technip as Chief Operating Officer and was then named President and Chief Executive Officer of Technip Offshore Inc. before being appointed President and Chief Executive Officer of Technip USA.

Between 2007 and 2015, he served as Senior Vice President for ConocoPhillips, where he was responsible for projects, aviation and procurement.

Since 2015, he has been President of Reus Technologies LLC (on a part time basis), a technology development company that acts primarily as a business angel in new technology, focused ventures. He is also Chairman of Messier Wine Holdings LLC (part time), a company that owns a vineyard in Carmel, California.

Since March 1, 2022, he has been Lead Independent Director of Sodexo S.A.

Since June 6, 2022, he has also been Chief Operating Officer of Enerkem Inc., a start-up specializing in carbon recycling.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

- **Chairman:** Reus Technologies LLC (USA); Messier Wine Holdings (USA)
- **Member of the Board of Directors:** Greenfield Holdings LLC (USA), Bird Construction Inc.* (Canada), and also member of the Human Resources and Governance Committee, Chairman of the Environment and Health & Safety Committee and Lead Independent Director of Bird Construction Inc.

Other positions and corporate offices held within the past five years but no longer held

- **Member of the Board of Directors:** Mercury Ensemble (USA) *(Term ended: December 2017)*; Da Camera (USA) *(Term ended: December 2017)*; IGP Methanol (USA) *(Term ended: April 2019)*; Ocean Installer (Norway) *(Term ended: March 2020)*

* Listed company.

6

SOPHIE STABILE

Born March 19, 1970

French nationality

Graduate of the *École supérieure de gestion et finances* (ESGF) of Paris.

First appointed: July 1, 2018

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2022 financial statements

Chair of the Audit Committee

Member of the Compensation Committee

Business address:

Sodexo

255, quai de la Bataille-de-Stalingrad

92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 400

Main role: Chief Financial Officer, Lagardère

Background

Sophie Stabile began her career as a financial auditor before joining the Accor group in 1999. In 2006, she was appointed Group Controller-General, in charge of the consolidation process, the International Finance Departments and the Financial Control and Internal Audit Departments as well as the Accor holding company and the Group's finance back offices. In 2010 she became Group Chief Financial Officer.

From 2015 to 2017 she served as Chief Executive Officer, HotelServices France and Switzerland, for AccorHotels.

In February 2018, she founded Révérence – a consulting, investment and private equity firm – of which she has been Managing Partner since that date. In October 2020, she became Chief Financial Officer of group Lagardère.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

- **Managing Partner:** Révérence
- **Member of the Board of Directors:** Ingenico* (France, until September 2022); Bpifrance SA (France), OVH * (France)
- **Member of the Board of Directors:** Institut Français des Administrateurs (IFA), treasurer of IFA

FOREIGN COMPANIES

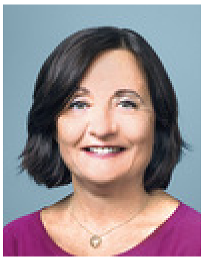
None

Other positions and corporate offices held within the past five years but no longer held

- **Chief Executive Officer:** HotelServices France and Switzerland of AccorHotels (France) *(Term ended: 2017)*
- **Member of the Supervisory Board:** Altamir* (France) (*Term ended: March 2019*); Unibail Rodamco-Westfield* (France) *(Term ended: 2021)*
- **Member of the Board of Directors:** SPIE* (France) *(Term ended: 2021);* Ingenico * (France) (*Term ended: September 2022*)

* Listed company.

CÉCILE TANDEAU DE MARSAC



Born April 17, 1963

French nationality

Graduate of the NEOMA Business School

First appointed: January 24, 2017

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2022 financial statements (*recommended for reappointment*)

Chair of the Compensation Committee

Chair of the Nominating Committee

Number of Sodexo shares held: 400

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Main role: Director of Sodexo

Background

Cécile Tandeau de Marsac began her career with Nestlé in 1987, holding various positions in Marketing and Communications before joining the Human Resources Department in 2002, where she was in charge of career development in France. In 2005, she became Human Resources Director for certain businesses and for corporate functions at Nestlé France.

In 2007, she joined Rhodia as HR Director of a business unit and responsible for talent development for the Group. She subsequently took part in two major projects, the transformation of Rhodia's organizational structure and the subsequent integration of Rhodia's teams following its acquisition by Solvay.

From September 2012 to June 2019 she served as Chief Human Resources Officer, Solvay group.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

- **Member of the Board of Directors:** Daher, and also member of the Governance Committee of Daher; Verallia*, and also Chairwoman of the Compensation Committee and Chairwoman of the Nominations Committee of Verallia
- **Member of the Supervisory Board:** Unibel *

FOREIGN COMPANIES

None

Other positions and corporate offices held within the past five years but no longer held

- **Chief Human Resources Officer:** Solvay group (France) *(Term ended: June 2019)*
- **Member (non-director) of the Nominating and Compensation Committee:** Bel (France) (*Term ended: 2022*)

* Listed company.

6.2.1.3 Changes in the composition of the Board of Directors and its Committees during Fiscal 2022 and changes planned for Fiscal 2023

Changes during Fiscal 2022

	DEPARTURE	APPOINTMENT	REAPPOINTMENT
Board of Directors	*December 14, 2021:* Emmanuel Babeau	*December 14, 2021:* Jean-Baptiste Chasseloup de Chatillon	*December 14, 2021:* François-Xavier Bellon
Audit Committee	*December 14, 2021: Emmanuel Babeau*	*December 14, 2021:* Jean-Baptiste Chasseloup de Chatillon	-
Compensation Committee	-	-	-
Nominating Committee	*March 1, 2022:* Sophie Bellon	*October 26, 2021:* Luc Messier *March 1, 2022:* François-Xavier Bellon	-

Changes planned for Fiscal 2023

The following changes will be proposed at the Combined Annual Shareholders Meeting on December 19, 2022:

- reappoint Véronique Laury as director for a three-year term.

Véronique Laury has been a director of Sodexo since January 21, 2020 and a member of the Audit Committee since October 28, 2020.

- reappoint Luc Messier as director for a three-year term.

Luc Messier has been a director of Sodexo since January 21, 2020 and a member of the Nominating Committee since October 2021. He has also been Lead Director of Sodexo since March 1, 2022. In that capacity, Luc Messier has played a key role in the governance of Sodexo since the roles of Chairperson of the Board of Directors and Chief Executive Officer were combined (see below, Lead Independent Director's activity report);

- reappoint Cécile Tandeau de Marsac as director for a three-year term.

  Cécile Tandeau de Marsac has been a director of Sodexo since January 24, 2017 and Chairwoman of the Compensation Committee since 2017 and of the Nominating Committee since 2019.

- appoint Patrice de Talhouët as a new director for a three-year term.

Of French nationality, Patrice de Talhouët joined Bellon SA as Managing director, to support Bellon SA in its role as the controlling company of Sodexo, to accompany the development of the Group over the long-term. He has international experience of more than 20 years in the USA, UK and Belgium in finance within large groups, mainly family owned such as Mars, Coty and JAB. Recently he was Group Chief Financial Officer of Coty, the cosmetics group listed in New York and an S&P 500 stock and then European director for JAB consumer fund, the Coty family holding company.

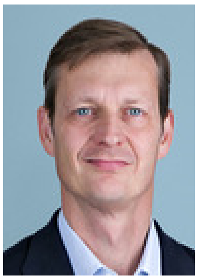
This proposed appointment is in line with the search for diversified profiles and the reinforcement of financial expertise within the Board. The Board will benefit from his management experience in international companies and his deep knowledge of family owned groups.

Sophie Stabile, whose term of office expires at the close of the December 19, 2022 Annual Shareholders Meeting, will not be renewed.

On October 25, 2022, the Board of Directors also decided to appoint:

- Luc Messier as a member of the Audit Committee;
- Jean-Baptiste Chasseloup de Chatillon as Chairman of the Audit Committee;
- and Federico J. Gonzalez Tejera as a member of the Compensation Committee.

Patrice de TALHOUËT



Born June 18, 1966

French nationality

Graduate of *Diplôme d'Études Comptables et Financières* (DECF) and a Bachelor in Economic Sciences

Business address:

Bellon S.A.

17 place de la Résistance

92130 Issy-les-Moulineaux (France)

Main role: Managing Director of Bellon S.A.

Background

Patrice de Talhouët has more than 20 years of international experience (US, UK, Belgium...) in large groups, mainly family owned (Mars, Coty, JAB). Most recently, he was Group Chief Financial Officer of Coty, a cosmetics group listed on the New York Stock Exchange (S&P 500), and then been head of the JAB Consumer Fund in Europe within the family holding company that controls Coty. Patrice also worked for 7 years for the Mars family group where, after having held the position of CFO Europe, he worked in the US directly with the Mars family (100% owner).

Patrice de Talhouët joined Bellon S.A. as Managing Director, a newly created position to enable Bellon S.A. to fully ensure its missions, notably the control and joint management of the Sodexo group as well as the support of its development over the long term.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

- **Member of the Board of Directors:** Café Joyeux, Fondation des Amis de l'Arche

FOREIGN COMPANIES

- **Member of the Board of Director:** Prêt à Manger, and also Chairman of the Audit and Finance Committee of Prêt à Manger
- **Member of the Board of Directors:** Espresso House, and also Chairman of the Audit and Finance Committee of Espresso House

Other positions and corporate offices held within the past five years but no longer held

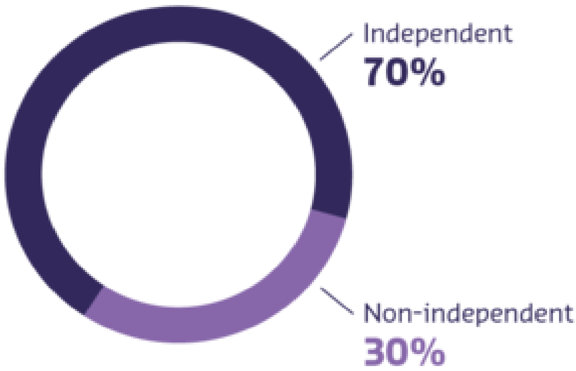
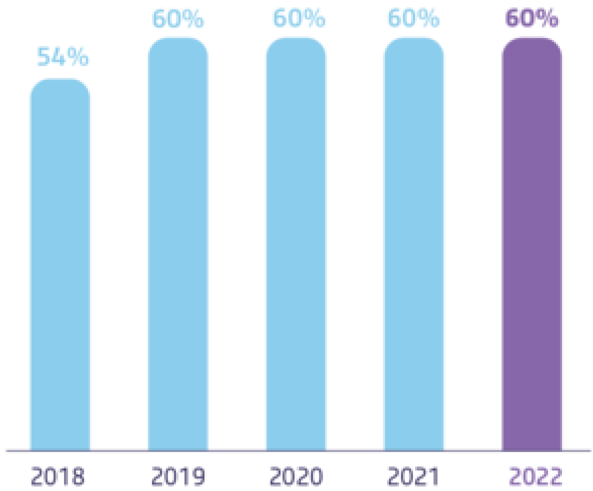
None

* Listed company.

6.2.1.4 Principles governing the composition of the Board of Directors

The Board of Directors regularly assesses whether the composition of the Board and of its specialized Committees is well balanced, particularly in terms of diversity (gender mix, nationality, age, competencies, etc.).

Diversity policy of the Board of Directors

CRITERIA	OBJECTIVES	IMPLEMENTATION AND RESULTS ACHIEVED IN FISCAL 2022
Director independence*	Have at least one third of the Board's members considered independent in accordance with the recommendations for controlled companies in the AFEP-MEDEF Code.	Since January 21, 2020, 70% of the directors are deemed to be independent. 
Gender balance*	Maintain an optimal gender mix on the Board of Directors.	 As of August 31, 2022, the Board of Directors had twelve members (including two directors representing employees), comprising seven women (including one female director representing employees) and five men (including one male director representing employees). This 60%/40% ratio of women to men (excluding directors representing employees) gives the Board a gender balance that complies with the French legal requirements, according to which the proportion of women and men on boards of directors must be at least 40% for each gender.
Directors' ages	No more than one third of the directors to be over 70 years old, in accordance with the applicable legal requirements.	Since January 21, 2020, all directors are under 70 years old. The average age of directors is 57.5 years.
Director nationality	The composition of the Board of Directors is intended to reflect as closely as possible the geographic mix of the Group's business and to incorporate a wide range of nationalities.	The Board currently includes members from France, the United States, Canada and Spain. In addition, Sodexo's directors have significant international experience and/or exposure, as they hold, or have held, positions or directorships in international companies or exercise key roles outside France.
Directors representing employees	Appointment of directors representing employees.	Since 2015, the Company has had two directors representing employees. Philippe Besson is on the Compensation Committee and Cathy Martin is on the Audit Committee.

* In accordance with French law and the AFEP-MEDEF Code, directors representing employees are not included in the calculation of the representation of men and women on the Board or the percentage of independent directors.

COMPETENCIES MATRIX

The diagram below shows the number of directors who have the competencies considered to be important for the Board:

	EXECUTIVE MANAGEMENT OF INTERNATIONAL COMPANIES	FINANCE	SUSTAINABLE DEVELOPMENT, SOCIETAL COMMITMENT AND HUMAN RESOURCES	INNOVATION - DIGITAL	MARKETING AND SALES	STRATEGY – MERGERS AND ACQUISITIONS	KNOWLEDGE OF THE SERVICE SECTOR
TOTAL	**9**	**10**	**8**	**7**	**9**	**8**	**8**

Executive management of international companies

Experience as a Chief Executive Officer, Executive Committee member or other executive management position in a large international company or a group with a global operating presence.

Finance

Extensive experience in business finance and financial reporting processes, risk management, accounting, cash management, tax, mergers and acquisitions, and the financial markets.

Sustainable development — Societal commitment and human resources

Experience in managing Environmental, Social and Governance (ESG) issues, as well as human resources management.

Innovation — Digital

Expertise or recent experience in developing and implementing technological and/or digital strategies; experience in companies with a strong technological and/or digital focus.

Marketing and Sales

Experience in marketing, sales, distribution, and BtoC brand management.

Strategy — Mergers and Acquisitions

Experience in defining strategies and managing strategic issues; experience in mergers and acquisitions.

Knowledge of the service sector

Experience in the service sector, knowledge of the Group's business areas and competitive environment.

COMPETENCIES

The Board of Directors takes particular care in the selection of its members. Directors are chosen for their ability to act in the interest of all shareholders and for their expertise, experience and understanding of the strategic challenges in markets where the Group operates. The composition of the Board of Directors is intended to adhere closely to the principles of diversity and to reflect the geographic mix of the business (insofar as possible), to provide a range of technical skills, and to include individuals with in-depth knowledge of Sodexo's activities.

INDEPENDENCE

ANALYSIS BY THE BOARD OF DIRECTORS OF EACH DIRECTOR'S STATUS AS OF AUGUST 31, 2022 BASED ON THE INDEPENDENCE CRITERIA DEFINED IN ARTICLE 9 OF THE AFEP-MEDEF CODE

	AFEP-MEDEF CODE INDEPENDENCE CRITERION							
	EMPLOYEE/ CORPORATE OFFICER IN THE PAST 5 YEARS	CROSS-DIRECTORSHIPS	SIGNIFICANT BUSINESS RELATIONSHIPS	CLOSE FAMILY TIES	AUDITOR IN THE PAST 5 YEARS	PERIOD OF OFFICE EXCEEDING 12 YEARS	STATUS OF NON-EXECUTIVE CORPORATE OFFICER	STATUS OF MAJOR SHAREHOLDER
Sophie Bellon		✓	✓		✓		✓	
François-Xavier Bellon	✓	✓	✓		✓		N/A	
Nathalie Bellon-Szabo		✓	✓		✓		N/A	
Françoise Brougher	✓	✓	✓	✓	✓	✓	N/A	✓
Jean-Baptiste Chasseloup de Chatillon	✓	✓	✓	✓	✓	✓	N/A	✓
Federico J. Gonzalez Tejera	✓	✓	✓	✓	✓	✓	N/A	✓
Véronique Laury	✓	✓	✓	✓	✓	✓	N/A	✓
Luc Messier	✓	✓	✓	✓	✓	✓	N/A	✓
Sophie Stabile	✓	✓	✓	✓	✓	✓	N/A	✓
Cécile Tandeau de Marsac	✓	✓	✓	✓	✓	✓	N/A	✓

In this table, ✓ indicates an independence criterion that is met.

SELECTION PROCEDURE FOR INDEPENDENT DIRECTORS

In the event of a vacancy in a director's post or when the decision was made to strengthen certain competencies within the Board of Directors, and in particular when appointing or co-opting an independent director, a procedure for selecting a new director is monitored by the Nominating Committee.

The Committee first identifies the specific needs of the Board of Directors while ensuring compliance with the diversity policy established by the Board (see above).

With the support of internal resources and a firm specializing in the recruitment of directors, it draws up a list of potential candidates.

The Committee examines the situation of each of the potential candidates and makes an initial selection, then organizes interviews with some of the directors in place before retaining the candidate or candidates who seem to best meet the selection criteria that were identified.

Finally, the Nominating Committee makes a recommendation to the Board of Directors, which analyzes the profiles presented and, after having deliberated on the relevance of each candidate, proposes an appointment, if applicable, at the Shareholders' Meeting.

The same process is also followed for the appointment and/or reappointment of non-independent directors.

Business relationships

During Fiscal 2022, seven[1] Board members were deemed independent directors. No independent director, nor the Group or entity of which he or she is a member and in which he or she exercises executive powers, has any significant business ties with the Company, its group or its management.

When examining the independent status of its members, the Board of Directors paid particular attention to any business relations existing between the Sodexo Group and the entity or group of which each independent director is a member or director.

For Fiscal 2022, the Board carried out a quantitative and qualitative analysis of each directors' situation and the business relations that their respective groups or entities have with Sodexo. The Board of Directors determined that agreements are negotiated between the parties at arm's length. The Board also determined that the business flows between these groups (all activities combined and at the global level) are significantly lower than the 1% materiality threshold set by the Board of Directors. Altogether, business conducted between Sodexo and each of the relevant groups represents around 0.3% of Sodexo's consolidated revenue.

Management of conflicts of interest

In compliance with the AFEP-MEDEF Code, the Board of Directors' Internal Rules state that each director is required to disclose to the Board any actual or potential conflicts of interest and must abstain from discussing and voting on any matters associated with such conflicts of interest.

Jean-Baptiste Chasseloup de Chatillon has been Chief Financial Officer of Sanofi since 2018 and a director of Sodexo since December 14, 2021. Before recommending his appointment, the Board of Directors conducted an assessment of the existence and extent of the business relationships between Sodexo and Sanofi and concluded that they are not significant in terms of activity.

In accordance with the Internal Rules, however, specific measures have been adopted to ensure, where necessary, that Jean-Baptiste Chasseloup de Chatillon does not take part in any discussions that could be relevant to Sanofi, nor vote in the corresponding deliberations.

Accordingly, the Board of Directors considers that Jean-Baptiste Chasseloup de Chatillon situation complies with applicable regulations.

(1) In accordance with the AFEP-MEDEF Code, directors representing employees are not included in the calculation of the percentage of independent directors on the Board.

Directors representing employees

On January 21, 2014, the Shareholders Meeting decided on the conditions of appointment to the Board of Directors of one or more directors representing employees. Directors representing employees are appointed for a period of three years. Subject to the specific legal provisions applicable to them, for instance the obligation to hold shares, directors representing employees are bound by the same legal and corporate rules and regulations (including the Company's bylaws and the Board of Directors' Internal Rules) and have the same rights and are subject to the same obligations as those applicable to the other Company's directors.

Initially, one director representing employees, Philippe Besson, was appointed by the trade union that obtained the most votes in the first round of the most recent elections in France of union representatives and joined the Board at its meeting on June 18, 2014. He was then reappointed in 2017 and again in 2020 for an additional three-year term effective from the Annual Shareholders Meeting held on January 21, 2020.

A second director representing employees, Cathy Martin, was appointed by the European Works Council and became a member of the Board at its meeting on September 10, 2015. She was reappointed in 2018 and again in 2020 for a further three-year term starting from the Annual Shareholders Meeting held on January 12, 2021.

In addition, in accordance with the applicable law, a member of the Social and Economic Committee *(Comité social et économique)* sits on the Board of Directors in an advisory capacity.

The Board does not have any directors representing employee shareholders, as the amount of the Company's capital held by employees does not exceed the 3% threshold that triggers the requirement for such a director, as set in article L.22-10-5 (formerly article L.225-23) of the French Commercial Code.

6.2.1.5 Organization, operating procedures and preparation of the work of the Board of Directors

Sodexo is governed by a Board of Directors, which has been chaired by Sophie Bellon since January 26, 2016.

Combination of the positions of Chairwoman of the Board of Directors and Chief Executive Officer

From September 1, 2005 until October 1, 2021, the roles of Chairperson of the Board of Directors and Chief Executive Officer had been separated.

At its meeting on February 15, 2022, the Board of Directors decided to appoint its Chairwoman, Sophie Bellon, as Chief Executive Officer of Sodexo with effect from March 1, 2022, a position she had already occupied on an interim basis since October 1, 2021 following the termination of the office of Denis Machuel as Chief Executive Officer on September 30, 2021.

The Board thereby demonstrated its full confidence in Sophie Bellon after her successful completion of the interim phase, and considered her to be best placed to lead the Group into this new phase of its history. The Board of Directors noted the excellent momentum surrounding the priorities set by Sophie Bellon in order to strengthen Sodexo's competitiveness and accelerate its transformation. Her in-depth knowledge of the Group's activities, which she joined in 1994, was considered by the Board to be a major asset.

These factors strengthen the conviction of the Board of Directors when it comes to ensuring that the definition and execution of the strategy are fully aligned, given that accelerating Sodexo's transformation requires swift and agile decision-making processes within the Company. In view of this, and in spite of the quality of the applications that were assessed in the course of the recruitment process, the Board of Directors took the view that recruiting an external person would inevitably reduce this momentum.

As a result, it reached a unanimous decision to maintain the current mode of governance, and to end the interim period for the position of Chief Executive Officer effective from March 1, 2022. Sophie Bellon, Chairwoman of the Board of Directors, therefore remains in the position of Chief Executive Officer that she had been occupying on an interim basis.

The Board of Directors, which comprises a majority of independent directors, also decided to appoint Luc Messier, who has been a director of Sodexo since January 2020, as Lead Independent Director. In this capacity, his main task is to ensure that the governance bodies of the Company function effectively.

Besides, it should be noted that the compensation paid to Denis Machuel for the month of September 2021 and the financial terms of his departure were published in the Fiscal 2021 Universal Registration Document, and in particular in Section 6.5.2.2 "Compensation of Denis Machuel, Chief Executive Officer".

In recognition of Denis Machuel's contribution to the development of the Group, which he joined in 2007 and of which he had been the Chief Executive Officer since January 2018, and his actions during the Covid-19 crisis, and in accordance with the compensation policy approved by the Annual Shareholders Meeting of January 12, 2021 and recommendations 25.3.3 and 25.5.1 of the AFEP-MEDEF Code, the Board of Directors decided to waive the presence condition applicable to the share plans in the process of vesting, and to maintain the share rights pro rata to his effective presence within the Group.

The compensation policy approved by the Annual Shareholders Meeting of January 12, 2021 specified that there would be no acceleration of the vesting period and the performance conditions of these plans would continue to apply.

In addition to the information already published, it is specified that the plan granted on April 27, 2018 expired on April 27, 2022.

At its meeting on April 27, 2018, as part of the 2018 restricted share plan based on the authorization given at the Annual Shareholders Meeting of January 26, 2016, the Board of Directors decided to grant 25,000 restricted shares to Denis Machuel. These shares were subject to a four-year vesting period expiring on April 27, 2022 and to the following performance conditions:

(i) the vesting of 50% of the performance shares was subject to the average growth in operating profit (before exceptional items and excluding currency effects), in line with the external objectives of Sodexo, of 8% to 10% per year for Fiscal 2018, Fiscal 2019, Fiscal 2020 and Fiscal 2021. As the average annual growth was less than 8%, the objective was not achieved;

(ii) the vesting of 30% of the performance shares was subject to the achievement of the performance of Sodexo's TSR compared to two peer groups:

- the CAC 40 TSR: as Sodexo's TSR has not reached the third quartile, this criterion has not been achieved;
- the TSR of eleven companies (ELIOR, COMPASS, EDENRED, ARAMARK, ISS, JLL, CBRE, ABM, ELIS, RENTOKIL and SECURITAS, with G4S having been removed from the peer group as it is no longer listed): as Sodexo's TSR reached the third quartile, this criterion was achieved at 27%;

(iii) the vesting of 20% of the performance shares was subject to a diversity target intended to achieve a percentage of women at the organization's highest level (defined as all executives reporting directly to the Group's Executive Committee or to a Business Manager not on the Group's Executive Committee) greater than 34%. As this percentage was greater than 36%, the diversity performance condition was met.

Accordingly, on the recommendation of the Compensation Committee, the Board of Directors noted on March 31, 2022 that performance criteria had been achieved up to a level of 24.1%. This plan was significantly affected by the impact of the health crisis on the Group's performance.

Of the 25,000 performance shares granted by the Board of Directors on April 27, 2018:

- 3,561 of his rights lapsed due to the pro rata principle applied on his departure;
- 16,283 of his rights lapsed due to the non-achievement of some of the performance conditions;
- 5,156 shares vested and were delivered on April 27, 2022.

Moreover, Denis Machuel was a beneficiary of a defined benefit pension plan governed by article 39 of the French General Tax Code and article L.137-11-1 of the French Social Security Code, the rights under which were frozen on December 31, 2019. The benefits from this plan are subject to the condition that the beneficiary remains within the Company at the time of retirement. However, pursuant to the requirements of French inter-ministerial circular no. 105/2004 of March 8, 2004, the plan rules stipulate that, in the event of dismissal past the age of 55, the beneficiary retains the rights established at the date of his or her departure from the Company, provided that he or she does not resume his or her professional activity.

Denis Machuel having accepted a new position with another company on July 1, 2022, his rights under this plan have lapsed.

Role of the Chairwoman and Chief Executive Officer

The Chairwoman and Chief Executive Officer represents the Board. She organizes and directs its work, and reports to the shareholders at the Shareholders Meeting. She represents the Board in matters concerning third parties such as employee representatives, Statutory Auditors or shareholders.

The Chairwoman and Chief Executive Officer oversees the functioning of the Company's Corporate Governance structures and, in particular, ensures that the Board members are able to fulfill their duties.

The Chairwoman and Chief Executive Officer has the broadest powers to act on behalf of the Company in all circumstances and exercises those powers within the scope of the corporate purpose and subject to the powers granted expressly by the law to Shareholders Meetings and to the Board of Directors. As such, the Group's operational and functional teams report to her.

The Chairwoman and Chief Executive Officer represents the Company in its dealings with third parties.

Limitations on the powers of the Chairwoman and Chief Executive Officer

The limitations on the powers of the Chairwoman and Chief Executive Officer are provided for in the appendix to the Internal Rules of the Board of Directors.

The Chairwoman and Chief Executive Officer is required to obtain the prior consent of the Board to grant any guarantee insofar as they meet the following conditions:

- term greater than 15 years, regardless of the amount;
- term between 10 and 15 years and amount greater than 15 million euros;
- term between 5 and 10 years and amount greater than 30 million euros;
- term less than 5 years and amount greater than 50 million euros.

However, the prior consent of the Board is not required where the amount is less than or equal to 100 million euros and the term less than 25 years, provided it has been pre-approved by the Chairperson of the Audit Committee.

The total amount for which the Chairwoman and Chief Executive Officer may grant any guarantee between Board meetings is limited to 150 million euros.

The Chairwoman and Chief Executive Officer must also obtain prior consent from the Board of Directors to commit the Company beyond certain amounts as follows:

- for acquisitions of interests in companies for more than 100 million euros per transaction (enterprise value);
- for disposals of shares in companies for more than 20 million euros (enterprise value) per transaction;
- for setting up new financing for additional medium and long-term financial debt of more than 100 million euros.

Role and resources of the Lead Director

The powers entrusted to the Lead Director and the resources made available to him are provided for in article 9.2 of the Internal Rules of the Board of Directors. The main elements are described below.

The main duty of the Lead Director is to ensure that the Company's governance bodies function effectively, and more specifically:

- he is consulted by the Chairwoman regarding the agenda for each meeting of the Board of Directors and regarding the schedule of meetings, and may call a meeting of the Board of Directors on a specific agenda;
- he oversees the communication between the independent directors and the other members of the Board of Directors, and the quality of the information provided to the directors;
- at least once per year, he convenes the members of the Board of Directors without the executive directors and directors representing employees ("executive session"). He chairs these meetings, organizes and moderates the deliberations and reports on them to the Chairwoman;
- he brings to the attention of the Chairwoman and the Board of Directors any conflicts of interest that he would have identified;
- he, in coordination with the Chairwoman, is the Board's spokesperson on matters of governance to investors and shareholders. He raises queries from shareholders on governance matters to the Board;
- he reports to the Board of Directors on the performance of his duties once per year;
- during Shareholders Meetings, he may be invited by the Chairwoman to report on his activities.

In order to perform the duties assigned to him, the Lead Director:

- has access to all documents and information that he deems necessary for the performance of his duties. In the course of exercising his powers, he may ask for external technical studies to be carried out at the expense of the Company;
- is kept regularly informed of the Company's activities. He may also, at his own request and after having informed the Chairwoman, meet with the operational and functional executives;
- may ask to attend the meetings of the Committees of which he is not a member, by agreement with the Chairperson of the Committee in question;

- is associated with the work of the Nominating Committee and/or the Compensation Committee even though he has not been appointed by the Board of Directors as a member of these Committees. As such, he oversees the process of assessment of the Board of Directors and reports on this assessment to the Board of Directors.

Lead Director's activity report

Since his appointment as Lead Director, Luc Messier:

- has received specific training in governance and the role of Lead Director when the roles of Chairperson of the Board of Directors and Chief Executive Officer are combined; and
- has, as a point of contact for shareholders on governance matters, met with shareholders, analysts and proxy advisors to discuss the new governance of Sodexo and respond to their questions.

Prior to the convening of meetings of the Board of Directors, he has been consulted on agendas at his regular meetings with the Chairwoman and Chief Executive Officer.

Luc Messier has attended the meetings of Committees of which he is not a member.

He has regularly organized executive sessions following Board meetings in order to hold discussions in the absence of the management and directors representing employees. Outside of these meetings, he has held regular discussions with all the directors.

He has led the assessment of the work of the Board of Directors and its Committees (see Assessment of the Board's operating procedures below).

Operating procedures of the Board of Directors – Internal Rules

In addition to the Company's bylaws, the Board of Directors is governed by the Board's Internal Rules, which notably set out the Board's mission, the minimum and maximum number of Board members, the rules of the Directors' charter, the minimum number of Board meetings and the rules for allocating directors' compensation. The Internal Rules also set the criteria for assessing the performance of the Board, set the limits to the powers of the Chief Executive Officer, and define the policy for issuing guarantees.

The Internal Rules are regularly reviewed by the Board of Directors and comply with the AFEP-MEDEF Code as revised in January 2020.

They are available in full on the Group's website (www.sodexo.com). A summary of their principal components is provided below.

The Directors' charter

The main components of the Directors' charter are described below.

Each director should be mindful of the Company's corporate interest, exercise good judgment (particularly of situations, strategies and people), and look to the future in order to identify the risks and strategic challenges that lie ahead. Directors should also maintain their independence, be focused, active and engaged, and act with integrity.

Each director must personally own at least 400 Sodexo shares by the end of their first year of office (except for directors representing employees to whom no such requirement applies in accordance with French law).

To the extent possible, all Sodexo directors should attend Shareholders Meetings.

Any director of Sodexo who obtains undisclosed information during the course of his or her duties is subject to insider trading legislation. In accordance with the European Market Abuse Regulation, the Company may prepare specific insider lists if insider information has been identified and a decision has been made to postpone the publication of the relevant information.

Directors are prohibited from trading in Sodexo securities as follows:

- during the period commencing 30 calendar days prior to the date of publication of the half-year and annual consolidated financial statements and up to and including the date of their publication;
- during the period commencing 15 calendar days prior to the date of publication of the consolidated financial information for the first and third quarters up to and including the date of their publication.

Transactions in the Company's securities carried out by directors must be disclosed to the French securities regulator (Autorité des marchés financiers – AMF) within three trading days of the transaction date. Directors are required to inform the Group Legal Department of all transactions in Sodexo securities.

Induction and training of directors

Upon joining the Board, all directors receive training adapted to their specific needs. They meet the Chairwoman and Chief Executive Officer as well as Group executives. Meetings are also organized with certain executives and external advisors. Site visits are arranged to provide an overview of the Group's businesses and a better understanding of each activity. In addition, each director may also receive additional training, particularly on corporate responsibility issues. Board members training continues beyond their appointment and is a continuous process.

Luc Messier has received a specific training on governance and the role of Lead Director when the roles of Chairperson of the Board of Directors and Chief Executive Officer are combined.

After the pandemic restriction measures were lifted, site visits resumed.

In addition, the Board ensures that directors representing employees are given the necessary time to prepare their participation in each Board meeting and that they receive the number of training hours required under the applicable legal provisions. Since joining Sodexo's Board of Directors, Philippe Besson and Cathy Martin have participated in several training seminars organized by the French Institute of Directors (IFA) as well as in-house training courses delivered by several of the Company's corporate functions, which are open to all of Sodexo's directors. In addition, both Philippe Besson and Cathy Martin have undergone training that leads to certification as Board directors which includes modules on ethics and corporate responsibility. They began this training in Fiscal 2019 and were both certified during Fiscal 2020.

Mission of the Board of Directors

The Board of Directors is a collegial body that acts in the Company's best interests, in line with the Group's corporate mission and purpose, and in the best interests of all of the Company's shareholders.

The Board defines Sodexo's strategy, long-term objectives and overall policies, taking into consideration of the social and environmental issues related to its activities, and ensures that they are properly implemented.

It regularly carries out the controls and verifications that it deems appropriate (particularly concerning progress made on the performance metrics set by the Board).

It appoints the Corporate Officers responsible for managing the Group's general policies.

The Board of Directors ensures the existence and effectiveness of the management of the Group's commitments, risks and internal control procedures, and oversees the quality of the information provided to shareholders and the financial markets in the financial statements and in connection with major financial transactions.

It ensures the implementation of a mechanism for the prevention and detection of corruption and influence peddling and receives all the information necessary for this purpose.

The Board of Directors also ensures that the Chief Executive Officer implements non-discrimination and diversity policies and a vigilance plan.

As required by law, the Board of Directors approves the financial statements for publication, decides on appropriation of net income, proposes dividends, and makes decisions on significant investments and the Group's financial policy.

At least five days ahead of Board meetings, each director is given briefing documents so that he or she can review and/or investigate the issues to be discussed.

The Group's senior executives make regular presentations to the Board of Directors, in particular at the meeting during which the budget is discussed:

- the Chief Executive Officer and the other operational executives, each in their area of responsibility, discuss the potential for growth, competitive positions, the ambition and the strategy for achieving it, and the principal components of their action plans;
- Group executives in each functional area (Human Resources, Finance and Group Growth Strategy) present their recommendations regarding strategy and policy developments, progress achieved and to be achieved and action plans for implementation within the Group.

The Board of Directors performs periodic in-depth reviews of the financial statements at meetings attended as necessary by members of the Group's operational and functional management teams as well as by the external auditors.

The Board of Directors meets at least once a year without the presence of executive management and directors representing employees (executive sessions).

The Board of Directors is also kept regularly informed of questions, comments or criticism from shareholders, whether at meetings with shareholders or by mail, e-mail or conference call. The Lead Director, in coordination with the Chairwoman, is the Board's spokesperson on matters of governance to investors and shareholders. He raises queries from shareholders on matters of governance with the Board.

Board meetings during the fiscal year

BOARD MEETINGS

The Board of Directors met by any means sixteen times during Fiscal 2022 (including by videoconference, audioconference or written decision), in compliance with the Board of Directors' Internal Rules stating a minimum requirement of six meetings per year. In addition, two executive sessions were held following Board meetings, convening the directors and, in part, only the independent directors in the absence of management.

The work of the Board of Directors focused in particular on:

Corporate Governance

- formalizing and adopting the Group's purpose;
- approving the Management Report of the Board of Directors and the Corporate Governance Report for Fiscal 2021;
- reviewing the Fiscal 2021 Universal Registration Document;
- reviewing the operating procedures and membership structure of the Board of Directors and the specialized Committees;
- proposing the reappointment of a director and the non-renewal of a term of office due to expire;
- proposing the appointment of a new independent director;
- assessing directors' independence;
- reviewing the charters of the specialized Committees;
- the annual review of related-party agreements, and more specifically the renewal of the service agreement between the Company and Bellon SA;
- calling the Annual Shareholders Meeting, preparing the Board of Directors' Report to the Annual Shareholders Meeting, and reviewing the resolutions to be put to the shareholders' vote;
- reviewing corporate responsibility issues;
- reviewing the Group's ethics and compliance programs;
- examining the work carried out and recommendations made by the Nominating Committee;
- deciding to combine the roles of Chairman of the Board of Directors and Chief Executive Officer and the appointment of the Chairwoman of the Board of Directors as Chief Executive Officer at the end of the interim period;
- reviewing the Board's Internal Rules to reflect the combination of the roles of Chairperson of the Board of Directors and Chief Executive Officer, and then creating the position of Lead Director;
- reviewing the succession plans for members of the Executive Committee, the Chief Executive Officer and the Chairwoman and Chief Executive Officer (in the event of an unexpected vacancy);
- appointing a Lead Independent Director;
- reviewing the composition of the Committees.

Compensation

- reviewing and modifying the compensation policy for the Chief Executive Officer and establishing the terms of his departure;
- reviewing and establishing the compensation of the Chairwoman of the Board of Directors from the time of her appointment as Chief Executive Officer during and after the interim period;
- reviewing the compensation of the Board members and of the Lead Director;
- defining the compensation policy of the Corporate Officers, as well as the compensation policy for directors to be submitted to the Annual Shareholders Meeting;
- reviewing 2021 gender pay equity;
- adopting the restricted and performance share plans;
- determining the achievement levels of the performance conditions for the 2018 performance share plan;
- more generally, examining the work carried out and recommendations made by the Compensation Committee.

Financial statements and financial management

- reviewing and approving the financial statements of the Company and the Group for Fiscal 2021;
- appropriating net income for Fiscal 2021;
- examining the Group budget for Fiscal 2022;
- reviewing the preparation of the Capital Markets Day;
- examining Sodexo's share performance and feedback from investors and analysts;
- regularly renewing the authorizations granted to the Chairwoman and Chief Executive Officer for issuing guarantees up to a certain threshold;
- putting in place the share buyback program;
- reviewing and approving the consolidated financial statements for the first half of Fiscal 2022 and the Interim Financial Report;
- examining business trends for the end of Fiscal 2022;
- approving forecast documents;
- regularly reviewing the management and impact of the Covid-19 crisis, including its impacts on liquidity;
- regularly discussing the management of the impact of inflation and the conflict between Russia and Ukraine;
- more generally, examining the Statutory Auditors' reports and analyzing the work of the Audit Committee and approving its recommendations.

Group business and strategy

- regularly reviewing the Group's various business activities and segments, as well as their growth outlook and competitive environment;
- reviewing the portfolio;
- reviewing/update on client development and retention;
- regularly reviewing strategic opportunities, especially in terms of external growth and divestments.

Each year, a whole day is devoted to strategy presentations by operational and support teams, in addition to the plans that are regularly presented during the year at other Board meetings. This annual session is the occasion for high-quality discussions between the directors and the Company's senior management team and are extremely appreciated by everyone involved.

ASSESSMENT OF THE BOARD'S OPERATING PROCEDURES

At least once a year, the Board of Directors devotes an agenda item to discussing its operating procedures, and every three years it organizes a formal external assessment of these procedures.

The last formal assessment took place in 2020. The assessment was performed by an external consulting firm and consisted of a questionnaire and individual meetings with all Board members. A discussion on the operating procedures of the Board and its Committees took place at the Board meeting held in June 2021.

The Lead Director conducted the assessment of the operating procedures of the Board of Directors and its Committees in Fiscal 2022.

This internal assessment consisted of a questionnaire and individual meetings with each Board member. As well as appraising each director's actual contribution to the Board's work, the following six topics were covered in the assessment:

- the structure of the Board of Directors;
- the allocation of roles and Board dynamics;
- the operating procedures of the Board of Directors;
- the integration and training of Board members and succession plans;
- strategy and performance; and
- a focus on the Board's Committees.

The Board's membership structure continues to be strengthened with the arrival of new independent directors with solid competencies in finance, purchasing and operations, and the overall age profile is gradually getting younger. Similarly, there has been a renewal of skills within the Board Committees.

In terms of the allocation of roles and Board dynamics, the general view of the Board's operating procedures is favorable, and the Directors particularly appreciate their freedom of expression and the Board's spirit of collective intelligence. The Directors are particularly engaged. They also consider that Board meetings are highly participative. The Directors representing employees consider that they are fully integrated into the Board and that their contribution is valued.

Following the change in the governance mode, Directors highly appreciate the appointment of a lead director who contributes to a positive dynamic within the Board..

Concerning strategy, the Board session dedicated to strategy are very much appreciated and reinforce the choice to involve the whole Board in strategy decisions rather than creating a dedicated Strategy Committee.

Similarly, Corporate Social Responsibility issues are currently addressed directly by the Board as a whole instead of by a dedicated Committee. In addition to the yearly overall presentation, these issues are systematically raised when discussing other items on the Board's agenda.

The Directors feel that they have a good understanding of the Group's operational challenges and goals, a good risk matrix, and detailed performance monitoring that provides information that is both accessible and high quality.

In terms of Board's composition, identified areas for improvement included adding international profiles and CEOs with in-depth business transition/transformation experience, including in digital, and increasing the representation of the service sector on the Board.

The directors wish :

- to intensify contacts with the members of the executive management and local teams;
- more information on competitors' activities;
- as well as a more prospective approach in the risk management review.

Specialized Committees

To support in its decision-making process, the Board of Directors has created three specialized Committees: the Audit Committee, the Nominating Committee and the Compensation Committee. Each of these Committees has a charter, approved by the Board of Directors, setting out their roles and operating procedures. These charters are reviewed on a regular basis. They were reviewed in the course of the fiscal year, primarily to reflect the new governance structure.

Broadly, the role of these specialized Committees is to examine specific issues ahead of Board meetings and to submit opinions, proposals and recommendations to the Board of Directors.

AUDIT COMMITTEE

COMPOSITION AS OF AUGUST 31, 2022

Sophie Stabile[1]	Chairwoman, Independent director
François-Xavier Bellon	Director
Jean-Baptiste Chasseloup de Chatillon[1] [2]	Independent director
Véronique Laury	Independent director
Cathy Martin	Director representing employees

(1) Deemed a "financial expert" as defined in article L.823-19 of the French Commercial Code.
(2) On December 14, 2021, Jean-Baptiste Chasseloup de Chatillon replaced Emmanuel Babeau as a member of the Audit Committee.

75%	**82%**	**7**
independent directors*	attendance rate**	meetings

* Excluding directors representing employees.
** This rate is explained by the exceptional situation of two members of the Committee.

All Audit Committee members have recognized competencies in finance and accounting, as confirmed by their professional background (see Section 6.2.1.2). When Cathy Martin was appointed as a member of the Audit Committee, she was given specific in-house training on the Company's accounting, financial and operating procedures.

The Audit Committee is responsible for ensuring that the Group's accounting policies are appropriate and consistently applied, particularly with respect to material transactions. It also verifies that the procedures used for preparing and processing accounting information (both financial and non-financial) are effective and it issues recommendations for ensuring the integrity of such information.

It examines the Company's fraud detection procedures and its whistleblowing system. It is notably in charge of ensuring that a procedure is in place for dealing with complaints from third parties or employees (which may be anonymous) about any irregularities concerning accounting or internal control practices or any other area.

It issues observations and recommendations to the Company's senior management team about risks, particularly the structure, scope and organization of risk management. Accordingly, it periodically reviews senior Management Reports on risk exposure (including social and environmental risks) and prevention and ensures that effective internal controls are applied. It also regularly reviews the internal audit reports and is informed of the internal audit plan.

The Audit Committee performs an annual review of the fees paid to the Statutory Auditors of Sodexo and its subsidiaries, assesses auditor independence and pre-approves certain non-audit services. When necessary, it carries out the process for appointing and re-appointing the Statutory Auditors.

The Audit Committee also issues recommendations to the Board of Directors about the regular assessment of the conditions for entering into related-party agreements and other agreements within the Group. As part of its work in this area, it reviews the annual payment due under the service agreement signed between Sodexo and Bellon SA (described in Section 6.3.2 of this Universal Registration Document), as well as any changes in its amount from one year to the next.

Lastly, the Audit Committee reviews and issues recommendations on requests made to the Board for guarantees.

To perform its role, the Audit Committee is assisted by the Chief Executive Officer, the Chief Financial Officer, the Senior Vice President Group Internal Audit and the Statutory Auditors, who present their work to the Committee and answer any questions that it may have. The Committee may also make inquiries of any Group employee, without any Company executives being present, and seek advice from outside experts. It meets at least once a year with the Statutory Auditors and without management.

The Audit Committee met seven times in Fiscal 2022 and the attendance rate was 82%.

In addition to the above matters, the Committee's work during the year concerned the following:

- reviewing the internal control process;
- reviewing the risk matrix, the audit plan and monitoring audit engagements;
- reviewing the Fiscal 2022 audit plan and the impact of Covid-19 on the annual audit plan;
- reviewing the Audit Committee's charter;
- monitoring the Group's cash position and financing;
- monitoring the guarantees issued by the Company and the related authorizations granted to the Chairwoman and Chief Executive Officer by the Board of Directors, and, more generally, monitoring the Group's off balance-sheet commitments;
- reviewing the non-audit services performed by the Statutory Auditors;
- reviewing the amount owed to Bellon SA under the service agreement with the Company;
- reviewing the main disputes;
- analyzing inflation;
- reviewing the financial information systems;
- reviewing the risks of electronic payment fraud;
- lessons learned from a cyberattack simulation;
- reviewing the compliance program for the fight against corruption

The Audit Committee also reviewed the annual consolidated financial statements for Fiscal 2021 and the interim consolidated financial statements for the first half of Fiscal 2022. In addition, it examined the sections of the Fiscal 2021 Universal Registration Document relating to risk management and internal control procedures, as well as the content of the Half Year Financial Report, and reviewed the draft financial press releases before they were submitted to the Board of Directors.

Part of the meetings dedicated to reviewing the Group's annual and half-year results took place with the Statutory Auditors and without management.

In addition to formal Committee meetings, the Chairwoman of the Audit Committee also had meetings during the fiscal year with the Chairwoman and Chief Executive Officer, the Senior Vice President Group internal audit, the Chief Financial Officer and the Statutory Auditors.

NOMINATING COMMITTEE

COMPOSITION AS OF AUGUST 31, 2022

Cécile Tandeau de Marsac	Chairwoman, Independent director
François-Xavier Bellon(1)	Director
Nathalie Bellon-Szabo	Director
Françoise Brougher	Independent director
Luc Messier(2)	Lead Independent Director

(1) On March 1, 2022, François-Xavier Bellon joined the Nominating Committee.
(2) On October 26, 2021, Luc Messier joined the Nominating Committee.

60% Independent*

100% attendance rate

6 meetings

* Excluding directors representing employees.

This Committee regularly assesses the competencies and experience that the Board of Directors needs, and more generally, the situation of directors in relation to the criteria concerning the composition of the Board of Directors specified in the relevant legislation, the AFEP-MEDEF Code and the Board's Internal Rules.

It examines candidates and proposals made by the Chairwoman of the Board of Directors in relation to director nominations. For this purpose, it may retain the services of external executive search firms to identify candidates, while ensuring that the backgrounds of short-listed candidates are adapted to its current needs.

It provides an opinion to the Board of Directors on the appointment of the Chief Executive Officer and, as appropriate, one or more Deputy Chief Executive Officers.

The Nominating Committee is also responsible for preparing a succession plan for the Group's key Corporate Officers and members of the Group Executive Committee. This plan is regularly reviewed to ensure that the Committee is always in a position to propose succession solutions in the event that a position falls vacant unexpectedly.

The Committee regularly reviews the training plans for directors, as well as the welcome and induction process for new directors.

As part of its work, the Nominating Committee may use external specialists.

The Nominating Committee met six times in Fiscal 2022 and the attendance rate was 100%.

In addition to the above matters, the Committee's work during the year included the following:

- reviewing the Nominating Committee's charter;
- reviewing the resolutions under its competencies submitted to the Annual Shareholders Meeting;
- reviewing the relevant sections of the Corporate Governance Report published in the Fiscal 2021 Universal Registration Document;
- reviewing the succession plans for the Chief Executive Officer and members of the Executive Committee;
- reviewing the succession plan for the Chairwoman and Chief Executive Officer in the event of an unexpected vacancy;
- reappointing directors;
- the composition of the Committees;
- regularly discussing the recruitment of new directors;
- assessing directors' independence;
- combining the roles of Chairman of the Board of Directors and Chief Executive Officer, appointing the Chairwoman and Chief Executive Officer, and appointing a Lead Director;
- amending the Internal Rules to reflect the changes in governance.

COMPENSATION COMMITTEE

COMPOSITION AS OF AUGUST 31, 2022

Cécile Tandeau de Marsac	Chairwoman, Independent director
Philippe Besson	Director representing employees
Françoise Brougher	Independent director
Sophie Stabile	Independent director

100% Independent directors*

98% attendance rate

10 meetings

* Excluding directors representing employees.

The Compensation Committee is responsible for making proposals to the Board of Directors relating to the compensation policy for the Company's Corporate Officers, and recommendations about the components of compensation paid during or awarded for the previous fiscal year to Corporate Officers.

It also examines the compensation policy proposed by the Chief Executive Officer for the key executives of the Company and the Group, notably the members of the Executive Committee (including long-term compensation plans).

The Compensation Committee validates the Group's general policies relating to compensation, including long-term compensation (restricted share plans), and post-employment benefits undertaken by the Company (termination benefits, non-compete agreement, supplemental pension plan, etc.).

The principles and rules applied by the Board of Directors in determining the compensation and benefits in kind provided to the Corporate Officers and members of the Executive Committee are described in section 6.5 of this Universal Registration Document.

In connection with its work, the Compensation Committee may use external specialists.

The Compensation Committee met ten times in Fiscal 2022 and the attendance rate was 98%.

The work carried out during the year included different topics such as:

- examining in depth the departure conditions applicable to the Chief Executive Officer;
- reviewing the compensation of the Chairwoman and Chief Executive Officer;
- reviewing the compensation of the Lead Independent Director;
- reviewing the Compensation Committee's charter;
- reviewing the compensation packages of the Chairwoman of the Board and the Chief Executive Officer (ex post and ex ante say-on-pay votes), including the pay equity ratio;
- reviewing compensation policies for Executive Committee members and the Group's senior leaders;
- reviewing the maximum authorized amount for directors' compensation, the compensation policy for directors and the reallocation of the maximum authorized amount;

- reviewing the resolutions under its competencies submitted to the Annual Shareholders Meeting;
- reviewing the relevant sections of the Corporate Governance Report published in the Fiscal 2021 Universal Registration Document;
- the Group's restricted and performance share plans;
- vesting of the Group's 2018 restricted and performance share plans;
- more generally, making recommendations to the Board of Directors on Corporate Officers' compensation and the Group's long-term incentive plans.

DIRECTORS' ATTENDANCE RATES AT BOARD AND COMMITTEE MEETINGS DURING FISCAL 2022

	BOARD(1)	AUDIT COMMITTEE(2)	COMPENSATION COMMITTEE(3)	NOMINATING COMMITTEE(4)
Sophie Bellon	100%			100%
Emmanuel Babeau(5)	83%	33%		
François-Xavier Bellon(6)	100%	86%		100%
Nathalie Bellon-Szabo	100%			100%
Philippe Besson	100%		100%	
Françoise Brougher	94%		100%	100%
Jean-Baptiste Chasseloup de Chatillon(7)	90%	100%		
Federico J. González Tejera	88%			
Véronique Laury	100%	86%		
Cathy Martin	75%	86%		
Luc Messier	88%			100%
Sophie Stabile	94%	100%	100%	
Cécile Tandeau de Marsac	88%		90%	100%
Average rate	92%	82%	98%	100%

(1) Number of Board meetings: 16.
(2) Number of Audit Committee meetings: 7.
(3) Number of Compensation Committee meetings: 10.
(4) Number of Nominating Committee meetings: 6.
(5) From September 1, 2021 to December 14, 2021, the date on which the Combined Annual Shareholders Meeting acknowledged that Emmanuel Babeau's term of office was due to expire. He was also a member of the Audit Committee.
(6) Member of the Nominating Committee from March 1, 2022.
(7) Director and member of the Audit Committee from December 14, 2021.

6.2.1.6 Executive Committee as of August 31, 2022

The Chairwoman and Chief Executive Officer has the authority to manage the operations and functions of the Group.

The role of the Executive Committee is to support Sodexo's growth and business development. This Committee – which has a diversified membership structure and includes key expertise, representing all of the Group's activities, segments and geographies in which the Group operates – drives Sodexo's consumer- and customer-centric approach and maximizes the efficiency of execution locally.

This Committee meets regularly and is the linchpin of the Group's management structure. It is responsible not only for discussing and developing strategies to be recommended to the Board of Directors, but also for monitoring the implementation of these strategies once the Board of Directors has approved them. The Executive Committee tracks the implementation of action plans, monitors business unit performance, and assesses the potential benefits of growth opportunities and the risks inherent in its business operations.

During Fiscal 2022 the following changes took place in relation to the Executive Committee's members:

- Alexandra Serizay replaced Sylvia Metayer as Group Chief Strategy Officer;
- Annick de Vanssay was confirmed as Group Chief Human Resources Officer at the end of the interim period;

As of August 31, 2022, Sodexo's Executive Committee had 17 members (including Sophie Bellon), of which 41% were women and among which eight nationalities were represented. These members were as follows:

Sophie Bellon	Chairwoman and Chief Executive Officer
Anne Bardot	Group Chief Communications & Public Affairs Officer
Nathalie Bellon-Szabo	CEO Sodexo Live!
Johnpaul Dimech	CEO Geographic Regions & Region Chair, Asia Pacific
Sean Haley	Region Chair, UK & Ireland; CEO, Service Operations and Chairman Entegra
Sarosh Mistry	Region Chair, North America
Belen Moscoso Del Prado	Group Chief Digital and Innovation Officer
Sunil Nayak	CEO Corporate Services
Anna Notarianni	Region Chair, France
Marc Plumart	CEO Healthcare & Seniors
Marc Rolland	Group Chief Financial Officer
Didier Sandoz	CEO, Personal & Home Services and Group Corporate Responsibility
Simon Seaton	CEO Energy & Resources
Alexandra Serizay	Group Chief Strategy Officer
Aurélien Sonet	CEO Benefits & Rewards Services
Bruno Vanhaelst	Group Chief Sales & Marketing Officer
Annick de Vanssay	Group Chief Human Resources Officer

Since the beginning of Fiscal 2023, Belen Moscoso Del Prado and Simon Seaton left the Group.

To execute the strategy announced on November 2, 2022, Sodexo is evolving its organization to a simplified and more effective model.

- For On-Site services:
  - End-to-end P&L management has been transferred to countries and regions, consolidated into three geographic zones: North America, Europe and the Rest of the World, which includes Asia-Pacific, Middle East, Africa ("APMEA"), Brazil, and Latin America. This brings empowerment, decision-making and quicker response times to a local level,
  - a Growth and Commercial role has been created to accelerate our profitable growth and further develop the value of our segmentation,
  - a Tech & Services function has been created to provide expertise as well as technical and operational support. This function will bring together strategic planning, IS&T, data, digital, innovation and R&D, and also include our food and facilities management expertise;
- For Benefits & Rewards Services:
  - a dedicated governance is in place;
- For Group:
  - a Group Chief Impact Officer has been appointed to ensure that Sodexo's purpose, mission and values are constantly reflected in our operations and continue to provide a competitive advantage.

As of December 1, 2022, Sodexo's Leadership Team will comprise the following:

Sophie Bellon	Chairwoman & Chief Executive Officer
Nathalie Bellon-Szabo	CEO Sodexo Live! Worldwide
Johnpaul Dimech	President APMEA, Brazil & Latin America
Sarosh Mistry	President North America
Sunil Nayak	President Europe
Anna Notarianni	Group Chief Impact Officer
Marc Plumart	Chief Growth and Commercial Officer
Marc Rolland	Group Chief Financial Officer
Alexandra Serizay	Chief Tech & Services Officer
Aurélien Sonet	CEO Benefits & Rewards Services
Annick de Vanssay	Group Chief Human Resources Officer

The Senior Management is supported by a Group Investment Committee whose members comprise the Chairwoman and Chief Executive Officer, the Chief Financial Officer and one or more CEOs, depending on the investment projects concerned. This Committee considers and approves:

- significant new contracts for the Group;
- any plan to invest in property, plant and equipment or intangible assets as well as cumulative overruns of any investment budget approved at the beginning of the fiscal year;
- any plan to invest in or acquire companies;
- disposals of shareholdings.

DIVERSITY POLICY WITHIN THE GOVERNING BODIES

With a ratio of women of 41% as at August 31, 2022, the gender diversity within the Executive Committee complies with best market practices.

In 2021, the Board of Directors examined gender diversity within the Group's governing bodies, current objectives related thereto and the action plan followed by the management. Two objectives were set by the Board:

- promoting women to top management positions, *i.e.*, positions reporting directly to a member of the Group Executive Committee. The objective set by the Board of Directors is to maintain the ratio of 40% women in this managerial group as of August 31, 2023;
- promoting women to Global Senior Leaders (GSL - top 1,600) of the Group. The objective set by the Board is to achieve a ratio of at least 38% women in this group as of August 31, 2023.

In line with this, performance shares granted to Executive Committee members and Global Senior Executives (top 200) are subject, among other criteria, to these specific diversity and inclusion vesting conditions.

Gender diversity within the governing bodies is described in detail in the Non-Financial Performance Declaration, Section 2.3.1 of this Registration Document.

6.2.2 Compliance with the AFEP-MEDEF Code

Sodexo adopted the AFEP-MEDEF Code as its Corporate Governance framework. The latest version of this Code, as revised in January 2020, is available on the websites of the AFEP (www.afep.com) and the MEDEF (www.medef.com). It is also available on the Group's website at www.sodexo.com.

The Company has not opted not to apply certain provisions of this Code.

6.2.3 Attendance of shareholders at the Annual Shareholders' Meeting

Specific procedures pertaining to the participation of shareholders at the Shareholders Meeting are indicated in article 15 of Sodexo's bylaws (see Chapter 7, Section 7.4.12 of this Universal Registration Document).

6.2.4 Factors that could have an impact in the event of a public tender offer

In accordance with article L.22-10-11 (formerly article L.225-37-5) of the French Commercial Code – which lists the factors that require disclosure if they could have an impact in the event of a public tender offer – the only relevant factor for Sodexo is Bellon SA's control over the Company's capital and voting rights. For further information about the Group's shareholding structure and voting rights, see chapter 7, section 7.3 of this Universal Registration Document.

6.3 Other information

6.3.1 Other information concerning Corporate Officers and senior management of the Company

Family relationships within the Board of Directors are as follows:

- Nathalie Bellon-Szabo and François-Xavier Bellon (directors) are the sister and brother of Sophie Bellon, Chairwoman and Chief Executive Officer of the Company;
- Nathalie Bellon-Szabo (director) is a member of Sodexo's Executive Committee.

No loans or guarantees is issued made or given to any members of the Board of Directors or senior management by Sodexo or by any Group company.

No assets necessary for the Group's operations are owned by any members of the Board of Directors or senior management or by their families.

There are no potential conflicts of interest between the duties to Sodexo of members of the Board of Directors or senior management and their private interests. In particular the Pierre and Danielle Bellon Family controls 72.6% of the family holding company Bellon SA, which in turn holds 42.8% of the share capital of Sodexo and 57.5% of the exercisable voting rights as of August 31, 2022. Mr. and Mrs. Pierre Bellon and their children entered into an agreement in June 2015 to prevent their direct descendants from freely disposing of their Bellon SA shares for 50 years. Bellon SA's only asset is its holding in Sodexo; Bellon SA has no intention of selling this holding to a third party.

As far as the Company is aware, no member of the Board of Directors or of the senior management has during the past five years been:

- convicted of fraud;
- associated with a bankruptcy, receivership or liquidation;
- officially incriminated and/or subject to any official public sanction issued by a statutory or regulatory authority;
- prohibited by a court from acting as a Board member, a Supervisory Board member, or a member of senior management of an issuer, or from participating in the management or business affairs of an issuer.

Transactions in Sodexo shares carried out by Corporate Officers, Board members, members of their family and related persons

Under article 223-26 of the French securities regulator's (Autorité des marchés financiers — AMF) General Regulation, no transactions in Company shares by Corporate Officers, directors and persons closely related to these officers and directors have been declared to the AMF pursuant to article L.621-18-2 of the French Monetary and Financial Code during Fiscal 2022.

Measures to prevent control being exercised in an abusive manner

Sodexo has put in place a series of measures in order to ensure that the control over the Company is not exercised in an abusive manner. Examples of these measures include:

(a) the presence of seven independent directors among the twelve members of the Board of Directors (including two directors representing employees) as of August 31, 2022;

(b) the fact that the Company has put in place three specialized Committees, which are all chaired by independent directors and which all have a majority of independent directors among their members, as recommended by the AFEP-MEDEF Code;

(c) following the combination of the roles of Chairwoman of the Board of Directors and Chief Executive Officer, a Lead Independent Director, Luc Messier, was appointed from March 1, 2022. His duties, the resources available to him and his activity report for Fiscal 2022 are described in Section 6.2.1.5;

(d) the disclosures within this document of the relationship between Sodexo and Bellon SA:

- these include the ownership interest of Bellon SA in Sodexo (disclosed in section 7.3 of this document),
- the Sodexo shares are the only assets held by Bellon SA; consequently, the interests of Sodexo's shareholders are aligned with those of Bellon SA's shareholders and the capital ties between the two companies do not generate any conflict of interest,
- since 1991, a service agreement between Bellon SA and Sodexo has been in operation (described below in the paragraph concerning related-party agreements). The fees payable under this agreement and changes in these fees are reviewed annually by the Audit Committee.

6.3.2 Related-party agreement

The agreement between Bellon SA and Sodexo is the only related-party agreement in force. No other related-party agreements were entered into during Fiscal 2022.

Bellon SA is the animation holding company of the Bellon family which, with 42.8% of the shares and 57.5% of the voting rights, controls Sodexo within the meaning of article L.233-3 of the French Commercial Code. Sophie Bellon, Nathalie Bellon-Szabo and François-Xavier Bellon are members of the Management Board of Bellon SA and directors of Sodexo.

History of the agreement

In 1991, Bellon SA and Sodexo entered into a service agreement, the terms of which (in particular the duration of the agreement) were revised for the first time in April 2013. Subsequently, during its meetings of November 15, 2016 and July 10, 2017, the Board of Directors, on the recommendation of the Audit Committee, decided to amend this agreement in order to:

- replace the Chief Executive Officer with the Group Chief Growth Officer as one of the three managers made available by Bellon SA; and
- remove the 5% margin.

This amended agreement took effect on November 17, 2016 and was approved by the Shareholders' Meeting of January 23, 2018 by a large majority (approval rate of 93%, excluding the vote of Bellon SA).

As this agreement ended on November 17, 2021, on June 23, 2021, on the recommendation of the Audit Committee, the Board of Directors unanimously decided to renew it. Sophie Bellon, Nathalie Bellon-Szabo and François-Xavier Bellon did not participate in the debate or vote on this agreement.

The agreement was signed on October 26, 2021 and took effect on November 17, 2021 for another five-year period; it was approved by the Shareholders' Meeting on December 14, 2021 with 61% of the votes, voted only by individual and institutional shareholders in accordance with legal requirements. Bellon S.A. and the Bellon family members did not vote on the concerned resolution.

Purpose of the agreement

Under this agreement, Bellon SA provides Sodexo with assistance and consulting services in various areas: strategic planning, finance and human resources.

In this context, Bellon SA provides Sodexo with three of its managers who hold the positions of Group Chief Financial Officer, Group Chief People Officer and Group Chief Growth Officer respectively.

Thus, Sodexo benefits from the experience and competence of three Bellon SA managers who hold key functional positions in the implementation of Sodexo's strategy, ensuring that the values, culture and ambitions initially defined by Mr. Pierre Bellon are shared throughout Sodexo.

Each of these three managers has indisputable skills and strong experience in his/her field, as evidenced by their detailed biographies, available on the Sodexo website.

Although these three managers are employees of Bellon SA, they are part of Sodexo's Executive Committee and are subject to the same conditions as the other members.

These three managers do not receive any other form of compensation from Bellon SA.

Financial conditions attached to the agreement

- As in the previous agreement, this agreement provides for the invoicing by Bellon SA to Sodexo of the compensation of the Group Chief Financial Officer, the Group Chief People Officer and the Group Chief Growth Officer, for the duration of their tenure. This invoicing includes fixed and variable compensation and benefits in kind as well as all related social security contributions and payroll taxes.
- As there is no margin in invoicing, this agreement does not generate any additional cost for Sodexo.
- Bonus performance criteria are based on demanding performance criteria related to Sodexo's results and strategy, as for all members of the Executive Committee.
- Total amounts due under this agreement, as well as its evolution, are reviewed annually by Sodexo's Audit Committee (composed of 75% independent directors and chaired by an independent director).
- In addition, and in accordance with legal requirements, the agreement is reviewed annually by Sodexo's Board of Directors.
- In accordance with the AFEP-MEDEF Code, Sophie Bellon and Nathalie Bellon-Szabo as well as François-Xavier Bellon, common Corporate Officers of Bellon SA and Sodexo, refrain from attending the debates and participating in the vote of the corresponding deliberations.

The amount invoiced for Fiscal 2022 is 3.47 million euros, compared to 1.88 million euros the previous year. The increase is explained by the arrival of the new Group Chief People Officer, the payment of a contribution under the supplemental pension plan and of indemnity related to the retirement of the Group Chief Growth Officer.

Interest of the agreement for Sodexo and its stakeholders

The Board considers that this agreement is in line with the interests of all shareholders given:

- the strategic advantage for Sodexo of a business model based on the strong values inherent in family controlled companies;
- the quality of the profiles of the managers with in-depth knowledge of the Group and significant experience in similar functions;
- the existence of governance mechanisms that guarantee a good balance of power and avoid abusive control;
- the absence of any additional cost ensuring that the agreement is financially neutral for the Company.

Indeed, this agreement guarantees that the values, culture and ambitions initially defined by the founder, Pierre Bellon, are shared throughout Sodexo. From its creation more than fifty years ago, Pierre Bellon wanted Sodexo to be the community of its customers, consumers, employees and shareholders. This conception of the company, a precursor to the current rise of social and environmental concerns, is one of the fundamental principles of Sodexo's development and guarantees a business model that creates value for all stakeholders. It is through these three key managers that Sodexo ensures that this business model remains the foundation of all decisions.

This agreement is fully aligned with the interests of all Sodexo shareholders and stakeholders due to:

- the presence of a very long-term family shareholder, embodied by a commitment by Mr. and Mrs. Pierre Bellon and their children not to sell their shares to third parties for 50 years;
- the sole asset of Bellon SA being its 42.8% holding in Sodexo shares, which it has no intention of selling to third parties;
- the independence provided by Bellon SA's holding in the Group's capital guarantees the values, dual mission and long-term strategy of sustainable and profitable growth;
- the attachment Sodexo's teams have to this independence, confirmed by the very high engagement rate of 78% even during the pandemic.

This independence has largely contributed to the Group's growth and is crucial in the current context of unprecedented crisis. Sodexo is able to seize development opportunities, accelerate its transformation and focus on its objective of returning to sustainable and profitable growth, without being influenced by short-term pressures.

Finally, the Board of Directors is committed to ensuring that the rights of all shareholders are effectively protected, through various governance mechanisms:

- a high rate of independence within the Board (far beyond the recommendation of the AFEP-MEDEF Code for a controlled company);
- majority independent committees, each chaired by an independent director;
- Internal Rules and a policy for managing conflicts of interest.

More generally, the Board of Directors' consideration of the interests of all stakeholders is illustrated by its desire to evolve its governance practices, in line with the highest market standards. Thus, the above-mentioned governance mechanisms are intended to be frequently reviewed or even strengthened, as the Board wishes to continue to be part of a dynamic of progress. The consideration of stakeholders is also illustrated through the sustained efforts of the Board, supported by Group management, to be recognized internationally for its responsible practices and sustainable development. These efforts have enabled Sodexo to be a member of the ESG 80, FTSE4Good and Dow Jones Sustainability Indexes, for which it is, for the 17th consecutive year, at the top of its sector rankings. The Group is also ranked 1st among companies in its sector in the SAM Sustainability Yearbook and for the 14th consecutive year among the best companies in the DiversityInc ranking for its LGBTQ+ employees, for the recruitment of women of color and for its women executives.

The Statutory Auditors' Special Report on related-party agreements is provided in section 5.4.2 of this Universal Registration Document.

Assessment procedure for related-party agreements and other agreements

On November 6, 2019, on the recommendation of the Audit Committee, the Board of Directors adopted an internal charter for the Group to be used for identifying agreements that are subject to the procedure for related-party agreements, and distinguishing them from other agreements entered into in the ordinary course of business. This charter helps ensure that Sodexo complies with French legislation on these agreements, which requires companies to regularly assess the conditions under which such agreements are entered into and to analyze their classification.

In addition to describing the regulatory framework applicable to the various types of agreements that may be entered into by the Group, the charter provides for a regular assessment to be carried out by the Audit Committee of the conditions under which agreements are entered into in the ordinary course of business, with any parties that have a direct or indirect interest in an agreement being prohibited from taking part in the corresponding assessment.

A summary of how the charter has been applied is presented once a year to the Audit Committee, which then reports to the Board of Directors on the work it has carried out.

6.3.3 Ethics and Compliance

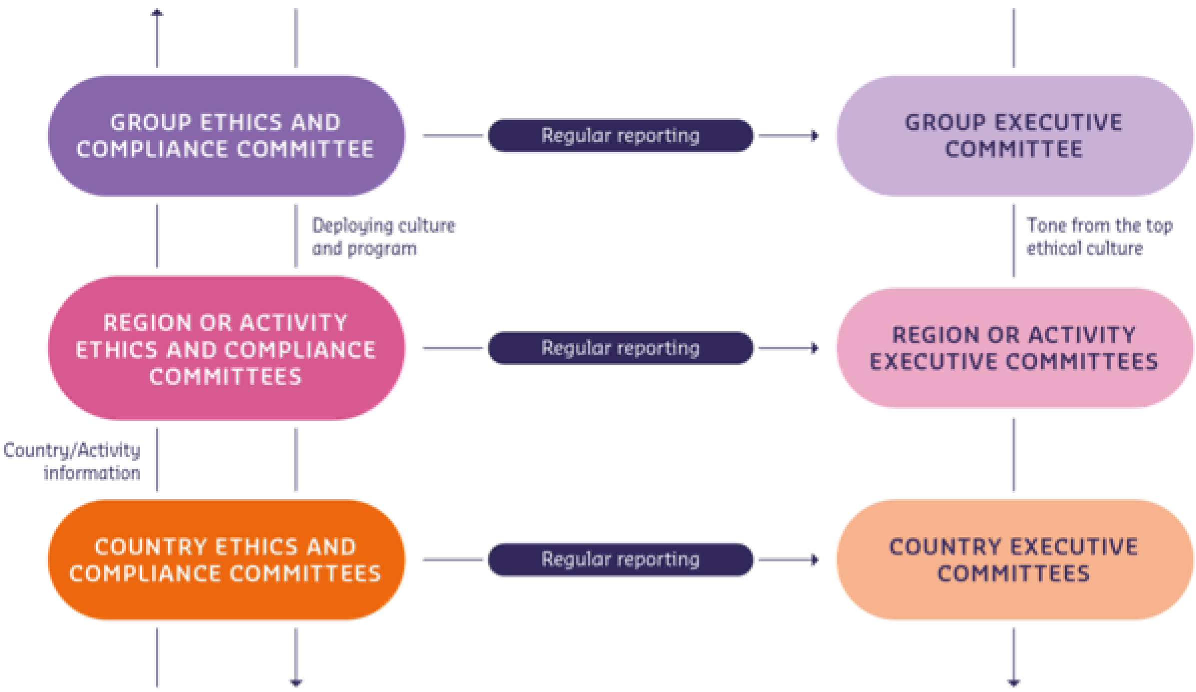
Conducting all aspects of Sodexo's business with the highest standards of ethics and integrity is essential to Sodexo's purpose to create a better everyday for everyone to build a better life for all and constitutes a fundamental pillar of the Group's Responsible Business Conduct commitments.

In 2007 Sodexo chose to appoint a Group Chief Ethics Officer, responsible for promoting ethical principles and Responsible Business Conduct culture.

6.3.3.1 Ethics and Compliance governance

The Group Ethics and Compliance Committee ensures that business is conducted responsibly. This Committee, co-chaired by the Chief Ethics Officer and the General Counsel, is composed of representatives of key functions: Ethics, Legal, Internal Control, Internal Audit, Human Resources, Supply Management, Corporate Social Responsibility (CSR), and Communications, and sponsored by two members of the Executive Committee. The Committee submits quarterly updates to the Group Executive Committee. During the last fiscal year, the Ethics and Compliance Committee met four times.

A local network dedicated to Ethics and Compliance issues has also been deployed throughout the Group. This network draws up the local risk mapping, adapts the Group's overall program, reports to the Group all information linked to local deployment and assists operations teams on a daily basis.



6.3.3.2 Ethics and Compliance program

In order to make its strategy tangible as well as meeting the applicable legal requirements, Sodexo has structured its Ethics and Compliance program around the following pillars:

1. A committed management team: Sodexo's management team embodies the Group's culture of integrity and has a zero-tolerance policy for any form of unethical practice, such as bribery, corruption, harassment, or breaches of human rights. This commitment is shown, for example, by the regular briefings made by Sodexo management and during specific regional events such as "Integrity week" "anti-corruption day". In addition, dedicated awareness-raising actions have been introduced for senior leaders, as well as for regional and country directors. A reflection question on ethical behavior has been embedded in the manager year-end performance review. It is completed by employees and managers to support reflection on alignment with the Responsible Business Conduct culture in the overall individual performance.
2. Risk assessment: Risks specific to Responsible Business Conduct have been assessed for each country and aggregated within the global risk mapping. These risks cover major issues such as bribery, corruption, breaches of human rights, antitrust practices and environmental damages. Following the renewal of the corruption risk scenario matrix in Fiscal 2021, the focus in Fiscal 2022 was on strengthening the human rights in the workplace risk assessment. The risk catalog and risk cards were reviewed and updated, with the focus firmly placed on the individual (the rights holder). Each Sodexo entity then carried out a risk assessment for the risks in the catalog. The assessments from the main entities were aggregated to form a global picture for each of the human rights risks.

3. Policies and procedures: Sodexo put in place its first Group wide ethics charter in 2007 and subsequently drew up its Code of conduct named: Business Integrity Guide . This document – which sets out the Group's ethical principles – is reviewed each year. The Code of conduct provides practical examples showing employees how to do the right thing when facing a dilemma. It is available in 30 languages and can be consulted on Sodexo.com. It is supported by policies and procedures, which give employees practical tools for guiding them in their daily work and projects, notably in relation to gifts, invitations, donations, corporate sponsorship, public affairs (a "Public Affairs Guide" has also been published for stakeholders on the Group's website), international sanctions and high-risk third parties.

4. Training and awareness-raising: Specific training courses on Responsible Business Conduct are developed and delivered within the Group to the staff categories with the highest level of exposure. E-learning modules on Responsible Business Conduct (combating sexual harassment, data protection, public affairs, human rights in the workplace, and preventing corruption and conflicts of interest) have been put in place for all of the Group's leaders and managers. At August 31, 2022, over 168,000 sessions of these modules had been recorded. These training modules are the subject of regular in-house communication campaigns. In addition, face-to-face training is provided to the Group Executive Committee members and some other categories of employees who are particularly exposed to the different corruption risks. 100% of the Senior Leaders have been trained on corruption prevention.

5. Third-party assessment: Since 2008, Sodexo has had a Supplier Code of conduct, which is translated into 23 languages. All suppliers are required to respect this Code, which is included as an appendix to all commercial contracts, and also to pass on its terms and conditions to all of the participants in their own supply chains. Sodexo is continuing the deployment of its online registration tool in order to centralize information about its suppliers. This tool incorporates all of Sodexo's requirements related to capacity, certification, geographical coverage, and regulation. It is also used to collect data on social responsibility. Suppliers benefit from a simple interface, which enables them to provide all the required information easily. The advantage for Sodexo is that the tool provides a "gateway" for the collection of information adapted to the Group's social responsibility requirements. Suppliers are invited to respond to various questions linked to the Group's social responsibility commitments and are required to update them throughout their relationship with Sodexo. On more specific CSR issues, Sodexo is working with an external partner, expert in CSR performance assessment, to overhaul management of its high-risk suppliers. The first step will identify and prioritize the risk categories, based on CSR and purchasing criteria. Then, the methodology will be progressively rolled out to the suppliers included in these categories. Suppliers in purchasing categories that have historically been identified as being high-risk will also be invited to participate in a detailed document audit. A specific policy "How to work with high-risk third parties" indicates the guidelines to be followed regarding procedures for evaluating, contracting

and monitoring relationships with third parties presenting a high level of corruption risk. The Group also extended its due diligence procedures for mergers and acquisitions to include specific ethics and compliance issues.

6. Whistleblowing system: Sodexo's "Speak Up" Ethics Line is available in over 30 languages, online or by phone in each country, enables (subject to local legislation) all Sodexo employees and partners (in particular suppliers, customers and consumers) to report anything that they suspect to be unethical, particularly harassment, theft, fraud, corruption, conflicts of interest, environmental damages, document forgery or insider trading. According to the last engagement survey (Voice) 79% of employees feel comfortable to report unethical conduct if necessary. In alignment with local laws and regulations, this system is hosted by a third-party company. All of the relevant managers have been trained on case management and responsible investigation procedures, notably through two online training sessions. More than 92% of case managers completed the e-learning modules.

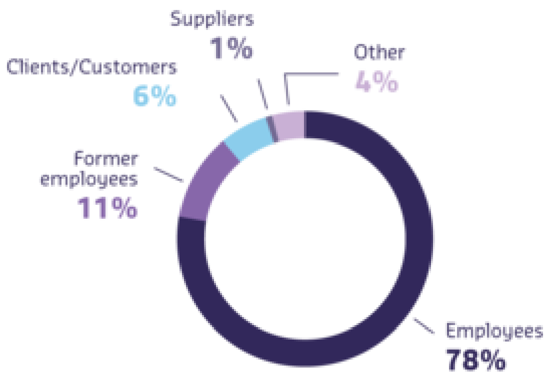
2,346
received cases *via* Speak Up Ethics Line

79%
of employees feel comfortable to report unethical conduct

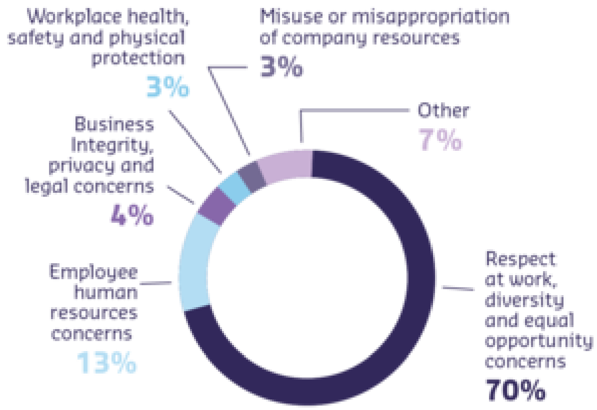
0.6
case by 100 employees

57%
confirmed cases reported *via* Speak Up resulted in a corrective action and/or sanction

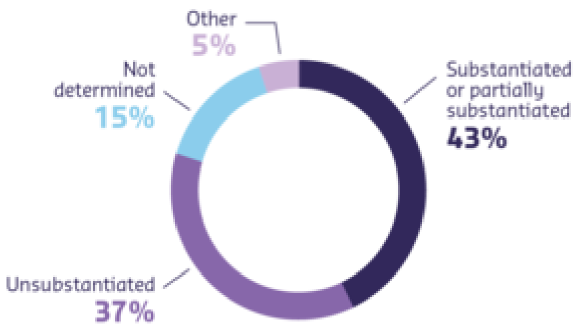
BREAKDOWN OF SPEAK UP CASES BY SOURCE



BREAKDOWN OF SPEAK UP CASES BY CATEGORY



BREAKDOWN OF SPEAK-UP CASES BY RESOLUTION



7. Controls: The internal control and risk management procedures related to the preparation and processing of financial and accounting information form an integral part of the Group's anti-corruption measures. Specific controls related to Ethics, Anti-Corruption and Speak-Up are part of the annual Company Level Controls assessment, which is carried out by the majority of Sodexo's entities (refer to section 6.4.3.4). If an entity fails these controls, then a compulsory action plan is put in place to remedy the control deficiency. These plans are monitored by the local and regional internal control managers. Internal and external audits are performed on a regular basis, notably covering the following topics: anti-corruption, anti-money laundering, environmental protection, respect of human rights and

fundamental labor rights, and occupational health and safety. In Fiscal 2022, the Group Internal Audit continued its audit of entities using a risk-based approach, resulting in recommendations related to improvements in Sodexo's Ethics & Compliance program.

6.3.3.3 Sodexo Group tax policy

The Sodexo Group has established a tax policy that has been published on its website. The principle precepts of the policy are that the Sodexo Group undertakes to respect local tax laws and regulations that apply and pay its fair share of taxes in all countries where it operates, in line with the substance of the economic activity of the business locally. Sodexo is not using intended tax structures for tax avoidance nor investing in tax structures located in so-called "tax havens" in order to avoid taxes. The policy is based on the economic reality of the transactions and excludes fraud and tax evasion as well as hybrid mismatch arrangements from a tax standpoint. Therefore, the Group considers that it complies with the requirements of the new article L.225-102-1 of the French Commercial Code on fighting tax evasion.

Sodexo will always:

- perform risk management assessments before adopting a tax position;
- ensure that each controlled entity has a sound commercial, business or financial justification and has the sufficient level of substance;
- establish and document a transfer pricing policy for intra-Group exchanges of goods and services on an arm's length basis, in line with international standards (*e.g.* OECD Guidelines);
- monitor tax compliance in jurisdictions where Sodexo operates.

All significant tax positions are regularly reported to the Group Audit Committee.

6.3.4 Vigilance Plan

Sodexo has been actively managing its risks for a long time. The legal requirements regarding the Duty of Vigilance therefore reflect the values and actions long championed by the Group and its founder, Mr. Pierre Bellon.

In accordance with French law, the Vigilance Plan presents the measures put in place within the Group to identify risks and prevent serious impacts in terms of (i) human rights and fundamental freedoms, (ii) individual health and safety, and (iii) environmental damages that may result from the Group's activities and those of its subcontractors and suppliers.

As Sodexo operates in 53 countries in a variety of complex economic and socio-cultural contexts, it adapts its approach to the above issues in accordance with its different businesses and host countries. The Vigilance Plan covers Sodexo and its subsidiaries' activities and is perfectly in line with its corporate responsibility roadmap.

In addition, the Group has put in place a dedicated governance system relating to ethics and compliance issues, as described in section 6.3.3 above.

Issues that fall within the scope of the Duty of Vigilance cover all businesses and involve numerous teams, including corporate responsibility, supply management, legal affairs, internal control, internal audit, human resources, ethics and operations. The Group's work on these issues also involves its customers, suppliers and subcontractors.

No one can be exemplary if they are not exemplary within their own organization. Sodexo is committed to ensuring common standards for all and this commitment is set out in our Better Tomorrow 2025 plan, in line with the recommendations of the United Nations Sustainable Development Goals (SDGs) and our declaration on fundamental human rights.

The diagram below details the measures implemented by the Group in accordance with the obligations concerning the three categories of issues. These measures are described in more detail in chapter 2 of this Universal Registration Document.

THE MAIN MEASURES CONTAINED IN THE VIGILANCE PLAN ARE PRESENTED BELOW:

	RISK MAPPING	REGULAR EVALUATION PROCEDURES COMPANY-WIDE	APPROPRIATE ACTIONS TO MITIGATE RISKS OR TO PREVENT SERIOUS HARM

HUMAN RIGHTS	• Risk mapping including risks related to human rights, prepared by all countries
	• Consideration of the sexual harassment risk as part of the social dialogue (Sodexo employee)
	• Materiality assessment (cf. section "Materiality assessment", chapter 1)
	• Identification of three supply chain risk categories and specific monitoring of the supply chain:
	  • Textile: Uniforms
	  • Seafood: Tuna
	  • Agricultural product: Beef
		• Implementation of the Responsible Business Conduct program
		• Supplier Code of conduct
		• Global HR survey on fundamental labor rights conducted in each country
		• Matrix audit for textile supplier (uniforms)
		• Assessment using the Supplier Information Management (SIM) system
			• Specific clauses in customer and employee contracts
			• Sodexo declaration on fundamental labor law rights
			• Sodexo Code of conduct (integrity statements)
			• Supplier and Subcontractor Contract Management (Contractual clauses; Right Supplier, Right Terms)
			• Training for managers on fundamental labor rights and preventing sexual harassment

HEALTH AND SAFETY	• Risk mapping including risks related to health and security, prepared by all countries (*cf.* section 6.4 Risk Management) • Materiality assessment (*cf.* section "Materiality assessment", chapter 1) • "Zero harm" Culture • Covid-19 related risk governance, including the Medical Advisory Committee (MAC) • Consideration of health and safety as part of the social dialogue (Sodexo employees)	• Standard operating procedure review process, including modifications due to Covid-19 in coordination with the MAC • Implementation of the Responsible Business Conduct program • Supplier Code of conduct • Assessment* using the Supplier Information Management (SIM) system	• Deployment of Global Health Policies – Workplace Safety • "Zero harm" Culture • Clauses in customers and employees' contracts • Annual plans of health and safety improvement • Roll-out of e-learning and micro-learning courses on health and safety • Sodexo Safety Net Program (focused on high-risk sites and activities) • Sodexo's Code of conduct (integrity statements) • Supplier and Subcontractor Contract Management (Contract clauses, Right Supplier, Right Terms)
ENVIRONMENT	• Risk mapping including environmental risks, prepared by all countries (*cf.* section 6.4 Risk Management) • Materiality assessment (*cf.* section "Materiality assessment", chapter 1)	• Standard operating procedure review process, including modifications due to Covid-19 in coordination with the MAC • Implementation of the Responsible Business Conduct program • Supplier Code of conduct • Assessment* using the Supplier Information Management (SIM) system	• Sales Academy (special session dedicated to the Environment) • Site Manager Academy (special session dedicated to the Environment) • Implementation of Group policies: Palm Oil, Seafood, Eggs, Animal Welfare • Customer and employee contractual clauses • Sodexo's Code of conduct • Supplier and Subcontractor Contract Management (Contract clauses, Right Supplier, Right Terms)

* Self-assessments.

WHISTLEBLOWING AND REPORTING MECHANISM	FOLLOW-UP ON IMPLEMENTED MEASURES AND EVALUATION OF THEIR EFFECTIVENESS	INDICATORS AND EXAMPLES OF EFFECTIVENESS	OPPORTUNITIES CREATED
• Speak Up Ethics Line, whistleblowing system accessible to everyone impacted by Sodexo business activities	• Independent third-party audit (KPMG) • Annual Engagement Survey • Regular supplier review process (external certification, mitigation and prevention)	• 96% of Sodexo's Senior Leaders received training on sexual harassment • 100% of Sodexo's textile suppliers are evaluated by an independent organization. • More than 16.000 managers received training on fundamental rights at work	• Strengthening social dialogue through a global framework agreement on preventing sexual harassment • Strengthening the relationship with suppliers through the Global Sustainable Seafood Initiative • Multi-sector and multiplayer (NGOs, trade unions, businesses, etc.) cooperation through the OECD's Business for Inclusive Growth
• Speak Up whistleblowing system accessible to everyone impacted by Sodexo's business activities • Sodexo Life Safety program to report potential serious incidents • Health and safety reporting tool (Salus) for all injuries and recordable injuries	• Independent third-party audit (KPMG) • Annual Engagement Survey • Regular supplier review process (external certification, mitigation and prevention) • External certifications and compliance with standards (ex: OHSAS 18001/ISO 45001)	• Lost Time Injury Rate (LTIR): 0.65 (improved by 8.5%) • 87.4% of Group revenues from countries having one or more OHSAS 18001 or ISO 45001 • 3% Speak Up cases related to health and safety	• Appeal to customers and to their loyalty • Reduction in insurance costs • Increase employee engagement • Reduction in absenteeism rate • Strengthening social dialogue through a global framework agreement in workplace health and safety
• Speak Up whistleblowing system accessible to everyone impacted by Sodexo's business activities	• Independent third-party audit (KPMG) • Annual Engagement Survey • Regular supplier review process (external certification, mitigation and prevention)	• 18.5% reduction in absolute Scope 3 Supply Chain carbon emissions (compared to 2017 baseline) • 85.3% of seafood purchased are from sustainable sources (in kg) • 21% of all shell eggs purchased by Sodexo are from cage-free sources (in volume)	• Development of offers and services having a positive impact on the environment • Participation in global initiatives to fight against climate change • Contribution to the achievement of our customers' environmental objectives • Positive impact on Sodexo's employer brand

Focus on Fundamental Rights at Work

Fundamental Human Rights at Work are standards for the treatment of all employees. As a company built on solid values and principles, Sodexo is committed to respecting these rights in accordance with the local and national laws in the countries in which we operate. With the signature of the United Nations Global Compact in 2003 we formalized our commitments as a responsible company. We make every effort to create awareness among our employees of our commitments in these areas in this regard, The Sodexo Statement of respect for Fundamental Rights at Work is based on the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. It covers the workplace, but also business relationships, communities, reporting concerns, due diligence and transparency. It is accompanied by a guide and an e-learning that provides best practices and examples. Over 16.000 managers have been trained on Fundamental Rights at Work. To supplement the Group's human rights risk mapping, the Ethics Department has mapped the Fundamental Rights at Work risks in Sodexo On-site operations based on external indicators provided by Verisk Maplecroft databases and internal indicators (risk management platform). The map ranks countries according to their human rights risk in four areas: Freedom of association and collective bargaining, Effective abolition of child labor, Working conditions and elimination of forced labor, Non-discrimination & inclusion. Country mitigation plans, such as policies and processes, have also been taken into account. The methodology defines a risk exposure score and a unique mitigation plan for each country.

Focus on Sodexo ESG Program for Uniform Suppliers

The textile industry is a major source of employment in developing countries and is tied to ongoing systemic violations of fundamental rights in the workplace. The selection of the uniforms category is based on the risk profile of these suppliers, combining their geographic location, the product category and the reputational risk for Sodexo.

Sodexo ESG program which aims at addressing compliance to the Sodexo Supplier Code of conduct, includes:

- audit conducted by third party experts;
- corrective action plan (including target achievement date for each action);
- Ongoing monitoring and progress follow-up.

During the last Fiscal Year, 100% of global providers were evaluated, including 100% in a follow-up audit. Through monitoring and improvement plans implemented with the partners over the last two years, the suppliers have achieved a low level of risk.

The audits that have been completed by a third-party auditor have all resulted in corrective action plans that are jointly followed up by Sodexo and the Tier 1 supplier, these actions plans have resulted in at least one corrective action. At the end of the Fiscal Year there is no global supplier ranked as "high risk" because of the corrective actions that have been implemented. Last but not least, for the coming years, for the Uniforms category, we have decided to extend our ESG supplier program beyond Tier 1 suppliers to include Tier 2 suppliers.

6.3.5 Data Protection

Respecting privacy and protecting personal data are the responsibility of everyone at Sodexo and form one of the pillars of the Group's Responsible Business Conduct program.

For several years, the Group has been able to strengthen the trust of its employees, clients, consumers and shareholders with regard to data protection through several actions:

- appointing a Group Data Protection Officer (hereafter "Group DPO") in Fiscal 2017, reporting directly to the Group General Counsel;
- setting up a dedicated data protection team and a global network of dedicated points of contact; and
- rolling out a global data protection program that complies with the EU General Data Protection Regulation (GDPR[1]).

Furthermore, Sodexo decided to apply the same level of protection to personal data across the Group, based on GDPR requirements, while at the same time incorporating specific local legal obligations. This choice, made in a global regulatory environment where GDPR principles are broadly reflected in the majority of data protection legislation outside the European Union, is now proving a real commercial advantage.

During Fiscal 2022, new actions were taken in each of the program's six pillars. These actions were aimed at strengthening governance mechanisms (6.3.5.1), actions relating to responsibility (or accountability) (6.3.5.2), the framework for sharing personal data (6.3.5.3), processes and tools to improve risk management and to protect personal data from the project design stage (privacy by design) (6.3.5.4), response protocols for requests made by data subjects (6.3.5.5), as well as transparency and awareness-raising among employees (6.3.5.6).

6.3.5.1 Data Protection Governance

The hybrid governance model put in place by Sodexo consists of combining centralized and local governance. The Group DPO, who is in charge of ensuring compliance with the applicable laws and the Group's data protection policies and procedures, now has a team of experts at Group level. She relies on a network of local data protection points of contact in each relevant Group entity, who assist with implementing the global data protection program with the support of local governance committees, adapting it to local conditions, if required.

A Data Protection Academy has been founded to enhance the integration of these new local points of contact and to strengthen their level of expertise. During Fiscal 2022, a Data Protection Academy was held to integrate local data protection contact points in Asia (AMETA) in particular. Additionally, with a view to ensuring that the personal data protection network stays ahead of the learning curve, that best practices are harmonized and the Group's data protection policies and procedures are consistently implemented, the network is continuously monitored and trained by the Group DPO and her central team. A local governance procedure template has also been shared with the network so that the organization and operation of local governance bodies can be documented in a uniform manner.

The Group-wide system set up from Fiscal 2019 to share data protection governance with the various business lines, particularly the teams responsible for information security and the Group's compliance teams, was continued this fiscal year through regular meetings in its respective bodies:

- Global Cyber-Security and Privacy Review Committee, comprising the Global Chief Information Security Officer, the Group DPO, the Group General Counsel, the Group Internal Control Officer and seven members of the Group Executive Committee;
- Group Compliance Management Committee, comprising the Global Quality, Performance and Information Systems Governance Officer, the Group DPO and members of their respective teams at Group level.

6.3.5.2 Accountability

In order to provide adequate safeguards regarding the transfer of personal data within the Group, Sodexo has decided to submit Binding Corporate Rules to the French supervisory authority for data protection, the National commission for information technology and civil liberties (CNIL), the Group's competent lead authority. This is a legal framework proposed in the GDPR that allows multinational companies to adopt a binding Code of conduct to effectively apply common data protection compliance management rules and provides a framework for the transfer of personal data within groups. The procedure for approving these Binding Corporate Rules continued throughout Fiscal 2022 and, after several years of discussion with the CNIL, Sodexo's submission is now at the final validation stage before the European Data Protection Board (EDPB).

Pending this approval, Sodexo rolled out an Intra-Group Data Processing Agreement (IGDPA) across the entire Group. This document was drafted using the Standard Contractual Clauses (SCCs) published by the European Commission on June 4, 2021 and imposes a contractual requirement upon Group entities to comply with the main principles and obligations for protecting personal data provided for by the GDPR.

Finally, following the European Court of Justice's decision in the "Schrems II" case[2], Sodexo has developed an automated method of assessing the impact of data transfers on the protection of personal data (Transfer Impact Assessment - TIA) in terms of the rights and freedoms of the individuals concerned. This assessment is carried out on the basis of the recommendations published by the EDPB[3] and may lead to the roll out of additional technical and organizational measures, if necessary, with the support of global Information Security teams.

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[1] Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.
[2] Judgment of the Court (Grand Chamber) of July 16, 2020 – Data Protection Commissioner v Facebook Ireland Ltd and Maximillian Schrems – C-311/2018, annulling the Privacy Shield adequacy decision (Commission Decision of July 26, 2000 pursuant to Directive 95/46/EC of the European Parliament and of the Council on the adequacy of the protection provided by the safe harbor privacy principles and related frequently asked questions issued by the U.S. Department of Commerce).
[3] Recommendations 01/2020 on measures that supplement transfer tools to ensure compliance with the EU level of protection of personal data adopted on June 18, 2021

6.3.5.3 Data sharing

The Group DPO has drawn up a Best Practice Code for sharing data, as well as template data protection clauses for supplier agreements on processing personal data, and these have been shared with the network of local points of contact. These documents allowed all Group entities to apply the same practices where data processing operations are either fully or partially outsourced.

Furthermore, a mapping of the applicable data protection laws was drawn up in Fiscal 2020 with the aim of providing a clear overall view of the formalities that need to be carried out in each of the countries where the Sodexo Group entities operate, and therefore to prepare for implementing the Group's Binding Corporate Rules. Additionally, Fiscal 2022 provided an opportunity to update this mapping as well as to conduct an inventory of any data localization obligations that could restrict the use of the Group's global tools in some countries or require the implementation of specific measures prior to their use.

Finally, following the publication of the new SCCs by the European Commission and the schedule it imposed for updating all commercial contracts involving the transfer of personal data, Sodexo launched a global project dedicated to this updating of commercial contracts. The Group DPO also published a guide for all local points of contact, providing them with an action plan to follow in order to ensure that the SCCs incorporated in local commercial contracts were updated in accordance with the schedule laid down by the European Commission.

6.3.5.4 Risk management and control

Privacy by design

During Fiscal 2022, processes for assessing the risks to the rights and freedoms of data subjects, from the design stage of projects that involve processing personal data, were strengthened. In fact, the End2End Privacy Compliance Process, which comprises various questionnaires for risk assessment and impact analysis, has been updated.

The start point for this process continues to be the questionnaire that must be completed for any IT or digital project to identify the risks associated with information security. If internal stakeholders indicate that the project involves the processing of personal data, the data protection teams automatically remain involved with reviewing the project. They are then able to carry out systematic assessments, from the project design stage, of the impact that processing the personal data in question has on the rights and freedoms of the data subjects. If a high risk processing is identified, they conduct an impact analysis to evaluate the origin, nature, character and severity of this risk. Consequently, the data protection teams remain able to determine, from the project design stage, the initial measures to be put in place to ensure that this data processing complies with Sodexo's overall compliance program and the applicable data protection regulations.

However, the new process gives internal stakeholders greater accountability and other compliance assessments may be conducted automatically (for example, a risk assessment if a supplier that will process personal data is used, an impact analysis of an international data transfer or an analysis of Sodexo's legitimate interests).

Privacy by default

A risk assessment is carried out prior to any contracts being signed with suppliers.

This assessment of the risks associated with the processing of personal data by Sodexo's suppliers has been automated. In addition, work to integrate the process within the global Information Security teams is ongoing, so that a common score can be used for supplier compliance in terms of both the protection of personal data and information security.

Continuous risk management and regular, targeted controls

A regular monitoring plan has been put in place for the local data protection single points of contact in order to assist them with ongoing compliance management. This regular monitoring of the progress the Group's entities are making on program implementation now includes a "project management" aspect, which provides a full and up-to-date view of the risks related to any non-compliance with applicable laws and the Group's policies and procedures concerning data protection.

Fiscal 2022 saw the self-assessment framework for the data protection points of contact used by the Internal Audit and Internal Control teams to enhance their assessment of the effective implementation of the overall GDPR compliance program.

These teams have also been provided with additional training on the aspects of personal data protection to be verified, so that they can make an even more valuable contribution to the effectiveness of the compliance program.

6.3.5.5 Response protocols and execution measures

Response to requests concerning rights regarding data protection

The Group's data protection teams adopt an ongoing process of continuous improvement as regards the procedures for managing requests relating to personal data protection rights (rights of access, rectification, etc.). To do this, they rely on recommendations issued by the relevant supervisory authorities and best practices shared by Sodexo's data protection network.

They are required to handle an increasing number of requests from the Group's consumers and employees, which goes hand in hand with data subjects' growing awareness of their rights and freedoms.

Response to security incidents and personal data breaches

To ensure that any security incidents resulting from personal data breaches are properly managed, the Group DPO and the Global Chief Information Systems Security Officer have jointly drafted a Group directive to be adapted locally by all Sodexo entities. A dedicated system has also been deployed to deal with any such security incidents even more efficiently and to enable a register of the incidents to be kept. In addition, local data protection points of contact are provided with regular training in assessing risk on behalf of data subjects. Such training is based on the recommendations of the EDPB, in particular.

The Group DPO keeps an overall register of personal data breaches, into which incidents can now be entered by the local data protection single points of contact, thanks to a simplified, automated reporting system.

During Fiscal 2022, the Group organized a crisis management exercise involving a hypothetical security incident. The Group DPO took part in this exercise, which was designed to improve the structure of internal crisis cells, their responsiveness, and therefore the effectiveness of the protocol for responding to security incidents and personal data breaches.

Cooperation with the data protection authorities

During Fiscal 2022, Sodexo undertook work to harmonize its Binding Corporate Rules with the data protection legislation applicable in the United Kingdom in order to oversee transfers of personal data from Group entities based in the United Kingdom to Group entities located outside the United Kingdom. In this regard, a further submission must therefore be made for the approval of the United Kingdom supervisory authority, the Information Commissioner's Office (ICO).

Furthermore, during Fiscal 2022, Sodexo continued to cooperate with the other European data protection authorities in the management of complaints and requests to exercise rights, in accordance with the applicable regulations on the protection of personal data.

6.3.5.6 Transparency and awareness-raising

Transparency

The roll out of a user consent and preference management platform prior to the installation of cookies and other trackers on their web browsers or mobile phones continued during Fiscal 2022.

Compliance of the Sodexo group's websites and applications with the legislation applicable to cookies and other trackers has become an essential requirement for the Group's Information Security teams responsible for the Data Services Platform.

In addition, Sodexo acted on the various decisions taken by the European data protection authorities in Fiscal 2022 on the use of Google Analytics as an audience measurement tool[4]. The Group DPO has therefore worked with the teams responsible for operating the above-mentioned platform in order to identify and roll out appropriate alternative solutions.

Finally, a project was launched to look at using a global consent management tool and several tools are being considered for deployment during the course of next year.

Awareness-raising

Following on the global training program for Sodexo employees on the principles of the GDPR, which began during Fiscal 2019, a new initiative has been launched to implement joint training with the Information Security teams.

In addition, there are plans to roll out a training module during Fiscal 2023 to remind all Group employees about the principles of personal data protection and to raise their awareness of the Sodexo group's Binding Corporate Rules.

Finally, following the development of the new End2End Privacy Compliance Process by the Group DPO's team, a guide on using the various automated risk assessment and impact analysis questionnaires has been rolled out to local data protection points of contact and also to internal stakeholders.

[4] Decisions of the Austrian authority dated December 21, 2021 and April 22, 2022; decisions of the French authority dated February 10, 2022 and March 2, 2022. Decision of the Italian authority dated June23, 2022

6.4 Risk management

6.4.1 Definition and objectives of risk management and internal control

The purpose of Sodexo's risk management and internal control systems are to:

- protect the Group's value, assets and reputation;
- identify and evaluate the risks that could prevent the Group from achieving its business objectives;
- anticipate changes in these risks;
- put in place mitigating actions and risk transfer measures.

Sodexo's risk management systems are designed to ensure that risks are:

- properly identified, evaluated and prioritized;
- efficiently mitigated;
- regularly reported and monitored.

Sodexo's internal control procedures are designed to give reasonable assurance that:

- laws and regulations are complied with;
- Group policies and guidelines are properly applied;
- internal processes are functioning correctly;
- financial reporting is reliable.

Internal control procedures also underpin the good and efficient management of Sodexo's operations.

6.4.1.1 Group Policies

As part of its risk governance and management, Sodexo has established a number of Group policies. These policies cover such subjects as human resources development, finance, procurement, responsible business conduct, corporate responsibility, fundamental human rights at work, health safety and environment, information security, data protection and internal audit. Policies are regularly updated and approved by the Board of Directors.

Human resources development policy

The Group's human resources priorities are:

- anticipate and adapt the staffing requirements of operations in terms of numbers, skills and competencies to enhance operational efficiency;
- continue to develop a performance-based culture based on shared priorities and indicators, by offering training and learning for individual development;
- promote an inclusive work environment and embrace diversity in all its dimensions.

The main human resources policies are focused on: the profile of a Sodexo leader and senior manager, succession planning for senior managers, senior managers' training and skills enhancement, employee engagement, and compensation.

Annual tracking of improvement metrics by the Executive Committee and Board of Directors serves to validate action plans aimed at advancing these policies. These metrics include employee net promoter score, employee engagement rate, employee retention, employee absenteeism, internal promotion, and the representation of women in senior management.

Sodexo continually strives to go further in the area of diversity, equity and inclusion. The Group focuses on promoting gender equality throughout the business, and providing job opportunities for people with disabilities. It seeks to foster an inclusive culture for employees irrespective of ethnicity and race, and create a welcoming environment for people of all sexual orientations and identifications. It is mindful of the generation gaps that may arise when employees of multiple generations work together, and has created generational networks to support better understanding.

Financial policies

Sodexo's financial objectives are twofold, namely:

TO PRESERVE ITS FINANCIAL INDEPENDENCE

Financial independence is a fundamental principle, because it enables the Group to hold firm to its values, pursue a long-term strategic vision, ensure management continuity and guarantee the business's lasting success.

Sodexo's financial independence is guaranteed by the family shareholding. As of August 31, 2022, Sodexo's family holding company, Bellon SA, held 42.8% of the shares and 57.5% of the exercisable voting rights. This financial independence is based on three simple principles:

- choosing low capital-intensive activities;
- continuously maintaining sufficient liquidity to fund growth, reimburse medium-term debt, and pay dividends to shareholders;
- preserving a strong balance sheet and sound financial ratios.

TO ENHANCE THE ATTRACTIVENESS OF ITS SHARES TO LOYAL, LONG-TERM SHAREHOLDERS

Financial policies establish rules applicable to areas such as investment approvals, and the management of working capital, cash and debt.

Sodexo's financial policies require all decisions involving external financing to be made by the Group Chief Financial Officer, the Chairwoman of the Board of Directors and Chief Executive Officer or the Board of Directors, depending on the amount and type of the transaction.

The Group Finance Department prepares a ten-year financing plan for the Group each year.

Financial policies are designed to prevent any speculative positions being taken and to avoid risk in connection with financing and cash management activities.

Procurement policy

The objectives of the Procurement function are documented in the Group's procurement policies and processes. The performance of Sodexo's procurement teams in the main countries where it does business is measured through savings metrics, which enable the Group to gauge the impacts of procurement initiatives and demonstrate the savings achieved.

Sodexo's priority is to ensure that suppliers and subcontractors that deliver Sodexo products and services have the right skills, capabilities and potential to carry out the tasks assigned to them. Our risk management guidelines set out the procurement procedures that our teams are required to follow in terms of working with and managing suppliers and subcontractors. The level of the initial evaluation and the management procedures for suppliers and sub-contractors directly depend on the product supplied or service rendered. It includes verifying issues such as food safety and traceability, certification to conduct work, particularly in Facilities Management, along with financial due diligence checks.

In line with the procurement policy, suppliers and subcontractors must sign the Sodexo Supplier Code of Conduct which sets out Sodexo's requirements for adopting responsible best practices concerning ethical, social and environmental issues.

Responsible Business Conduct

The Group's standards for responsible business conduct are set out in the Business Integrity Guide. Adherence to these uncompromising standards is part of what it means to be an employee of an industry-leading, best-in-class company. Sodexo employees must never compromise adherence to this guide for financial or other business objectives or personal gain. Sodexo does not tolerate any practice that is not born of honesty, integrity and fairness, anywhere in the world where it does business.

Corporate Responsibility

Since its creation in 1966, Sodexo's purpose is to create a better everyday for everyone to build a better life for all. We have formalized this commitment in our Corporate Responsibility roadmap, Better Tomorrow 2025.

Better Tomorrow 2025 focuses on Sodexo's role as an employer, as a service provider and as a corporate citizen as well as on the impacts that it has on individuals, on communities and on the environment. It has nine measurable commitments to action by 2025 with interim targets.

Sodexo's commitment to the environment as a service provider is to source responsibly and provide management services that reduce carbon emissions. Since 2009, Sodexo has implemented a low carbon strategy which is motivated by our desire to improve quality of life. Our strategy considers the business opportunities, risks and their financial implications.

In particular, these commitments are demonstrated through the following actions:

- long-term technical partnership agreement with World Wildlife Fund (WWF) to work on Sodexo climate strategy and its different components;
- tackling waste by engaging with Sodexo employees, clients and supply partners to provide innovative solutions on food waste through the deployment of the program WasteWatch;
- partnering with the Future 50 Foods Initiative. The Future 50 Foods Report identifies under-utilized plant-based foods that optimize nutrient density and reduce environmental impact. Sodexo has rolled out plant-based recipes containing the Future 50 foods in kitchens in Belgium, the United States, France and the United Kingdom;
- combined management focus on the achievement of the 34% carbon emissions reduction target, compared to 2017 baseline year.

In the area of nutrition considering the health and wellness of consumers, Sodexo is committed to food safety and encouraging our guests to develop good eating habits and healthy lifestyles. With the help of our nutritionists, we create balanced, nourishing meals adapted to the lifestyles and the diversity of the tastes of our consumers around the world.

In the area of social, economic and environmental development in the cities, regions or countries where Sodexo is present, we focus on the following actions:

- supporting the fight against hunger through Stop Hunger, a global network created 26 years ago;
- working with local and small businesses and contributing to local economies through the Partner Inclusion program which allows thousands of local businesses to integrate Sodexo's value chain;
- promoting gender balance with a target of having at least 40% woman among Sodexo's senior executives by 2025 (during Fiscal 2022 we reached 41% for this indicator and we are committed to ensuring that the Group maintains its lead on the subject of gender diversity and does not fall below 40%) and 100% of employees working within entities having gender-balanced management teams.

For detailed information on our Corporate Responsibility strategy, please see Chapter 2.

Human Rights at Work

Sodexo is committed to respecting human rights wherever it does business. This commitment, is supported by core policies and procedures which are based on international texts such as the Universal Declaration of Human Rights, the International Labor Organization's Declaration of Fundamental Principles and Rights at Work; it is also based on the principles set forth in the OECD Guidelines for Multinational Enterprises and the United Nations' Guiding Principles on Business and Human Rights.

The Sodexo Statement of Respect for Human Rights sets out standards for fundamental human rights at work. It covers the workplace, but also business relationships, communities, reporting concerns, due diligence and transparency. It is also accompanied by a guide and training that provides best practices and examples.

Health, safety and environment policy

Sodexo's ambition is to be the safest place to work for our employees. This ambition is reflected in our commitment to reach zero harm and a culture of care, for the people who work for us, for our clients, and for the consumers we serve every day.

Sodexo's global Health, Safety and Environment policy describes the Group's commitments, including working in partnership with our clients, consumers, suppliers and local communities, towards a zero harm culture where injuries and health issues are prevented and the environment is protected.

Information systems policies

The Group Information Systems and Technologies Department has defined three core objectives:

- provide a first-class experience to our customers and consumers as well as to our own employees by making the best use of available technologies;
- continuously improve Sodexo's performance through productivity gains, extensive data analysis, respecting obligations of compliance and strong relationships with our partners (solution and cloud providers, integrators);
- protect Sodexo's digital assets in a context where cyber risk is increasingly pervasive and complex.

To meet these three core objectives, the Information Systems and Technologies Department has put in place numerous procedures, notably in the following areas:

- Group Information Systems Governance;
- Information and Systems Security;
- Mobile Terminal Allocation and Security;
- IS&T Capital Expenditure Programs;
- Third Party Security.

Data protection policy

Sodexo's Global Data Protection Policy describes how Sodexo entities collect, use, store, share, delete or otherwise process personal data and how data subjects can exercise their rights. This policy applies to the global organization of Sodexo entities when the European data protection law, namely, the General Data Protection Regulation (or "GDPR") is applicable. This policy applies to the processing of personal data collected by Sodexo, directly or indirectly, from all individuals including, but not limited to Sodexo's job applicants, our employees, clients, consumers, suppliers or subcontractors, our shareholders or any third parties (for further details of the compliance program relating to GDPR and other data protection laws, please refer to section 6.3.5).

Internal audit policy

Internal audit activities include reviewing and assessing the adequacy and effectiveness of governance, risk management and internal control systems and processes. This includes assessing:

- the reliability of financial and non-financial information;
- compliance with existing policies, procedures, laws and regulations;
- the methods used to safeguard assets;
- the effectiveness of governance, operations and the resources used.

The Internal Audit team is also responsible for alerting the Chairwoman of the Board of Directors and Chief Executive Officer, the Audit Committee and the Executive Committee to any material risks and informing them of the causes of identified weaknesses.

The Internal Audit team has defined several procedures, primarily covering the identification of internal audit priorities for the coming fiscal year, the planning and execution of internal audits, the drafting of internal audit reports and the follow up of action plans to implement the team's recommendations.

A series of internal audit performance indicators has been developed. These include such issues as the percentage of internal audit recommendations that have been implemented, the average time required to issue internal audit reports, the annual audit plan completion rate, internal auditor rotation rates, the satisfaction rate among audited units.

Delegations of authority

Principles and policies in this area are supplemented by job descriptions, annual targets and, for senior executives, clearly defined delegations, which are reviewed annually and formally communicated to each executive by his or her superior.

The Chairwoman and CEO delegates certain authority to the members of the Group Executive Committee, who themselves delegate to members of their executive teams in regions and countries.

Delegations of authority cover business areas throughout the Group, and notably client contracts, procurement, investments and finance, strategy, people and organization, communications and brand.

Delegations of authority must comply with the Group's policies.

Improvement indicators

Sodexo uses a range of financial and non-financial indicators to measure progress in such areas as client retention and business development, profitability of contracts and business, human resources and corporate responsibility.

Group Finance coordinates the process and monitors operational improvement metrics for activities and entities using a Group dashboard.

Making progress in these areas is critical for future growth in underlying operating profit, operating cash flow and revenue.

The improvement metrics are presented each year to the Board of Directors and the Group Executive Committee in order to track progress in the areas concerned.

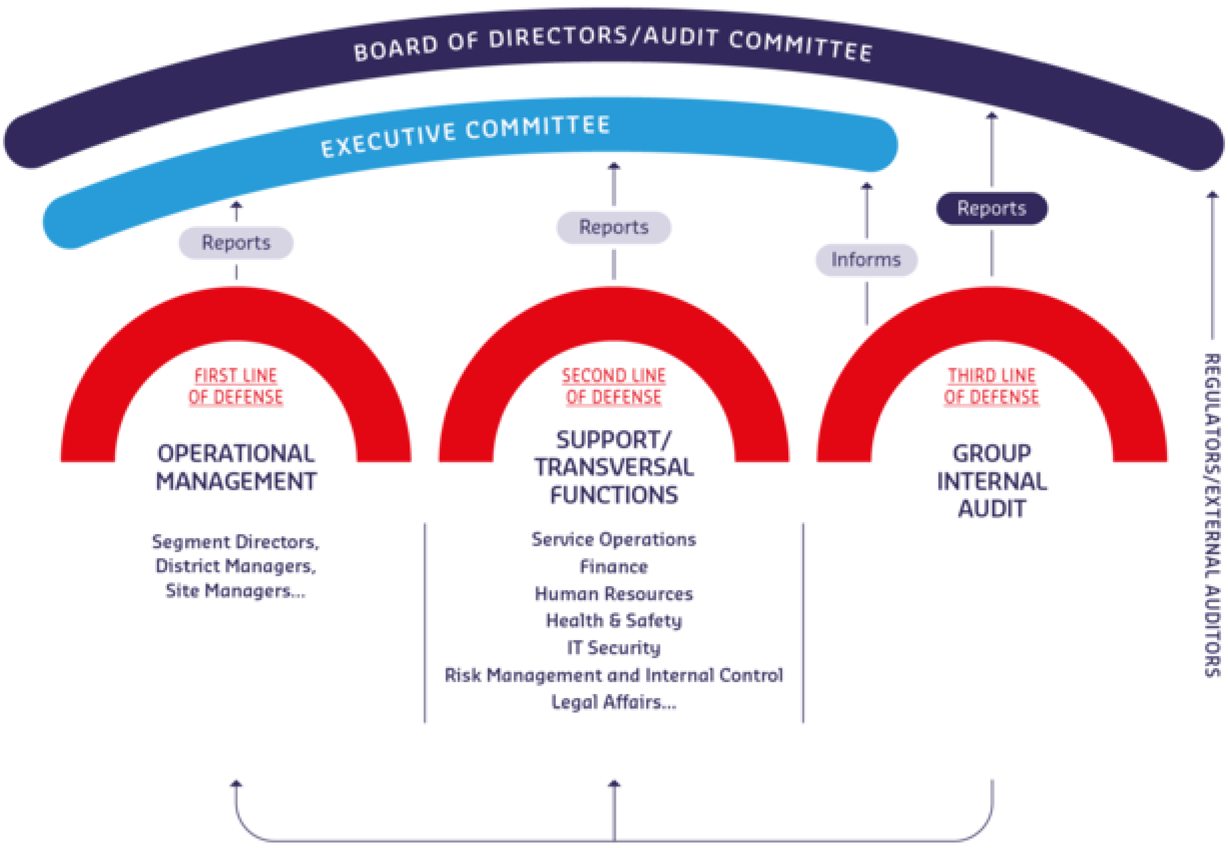
For further details of corporate responsibility metrics in particular, please refer to section 2.7. An independent firm was selected by Sodexo to audit a representative selection of these social, environmental and societal indicators. The conclusions of this audit are presented in section 2.7.3 of this document.

6.4.2 Risk management and internal control organization

6.4.2.1 Key participants and roles

The key participants in the risk management and internal control system are organized using the Three Lines of Defense model, as shown below:

SODEXO'S RISK MANAGEMENT AND INTERNAL CONTROL MODEL



Operational management

The first line of defense mainly consists of operational directors and managers who identify and manage risks within their activities. They put controls and action plans in place for the risks identified.

Support and transversal functions

The second line of defense consists of global support functions who are there to support operators with their risk management. They define the procedures and standards and provide standardized tools and processes to enable operational staff to put in place the appropriate controls.

Internal audit

The third line of defense is internal audit, which gives an independent evaluation of the risk management and internal control system to the Executive Committee and Board of Directors. It makes recommendations to the first and second lines of defense for the improvement of risk management and internal control and monitors action plans (see 6.4.4).

6.4.2.2 Risk Management Governing Bodies

Executive Committee

Sodexo's Executive Committee has overall responsibility for establishing procedures to manage risk. Its role includes designing and leading on the internal control system, with support from senior leaders and the second line of defense functions in their own area of expertise.

Board of Directors and Audit Committee

Sodexo's Board of Directors role is to provide oversight of the risk management and internal control system, and ensure that it is functioning effectively. As a specialized Board Committee, the Audit Committee follows up in detail on Sodexo's principal risks and the efficacy of the controls used to mitigate them (see 6.2.1.5) and reports back to the main Board.

Sodexo has put in place a robust procedure for the identification and assessment of major risks, designed to ensure that risks are evaluated and managed at the appropriate level within the organization. Measures to manage risks are implemented either at the site, country, regional or global level, depending on their nature.

The Group's internal control procedures rely on the fundamental principles defined by the Board of Directors.

6.4.2.3 Approach to Risk Assessment

Sodexo uses a hybrid risk assessment approach, both "bottom-up" from operators and "top-down" from senior management.

On an operational level, the leadership committees of each of Sodexo's main entities carry out an annual risk assessment, facilitated by risk and internal control managers. The results of these assessments are recorded in a global risk management tool. Risks thus identified are owned and managed at the local level.

Additionally, a series of interviews with Sodexo's senior leaders across the world is carried out by Group Internal Audit on an annual basis to identify key risks impacting Sodexo's business and the achievement of its objectives.

The results of all the risk assessments and the senior leader interviews are evaluated in the development of the Group risk profile which comprises the principal risks that might impact Sodexo's strategic priorities. The profile is shared with Sodexo's Executive Committee for comment, before being submitted to the Audit Committee and the Board of Directors.

6.4.2.4 Risk Assessment Methodology

Sodexo assesses its risks in three stages using a standard global methodology:

- risk identification: the first step is the identification of risks that may impact Sodexo's ability to achieve its objectives, whether it be at site, country, regional or global level. Several risk identification methods are used, including surveys and risk registers, but the recommended and most widely used method for both bottom-up and top down assessments is by individual interview with key stakeholders;
- risk evaluation: risks identified in the previous step are then evaluated using three risk criteria:
  - impact – the effect or consequence the risk will have,
  - likelihood – the frequency or probability of the risk occurring,
  - level of control – the level of control already in place to reduce the risk;
- risk prioritization: following evaluation, risks are then prioritized for further actions to treat them.

The main risk factors to which the Group is exposed are described in section 6.4.3 of this Universal Registration Document.

6.4.2.5 Link between internal control and risk assessment

As described above, risk assessment is used to identify, evaluate and prioritize risks. Once they have been assessed, risks are treated to reduce their effect. Ways of treating risks include putting in place action plans and implementing controls. Controls therefore form an important part of the range of measures that can be used to mitigate risks, and Sodexo's internal control procedures are part of an ongoing process of managing the Group's risk exposure.

Sodexo's risk management and internal control system is based on the internal control reference framework recommended by the French securities regulator (Autorité des marchés financiers – AMF). The five components of the reference framework are the control environment (integrity, ethics, competencies, etc.), evaluation of risks (identification, analysis and management of risks), control activities (methods and procedures), information and communication (collection and sharing of information) and monitoring (follow-up and eventual updating of processes).

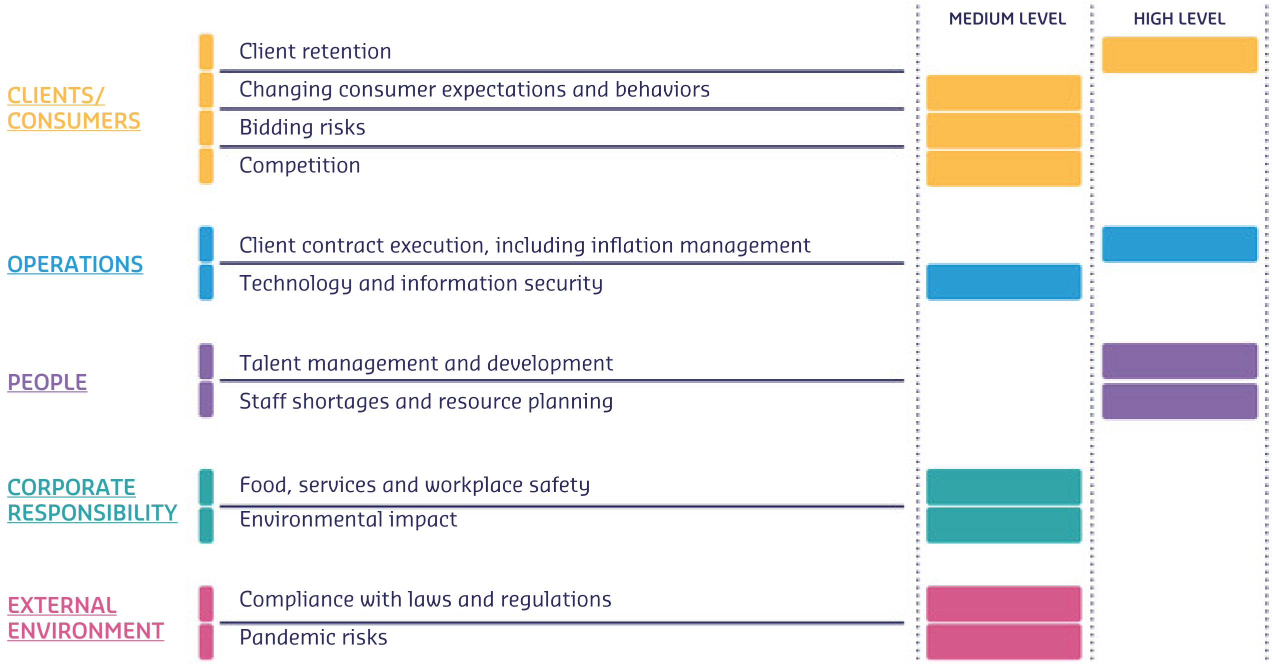
6.4.3 Risk factors

6.4.3.1 Principal Risks and Risk Management Measures

Summary of Sodexo's Principal Risk Factors

The summary table of Sodexo's principal risks shows a classification of the risks by reference to four categories, as well as risks from the external environment. As outlined in 6.4.2.4, each risk is assessed using impact and probability to give an evaluation of the inherent risk, and then a third criteria "level of control" is used to evaluate the overall net risk. The table below shows the net risk assessment. The most significant risks are presented at the top of each category, and the materiality of each risk shown is using a two-level rating scale, as follows:

MAIN RISKS AND RISK MANAGEMENT



Description of Principal Risk Factors

The tables below describe Sodexo's principal risk factors, their possible impact and give examples of measures implemented to reduce these risks.

CLIENT RETENTION

Risk of not keeping and renewing contracts with Sodexo's existing clients.

Category: **Clients/Consumers**

Impact	Examples of Mitigating Activities
Many clients now work on a hybrid model, with employees working both at home and in the office on a regular basis. This means that Sodexo's food offer has to be more flexible to be able to reach consumers in both places and that the traditional workplace food offering – an on-site kitchen providing food to on-site employees at set hours – has evolved. Sodexo needs to work with its clients pro-actively as a partner to adapt to changing circumstances and continue to meet evolving client needs. A lack of ability to adapt to the client's current circumstances, an inability to transform our services to remain attractive to meet client/consumer demand, or any changes in client outsourcing strategy could mean that the client is not retained, possibly leading to: • less growth; • decrease in profitability; • loss of credibility in the market place.	• On-site teams continually listening to the client and the consumer. • Strengthening of the client relationship management process to ensure alignment with client expectations on an on-going basis. • Our client offer Vital Spaces offers a comprehensive and systematic approach to workplace design, workplace management and work life services. • Risk reviews carried out with key accounts every six months to review retention risks. • Monitoring at global level of retention in the client portfolio, using a client relationship management tool.

CHANGING CONSUMER EXPECTATIONS AND BEHAVIORS

Increased consumer expectations around personalized, innovative and digital services, healthy food choices and a comfortable environment; increased consumer expectations in relation to business conduct and environmental impact.
Structural changes in the way consumers choose to consume food.

Category: **Clients/Consumers**

Impact	Examples of Mitigating Activities
Consumers expect to be able to consume food in different ways and at a time of their choosing. They expect more choice, more convenience, healthier options and socially responsible behavior from the companies from which they receive service. If Sodexo cannot adapt its consumer offer adequately or cannot anticipate and meet consumer expectations for innovation and in relation to environmental impact or business conduct, its revenues, as well as its reputation, could be affected.	• Acceleration of the multi-channel delivery model which offers consumers greater flexibility for food consumption; click and collect, delivery, micro-markets, connected fridges. • Increased use of technology, for example robotic food delivery on-campus. • Focus on expanding the provision of plant-based meals, offering consumers both a healthy option and one with a lower carbon footprint. • Partnership with Quorn to launch a carbon neutral food services solution in the UK. • Supply Chain Inclusion program that proactively focuses on buying from small and medium-sized companies, suppliers owned or operated by women or people from minority groups and major suppliers who actively embrace diversity, equity and inclusion in their workforce.

BIDDING RISKS

Risks relating to the commercial and contractual model and the scope of services included in a client contract.

Category: **Clients/Consumers**

Impact	Examples of Mitigating Activities
Some of Sodexo's client contracts are long-term and may run between five and ten years. This is particularly relevant for the Business & Administrations segment. Factors such as: • inaccurate pricing assumptions; • a lack of definition or detail in the scope of services; • underestimating the complexity of the scope of work; • and inadequate contractual clauses. during a bid proposal can lead to low margins or even losses on the contract, either in the startup phase or at a later date.	• Benchmark exercises, site visits, full due diligence and the use of technical expertise are all part of the process to establish unit costs, seasonality of services and base-line estimates (monitoring of cost and performance indicators to verify the relevance and competitiveness of our offer). • Identification of the main contractual risks (from the analysis) and the deployment of measures to compensate these risks. • Use of costing models and benchmarking to validate assumptions. • Robust, standardized and transparent costings. • Integration of different stakeholders in the review process to better anticipate possible issues. • Strict execution of Sodexo's key processes for solution and contract design & solution mobilization.

COMPETITION

Sodexo faces both established competitors and new digital entrants at the local, national and international levels: risk of market share loss and loss of growth momentum.

Category: **Clients/Consumers**

Impact	Examples of Mitigating Activities
Sodexo operates in a highly competitive environment. If it cannot meet client needs, then it may lose contracts to competitors, resulting in a lack of growth of revenues and lower profitability.	• Creation of new multichannel offers to better respond to consumer expectations. • Investment in digital technology including digital applications, innovative food solutions such as restaurant delivery and digital retail services, robotics to enhance cleaning and the use of artificial intelligence to improve services help Sodexo enhance the consumer experience and take advantage of the opportunities created. • Strategic acquisitions to expand Sodexo's offers. • STEP: Sodexo's performance management framework designed to drive operational performance through common operational indicators. • Identification of savings to be redeployed in investment for growth. • Strengthening of commercial teams on the ground. • Competitor benchmarking. • Sector studies.

CLIENT CONTRACT EXECUTION, INCLUDING INFLATION MANAGEMENT

Risks relating to the execution of a client contract: poor service delivery, non-fulfilment of contractual and performance obligations, over delivery of additional services not defined in the contract, poor management of food and labor costs, inability to pass through inflation.

Category: **Operations**

Impact	Examples of Mitigating Activities
Poor service delivery to clients or non-fulfilment of contract obligations could lead to client dissatisfaction, possible contractual penalties and ultimately the loss of the client. Over-delivery of additional services not defined in the contracts and without related invoicing could lead to a shortfall in revenues and loss of profitability on the contract. Poor management of food and labor costs could result in reduced profitability on the contract. In Fiscal 2022, there has been significant and rapid increases in food inflation driven by rising commodity, transport and packaging costs and exacerbated by the war in Ukraine. Additionally, labor inflation has also increased, driven by a labor shortage in the food services sector. Both of these have meant increased costs for Sodexo. It is also likely that inflation will continue to be significant in Fiscal 2023. If Sodexo is not able to pass inflation through to the client *via* indexation clauses, or is able to do it, but not quickly enough, then it could result in loss of profitability on contracts.	• "I Promise": tools and techniques to help site managers manage their contracts and improve the services they deliver. • Definition of operational standards and best practices that are shared to improve performance (*e.g.* Innovhub). • Tools such as the Site Management System to ensure proper training of employees and the execution of quality inspections. • DRIVE: integrated food management process. • STEP: Sodexo's performance management framework. • Robust price revision process to manage contractual inflation with our clients. • Active procurement management to limit cost inflation relative to market indices. • Active operational mitigation plans in all countries: enhanced labor scheduling, reengineered menus, food waste reduction. • Dynamic retail price reviews. • Strict monitoring of under performing contracts.

TECHNOLOGY & INFORMATION SECURITY

Risks around managing the confidentiality, availability and integrity of Sodexo's information technology assets; managing cloud systems and third-party suppliers, managing Sodexo and client data; risks from external cyber threats.

Category: **Operations**

Impact	Examples of Mitigating Activities
On a daily basis, Sodexo IT systems process the data of 422,000 Sodexo employees and 100 million consumers; including patients in hospitals. In addition, the demand for new innovative and efficient services creates a fast changing and highly interconnected architecture. Sodexo is also a target for cyber criminals who want to exploit its weaknesses and gain access to the data of the thousands of clients and suppliers, to whom Sodexo is connected. Within this challenging environment, information security issues such as poor data integrity, loss of data confidentiality and lack of availability of key systems, or collaboration services, could result in high cost and/or high-volume impacts such as: • inaccurate financial reporting; • contractual penalties; • regulatory fines; • reputational damage with shareholders, clients, consumers, suppliers and employees.	• Group Information and Systems Security Policy aligned to ISO 27001 framework, with detailed security directives on key topics (*e.g.* security by design, cloud services, incident management). • Investment in security infrastructure, tools and services such as multi-factor authentication, laptop encryption, security risk assessments, email monitoring and endpoint detection and response. • Events and incidents monitored through a Security Operations Centre. • Global cyber incident management and response process • Global Data Center consolidation strategy focused on using trusted hosting partners to provide secure and efficient services. • Company-wide collaboration on security and compliance topics such as data privacy, cyber threats, new technologies and IT internal controls facilitated by formal Governance Committees and cross entity network groups.

TALENT MANAGEMENT AND DEVELOPMENT

Risk of not having the right people in the right place at the right time.

Category: **People**

Impact	Examples of Mitigating Activities
Sodexo is a company of people serving people. Growing, engaging and retaining our people is central to our strategic objectives and our ability to grow. A lack of attention to employee engagement, retention and development could lead to: • a decrease in service quality jeopardizing client satisfaction and retention, and therefore long-term profitable growth; • loss of talented employees to other companies.	• Training programs to grow and develop Sodexo employees. • Performance management and reward framework to help retain, develop and motivate people. • Talent reviews and succession planning to promote internal mobility • Global Next Generation Leader program designed to strengthen leadership bench. • Empathetic and Collective Leadership Program – supporting managers to engage authentically with their people. • People retention tracked and monitored as a global KPI and included in bonus plans. • Sodexo Supports Me: Employee Assistance Program that provides counseling and support to help employees across the world meet the challenges of everyday life, both at work and outside.

STAFF SHORTAGES AND RESOURCE PLANNING

Staff shortages due to significant pressure on the labor market and non-availability of required skills resulting in possible inability to meet client needs in terms of both workforce and know-how

Category: **People**

Impact	Examples of Mitigating Activities
On a global scale, Sodexo's ability to recruit enough employees is influenced by: • perceived attractiveness of the jobs available; • the availability of the required skills (*e.g.* chefs); • competition with other sectors for the same pool of people. Post-pandemic, there is intense competition to recruit staff across the food services, hospitality and events sectors, resulting in a global staff shortage in the short-term. An inability to recruit enough staff or to recruit staff with the right skill set could result in client contracts not being served properly. This could lead to: • client dissatisfaction; • possible contractual penalties; • lower revenue and reduced profitability on-site.	• Dedicated site-based employee attraction and retention strategies launched and tracked across all regions. • Careful monitoring of pay and benefits to ensure competitiveness. • Development and activation of a clear global employee value proposition. • Incorporation of employee retention into annual objectives for site managers and above. • Development of blended learning programs to incorporate both in-person and virtual training opportunities. • Design of competency models and career paths to help employees develop within the Company. • Employee referral programs.

FOOD SERVICES AND WORKPLACE SAFETY

Consumer illness or injury caused by technical services, consumer illness caused by food services, work-related Injury/illness of Sodexo employee or contractor.

Category: **Corporate Responsibility**

Impact	Examples of Mitigating Activities
Ensuring the safety of consumers, clients and Sodexo employees is a critical priority. Potential illness, injury or loss of life of consumers, clients or Sodexo employees could mean: • loss of client confidence in Sodexo; • significant lost time due to injury and illness; • fines and potential litigation; • impact on Company reputation.	• Appropriate use of Personal Protective Equipment. • Reinforcement of existing global HSE safety policy and standards for food safety, personal hygiene and infection control. • Medical Advisory Council, a multi-disciplinary team that advises on measures to ensure safe procedures that adhere to all local regulations. • Sodexo Safety Nets – seven measures for accident prevention. • Employee training. • Leadership Safety Walks. • Incident and accident reporting. • Quick Share process to share lessons learned from investigations. • Global HSE Committee that reviews incidents and the effectiveness of processes on a quarterly basis.

ENVIRONMENTAL IMPACT

Adverse environmental impact from Sodexo's activities: ineffective actions to mitigate climate change, poor management of food waste and resources

Category: **Corporate Responsibility**

Impact	Examples of Mitigating Activities
• Ineffective climate change actions could result in Sodexo's carbon emissions staying the same or even increasing.Given its large footprint, this could have a significant impact on global warming and biodiversity loss. In addition, this could impact our client retention, investors' confidence and external trust and recognition. • Poor food waste and resource management could result in a loss of client and consumer confidence and a decreased ability to attract new clients.	• Partnership with WWF since 2010 focused on reducing the Company's environmental impact, achieving its carbon reduction target and managing its CSR strategy. • Measurement and tracking of Sodexo's carbon footprint (upstream and downstream). • Member of the Climate Group's RE100 initiative with a commitment to switching to 100% renewable electricity by 2025 at directly operated sites. • Developing and deploying a carbon trajectory tool with partner Traace to help Sodexo teams create their carbon reduction roadmap. • WasteWatch global program to reduce food waste. • Connecting financing costs of the Group to action on food waste performance. • Implementing a long-term incentive plan, including a sustainability index. • Roll-out of plant-based recipes in units using ingredients selected for their lower environmental impact and higher nutritional value.

PANDEMIC RISKS

Risks associated with the uncertainty surrounding the global pandemic

Category: **External Environment**

Impact	**Examples of Mitigating Activities**
Although the risks of Sodexo's operations being significantly disrupted by the Covid-19 virus have clearly reduced in the last year, it is possible that further local or regional outbreaks continue to occur, with countries restricting movement of people or initiating targeted lockdowns. Any re-occurrence may result in client site closures, which would result in less revenue generation on those sites and reduced profitability for Sodexo.	• Monitoring on a country by country basis to anticipate potential restrictions. • Precise and pro-active management of our workforce to adapt to changing environments, benefiting from the experience of the last two years. • Medical Advisory Council to support our employees' health and safety • Rigorous follow-up on the execution of our services with strong contract management. • Continued focus on management of cash and client receivables. • Continued focus on strict control of selling, general and administrative costs.

COMPLIANCE WITH LAWS AND REGULATIONS

Risk of non-compliance with a wide variety of laws, including labor law, antitrust law, anti-corruption law, data protection and privacy, and health, safety and environmental law.

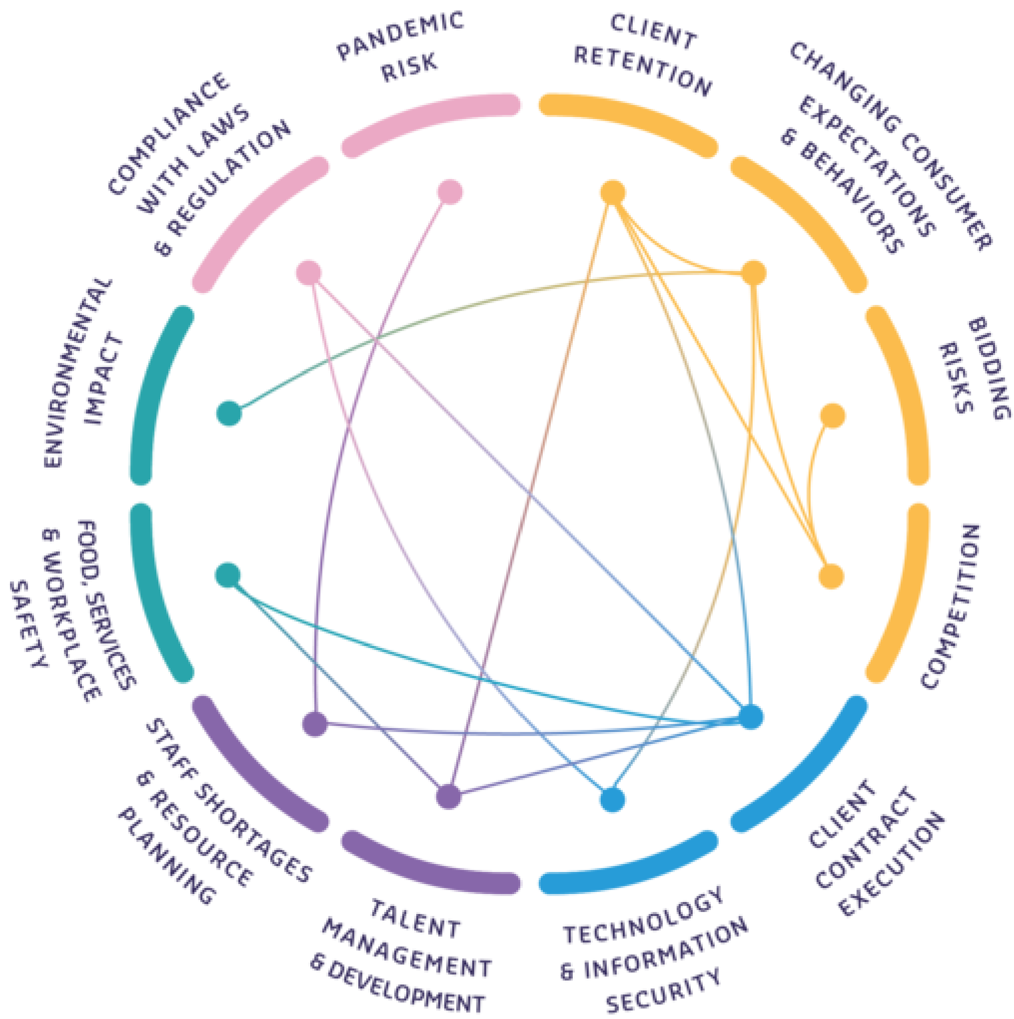
Category: **External Environment**

Impact	**Examples of Mitigating Activities**
The wide range of services that Sodexo proposes and its worldwide presence means that it is subject to very specific laws and regulations for its operations at both the global and local level. For example, as a food operator, Sodexo has a legal requirement to provide accurate allergen information about the food and drinks it serves. The issue of cards in Benefits and Rewards Services require compliance with anti-money-laundering laws in some countries. Changing regulatory scenarios that may also have an impact on its business include anti-corruption (Sapin II Act on transparency, fight against corruption and the modernization of economic life), and duty of care and human rights regulations (*e.g.* France's Duty of Vigilance law and the UK Modern Slavery Act). Any non-compliance of Sodexo with laws and regulations or a lack of knowledge and awareness of laws and regulations either at a country level or a global level could mean: • harm to employees, clients and consumers; • damage to Sodexo's reputation; • potential financial penalties; • criminal action being brought against the Company and its directors.	• Legal teams deployed at the central and local levels, who provide advice to operational staff. • Legal teams specialized by area of expertise, having recourse to external experts. • Awareness training sessions for our employees. • Global Ethics and Compliance Committee ensures coordination and coherence of deployment of ethics and compliance programs amongst countries. Details of these programs are provided in section 6.3.3 "Ethics and Compliance" and 6.3.4 "Vigilance Plan". • Sodexo Speak Up offers Sodexo employees and partners a confidential way to report activities or behaviors that are contrary to the Code of conduct or simply illegal.

Interconnectivity of Principal Risk Factors

Sodexo's risk factors may arise individually, but they can also have an effect on each other. In order to better understand the relationship between the risk factors, and to enhance overall risk resilience, a mapping of the interconnectivity of the risk factors was carried out. This mapping is show below.

INTERCONNECTIVITY OF RISKS



6.4.3.2 Emerging Risks

In carrying out its risk assessment, Sodexo also considers risks arising from changes in the external environment. This includes a consideration of emerging risks that are new external risks or existing external risks that have evolved with time, or have been triggered by changed circumstances. They may be perceived to be potentially significant, but might not yet be fully understood, and/or the consequences may be difficult to quantify.

Climate Change Risk

In Fiscal 2021, we identified climate change as an important emerging risk that will impact Sodexo's business. To underline the importance of this risk, a cross-functional Sodexo team worked with external specialists in Fiscal 2022 to better identify and analyze the risks and opportunities created by climate change.

This risk assessment was carried out using the Task Force on Climate-Related Financial Disclosures (TCFD) framework. This framework divides risks into:

- physical risks: acute event-driven risks resulting from client change such as an increase in severity in floods, cyclones or hurricanes, and chronic risks that result from shifts in longer term weather patterns such as higher temperatures causing more heatwaves;
- transition risks: the policy, legal, technology and market change risks that may arise for a company transitioning to a lower carbon economy. Further reputational risk may also occur if a company fails to transition fast enough or meet stakeholder expectations in relation to climate change.

A list of 26 physical and transition risks that could affect Sodexo's business was identified. Each risk was qualitatively assessed in relation to Food Services, Facilities Management and Benefits and Rewards Services activities for Sodexo regions, using likelihood and impact as risk criteria. Likelihood was calculated for each country using respected external data sources. Impact was assessed based on knowledge of Sodexo's business and the insights from a series of risk interviews run with key senior leaders. The standard definitions for impact within Sodexo's wider risk management framework were used for the assessment. Results were aggregated to show the criticality of each risk by activity type and by region.

At the same time, opportunities created by climate change were assessed. Those opportunities can help Sodexo mitigate the risks, adapt to climate change or create value. They were assessed through a series of workshops with key stakeholders on Food Services and Facilities Management, as well as interviews with key senior leaders. More than 60 initiatives were identified, regrouped in 18 opportunities after impact assessment.

The risk assessment identified that Sodexo's Food Services business had the greatest risk exposure, driven by possible disruptions to its supply chain through physical risks. For example, the increased frequency and severity of drought could mean that the agricultural industry becomes less productive, reducing its ability to meet demand and increasing costs. This would mean that Sodexo might not be able to source the products needed for client and consumer offers, resulting in reputational damage, or the products can only be bought at a much higher price, leading to loss of profitability on contracts.

In order to mitigate this risk, Sodexo already uses a broad range of suppliers, and continually adapts its menus to take account of the availability of products. Sodexo also manages its costs through the use of indexation clauses in client contracts.

In relation to transition risks, the risk assessment highlighted a risk from a shift in consumer demand – a move away from traditional menus and recipes to more plant-based options. If Sodexo is not able to adapt to this change, then it will lose client and consumer business, resulting in a loss of revenues and profitability.

To mitigate this risk, our nutritionists constantly work to create new attractive meals that reflect consumer choices and the diversity of their tastes around the world. Sodexo also recently launched the Future Food Collective; a collaborative initiative bringing its chefs together with industry experts and key suppliers to look at consumer habits. By partnering with NGOs such as the Food for Climate League, the Future Food Collective is gathering insights to develop new plant-based innovative solutions for consumers.

In a second stage after the risk assessment, scenario analysis was carried out to assess the resilience of Sodexo's strategy to key risks and opportunities under different climate scenarios. Full details of this work are outlined in Chapter 2 p. 89.

For possible adverse effects from Sodexo's activities on the environment, which are already identified as part of the main risk profile, please refer to 6.4.3.1 Environmental impact risk.

Prolonged Economic Slowdown

A combination of the after-effects of the pandemic, geopolitical factors, rises in inflation and a sharp slowdown in global growth means that there is a risk of a global economic slowdown that could last several years. It is possible that many countries will enter a period of recession. If clients downsize their activities during this period, then there is a risk that Sodexo could experience a loss of revenue and have fewer opportunities for strategic growth.

To mitigate this risk, leadership teams follow the geopolitical and economic climate of their countries closely to ensure that any developments and their potential to impact our business. are clearly understood. Sodexo continually takes appropriate measures to protect the business against external economic influences including portfolio rightsizing, adapting strategy, introducing new technology and controlling costs.

6.4.3.3 Risk coverage

Group Insurance works closely with the relevant executives in the entities to:

- implement global insurance programs, negotiated at the Group level, available for all entities and supported by insurance companies recognized within the Insurance Industry for their financial solidity;
- put in place insurance coverage to protect the interests of employees, clients, shareholders and the Group;
- identify and evaluate the key insurable risks faced by Sodexo, with particular attention to the emergence of new risk factors associated with changes in our activities;
- reduce contractual risk, in particular by means of limitation of liability clauses or hold-harmless agreements;
- achieve the appropriate balance between risk retention (self-insurance) and the insurance market in covering the potential financial consequences of Sodexo's risk exposure; and
- achieve optimization by financing some of the Group's risks through the use of captive insurance companies.

6.4.3.3.1 Insurance coverage

Sodexo's general policy is to transfer non-retained risks, especially intensity risks, to the insurance market. Insurance programs are contracted with world class insurers.

The main insurance programs are as follows:

- liability insurance, which covers personal injury, property damage or consequential loss caused to third parties. This category notably includes operational, product, after-delivery and professional liability insurance. Since June 1, 2016, Sodexo has implemented a worldwide liability insurance program benefiting all countries in which the Group operates, including the USA and Canada;
- property insurance, which mainly covers the risk of fire and explosion, water damage, natural disasters, and (in some countries) acts of terrorism. As a general rule, the sum insured is equal to the value of the insured property; however, some insurance contracts cap the amount paid out under the policy;

- workers' compensation. In countries with no government-provided coverage (primarily the United States, Canada and Australia), Sodexo has contracted workers' compensation programs;
- crime insurance specifically for Benefits and Rewards Services, to partially transfer the risks of fraud, falsification and theft to the insurance market;
- marine cargo insurance for covering loss or theft of goods during shipment;
- employment practices liability which provides coverage for wrongful termination, sexual harassment, discrimination and workplace torts. This program was originally implemented in the United States and Canada, but has been expanded globally from June 1, 2017;
- cyber risk insurance, which responds to cyber events such as intrusion, denial of service attacks, data breach. It covers the forensics, privacy breach and data restoration costs as well as any business interruption arising out of a cyber event. In a very tough market, the cyber risk insurance is reviewed regularly and implemented according to the best possible conditions.

In addition, Sodexo maintains compulsory insurance as legally required in the countries where it operates.

6.4.3.3.2 Self-Insured Risks

Retained or self-insured risks correspond to the deductibles specified in the insurance programs contracted by Sodexo. They consist for the most part of frequency risks (*i.e.,* risks that occur regularly) but from time to time may also include intensity risks (*i.e.,* risks representing substantial amounts). In some countries, these retained risks correspond to deductibles under employer's liability, workers compensation, third-party automobile and property insurance. Deductibles range from 5,000 U.S. dollars to 5 million U.S. dollars per occurrence. Sodexo also self-insures frequency risks and low amplitude risks through two captive insurance companies. The American company, incorporated in the State of Hawaii, manages the deductibles of the Workers' Compensation, Automobile Liability and General Liability insurance program as well as reinsurance on the General Liability. The Irish company, based in Dublin, provides:

- direct insurance for motor own damage and motor third party liability risks, marine hull and cyber risks;
- reinsurance on property, marine, general liability and automobile liability.

The maximum exposure of our captives on a single risk amounts to 10 million U.S. dollars per claim and in aggregate per year.

6.4.3.3.3 Placing of risk and total cost

On the occasion of its most recent policy renewals, Sodexo maintained the scope and level of its coverage, as regards in particular, general liability insurance and professional liability insurance, especially for risks associated with Facilities Management activities.

The total cost of the main insurance programs and self-insured risks (excluding workers' compensation) of fully-consolidated Group companies, represents around 0.25% of consolidated revenue.

6.4.3.4 Internal Control Process

The risk management and internal control approach applied within the Group consists of:

- identifying and assessing risks;
- describing the control environment, both at Group and subsidiary levels;
- documenting and making a self-assessment of these controls, both at local and Group level;
- independent testing of the effectiveness of these controls, by independent persons.

The internal control process is facilitated by a network of local internal control managers and coordinators embedded in the business, supported by a small central internal control team. Their role is to:

- facilitate entity risk assessments by carrying out risk interviews;
- assist in the documentation of controls with control owners;
- support the implementation of new controls;
- carry out entity testing of strategic controls relating to the control environment and process controls;
- support Group Internal Audit in the follow-up of the implementation of its recommendations.

A very large number of Group entities prepare a detailed report (Company Level Control Report) on their control environment based on the five components of the reference framework and which includes an evaluation of the subsidiary's principal risks, a description of risk management measures and an assessment of their effectiveness.

The most significant Group entities go beyond this initial phase, and evaluate the effectiveness of additional controls determined by their own risk assessment (Process Level Controls). Some of these controls are also subject to effectiveness tests performed by independent persons (Group Internal Auditors).

An executive summary of the status of internal controls and the progress achieved is submitted to the Audit Committee at the end of the fiscal year.

6.4.3.5 Internal controls relating to the preparation of accounting and financial disclosure

Group Finance is responsible for ensuring the reliability of financial and accounting information.

A process is in place to produce and analyze financial information at both operational sites and in the Group and local Finance teams.

Local Finance teams produce a monthly cumulative income statement starting at the beginning of the fiscal year, a balance sheet, and a statement of cash flows. They also regularly produce projections for the full year. Financial statements are consolidated on a monthly basis by Group Finance.

At the half-year, the external auditors conduct a limited review of the interim financial statements.

At the end of the fiscal year, the Chief Executive Officers and Chief Financial Officers of the segments and regions certify the reliability of their financial statements, prepared in accordance with IFRS standards. The external auditors of the main entities express a view on these financial statements in accordance with their mandate from Sodexo's shareholders. Group Finance monitors changes to IFRS standards and interpretations and ensures that the accounting treatments applied by all entities are compliant with Group rules.

Twice a year, Group Finance identifies the events that may have led to one or several assets being impaired, notably goodwill and intangible assets (in accordance with IFRS). Where appropriate, the carrying amount of the asset concerned is written down in the financial statements.

Segment Chief Executive Officers and their Executive Committees, as well as Region Chairs and Chief Financial Officers review operational and financial reporting (comprising improvement metrics for client retention, sales development and comparable unit revenue growth) before presenting it to the Group Executive Committee. In addition, quarterly reviews with each of the Group's activities, segments and regions give the Group Chief Executive Officer and Group Chief Financial Officer insight into performance trends for the segments and regions based on the financial reporting and operational information.

Procedures are in place to identify off-balance sheet commitments. This term covers all rights and obligations that may have an immediate or future impact on Sodexo's financial position but are not recognized (or are only partially recognized) in the balance sheet or income statement. These include items such as assets pledged as security; guarantees relating to operating contracts (for example bid bonds or performance bonds), to borrowings, or to claims and litigation; lease obligations not recognized in the balance sheet; commitments under call or put options. Off-balance sheet commitments are presented regularly to the Board of Directors.

The Sodexo Tax Department defines the Sodexo Group Tax Policy. The policy is designed to achieve tax consistency worldwide and to ensure that appropriate taxes are paid in line with local tax rules and the substance of our business in the various geographic regions in which Sodexo operate. The global tax team ensures that a consistent approach is applied on tax issues in all countries and advises and assists operational teams on all questions relating to tax laws.

The Sodexo Legal Department (comprised of a Group team and regional and local teams) works pro-actively with business development and operational teams to ensure legal compliance and support contract negotiations, so that risks pertain solely to contractual obligations for services and are limited in value and duration.

Lastly, using the financial information reported and consolidated, the Chief Executive Officer, assisted by the Group Financial Communications team, prepares the Group's financial communication. The Chief Executive Officer also relies on the operating data required to prepare the Universal Registration Document. The interim and annual results press releases are submitted to the Board of Directors for approval.

To enable the Chief Executive Officer to provide reliable information on the Group's financial situation, a Disclosure Committee comprising representatives from the Group's corporate functions reviews all financial information prior to publication. Members represent the following functions: Financial Control, Financial Communications, Legal, Internal Control Human Resources, Sustainable Development and Communications and Board Secretary.

6.4.4 Group Internal Audit Department

The Senior Vice President Group Internal Audit reports directly to the Chairwoman of the Board of Directors and CEO, and functionally to the Audit Committee. The Senior Vice President Group Internal Audit meets the Chairwoman and CEO on a monthly basis and works closely with the Chairwoman of the Audit Committee, holding informal meetings (approximately four times per year).

The team, with an average of 24 staff, is organized in four different hubs for global coverage – Paris, London, Washington and Singapore. The team members come from diverse professional backgrounds and speak multiple languages.

Sodexo's Group internal audit activities are certified by the French Internal Audit and Internal Control Institute (IFACI). This internationally recognized certification attests to Sodexo's compliance with and application of 30 general requirements of the Professional Internal Audit Standards (independence, objectiveness, competence, methodology, communication, supervision and continuous assurance program).

IFACI certification is a high-level confirmation of quality and performance that:

- powerfully conveys Sodexo's rigorous approach to evaluating its risk management and internal control processes;
- benchmarks Sodexo's processes against best market practices;
- enables the Group to sustainably strengthen its internal audit practices.

The Internal Audit Department performs internal audits of Group entities based on an internal audit plan established annually.

The audit plan is based on the Group Risk Profile (which is established using the approach described under 6.4.2.3 Approach to Risk Assessment) and input from the Chairwoman and CEO, the Chief Financial Officer and other key Sodexo stakeholders. The Audit Committee reviews and approves this annual audit plan.

The responsibilities of the Internal Audit Department include:

- ensuring, with the related functional teams, that employees throughout the organization are aware of and diligently apply Group policies;
- ensuring that delegations of authority and procedures have been established and communicated to the appropriate levels of management, and checking that they are properly implemented;
- helping to assess entities' internal controls, issuing action plans designed to remedy identified control weaknesses, and monitoring implementation of these action plans.

The Internal Audit Department may also conduct special assignments at the request of the Chairwoman and CEO, the Audit Committee, or the Executive Committee.

During Fiscal 2022, the Group Internal Audit Department conducted 40 audits in 31 countries. In addition, the network of close to 85 internal control coordinators provides support for internal audit engagements and the remediation of weaknesses identified by the internal audit team.

The Internal Audit Department regularly tracks implementation of post-audit action plans by Group entities. An overall progress report is updated regularly and submitted on a quarterly basis to the Chairwoman and CEO, the Group Chief Financial Officer, and the Audit Committee. All audits are followed up within a maximum of 12 months.

In Fiscal 2022, the Internal Audit Department carried out a post-audit quality survey with all audited entities. 98% of these entities considered that the quality of audits was satisfactory.

Finally, the Internal Audit Department assesses the external auditors' independence and reviews the annual budgets for external auditors' fees (for both statutory audit work and other engagements) prior to their approval by the Audit Committee.

Risk management and the reinforcement of internal control are a permanent strategic priority for the Group.

Internal controls cannot provide an absolute guarantee that all risks have been eliminated. Sodexo nevertheless endeavors to ensure that the most effective internal control procedures feasible are in place in each of its entities.

In compliance with the July 2010 recommendation issued by the French securities regulator (Autorité des marchés financiers – AMF), this report is prepared on the basis notably of the "Reference Framework" produced by the French Market Advisory Group and published by the AMF.

6.5 Compensation

The disclosure provided in this section complies with:

- the requirements concerning Corporate Officers' compensation introduced by *ordonnance* 2019-1234 of November 27, 2019 issued pursuant to France's Business Growth and Transformation Act dated May 22, 2019 (the "PACTE Act");
- the recommendations contained in the AFEP-MEDEF Code as revised in January 2020; and
- the recommendation DOC-2012-02 issued by the French securities regulator (AMF) concerning corporate overnance and executive compensation in listed companies.

Established by the Board of Directors on the basis of recommendations made by the Compensation Committee, this section describes:

- the compensation policy for Corporate Officers;
- the components of the compensation paid or awarded to the Chairwoman of the Board of Directors and Chief Executive Officer and the Company's directors;
- the compensation policy applicable to members of the Executive Committee; and
- the Group's long-term incentive plan.

6.5.1 Compensation policy for Corporate Officers

The compensation policy applicable to Corporate Officers (Chairman or Chairwoman, Chief Executive Officer and members of the Board of Directors) sets out the principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of the total compensation and benefits payable for the duties performed under the terms of their corporate office.

This policy is reviewed annually by the Board of Directors, on the basis of recommendations made by the Compensation Committee. The policy is in Sodexo's best interests, and fully in line with Group strategy. Consequently, the principles and criteria used to determine the Chief Executive Officer's variable compensation align his/her interests with those of the Company's shareholders and other stakeholders by factoring in performance targets based on economic, financial, social and environmental indicators such as employee health & safety, talent management and corporate responsibility performance.

The principles and criteria in the compensation policy for Corporate Officers will apply in Fiscal 2023 to all persons who hold a Corporate Officer position within the Company.

The Compensation Committee is entirely comprised of independent directors, except for one director representing employees in accordance with AFEP-MEDEF recommendations. It may use the services of external advisors specialized in Corporate Officer compensation and also takes into account feedbacks from discussions with institutional shareholders.

However, in accordance with article L.22-10-8 III of the French Commercial Code, the Board of Directors, based on the recommendations of the Compensation Committee, may, under exceptional circumstances, waive the application of the compensation policy during the fiscal year, until an amended compensation policy is approved by the next Annual Shareholders Meeting, provided the waiver is temporary, in the Company's best interests and necessary to securing the Company's sustainability or viability. Examples of exceptional circumstances include a significant change in the Corporate Officers' scope of responsibility, a major event impacting Sodexo's markets and/or main competitors (market downturn, pandemic, etc.), a major change in the Group's scope of consolidation following a merger, acquisition or disposal, or the creation or termination of a significant business activity or a change in accounting principles. If such a specific situation were to occur, the adjustments made to the compensation policy for Corporate Officers would be publicly disclosed.

Pursuant to article L.22-10-8 II of the French Commercial Code, the compensation policies for Sodexo's Corporate Officers will be submitted for approval at the Ordinary Annual Shareholders Meeting to be held on December 19, 2022.

6.5.1.1 General principles for Corporate Officers' compensation

The Board of Directors ensures that the compensation policy for Corporate Officers is adapted to the Company's strategy and operating context and that its purpose is to enhance Sodexo's medium and long-term performance and competitiveness by attracting and retaining the best talents. The policy is based on the following principles:

COMPLIANCE	The compensation policy for the Company's Corporate Officers is determined in accordance with the recommendations of the AFEP-MEDEF Code.
COMPETITIVENESS	Market studies are regularly conducted – including with the assistance of external consulting firms – in order to benchmark the Company's compensation packages against its peers (comparable companies in size and geographic scope), to form an overall vision of the challenges surrounding competitive compensation. The Compensation Committee uses two benchmark panels to review and analyze its compensation practices, considering that it is important to examine those of large companies in the French market as well as those of large companies operating in the Company's sector in international markets. The first panel therefore comprises the companies in the CAC 40 excluding banks and insurance firms. The second panel comprises the following seven companies: Aramark, Compass, Edenred, Elior, ISS, Rentokil and Securitas.
COMPLETENESS – BALANCE	A comprehensive analysis of all of the components of Corporate Officers' compensation and benefits is conducted using a component-by-component approach. An overall consistency analysis is also performed to ensure that the best balance is achieved between fixed and variable, individual and collective, short and long-term.
ALIGNMENT OF INTERESTS	Aligning interests means both ensuring that the Company has the ability to attract, motivate and retain the talent that it needs, and at the same time, meeting the expectations of the Company's shareholders and other stakeholders, particularly in terms of Corporate Social Responsibility, transparency, and associating compensation with performance.
PERFORMANCE	The performance conditions applicable to Corporate Officers' compensation are stringent and are based on the key factors that contribute to the Company's profitable and sustainable growth. They are also in line with the Company's published targets. Performance is assessed based on three factors, which are set out in the short and long-term variable compensation plans applicable to the Group's senior executives: (i) core financial performance, (ii) performance relative to Group peers and (iii) sustainable and responsible performance.
TRANSPARENCY	The Corporate Officers' compensation policy is governed by clear, straightforward and transparent rules. The Compensation Committee ensures that all of these principles are appropriately applied both in the work it performs and the recommendations it issues to the Board of Directors, as much in terms of determining the compensation policy as well as its implementation and the actual amounts of the compensation and benefits.

6.5.1.2 Shareholder engagement

Sodexo actively engages with its institutional shareholders and proxy advisors *via* regular meetings held to discuss the specific characteristics of the Group's governance as well as best practices and developments concerning governance and compensation. During Fiscal 2022, the shareholder engagement was focused on the change in governance with the appointment of Sophie Bellon, first as interim Chief Executive Officer and then as she was confirmed in the role. The meetings with the Group's largest shareholders, representing approximately 20% of the Group's capital, were led by Sophie Bellon until March 2022 and then by Luc Messier, as new Lead Director. These messages were relayed more widely by the Investor Relations team.

In addition, the Investor Relations team exchanges frequently with the ESG and proxy analysis teams of institutional shareholders and proxy advisors through individual meetings, governance roadshows and dedicated ESG investor conferences.

Individual shareholders who are members of the Shareholders Club are also invited to share their areas of interest so that the Company can more effectively prepare the Annual Shareholders' Meeting and answer any questions they may have.

Voting results in the fiscal 2021 Annual Shareholders' Meeting were:

99.3%	97.7%	95.5%	97.0%	93.5%
of shareholders voted in favor of the last global envelope for directors compensation	of shareholders voted in favor of the Chairwoman's compensation for Fiscal 2021	of shareholders voted in favor of the Chief Executive Officer's compensation for Fiscal 2021	of shareholders approved the compensation policy for the Chairwoman for Fiscal 2022	of shareholders approved the compensation policy for the Chief Executive Officer for Fiscal 2022

6.5.1.3 Compensation policy for the Chief Executive Officer for Fiscal 2023

Structure of the compensation

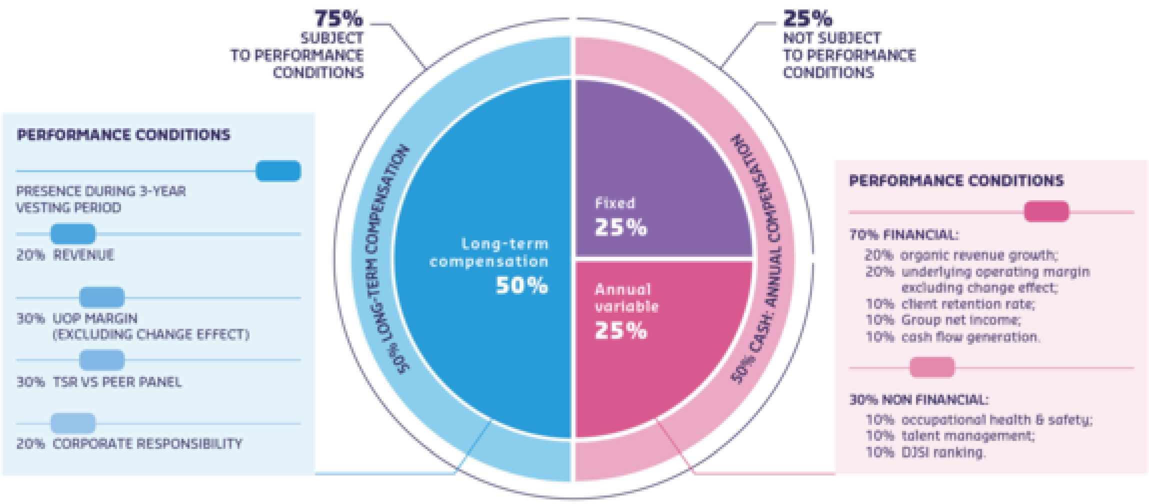
The Chief Executive Officer's compensation includes annual fixed and variable compensation and, if appropriate long-term compensation. The Chief Executive Officer also receives other benefits, such as a supplemental pension plan, collective health and benefit plans, a termination benefit and/or a non-compete indemnity, as well as benefits in kind.

The aim of the compensation policy for the Chief Executive Officer is to achieve a balance between short and long-term performance in order to promote the Group's development for the benefit of all of its stakeholders, in line with a sound risk management strategy.

To this end, and with a view to protecting stakeholders interests, the Company strives to ensure consistency between the Chief Executive Officer's compensation package and Sodexo's performance. In this respect, a correlation analysis between the change in the Chief Executive Officer's compensation and the change in the stock market performance compared with companies on the benchmark panel is presented every year to the Compensation Committee.

It is specified that the Chairwoman and Chief Executive Officer does not receive compensation for her office as Director of Sodexo S.A.

TARGET STRUCTURE OF THE CHIEF EXECUTIVE OFFICER'S COMPENSATION



Fixed compensation

The fixed compensation of the Chief Executive Officer is awarded as payment for the duties and responsibilities inherent to such a position.

The following factors are considered:

- the level and complexity of the roles and responsibilities attributed to the Chief Executive Officer, who has the broadest powers to act on behalf of the Company in all circumstances and to represent the Company in its dealings with third parties;
- the skills, experience, expertise and professional profile of the holder of the position;
- market analyses and benchmarks on the compensation awarded for comparable positions in peer companies and their market reference.

The Chief Executive Officer's annual fixed compensation is the basis for determining his/her annual variable compensation and long-term compensation. The amount of this fixed compensation is not systematically reviewed each year.

The annual fixed compensation of Sophie Bellon as Chairwoman and Chief Executive Officer since March 1, 2022 is 900,000 euros.

Annual variable compensation

CALCULATION METHODS

The Chief Executive Officer's annual variable compensation is intended to encourage the achievement of the annual performance targets determined by the Board of Directors in line with Sodexo's strategy.

The variable element amounts to 100% of his/her annual fixed compensation, on full achievement of targets.

It is based mainly on financial criteria, as follows:

- 70% is contingent upon targets based on the Group's financial performance for the fiscal year, including organic revenue growth, underlying operating profit margin, Group net income and cash flow generation. In addition, the financial criterion of client retention rate has been added to the previous criteria from Fiscal 2023 onwards. The Board of Directors believes this represents one of the key levers in the model of sustainable and profitable growth for the Group. The percentages applicable to each of these criteria are shown in the above graph,

- 30% is contingent upon non-financial and quantitative targets (including occupational health and safety, talent management, Sodexo's ranking in the Dow Jones Sustainability Index of environmental, social and governance performance).

The annual variable compensation is calculated and set by the Board of Directors following the close of the fiscal year to which it applies.

In the first quarter of each year, based on the Compensation Committee's recommendations, the Board of Directors reviews the various targets, their weightings, and the expected performance levels. It then sets:

- the trigger threshold below which no variable compensation is paid;
- the variable compensation target level, corresponding to the amount due when each target is reached; and
- the quantitative performance measure.

Consequently:

- 100% of the annual variable compensation is paid if the targets are achieved;
- 150% of the annual variable compensation is paid if the targets are exceeded.

The financial performance targets that are based on financial indicators are determined in a specific manner by reference to the budget pre-approved by the Board of Directors and are subject to the above-mentioned performance thresholds.

The achievement rates will be disclosed on a criterion-by-criterion basis once the Board of Directors has assessed whether the performance targets have been reached.

PAYMENT CONDITION

In accordance with French law, payment of the annual variable compensation is subject to shareholder approval during the Annual Shareholders Meeting.

Furthermore, no clawback clause has been put in place for the variable compensation.

APPOINTMENT OR TERMINATION OF OFFICE

If a new Chief Executive Officer is appointed or the existing Chief Executive Officer's term of office is terminated during the course of a fiscal year, the same principles as described above will apply, on a pro rata basis by reference to the period during which he or she holds office.

If a Chief Executive Officer is appointed during the second half of the fiscal year, the performance appraisal will be carried out on a discretionary basis by the Board of Directors, taking into account the recommendations of the Compensation Committee.

Long-term compensation

OBJECTIVE

The Board of Directors considers that the long-term variable compensation plan – which also applies to other key positions within the Company – is particularly suited to the position of Chief Executive Officer in view of the direct contribution that he/she is expected to make to Sodexo's long-term performance. It is based on the performance criteria selected by the Board of Directors in direct alignment with the Company's strategic priorities. The system therefore helps to increase the Chief Executive Officer's motivation and loyalty while aligning his/her interests with those of the Company and its shareholders. These performance conditions comprise (i) organic revenue growth and underlying operating profit margins over a period of several years, in line with market guidance (ii) Sodexo's share performance compared with a peer group, and (iii) corporate responsibility criteria.

LONG-TERM COMPENSATION PROGRAM

Sodexo's long-term compensation program currently consists solely of performance share grants.

Performance share grants are decided by the Board of Directors, acting on the recommendation issued by the Compensation Committee, during the first half of each fiscal year, after the publication of the financial statements for the previous fiscal year.

The vesting period is three years, in line with the period over which performance conditions are measured and in keeping with market practices.

The Board of Directors has capped the value of the performance shares granted to the Chief Executive Officer at 150% of his/her total annual compensation (comprising fixed compensation and annual variable compensation, assuming targets achieved). In addition, the performance shares granted to him/her may not represent more than 5% of the total shares granted annually by the Board.

PERFORMANCE CONDITIONS

The proportion of the performance shares that will vest depends on the achievement of both internal and external performance conditions, as measured over a three-year period. The achievement rates will be disclosed on a criterion-by-criterion basis once the Board of Directors has assessed whether the performance targets have been reached.

As the Group's medium-term objectives are not publicly disclosed, the organic growth revenue target and underlying operating margin target will remain confidential. The performance conditions reflect a good balance between operating performance, investor confidence and the Group's corporate responsibility performance. They are fully in line with Sodexo's business model of sustainable and profitable growth and meet the expectations of all of the Company's stakeholders.

The criteria used are intended to measure overall performance and are directly related to the Group's main strategic objectives, with the following weightings:

- financial performance: 50%, evaluated on targets such as revenue and profit margin (excluding currency effects);
- stock market performance: 30%, measured by the total shareholder return (TSR) achieved by Sodexo as compared with a panel of peers;
- corporate responsibility performance, including diversity targets for the Group's management bodies and an internal Corporate Responsibility target, as presented below: 20%.

Sodexo Corporate Responsibility indicator

Fostering a Culture of Environmental Responsibility through Long Term Incentives.

↓

Building an internal CSR performance index:

- supporting our overall carbon reduction target;
- with quantitative and auditable figures.

↓

Performance condition applicable to share grants.

If it became necessary to change the related criteria, the Board of Directors would ensure consistent and stringent criteria over the long-term.

CONTINUED PRESENCE CONDITION

In order for his/her performance shares to be delivered, the Chief Executive Officer must be present within the Group at the vesting date.

SHAREHOLDING AND WITHHOLDING OBLIGATIONS

In accordance with article L.225-197-1 of the French Commercial Code, the Chief Executive Officer is required to hold in registered form, for the duration of his/her term of office, a number of vested shares. The value has been set by the Board of Directors at 30% of his/her annual fixed compensation at the date the shares are delivered.

In addition, the Chief Executive Officer is required to hold shares with value equivalent to 200% of his/her gross annual fixed compensation, and these shares must be built up over a maximum period of three years.

As part of the external recruitment process for a new Chief Executive Officer from a company outside the Sodexo Group, compliance will be required as from the date the first share award vests, *i.e.*, three years following the initial grant by the Company.

In addition, as long as he/she remains in office, the Chief Executive Officer may not use hedging instruments on any granted performance shares.

Multi-year compensation

The Board of Directors has decided not to create a multi-year compensation system, preferring instead to apply a share-based long-term compensation program, which it considers to be more closely aligned with the interests of the Company's shareholders.

However, the Board may envisage putting in place such a system if any regulatory changes or other changes in circumstances were to render it not appropriate or impossible to use shares. If a multi-year compensation plan were to be set up, it would be based on the same principles and criteria as those used for determining and allocating performance shares and the same grant cap would apply.

Exceptional compensation

The compensation policy does not permit the granting of exceptional compensation to the Chief Executive Officer.

Supplemental pension plan

The Chief Executive Officer is a beneficiary of a defined benefit pension plan governed by article L.137-11-2 of the French Social Security Code. This plan is also available to the Group's most senior executives holding an employment contract with one of its French subsidiaries.

This pension plan was introduced in 2021 in line with the following rules: subject to one year of seniority within the Group, pension rights of up to 0.5% per year are granted for the first five years of the plan, and then up to 1% beyond five years, not exceeding a total of 10%. The rights are determined based on the fixed and variable compensation received during the calendar year by virtue of the role of Chief Executive Officer. The rights vest subject to an achievement rate for his/her annual variable compensation targets of at least 80%. The resulting pension tops up the pensions provided by the basic compulsory plans and does not generate any corresponding obligation on the Company's balance sheet.

Other benefits

COMPANY CAR

The Chief Executive Officer has the use of one company car. The insurance, maintenance and fuel costs (related to professional use) are covered by Sodexo.

COLLECTIVE HEALTH AND BENEFIT PLANS

The Chief Executive Officer is a member of the Company's collective health and benefit plans, subject to the same terms and conditions as those applicable to all employees of the Group's French entities.

UNEMPLOYMENT INSURANCE

As the Chief Executive Officer does not have a French employment contract, the Company reserves the right to subscribe to a private unemployment insurance policy with the French Association of Unemployment Insurance for Corporate Officers (*Association pour la garantie sociale des chefs et dirigeants d'entreprises* — GSC). Under this policy, if the Chief Executive Officer were to lose his/her office, he/she would receive benefits for a maximum period of 24 months.

Sophie Bellon has refused this indemnity.

Post-term benefits

INDEMNITY IN THE EVENT OF TERMINATION OF OFFICE

The compensation policy for the Chief Executive Officer states that, if he/she is forced to leave the Group, he/she is entitled to an indemnity representing up to twice the amount of his/her annual gross compensation (fixed and variable) received over the twelve months preceding the termination.

This indemnity is not applicable in cases of voluntary resignation, retirement, or dismissal for gross or willful misconduct.

This indemnity will be paid subject to an achievement rate for the Chief Executive Officer's annual variable compensation targets of at least 80% for each of the two fiscal years ended prior to the termination of the appointment

In the event that the term of office is terminated in its first year, the indemnity will be calculated *prorata temporis* on the basis of a maximum amount equivalent to six months of total gross compensation (annual target fixed and variable), subject to the performance conditions relating to Sodexo's financial and operating performance, which will be assessed by the Board of Directors based on the period considered.

In addition, in the event that the term of office is terminated in its second year, the indemnity will be calculated *prorata temporis* on the basis of a maximum amount equivalent to twelve months of total gross compensation (annual fixed and variable effectively paid) in respect of the previous year, subject to an achievement rate for the Officer's annual variable compensation targets for the year ended of at least 80%.

Under no circumstances can the maximum overall indemnity payable to the Chief Executive Officer in respect of the non-compete agreement and/or his/her indemnity on termination of office exceed 24 months of his/her fixed and variable compensation.

Sophie Bellon has requested not to benefit from this indemnity.

NON COMPETE AGREEMENT

In the event of the termination of the Chief Executive Officer's term of office, he/she will be subject to a non-compete obligation for a minimum term of 24 months, restricting his/her freedom to hold any position as an employee or Corporate Officer, or carry out any consulting work, either directly or through another legal entity, for any of Sodexo's competitors. As consideration for these restrictions, an indemnity is paid on a staggered basis, the amount of which is capped at 24 months of his/her fixed and variable compensation awarded for the fiscal year preceding the termination.

The Board of Directors has the option to decide to waive the Company's right to enforce this non-compete agreement when the Chief Executive Officer leaves the Group. In addition, the maximum aggregate amount paid to the Chief Executive Officer for (i) his/her non-compete agreement, and/or (ii) his/her indemnity on termination of office, may not exceed 24 months of his/her fixed and variable compensation.

This non-compete indemnity is excluded if the Chief Executive Officer is leaving for retirement, and in any event once he/she reaches the age of 65.

This agreement applies to Sophie Bellon without payment of any indemnity.

RETENTION OF PERFORMANCE SHARES IN THE PROCESS OF VESTING

Rights to performance shares granted under the Group's long-term investment plans are retained in their entirety in the event of retirement.

Moreover, in accordance with the AFEP-MEDEF Code and the plan rules applicable to all beneficiaries of the Group's performance share plans, the Board of Directors, on the recommendation of the Compensation Committee, may in exceptional circumstances authorize the retention of rights to any shares in the event of a forced departure from the Company.

In such a case, the number of shares that vest would necessarily be adjusted on a pro rata basis by reference to the actual time the Chief Executive Officer spent within the Group during the vesting period. The original vesting period would continue to run and the performance conditions would still apply.

Potential change of governance

RECRUITMENT OR APPOINTMENT POLICY

In the event of a change of governance and the appointment of a new Chief Executive Officer in the course of the fiscal year, the compensation principles, criteria and components set out in the compensation policy approved by the Annual Shareholders Meeting will be applicable to the new Executive Corporate Officer.

If the roles of Chairman of the Board of Directors and Chief Executive Officer are separated, the compensation of the new Chairman or Chairwoman of the Board of Directors will be fixed in line with his/her non-executive role and market practice. It will comprise fixed compensation, collective health and benefit plans and company car. He/she will not be eligible for variable compensation or for the long-term compensation program.

The compensation of the new Chief Executive Officer will be fixed in accordance with the principles and criteria for determining, allocating and awarding the compensation components provided for in the Chairwoman of the Board of Directors and Chief Executive Officer's compensation policy.

If one or more Deputy Chief Executive Officers were appointed, the principles and criteria for determining, allocating and awarding the compensation components provided for in the Chairwoman of the Board of Directors and Chief Executive Officer's compensation policy would also apply to them.

If the Chief Executive Officer or the Deputy Chief Executive Officer were to become a member of the Company's Board of Directors, they would not receive any directors' compensation.

The Board of Directors, on the recommendation of the Compensation Committee, would determine the level and structure of the compensation by adjusting them to the situation of the person(s) concerned.

SIGNING BONUS

Pursuant to the recommendations of the AFEP-MEDEF Code, if a new Executive Corporate Officer were to be recruited from outside Sodexo, the Board of Directors may decide to grant him or her an indemnity (in cash and/or shares) in order to compensate for any loss of previous compensation or benefits (excluding pension benefits).

This indemnity would be arranged so as to reflect the type, risk profile and the vesting horizon of the lost benefits.

In accordance with article L.22-10-8 of the French Commercial Code, the payment or implementation of any such compensation would be subject to shareholder approval.

RELOCATION

The Board of Directors may be required to grant exceptional benefits on a temporary basis to allow the new Chief Executive Officer to settle in the place of performance of his/her duties.

6.5.1.4 Compensation policy for directors for Fiscal 2023

Structure of the compensation

The compensation awarded to directors includes fixed and variable compensation components and a travel allowance for directors coming from the United States.

Directors are not eligible for any long-term compensation, supplemental pension plan or compensation or benefits that may result from any change in their duties, new duties, or a removal from office.

As stated above, the Chairwoman and Chief Executive Officer does not receive any directors' compensation.

The compensation policy for Sodexo's directors is intended to remunerate the work they perform at Board and Committee meetings, without however encouraging an excessive number of meetings.

Sodexo's policy has always been to regularly review the overall envelope for directors' compensation. This envelope was increased by 22% in 2018 and 11% in 2021.

The total compensation allocated annually to the directors of Sodexo is 1 million euros.

The amount spent for Fiscal 2022 was 93% of the maximum authorized.

In order to account for any increase in the number of directors, the creation of specific responsibilities such as that of Lead Director created in March 2022, and the complexity of the issues handled by the Audit Committee in particular, the Board of Directors will submit to the Annual Shareholders Meeting of December 19, 2022 to increase the maximum amount authorized by 20% to 1.2 million euros.

The procedures for allocating directors' fixed and variable compensation have been decided by the Board of Directors for Fiscal 2023. However, these procedures may be reviewed by the Board of Directors in the event of a change in the Board of Directors' composition or a change to take into account an increase in the workload or responsibilities.

Fixed compensation

The procedures for allocating the overall amount of compensation among the individual directors are set by the Board of Directors, based on the recommendation of the Compensation Committee. Each director receives annual fixed compensation of 20,000 euros for their participation in Board meetings. The Lead Director receives 30,000 euros, members of the Audit Committee receive 8,000 euros, and members of the Compensation and Nominating Committees receive 6,000 euros.

A further annual fixed amount of 22,500 euros is allocated to each Chair of the Nomination and Compensation Committees, while Chair of the Audit Committee receives 25,000 euros.

The fixed portion of directors' compensation is calculated proportionately to the time served on the Board by each director during a given fiscal year.

Variable compensation

The directors' variable compensation is 4,500 euros for attending each Board meeting, and 3,000 euros for attending each meeting of a specialized Committee of which they are a member, with the exception of the Audit Committee for which the amount is 3,500 euros.

This variable compensation is not, however, awarded for Board meetings that take place by way of written consultation in accordance with the conditions set in the applicable regulations, or for any *ad hoc* meetings.

Travel allowance

A travel allowance of 1,500 euros per effective presence at a Board meeting will be paid to directors traveling from the United States.

SUMMARY OF DIRECTORS' FIXED AND VARIABLE COMPENSATION

(in euros)	ANNUAL FIXED COMPENSATION	ADDITIONAL ANNUAL FIXED COMPENSATION FOR THE LEAD DIRECTOR	ADDITIONAL ANNUAL FIXED COMPENSATION FOR CHAIRING A COMMITTEE	VARIABLE COMPENSATION PER MEETING ATTENDANCE
Board of Directors	20,000	30,000		4,500
Audit Committee	8,000		25,000	3,500
Nominating Committee	6,000		22,500	3,000
Compensation Committee	6,000		22,500	3,000

6.5.2 Information on the components of compensation paid or awarded to Corporate Officers

6.5.2.1 Compensation of Sophie Bellon, Chairwoman and Chief Executive Officer

The following tables show a breakdown of the various components of Sophie Bellon's compensation.

The components of the compensation for the role of Chairwoman of the Board of Directors until September 30, 2021, then for the role of Chairwoman of the Board of Directors and interim Chief Executive Officer from October 1, 2021 to February 28, 2022, were established in line with the compensation policy for the Chairwoman of the Board of Directors approved by the shareholders at the Combined Annual Shareholders Meeting of December 14, 2021 (twelfth resolution). This policy provides for fixed compensation, collective health and benefit plans as well as benefits in kind. It does not include any other variable or exceptional compensation, long-term compensation or director' compensation.

The components of the compensation for the role of Chairwoman and Chief Executive Officer from March 1, 2022 were established in line with the compensation policy for the Chief Executive Officer approved by the shareholders at the Combined Annual Shareholders Meeting of December 14, 2021 (thirteenth resolution). This policy provides for fixed, variable and long-term compensation, a supplemental pension plan, collective health and benefit plans as well as benefits in kind. It does not include any multi-year variable compensation, exceptional compensation or any other post-term benefit.

At the Ordinary Annual Shareholders Meeting of December 19, 2022, shareholders will be given a "say-on-pay" vote on the total compensation and benefits paid during or awarded for Fiscal 2022 to Sophie Bellon for her duties performed during the fiscal year.

Summary of compensation, stock options and performance shares awarded to the Chairwoman of the Board, then Chairwoman and Chief Executive Officer

TABLE 1, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2021-02

SOPHIE BELLON CHAIRWOMAN OF THE BOARD OF DIRECTORS, THEN CHAIRWOMAN AND CHIEF EXECUTIVE OFFICER (in euros)	FISCAL 2022	FISCAL 2021
Compensation awarded for the fiscal year (gross, before tax)	1,469,652	676,575
Value of stock options granted	N/A	N/A
Value of performance shares granted	N/A	N/A
TOTAL	**1,469,652**	**676,575**

Summary of the Chairwoman and Chief Executive Officer's compensation

TABLE 2, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2021-02

	FISCAL 2022		FISCAL 2021	
(in euros)	GROSS AMOUNTS AWARDED (BEFORE TAX)	GROSS AMOUNTS PAID (BEFORE TAX)	GROSS AMOUNTS AWARDED (BEFORE TAX)	GROSS AMOUNTS PAID (BEFORE TAX)
SOPHIE BELLON CHAIRWOMAN OF THE BOARD OF DIRECTORS FROM SEPTEMBER 1, 2021 TO SEPTEMBER 30, 2021				
Fixed compensation	56,250	56,250	675,000	675,000
Variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation	N/A	N/A	N/A	N/A
Benefits in kind(2)	96	96	1,575	1,575
SOPHIE BELLON CHAIRWOMAN OF THE BOARD OF DIRECTORS AND INTERIM CHIEF EXECUTIVE OFFICER FROM OCTOBER 1, 2021 TO FEBRUARY 28, 2022				
Fixed compensation	375,000	375,000	N/A	N/A
Variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation	N/A	N/A	N/A	N/A
Benefits in kind(2)	480	480	N/A	N/A
SOPHIE BELLON CHAIRWOMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER FROM MARCH 1, 2022				
Fixed compensation	450,000	450,000	N/A	N/A
Variable compensation(1)	587,250	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation	N/A	N/A	N/A	N/A
Benefits in kind(2)	576	576	N/A	N/A
TOTAL	**1,469,652**	**882,402**	**676,575**	**676,575**
The following amounts were paid by Bellon SA to Sophie Bellon for her mandate as member of the Management Board of Bellon SA				
Fixed compensation	210,015	210,015	193,348	193,348

(1) Variable compensation for the Chairwoman and Chief Executive Officer for the period in question (paid during the following fiscal year) subject to approval at a Shareholders Meeting.
(2) Sophie Bellon has the use of a Company car. The amount is indicated on a pro rata basis for each period referenced.

Details regarding the variable compensation granted to the Chairwoman and Chief Executive Officer for Fiscal 2022, beginning on March 1, 2022

		WEIGHTING OF TARGETS	MAXIMUM IN% OF TARGET	ACHIEVEMENT RATE	CORRESPONDING AMOUNT (in euros)
70% based on financial targets	Organic growth	20 %	175 %	168 %	**150,750**
	Underlying operating profit margin (excluding exchange rate impacts)	20 %	175 %	123 %	**110,250**
	Growth in Group net income	10 %	175 %	175 %	**78,750**
	Free cash flow	20 %	175 %	175 %	**157,500**
	Total financial targets	**70 %**	**175 %**	**111 %**	**497,250**
30% based on non-financial targets	Health and safety target	10 %	100 %	— %	**—**
	Talent management	10 %	100 %	100 %	**45,000**
	Dow Jones Sustainability Index, in the top three for the industry	10 %	100 %	100 %	**45,000**
	Total non-financial targets	**30 %**	**100 %**	**20 %**	**90,000**
TOTAL VARIABLE COMPENSATION AWARDED FOR FISCAL 2022		**100 %**	**150 %**	**131 %**	**587,250**

Performance shares granted to the Chairwoman and Chief Executive Officer for Fiscal 2022

No performance shares were granted to Sophie Bellon, Chairwoman and Chief Executive Officer, during Fiscal 2022. As a reminder, no performance shares have ever been granted to Sophie Bellon.

A description of the main terms of the plan for the granting of performance shares granted during Fiscal 2022 to certain employees of the Group is provided in Section 6.5.5.

Performance shares that became available during Fiscal 2022

No performance shares were acquired by Sophie Bellon, Chairwoman and Chief Executive Officer, during Fiscal 2022. As a reminder, no performance shares have ever been granted to Sophie Bellon.

A description of the main terms of the plan for the granting of performance shares that became available during Fiscal 2022 is provided in Section 6.5.5.

History of performance share grants to the Chairwoman and Chief Executive Officer

No performance shares have ever been granted to Sophie Bellon, Chairwoman and Chief Executive Officer.

It should be remembered that Sodexo's long-term compensation program currently consists solely of performance share grants.

The tables relating to subscription or purchase options in accordance with the recommendations of the AFEP-MEDEF Code are not applicable and have accordingly not been reproduced.

Summary of benefits – Chairwoman and Chief Executive Officer

TABLE 11, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2021-02

	EMPLOYMENT CONTRACT		SUPPLEMENTAL PENSION PLAN		COMPENSATION OR ENTITLEMENTS DUE OR LIKELY TO BECOME DUE AS A RESULT OF A CHANGE IN DUTIES OR LOSS OF OFFICE		INDEMNITY RELATING TO A NON-COMPETE CLAUSE	
	YES	NO	YES	NO	YES	NO	YES	NO
Sophie Bellon **Chairwoman and Chief Executive Officer**								
Appointment date: January 26, 2016		X	X*			X		X
Expiration of current term: Annual Shareholders Meeting held to approve the financial statements for Fiscal 2023								

* Since her appointment on March 1, 2022 as Chairwoman and Chief Executive Officer, Sophie Bellon has been eligible for the supplemental pension plan described in Chapter 6.5.1.3.

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6.5.2.2 Compensation and benefits paid during or awarded for Fiscal 2022 to Sophie Bellon (ex post vote at the Annual Shareholders Meeting of December 19, 2022)

Compensation and benefits paid during or awarded for Fiscal 2022 to Sophie Bellon, Chairwoman of the Board of Directors and Chief Executive Officer

TYPE OF COMPENSATION OR BENEFITS	AMOUNTS PAID DURING FISCAL 2022	AMOUNTS AWARDED FOR FISCAL 2022 OR ACCOUNTING VALUE	COMMENTS
Fixed compensation	€881,250	€881,250	Pre-tax gross amount due for the fiscal year. The fixed compensation includes that payable and paid for her role as Chairwoman of the Board of Directors from September 1 to September 30, 2021, as Chairwoman of the Board of Directors and interim Chief Executive Officer from October 1, 2021 to February 28, 2022, and lastly, as Chairwoman and Chief Executive Officer from March 1, 2022.
Variable compensation	N/A	€587,250	Variable compensation to the Chairwoman and Chief Executive Officer for Fiscal 2022 beginning March 1, 2022 corresponding to 131% of the fixed compensation received during this fiscal year and a variable pay amount of 587,250 euros. As the role of Chairwoman and Chief Executive Officer began on March 1, 2022, the amount of the variable compensation has been calculated on a *prorata temporis* for this period. No variable compensation has been paid for the role of Chairwoman of the Board of Directors and interim Chief Executive Officer.
Stock options and performance shares	N/A	N/A	No performance shares were granted to Sophie Bellon.
Supplemental pension plan	No amounts paid	No amounts awarded	Since her appointment on March 1, 2022, the Chairwoman and Chief Executive Officer has been a beneficiary of a defined benefit pension plan governed by article 39 of the French General Tax Code and article L.137-11-2 of the French Social Security Code, set up in 2021 for the Group's senior executives holding an employment contract with one of its French companies. This plan grants annual rights amounting to 0.5% of fixed and variable compensation for her role as Chairwoman and Chief Executive Officer for the first five years and to 1% of fixed and variable compensation paid to her beyond five years, up to a total of 10%. The rights vest subject to an achievement rate for the Chairwoman and Chief Executive Officer's annual variable compensation targets of at least 80%. Provided this condition for Fiscal 2022 is met, the Chairwoman and Chief Executive Officer acquires the right to a lifetime pension of 3,343 euros gross per year.
Benefits in kind	€1,152	€1,152	Sophie Bellon has the use of a Company car.

Sophie Bellon is not eligible for any of the following types of compensation or benefits: multi-year variable compensation, exceptional compensation, non-compete indemnity or termination benefit.

6.5.2.3 Pay equity ratio between the compensation paid to the Company's Chief Executive Officers and the average and median compensation received by Sodexo employees

In accordance with article L.225-37-3 of the French Commercial Code, the table below shows the ratios between the level of compensation of the Chairman and Chief Executive Officer from Fiscal 2022 and of the Chief Executive Officer for previous years and the average and median compensation of Sodexo employees over the last five years on a full time equivalent basis.

These ratios were established by referring to the AFEP guidelines on compensation multiples published on January 28, 2021.

Compensation elements

The compensation of the Chief Executive Officers and employees retained includes all fixed and variable compensation components, and benefits of all kinds paid over the last five fiscal years. The method for determining and valuing the elements of compensation for Chief Executive Officers and employees is therefore harmonized.

Performance share value has been taken into account at grant value under IFRS rules on the grant date.

Perimeter

The ratio below are proposed for two scopes: the listed company Sodexo S.A. including around 490 employees, and an extended scope including the holdings of the Sodexo Group in France as well as the On-site activity in France, for around 25,500 employees, *i.e.* 83% of the total workforce in France.

	FISCAL 2018	FISCAL 2019	FISCAL 2020	FISCAL 2021	FISCAL 2022
Company Performance					
Group Revenue (in million euros)	20,407	21,954	19,321	17,428	21,125
(year to year variance)	*-1.4%*	*+7.6%*	*-12.0%*	*-9.8%*	*+21.2%*
Group UOP (in million euros)	1,128	1,200	569	578	1,059
(year to year variance)	*-15.8%*	*+6.4%*	*-52.6%*	*+1.6%*	*+83.3%*
Informations on extended scope					
Employee compensation (in euros)					
Employee average compensation (full time equivalent)	30,848	31,714	31,556	33,047	35,382
(year to year variance)	*+3.6%*	*+2.8%*	*-0.5%*	*+4.7%*	*+7.1%*
Employee median compensation (full time equivalent)	24,014	24,626	24,809	25,192	26,763
(year to year variance)	*+4.8%*	*+2.5%*	*+0.7%*	*+1.5%*	*+6.2%*
Group Chief Executive Officer					
Annual compensation (in euros)	3,619,279	2,996,778	1,581,263	2,594,682	882,402
(year to year variance)	*-28.6%*	*-17.2%*	*-47.2%*	*+64.1%*	*-66.0%*
Ratio versus employee average compensation	117	94	50	79	27
(year to year variance)	*-31.1%*	*-19.5%*	*-47.0%*	*+56.7%*	*-66.0%*
Ratio versus employee median compensation	151	122	64	103	35
(year to year variance)	*-31.8%*	*-19.3%*	*-47.6%*	*+61.6%*	*-66.0%*
Informations on Sodexo S.A.					
Employee compensation (in euros) **- Sodexo S.A.**					
Employee average compensation (full time equivalent)	135,641	130,041	117,802	148,412	138,278
(year to year variance)	*+2.0%*	*-4.1%*	*-9.4%*	*+26.0%*	*-6.8%*
Employee median compensation (full time equivalent)	80,632	75,763	89,800	103,519	92,494
(year to year variance)	*+4.5%*	*-6.0%*	*+18.5%*	*+15.3%*	*-10.7%*
Group Chief Executive Officer					
Ratio versus employee average compensation	27	23	13	17	6
(year to year variance)	*-30.0%*	*-13.6%*	*-41.8%*	*+30.2%*	*-63.5%*
Ratio versus employee median compensation	45	40	18	25	10
(year to year variance)	*-31.6%*	*-11.9%*	*-55.5%*	*+42.3%*	*-61.9%*

- Fiscal 2018

The compensation indicated for the Chief Executive Officer is a combination of the compensation of Michel Landel and Denis Machuel *prorata temporis* during the fiscal year.

- Fiscal 2019

The compensation indicated for the Chief Executive Officer is that of Denis Machuel for a full year.

- Fiscal 2020

For the Chief Executive Officer, the fixed compensation was reduced by 50% over the second half of the year. In addition, no performance shares were allocated during this fiscal year.

For the Chairwoman of the Board of Directors, the fixed compensation was reduced by 50% over the second half of the year.

- Fiscal 2021

The fixed remuneration of the Chairwoman of the Board of Directors and of the Chief Executive Officer was fully restored and paid.

The Chief Executive Officer did not receive any variable compensation for Fiscal 2020 following the cancellation decided by the Board of Directors given the unprecedented health crisis linked to the Covid-19 pandemic. He received an allocation of performance shares during the fiscal year.

Given the health crisis, Sodexo employees did not receive any variable compensation either for Fiscal 2020. During Fiscal 2021, eligible Sodexo employees received variable compensation for the first half of the fiscal year.

- Fiscal 2022

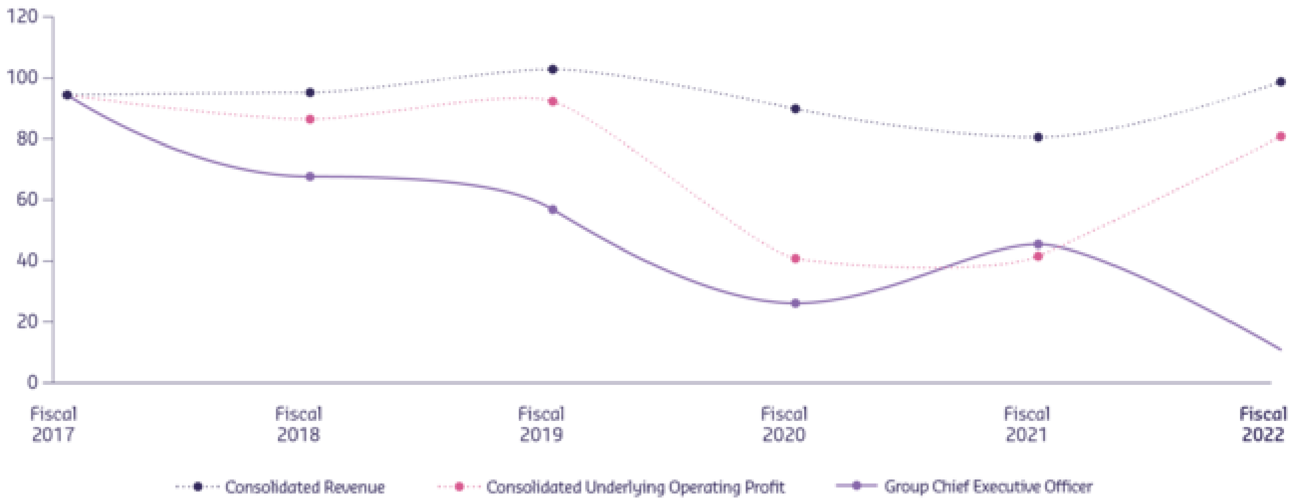
The compensation of the Chairwoman and Chief Executive Officer includes the compensation she received in September 2021 in her role as Chairwoman of the Board of Directors, then that received for her roles as Chairwoman of the Board of Directors and interim Chief Executive Officer, and as Chairwoman and Chief Executive Officer.

The Chairwoman and Chief Executive Officer did not receive any variable compensation in 2021 in respect of the fact that she was not eligible in her role as Chairwoman of the Board of Directors. She was not a beneficiary of performance shares.

The chart below illustrates the evolution of the ratios of the Chairwoman and Chief Executive Officer for Fiscal 2022 and the Chief Executive Officer for previous years on the median compensation of employees in the extended scope, in comparison with the Group's revenue and operating profit.

For ease of reading, the value of the different items are expressed in base 100 from Fiscal 2017.

Median equity ratio compared to financial results Base 100 in FY17



6.5.3 Information on the components of compensation paid or awarded to the directors

The total annual amount of compensation available for payment to the directors of Sodexo was set at 1,000,000 euros at the Combined Annual Shareholders Meeting of December 14, 2021 (tenth resolution). The total amount actually paid to all directors (other than to the Chairwoman of the Board) during Fiscal 2022 was 928,692 euros (compared to 783,350 euros during Fiscal 2021), representing 93% of the total budget approved at the Annual Shareholders Meeting.

These amounts were calculated and paid in accordance with the Board of Directors' Internal Rules, based on the following criteria established for Fiscal 2022:

(in euros)	ANNUAL FIXED COMPENSATION	ADDITIONAL ANNUAL FIXED COMPENSATION FOR THE LEAD DIRECTOR	ADDITIONAL ANNUAL FIXED COMPENSATION FOR CHAIRING A COMMITTEE	VARIABLE COMPENSATION PER ATTENDANCE AT EACH MEETING
Board of Directors	20,000	30,000		4,500
Audit Committee	8,000		25,000	3,500
Nominating Committee	6,000		22,500	3,000
Compensation Committee	6,000		22,500	3,000

A travel allowance of 1,500 euros per Board meeting attended was paid to directors travelling from the United States.

Directors are not eligible for any long-term compensation, supplemental pension plan or compensation or benefits that may result from any change in their duties, new duties, or a removal from office.

As stated above, the Chairwoman and Chief Executive Officer does not receive any directors' compensation.

The two directors representing employees both hold an employment contract with the Group and therefore receive compensation that has no connection with their office as director. The amounts of their salaries are not disclosed for confidentiality reasons.

The compensation paid to the directors during Fiscal 2022 and Fiscal 2021 (both fixed and variable), calculated based on their attendance at Board and Committee meetings as indicated above, was as follows:

TABLE 3, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2021-02

DIRECTORS (in euros)		FISCAL 2022		FISCAL 2021	
		AMOUNT AWARDED	AMOUNT PAID	AMOUNT AWARDED	AMOUNT PAID
Emmanuel Babeau(1)	Directors' compensation	29,500	29,500	52,700	52,700
François-Xavier Bellon	Directors' compensation	81,516	81,516	61,500	61,500
	Bellon SA compensation	450,015	450,015	400,000	400,000
Nathalie Bellon-Szabo(2)	Directors' compensation	68,000	68,000	63,100	63,100
	Other compensation	597,510	597,510	597,052	597,052
Philippe Besson(3)	Directors' compensation	71,000	71,000	59,100	59,100
Françoise Brougher	Directors' compensation	101,000	101,000	77,850	77,850
Jean-Baptiste Chasseloup de Chatillon(4)	Directors' compensation	39,500	39,500	—	—
Federico J. Gonzalez Tejera	Directors' compensation	47,000	47,000	26,000	26,000
Véronique Laury	Directors' compensation	76,000	76,000	55,200	55,200
Cathy Martin(3)	Directors' compensation	68,000	68,000	65,500	65,500
Luc Messier (5)	Directors' compensation	85,176	85,176	49,250	49,250
Sophie Stabile	Directors' compensation	125,000	125,000	103,000	103,000
Cécile Tandeau de Marsac	Directors' compensation	137,000	137,000	120,600	120,600

(1) Emmanuel Babeau's term expired on December 14, 2021 .
(2) Nathalie Bellon-Szabo received other compensation during the fiscal year for her duties as a member of Bellon SA's Management Board (210,000 euros for Fiscal 2022 and 193,333 euros for Fiscal 2021) as well as for her duties as Chief Executive Officer of Sodexo Live! (387,510 euros for Fiscal 2022 and 403,719 euros for Fiscal 2021). She also has the use of a Company car.
(3) Philippe Besson and Cathy Martin are directors representing employees. The salaries they receive under their employment contract are not disclosed for confidentiality reasons. At Philippe Besson's request, part of the compensation due to him for his role as director representing employees is paid to the trade union that appointed him (25,714 euros paid to Philippe Besson and 45,286 euros paid to his trade union during Fiscal 2022).
(4) Jean-Baptiste Chasseloup de Chatillon was appointed as new director at the Combined Annual Shareholders Meeting of December 14, 2021.
(5) Luc Messier has been Lead Director since March 1, 2022.

6.5.4 Compensation policy for members of the Executive Committee

The compensation policy applicable to members of the Executive Committee is reviewed each year by the Compensation Committee and the Board of Directors. It is fully aligned with that of the Chief Executive Officer.

The compensation of Executive Committee members is made up of the following:

- a fixed salary;
- annual variable compensation.

The annual variable compensation represents between 55% and 90% of the fixed salary.

The bonus is calculated and paid following the close of the fiscal year to which it applies and after the Board of Directors has approved the financial statements;

- a long-term incentive plan, consisting of restricted share grants. Shares are subject to continued presence and performance conditions.

The applicable performance conditions are equivalent to those set for the Chief Executive Officer and described in section 6.5.1.3. of this Universal Registration Document.

In addition to this compensation, Executive Committee members may receive benefits in kind (primarily a car and a travel allowance) and pension plan contributions (under defined contribution and, where applicable, defined benefit plans).

Total compensation paid during Fiscal 2022 by the Group to members of the Executive Committee in office as of August 31, 2022 (including the Chairwoman and Chief Executive Officer, details of whose compensation are provided in section 6.5.2.1 of this document), amounted to 11,035,908 euros.

This amount comprises:

- a fixed portion of 8,264,799 euros;
- a variable portion of 2,771,109 euros comprising variable compensation due for the Second half of Fiscal 2021 to members of the Executive Committee; to be reminded that Sophie Bellon, Chairwoman of the Board of Directors was not eligible for the variable compensation for Fiscal 2021 in accordance with the policy that applied to her).

6.5.5 Description of the long-term incentive plan – Restricted share plans

Sodexo's long-term incentive policy has two objectives:

- to incentivize the Group's executives, managers and other employees by aligning their financial interests with those of Sodexo's shareholders;
- to attract and retain the *intra-entrepreneurs* needed to expand and strengthen Sodexo's market leadership.

Since Fiscal 2013, long-term incentive plans have consisted exclusively of restricted share plans.

In the 20th resolution adopted at the Combined Annual Shareholders Meeting on December 14, 2021, the Company's shareholders renewed the authorization given to the Board of Directors to grant, on one or more occasions, existing and/or newly issued restricted shares of the Company to employees and Corporate Officers of the Group.

The terms and conditions of the restricted share plans (including the related continued presence and performance conditions) and the list of beneficiaries are determined by the Board of Directors based on recommendations issued by the Compensation Committee.

As from the 2021 plans, the terms and conditions of the restricted share plans granted within the Group are as follows:

- the restricted share grants take place annually and are decided during the first half of each fiscal year, after the publication of the financial statements for the previous fiscal year;
- vesting of the shares is subject to a three-year continued presence condition for each beneficiary and to performance conditions assessed over a three-year period.

The restricted share grants have no dilutive impact for shareholders as the shares concerned are treasury shares held by the Company.

During Fiscal 2022, the vesting periods of the restricted share plans set up by the Board of Directors on September 14, 2017 and April 27, 2018 ended on September 14, 2021 and April 27, 2022, respectively.

The plan granted on September 14, 2017 included the following two performance conditions:

- outperform the CAC 40 GR index of Sodexo's TSR by 12% over a four-year period;
- average growth in Sodexo's operating profit at least 10% per year over four years.

These performance conditions were not met, as Sodexo's TSR decreased by 17.7% *versus* an increase of 29.6% for the CAC 40 GR index, and average annual growth in operating profit was a negative 10.95%.

As a result, on September 14, 2021, 5,700 shares only subject to presence condition have vested under the plan granted on September 14, 2017.

The plan granted on April 27, 2018 included the following three performance conditions:

- outperform two benchmark peer groups of Sodexo's TSR over a four-year period — the CAC 40 GR index by 50% and an international industry peer group by 50%, made up of the following groups: ABM, Aramark, CBRE, Compass, Edenred, Elior, Elis, G4S, ISS, JLL, Rentokil, and Securitas. It should be noted that G4S is no longer a listed company and has therefore been excluded from the benchmark peer group;
- average growth in Sodexo's operating profit of between +8 and +10% per year over four financial years;
- a diversity performance condition geared toward encouraging the promotion of women to top management positions;

With an average growth in operating profit of -9.9%, the growth condition was not met. Neither was the relative performance condition for Sodexo's TSR to outperform the CAC 40 GR index, as it came in lower than the bottom quartile. The condition for Sodexo's TSR to outperform its industry peer group was partially met with a result of 27%. The diversity performance condition was achieved, with women occupying more than 40% of the roles at the highest level of the Company.

As a result, on April 27, 2022, 434,672 shares had vested under the plan granted on April 27, 2018.

The plans granted on February 1, 2022 and June 22, 2022 stipulate the following performance conditions:

- the achievement of a diversity target geared toward encouraging the promotion of women to top management positions;
- the achievement of targets based on an internal sustainable development scorecard for August 31, 2024, based on four criteria: building a low-carbon supply chain, fighting food waste, promoting innovative energy solutions, promoting plant-based meals options;
- the achievement of a revenue target during Fiscal 2024;
- the achievement of the Group profit margin targets in Fiscal 2022, 2023 and 2024;
- the achievement of a total shareholder return (TSR) target measured over three years and compared with a panel of seven companies (Aramark, Compass, Edenred, Elior, ISS, Rentokil and Securitas). The performance scale is presented below:

Sodexo TSR rank	Percentage of shares that vest *
1st quartile	100%
2nd quartile	50-100%
Median	50%
Below the median	0%

* Between the two targets, the percentage of shares vested will be linearly proportional and rounded down to the nearest whole number.

Further details of the plans in force are provided in the table below:

Restricted shares granted to Group managers

TABLE 9, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2021-02

	2017-2 PLAN	2018 PLAN	2018-2 PLAN	2019 PLAN	2019-2 PLAN	2020 PLAN	2022 PLAN	2022-2 PLAN
Date of Annual Shareholders Meeting	01/26/2016	01/26/2016	01/26/2016	01/22/2019	01/22/2019	01/22/2019	12/14/2021	12/14/2021
Date of grant by the Board of Directors	09/14/2017	04/27/2018	09/13/2018	06/19/2019	11/06/2019	11/25/2020	02/01/2022	06/22/2022
Total number of shares granted	14,000	917,880	34,100	810,990	10,000	922,840	809,540	25,089
Total number of beneficiaries	5	1,671	20	2,144	11	2,145	2,181	25
% of share capital	*0.01%*	*0.62%*	*0.02%*	*0.55%*	*0.01%*	*0.63%*	*0.55%*	*0.02%*
Performance conditions								
Operating profit	X	X	X	X	X	X	X	X
Revenue				X	X	X	X	X
TSR	X	X	X	X	X	X	X	X
Corporate responsibility		X	X	X	X	X	X	X
Plans								
Vesting date	09/14/2021	04/27/2022	09/13/2022	06/19/2023	06/19/2023	01/25/2024	02/01/2025	06/22/2025
Availability date	09/14/2021	04/27/2022	09/13/2022	06/19/2023	06/19/2023	01/25/2024	02/03/2025	06/23/2025
Total number of shares granted	14,000	917,880	34,100	810,990	10,000	922,840	809,540	25,089
Number of shares granted to the Corporate Officer		25,000		22,000		28,000	0	0
% of share capital	*0.00%*	*0.02%*	*0.00%*	*0.01%*	*0.00%*	*0.02%*	*0.00%*	*0.00%*
Aggregate number of shares canceled	(1,000)	(239,376)	(10,100)	(185,043)	(2,000)	(122,200)	(10,690)	0
Shares forfeited due to performance conditions not being met	7,300	243,832						
Vested shares	**5,700**	**432,812**						
Accelerated vesting for death and disability	**0**	**1,860**	**0**	**1,090**		**510**	**0**	**0**
TOTAL OF THE PLANS AT August 31, 2022	**0**	**0**	**24,000**	**624,857**	**8,000**	**800,130**	**798,850**	**25,089**

As of August 31, 2021, a total of 2,280,926 restricted shares had been granted to Group managers and not yet vested (representing approximately 1.55% of the Company's share capital as of the date of the Annual General Meeting of December 14, 2021), for a total amount of approximately 165 million euros (as measured in accordance with IFRS at the grant date).

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Sum of the ten largest restricted stocks grants or vesting to Group employees (other than Corporate Officers)

	TOTAL NUMBER OF SHARES	PLAN DATE
Shares granted during Fiscal 2022 to the ten Group employees receiving the largest number of restricted shares (aggregate information)	131,281	02/01/2022 06/22/2022
Shares vested during Fiscal 2022 for the ten Group employees receiving the largest number of restricted shares (aggregate information)	47,498	09/14/2021 04/27/2022

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SHAREHOLDERS AND SHARE CAPITAL

Financial communications calendar

Fiscal 2022 Capital Markets Day	**November 2, 2022**
Fiscal 2022 Annual Shareholders' Meeting	**December 19, 2022**
Dividend* - ex-date	**December 23, 2022**
Dividend* - payment date	**December 28, 2022**
Fiscal 2023 first quarter revenues	**January 6, 2023**
Fiscal 2023 half-year results	**April 5, 2023**
Fiscal 2023 nine-month revenues	**June 30, 2023**
Fiscal 2023 annual results	**October 26, 2023**
Fiscal 2023 Annual Shareholders' Meeting	**December 15, 2023**

These dates are purely indicative and are subject to change without notice. Regular updates to the calendar are available on our website www.sodexo.com.

* Subject to approval by shareholders at the Annual Shareholders' Meeting on December 19, 2022

How to obtain information

Investor relations
E-mail: **communication.financiere@sodexo.com**
Shareholders club
E-mail: **clubactionnaires@sodexo.com**
Phone: **+33 (0) 1 57 75 80 54**
Address: Sodexo Financial communications/Sodexo Shareholders' Club – 255, quai de la Bataille-de-Stalingrad, 92866 Issy-les-Moulineaux Cedex 9
Further information available on the Sodexo website **www.sodexo.com**

7.1 Sodexo share performance

Sodexo shares are listed on Euronext Paris (Euroclear code: FR0000121220) and are included in the SBF 120 index. In addition, Sodexo offers securities listed in U.S. dollars, in the form of American Depositary Receipts (ADRs) that are traded on the over-the-counter (OTC) market, ticker SDXAY, with five ADRs representing one Sodexo share.

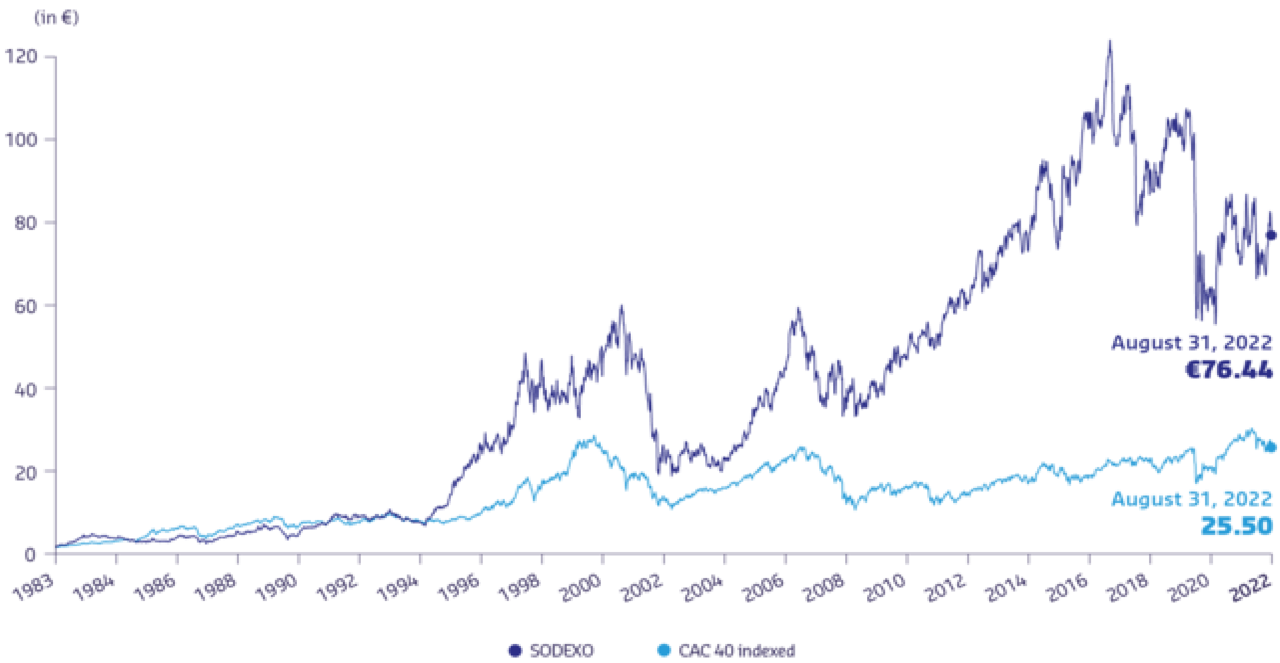
7.1.1 Stock market performance

ADJUSTED SODEXO SHARE PRICE TRENDS FROM INITIAL LISTING ON MARCH 2, 1983 TO AUGUST 31, 2022, COMPARED TO THE CAC 40 INDEXED ON THE SODEXO SHARE

The initial listing of Sodexo shares was on March 2, 1983 at an adjusted price of 1.55 euro. As of August 31, 2022 (the last trading day of Fiscal 2022), the closing share price was 76.44 euros.

Since its first listing, the value of the Sodexo share has been multiplied by 49.3x whereas the CAC 40 index has been multiplied by only 16.5x over the same period, resulting in significant outperformance of Sodexo shares relative to the CAC 40[1].

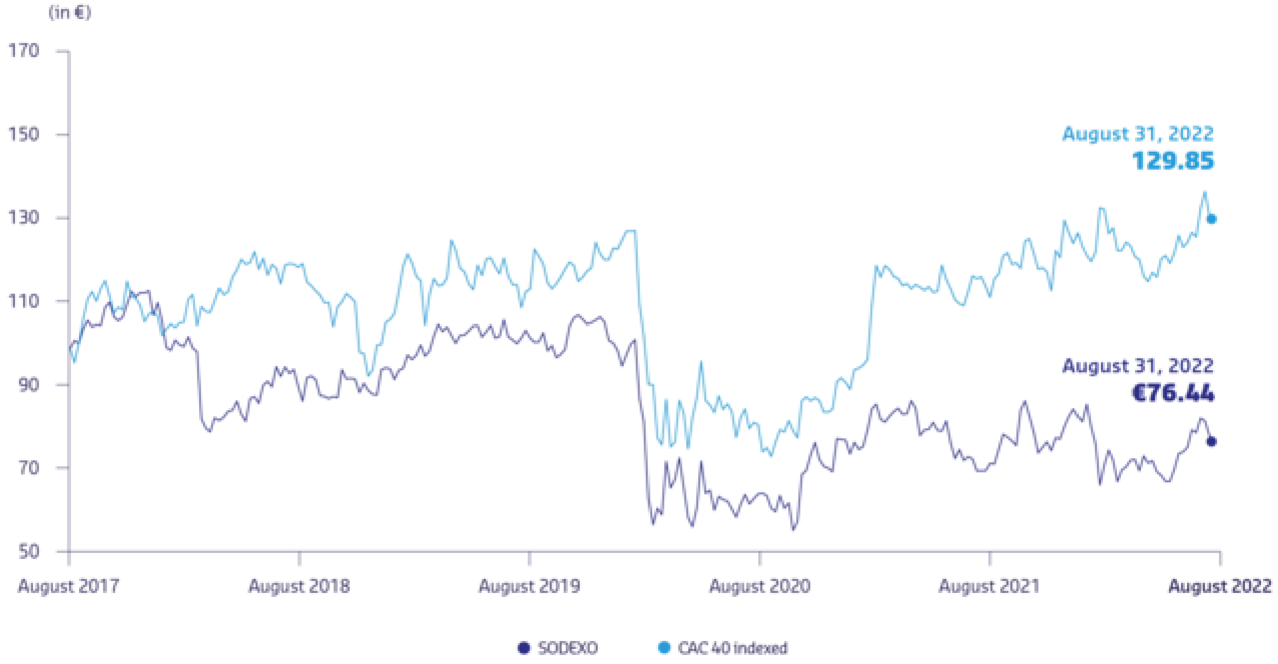
Since 1983, Sodexo's share value has appreciated by an average of +10.5% *per annum*, excluding dividends.



[1] CAC 40 recomposed between 1983 and 1987.

SHARE PRICE FROM AUGUST 31, 2017 THROUGH TO AUGUST 31, 2022, COMPARED TO THE CAC 40 INDEXED ON THE SODEXO SHARE

Over the last five fiscal years, Sodexo's share price has declined by -22.6%, whereas the CAC 40 index has increased by +31.4% during the same period. This significant under performance reflects the impact of the reset in profitability in March 2018 and the effects of the Covid-19 crisis from February 2020 which have been particularly significant in the Food and Leisure services industry.



SODEXO 1-YEAR SHARE PRICE FROM AUGUST 31, 2021 THROUGH AUGUST 31, 2022, COMPARED TO THE CAC 40 INDEXED ON THE SODEXO SHARE

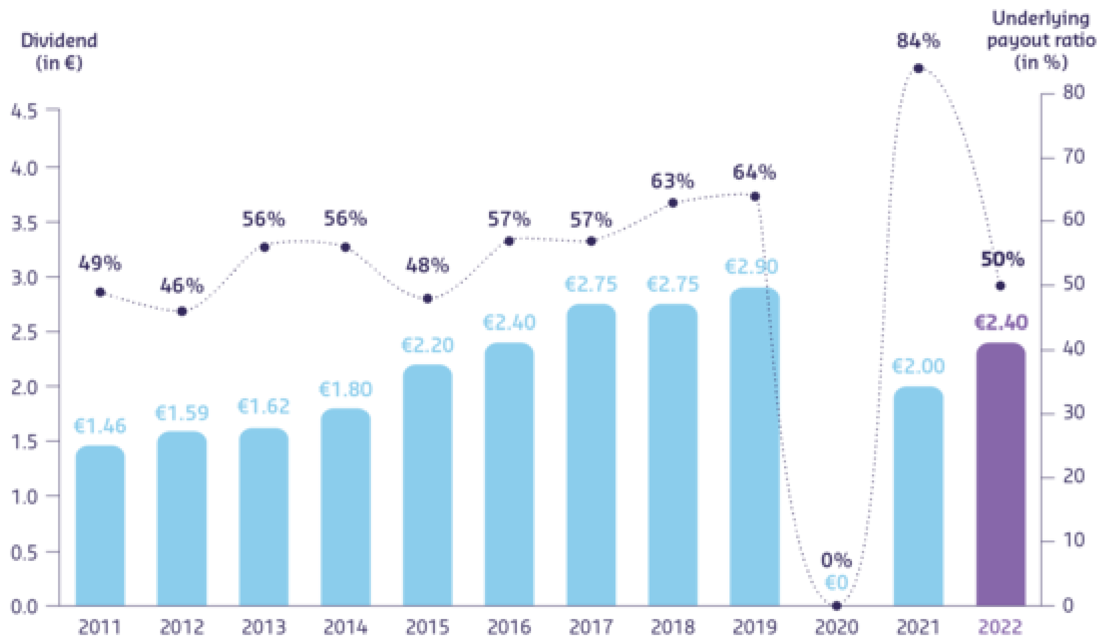
During Fiscal 2022, as the Covid-19 crisis receded and the market started to react to the repercussions of the Ukrainian war, with inflation and potential recession, the share price performance has improved. The shares are up +9.2% in Fiscal 2022, compared to a decline in the CAC 40 index of -7.8% resulting in a 17% out-performance of the shares. This trend has continued since the end of August.

As of August 31, 2022, the market capitalization of Sodexo was 11.3 billion euros.

7.1.2 Share and dividend performance

Dividend policy

The Group's dividend policy is aimed at securing long-term shareholder loyalty through a regular increase in the dividend, a dividend payout ratio of around 50% of underlying net profit, and a dividend premium for shareholders who have held their shares in registered form for an continuous period of at least four years. Below is a chart showing the dividend and pay-out ratio (Dividend per share/Underlying Earnings per share) over the last 10 years.



Note: In Fiscal 2021 the dividend was 2 euros, including a recurring part of 1.20 euro, reflecting the return to dividend policy of a pay-out ratio of 50% of Underlying net profit, plus an exceptional non-recurring part of 0.80 euro reflecting the distribution of the cash related to the disposals program of about 120 million euros.

This year, the Board has decided to propose a dividend of 2.40 euros, up 20% on the preceding year and a pay-out of 50% of underlying net profit. For those shareholders who have held their shares in registered form for at least four years consecutively, the dividend premium will amount to 0.24 euro per share, for up to 0.5% of the shares of the Company. During the Covid-19 crisis, the dividend was impacted by the very significant decline in Group net profit. For Fiscal 2020, given the severity of the downturn in activity; the uncertainty as to the timing of recovery, and in solidarity with the teams, the Board decided not to propose a dividend distribution at all. In Fiscal 2021, the dividend was set at 2.00 euros, with a recurring element of 1,20 euro, representing an underlying pay-out ratio of 50%, and a non-recurring element reflecting the return to shareholders of the proceeds of the portfolio management program.

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	FISCAL 2022	FISCAL 2021	FISCAL 2020	FISCAL 2019	FISCAL 2018
SHARE PRICE (in euros)					
Opening price as of September 1	70.44	60.06	104.05	89.74	98.26
Closing price as of August 31	76.44	70.02	59.96	103.1	89.72
Market capitalization as of August 31 (in billion euros)	11.3	10.3	8.8	15.2	13.2
12-month low	62.40	53.4	50.42	84.20	78.10
12-month high	87.98	88.04	107.40	108.65	114.05
DAILY AVERAGE VOLUME OF SHARE TRADING					
In number of shares	258,730	305,017	338,666	253,895	361,046
In value (in thousand euros)	67,270	22,531	29,058	26,839	34,221
DIVIDEND AND SHARE PERFORMANCE					
Total payout including dividend premium(2) (in million euros)	356 (1)	297	—	425	403
Payout ratio (Total payout/Group net profit)	51.2%	213.7%	N/A	64.7%	62.6%
Dividend per share (DPS) (in euros)	2.40 (1)	2.00	—	2.90	2.75
10% dividend premium (in euros)	0.24 (1)	0.20	—	0.29	0.28
Earnings per share (EPS)(3) (in euros)	4.75	0.95	(2.16)	4.56	4.40
Underlying earnings per share (Underlying EPS)(3) (in euros)	4.78	2.37	2.10	5.25	4.77
Underlying payout ratio (DPS/Underlying EPS)	50.2%	210.5%	N/A	63.6%	62.5%
TOTAL SHAREHOLDER RETURN (TSR)(4)	**+12.0%**	**+16.8%**	**-39.6%**	**+18%**	**-5.9%**

(1) To be approved by shareholders at the Annual Shareholders' Meeting on December 19, 2022.
(2) Theoretical payout for current fiscal year and actual figures for previous years. Includes dividend premium.
(3) Based on an average number of shares (quarterly average).
(4) Calculation of the Total Shareholder Return over a given period and calculated as follows: (share price at the end of the period – share price at the end of the previous period + dividend paid over the period, excluding the dividend premium)/share price at the end of the previous period.

7.1.3 Benefits of being a registered shareholder

Registered Sodexo shareholders are entitled to:

- double voting rights for registered shares held for at least four years;
- a dividend premium of 10% for registered shares held for at least four years (the number of shares eligible for this dividend premium may not exceed 0.5% of the share capital for any single shareholder);
- automatic invitation to Shareholders' Meetings and personalized information on all financial transactions (capital increases, bond issues, etc.);
- an exemption from administration costs (for directly-registered shares only).

Sodexo share codes

Sodexo shares are traded under the ISIN code FR0000121220.

The code for registered shares already eligible for the dividend premium is FR0011532431.

Different share codes have been introduced for registered shares in order to reflect the period in which the shares were acquired and to determine eligibility for the dividend premium.

The use of different codes does not affect trading of the shares. When selling shares, it is advisable to sell the most recently acquired first in order to maintain the dividend premium rights on the highest number of remaining shares.

REFERENCE DATE FOR REGISTRATION OF SHARES	RIGHT TO DIVIDEND PREMIUM FOR FISCAL	NAME OF LOYALTY CODES	ISIN CODES FOR REGISTERED SHARES AS AT SEPTEMBER 1, 2022
August 31, 2018	2022	*Actions prime de fidelité*	**FR0011532431**
August 31, 2019	2023	*Actions prime de fidélité 2023*	**FR0013436029**
August 31, 2020	2024	*Actions prime de fidélité 2024*	**FR0013447026**
August 31, 2021	2025	*Actions prime de fidélité 2025*	**FR0013536729**
August 31, 2022	2026	*Actions prime de fidélité 2026*	**FR0014004UW8**
August 31, 2023	2027	*Actions prime de fidélité 2027*	**FR001400C460**

On September 1, 2022, Euroclear merged the shares held under the code FR0013353075 for the *Actions prime de fidélité 2022* into the code FR0011532431.

Contacts for registered shareholders

Directly-registered shareholder accounts are managed by Société Générale, which also acts as transfer agent for all Sodexo registered shareholders.

For further information call:

Société Générale Nantes (France): +33 2 51 85 67 89

or visit the Société Générale website: www.sharinbox.societegenerale.com

7.1.4 ADR program

Since Sodexo's voluntary delisting from the New York Stock Exchange in 2007, Sodexo American Depositary Receipts (ADRs) are traded on the over-the-counter (OTC) market, ticker SDXAY, with five ADRs representing one Sodexo share.

Advantages for U.S. investors:

- U.S. brokers purchase, sell and settle the ADRs in the same way as they would for the shares of a U.S. company;
- the prices of the ADRs are quoted in U.S. dollars and the dividends are paid in U.S. dollars;
- ADRs are a straightforward and effective way of enabling U.S. investors to invest in international companies.

KEY INFORMATION ON THE SODEXO ADRS

ADR ticker symbol	SDXAY
Platform	OTC
CUSIP	833792104
DR ISIN	US8337921048
ISIN code	FR0000121220
SEDOL	7062713
Custodian bank	Citibank Europe Plc (Dublin)
ADR ratio	5 ADRs for 1 ordinary share

CONTACTS AT CITIBANK FOR ANY QUESTIONS CONCERNING THE ADRS

New York	London
Michael O'Leary	Michael Woods
michael.oleary@citi.com	michael.woods@citi.com
Tel: +1 212 723 4483	Tel: +44 20 7500 2030

7.2 Financial communications policy

To respond more effectively to the expectations of its shareholders, Sodexo continuously works to improve its investor relations program by developing new information channels and the quality of its interactions during the different meetings with the financial community.

7.2.1 Listening to our shareholders and the financial community

In order to comply with all applicable regulations in connection with its listing on Euronext Paris (the French stock exchange), Sodexo and all the teams involved in preparing financial communications have committed to a set of transparency principles designed to ensure equal treatment of all shareholders.

Sodexo's investor relations policy is based on four core principles:

- equal treatment when disclosing quarterly financial information: all financial press releases are issued simultaneously in real time to all our stakeholders, both in French and English. These press releases are published on the Group's website (www.sodexo.com) and relayed through the press, e-mail and *via* an authorized provider;
- regular reporting: the financial community is informed of the financial publication schedule a year in advance, and updates are always available on the Group's website;
- ease of access to financial meetings: Annual Shareholder Meetings and revenue and results presentations are broadcasted *via* a live webcast and subsequently available on the Sodexo website. In addition, all financial communication is available and archived on the website;
- transparency: all information on the Group, including the Company's Bylaws, Universal Registration Document, Interim Report, press releases, presentations and share price trends, is also available on the website: www.sodexo.com.

7.2.1.1 Group spokesperson

Only the Chairwoman and Chief Executive Officer as well as the members of the Group executive Committee are authorized to provide financial communications. The Chairwoman of the Board of Directors and Chief Executive Officer appoints the Investor Relations team to act as spokespeople for the Group, within specific delegated powers.

7.2.1.2 Preparation and publication of financial communications

All financial communication is reviewed prior to publication by a Group Disclosure Committee comprising of representatives from Group Finance, Communications, Corporate Responsibility, Legal, Board Secretary and Human Resources.

Barring exceptional circumstances, all information with the potential to influence the share price is published before Euronext Paris opens for trading.

After approval of this information by the Chairwoman of the Board of Directors and Chief Executive Officer, the Chief Financial Officer or the Board of Directors (depending on its nature), it is communicated to the markets *via* a press release issued simultaneously to the entire financial community and to the stock market authorities.

Sodexo does not communicate financial information during the following periods:

- 30 calendar days preceding the date of publication of the annual and half-year consolidated financial statements;
- 15 calendar days preceding the date of publication of its first and third quarter consolidated financial information.

7.2.1.3 Code of conduct for senior managers

To ensure Sodexo's commitment to transparency and regulatory compliance, the Board of Directors adopted a Code of Conduct with integrity principles for senior managers in 2003.

The Code of Conduct sets out a core set of behaviors:

- to avoid actual or apparent conflicts of interest;
- to comply with all laws, rules and regulations;
- to protect the Group's confidential information;
- to conduct all business fairly;
- to hold managers accountable for their behavior and create an environment of trust where concerns can be reported without fear of retaliation or retribution.

The Group's ethical principle of transparency means efficient communication with the Group's shareholders, so that they are provided with full and accurate information on the Group's financial condition and profits. The Group is committed to timely communication and to complete, accurate, reliable and clear reporting.

7.2.2 Universal Registration Document

According to Regulation (EU) 2017/1129 in force since July 21, 2019 and its Delegated Regulation 2019/980, Sodexo publishes a Universal Registration Document. This Universal Registration Document aims to enhance shareholder and investor understanding of the activities, financial situation, risk factors, overall strategy and non-financial aspects of the Group.

The Universal Registration Document is filed each year with the French securities regulator (Autorité des marchés financiers – AMF) in accordance with its General Regulation. The French-language document can be viewed on the AMF website (www.AMF-france.org). It is also available, along with the English version, at www.sodexo.com.

An interactive and accessible version of the Universal Registration Document in French and English is also available on the Group's website to facilitate reading, particularly for those that are visually impaired.

7.2.3 Annual Shareholders' Meeting

The Annual Shareholders' Meeting is announced in official notices published in the press, in the BALO (*Bulletin des annonces légales obligatoires*) in France and on the Group's website, at www.sodexo.com.

The notice of meeting is available in French and English at least 15 days prior to the meeting, and usually well in advance of this requirement. It is sent to all registered shareholders, and to other shareholders upon request. It is also available at www.sodexo.com.

A live webcast of the Sodexo Annual Shareholders' Meeting is broadcast on our website, enabling shareholders who cannot attend in person to ask questions and follow the voting on resolutions. The webcast of the last Annual Shareholders' Meeting has been archived and is available on the Sodexo website.

7.2.4 Regular meetings and ongoing dialogue

Sodexo is committed to genuine dialogue with its shareholders and with the broader financial community. In order to ensure that the figures it releases each quarter are fully understood, the Group organizes conference calls led by the Chairwoman of the Board of Directors and Chief Executive Officer and Chief Financial Officer.

In addition, a program of regular meetings with investors and analysts is put in place each year, with the Chairwoman of the Board of Directors and Chief Executive Officer, the Chief Financial Officer, as well as the Lead Independent Director, and the Investor Relations team from all around the world. These individual meetings create opportunities for more informal dialogue. The vast majority of these meetings took place online in Fiscal 2022, even though we are starting to arrange more face-to-face visits. The virtual format has made these meetings much easier to plan and increased attendance whilst reducing costs and carbon emissions.

Themed briefings are also held periodically to give investors and analysts insight into front-line operations, from an Environmental, Social and Governance point of view.

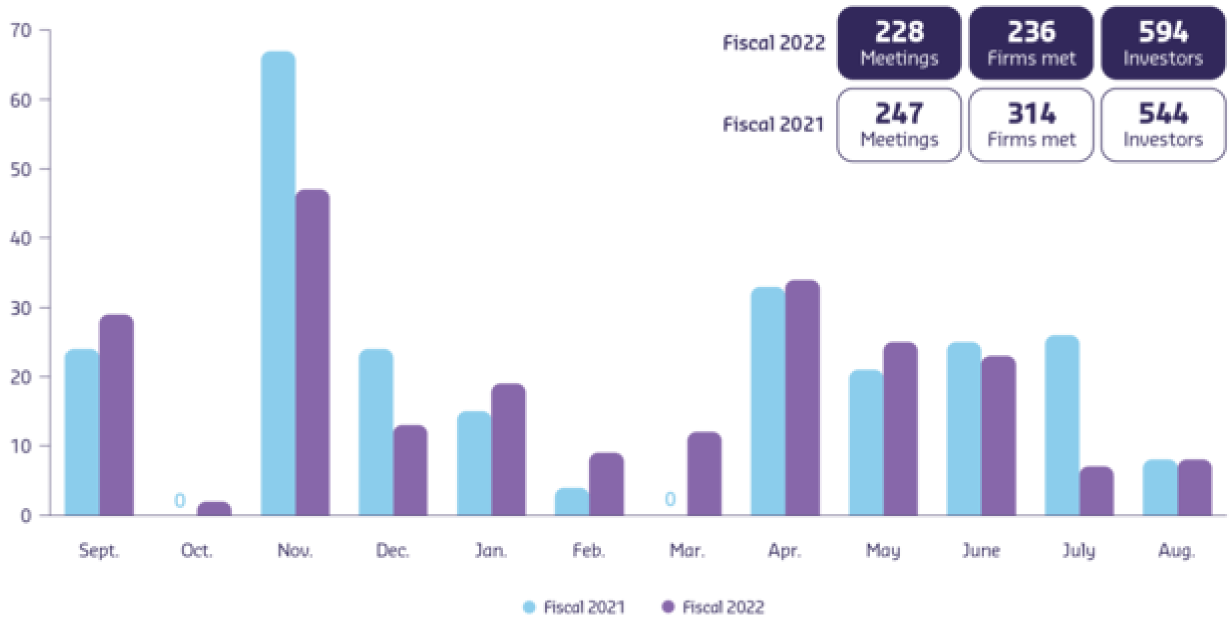
After a particularly active year in 2021 due to the Covid-19 crisis, in Fiscal 2022 Sodexo met with 594 investors from 236 financial institutions, held seven roadshows and participated in 10 investor conferences. The number of meetings was down 8% year-on-year and the number of institutions met also fell due to a reduced number of conferences, and reduced attendance at those conferences. However, the number of investors met increased demonstrating the advantage of being able to access a wider audience in each institution *via* online meetings.

Following the appointment of Luc Messier as Lead Independent Director, several shareholder and analyst meetings were held for him to get a better understanding of the views and concerns of the financial community.

On November 2, 2022, the Group organized its hybrid 2022 Capital Markets Day. The event was held at the Cloud Business Center, in the middle of Paris, with presentations on the strategy of the Group and its various activities including a presentation by Sophie Bellon of her vision of the Group. Many members of the Group Executive Committee and some representatives of other functions were present throughout the day. More than 50 investors, analysts, bankers and financial journalists attended the event.
All plenary presentations, recordings and transcripts are available on the website: www.sodexo.com.

Lastly, the Investor Relations team is always available to answer questions from shareholders, analysts and institutional investors.

Breakdown of investors meetings by month



7.2.5 The Shareholders Club

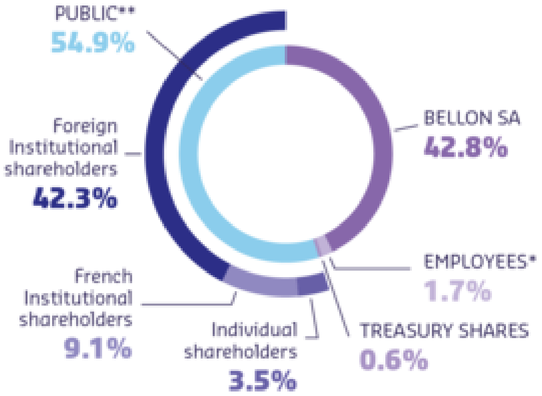
Sodexo launched its Shareholders Club on October 3, 2019. This club aims to strengthen the personal link between the Company and its shareholders, provide a direct flow of information on Sodexo and its services and provide a dedicated forum for discussion.

With the end of the Covid-19 crisis, we were able to hold the first Shareholders' Club event on July 6, 2022 at the Group's headquarters in Issy-les-Moulineaux. The subject of the conference was the "new post-Covid-19 work environment". It was led by a specialist team from our *Vitalspaces* operations and was followed by a visit of the building to highlight the trends and transformations of the working environment, accentuated by the Covid-19 pandemic. The shareholders were impressed by the Head Office work space, the Group's expertise and the enormous evolution of the ways of working in the last few years. The Shareholders Club plans to hold other such events in the future.

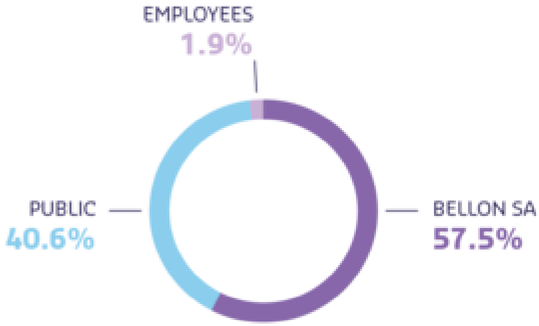
To become a member, you simply fill out the form available on www.sodexo.com, in the shareholders section.

7.3 Shareholders

SHAREHOLDER BREAKDOWN AS OF AUGUST 31, 2022



VOTING RIGHTS BREAKDOWN AS OF AUGUST 31, 2022



Source: Nasdaq.

* Including shares resulting from restricted share plans held in registered form by employees and still subject to a lock-up period.
** Number of shares held not updated since July 22, 2022.

7.3.1 Evolution of the share capital in the last three fiscal years

As at August 31, 2022, the share capital of the Company was an aggregate nominal value of 589,819,548 euros divided into 147,454,887 shares of a nominal value of 4 euros each. There were no changes in the Company's share capital between August 31, 2022 and the date of publication of this document.

The table below provides the evolution of the Company's share capital over the last three fiscal years:

	DATE OF THE TRANSACTION	NATURE OF THE OPERATION	NUMBER OF SHARES CANCELLED	NUMBER OF SHARES COMPRISING THE SHARE CAPITAL FOLLOWING THE OPERATION	SHARE CAPITAL FOLLOWING THE OPERATION
Position for Fiscal 2020	-	-	-	147,454,887	€589,819,548
Position for Fiscal 2021	-	-	-	147,454,887	€589,819,548
Position for Fiscal 2022	-	-	-	147,454,887	€589,819,548

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7.3.2 Changes in the breakdown of share capital and voting rights over the last three years

SHAREHOLDERS (NUMBER/%)	AUGUST 31, 2022			AUGUST 31, 2021			AUGUST 31, 2020		
	SHARES HELD	THEORETICAL VOTING RIGHTS(1)	EXERCISABLE VOTING RIGHTS(1)	SHARES HELD	THEORETICAL VOTING RIGHTS	EXERCISABLE VOTING RIGHTS	SHARES HELD	THEORETICAL VOTING RIGHTS	EXERCISABLE VOTING RIGHTS
Bellon SA	63,040,363	125,290,848	125,290,848	63 040 363	123,940,848	123,940,848	63,040,363	123,940,848	123,940,848
	42.8%	57.3%	57.5%	42.8%	56.9%	57.2%	42.8%	56.8%	57.1%
Artisan Partners(2) (4)	10,634,821	10,634,821	10,634,821	8,454,581	8,454,581	8,454,581	6,903,241	6,311,063	6,311,063
	7.2%	4.9%	4.9%	5.7%	3.9%	3.9%	4.7%	2.9%	2.9%
First Eagle Investment Management (2) (4)	7,451,360	7,451,360	7,451,360	7,329,082	7,329,082	7,329,082	6,491,901	6,491,901	6,491,901
	5.1%	3.4%	3.4%	5.0%	3.4%	3.4%	4.4%	3.0%	3.0%
Caisse des Dépôts(4)	3,544,934	5,014,407	5,014,407	6,013,276	7,657,320	7,657,320	4,392,104	4,808,209	4,808,209
	2.4%	2.3%	2.3%	4.1%	3.5%	3.5%	3.0%	2.2%	2.2%
BlackRock Inc.(4)	4,581,547	4,581,547	4,581,547	4,484,325	4,484,325	4,484,325	4,356,910	4,356,910	4,356,910
	3.1%	2.1%	2.1%	3.0%	2.1%	2.1%	3.0%	2.0%	2.0%
Employees(3)	2,469,593	4,117,244	4,117,244	2,336,233	3,809,916	3,809,916	1,560,021	2,715,225	2,715,225
	1.7%	1.9%	1.9%	1.6%	1.8%	1.8%	1.0%	1.2%	1.3%
Treasury Shares	841,102	841,102	—	1,166,593	1,166,593	—	1,442,351	1,442,351	—
	0.6%	0.4%	—%	0.8%	0.5%	—%	1.0%	0.7%	—%
Public	54,891,167	60,813,905	60,813,905	54,630,434	60,830,019	60,830,019	59,267,996	68,278,596	68,278,596
	37.2%	27.8%	27.9%	37.0%	27.9%	28.1%	39.9%	31.2%	31.5%
TOTAL	**147,454,887**	**218,745,234**	**217,904,132**	**147,454,887**	**217,672,684**	**216,506,091**	**147,454,887**	**218,345,103**	**216,902,752**
	100%	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

(1) Treasury shares do not carry any voting rights, in accordance with article L.225-210 of the French Commercial Code.
(2) Acting on behalf of its managed funds.
(3) This figure includes the shares held by employees in an account with Société Générale as a result of restricted share awards, in accordance with French Act no. 2015-990 of August 6, 2015 on growth, business and equal economic opportunities.
(4) Number of shares held not updated since July 22, 2022.

As at August 31, 2022, the members of the Board of Directors together directly held less than 0.5% of the Company's share capital.

7.3.3 Shareholding held by Bellon SA

During Fiscal 2022, the equity stake of Bellon SA, the family holding company, remained stable at 42.8% of the share capital, with a total number of shares held of 63,040,363 as at August 31, 2022.

The Pierre and Danielle Bellon family controls 72.6% of the family holding company Bellon SA, which in turn holds 42.8% of the share capital of Sodexo and 57.5% of the exercisable voting rights as of August 31, 2022. Mr. and Mrs. Pierre Bellon and their children entered into an agreement in June 2015 to prevent their direct descendants from freely disposing of their Bellon SA shares for 50 years. Bellon SA's only asset is its holding in Sodexo; Bellon SA has no intention of selling this holding to a third party.

7.3.4 Crossing of legal and statutory thresholds

In accordance with article L.233-7, I of the French Commercial Code, the following legal threshold crossings have been reported to the Company during Fiscal 2022:

CROSSING DATE	SHAREHOLDER	INCREASE/ DECREASE	LEGAL THRESHOLD CROSSED (% capital)	% VOTING RIGHTS HELD	% SHARE CAPITAL HELD
May 3, 2022	Artisan Partners Limited Partnership	Increase	5%	5.03%	7.41%

In accordance with article 8.4 of the Company's Bylaws, any shareholder whose interest in the Company reaches or falls below 1% of the Company's voting rights or any multiple thereof, must inform the Company. The following statutory threshold crossings have been reported during Fiscal 2022:

CROSSING DATE	SHAREHOLDER	INCREASE/ DECREASE	STATUTORY THRESHOLD CROSSED (% voting rights)	% VOTING RIGHTS HELD	% SHARE CAPITAL HELD
August 8, 2022	Amundi	Decrease	2%	1.99%	Not provided
May 3, 2022	Amundi	Increase	2%	2.04%	3.01%
November 30, 2021	Caisse des Dépôts et Consignations	Decrease	3%	2.90%	3.51%

As of the date of this Universal Registration Document and to the best of Sodexo's knowledge:

- after the close of Fiscal 2022, the Company has received a statutory threshold crossing declaration. On October 19, 2022, First Eagle Investment Management declared that on October 18, 2022, it had crossed below the statutory threshold of 3% of the voting rights and held 6,556,780 voting rights, representing 2.99% of the voting rights of the Company;
- only Bellon SA, Artisan Partners Limited Partnership, BlackRock Inc., Caisse des Dépôts et Consignations and First Eagle Investment Management hold 2% or more of the share capital or voting rights of Sodexo, directly or indirectly, through the companies they control, individually, or in concert;
- there are no shareholder agreements in place and no agreements that, if implemented, could result in a change of control of Sodexo.

7.3.5 Share buy-back program

As a reminder:

- the Combined Annual Shareholders' Meeting of January 12, 2021 authorized the Board of Directors, in its 15th resolution, to purchase or arrange for the purchase of Company shares within the limit of 5% of the total number of shares comprising the share capital as of January 12, 2021 (*i.e.*, a total of 7,372,744 shares), for a period of 18 months. The maximum purchase price of shares pursuant to the authorization could not exceed 90 euros per share and the total amount allocated to the authorized share buy-back program could not exceed 663 million euro;
- the Ordinary Annual Shareholders' Meeting of December 14, 2021, after having terminated the previous authorization, again authorized the Board of Directors, in its 15th resolution, to purchase or arrange for the purchase of Company shares for a further period of 18 months. The maximum purchase price pursuant to this authorization could not exceed 95 euros per share and the total amount allocated to the authorized share buy-back program could not exceed 700 million euros.

The above authorizations have been granted in order to cover restricted share plans, cancel treasury shares by reducing the share capital and/or facilitate the Sodexo liquidity contract. For more information about the objectives targeted by the two authorizations mentioned above, please refer to chapter 7 of the Fiscal 2020 and Fiscal 2021 Universal Registration Documents.

During Fiscal 2022, the Board of Directors used the above-mentioned authorizations as follows:

- Sodexo repurchased 170,000 shares (representing 0.12% of the share capital) at an average price of 77.18 euros per share plus trading fees of 45,657 euros excluding taxes;
- Sodexo transferred 439,262 shares for delivery under free share allocation plans.

Further, under the liquidity contract concluded between Sodexo and Exane, the following transactions were carried out during Fiscal 2022:

- purchase of 2,162,598 shares for a total amount of 161,319,960.22 euros, at an average price of 74.595 euros;
- sale of 2,218,827 shares for an aggregate amount of 166,176,850.94 euros, at an average price of 74.894 euros.

On June 22, 2021, the AMF renewed and updated the accepted market practice for liquidity contracts and reduced the maximum amount of liquidity contracts for companies with liquid securities. As a result, Sodexo has reduced the resources allocated to the liquidity contract. As of August 31, 2022, the following amounts were booked to the account:

- 63,780 shares;
- 10,267,003.11 euros.

As at August 31, 2022:

- Sodexo directly held a total of 841,102 of its own shares (representing 0.6% of the share capital) intended to hedge:
  - various restricted share plans set up for Group employees (for more information about restricted share plans, please refer to section 6.5 of this document); and
  - the Sodexo liquidity account was composed of 63,780 shares;
  - the total carrying amount of the treasury shares portfolio was 74.1 million euros.

Since August 31, 2022, the Company has not purchased Sodexo shares other than through its liquidity contract.

Detailed information on these transactions may be found on the Sodexo website in the "Regulated information" section.

7.3.6 Description of the share buy-back program subject to the authorization of the Combined Annual Shareholders' Meeting to be held on December 19, 2022

The Board of Directors proposes that the Annual Shareholders' Meeting to be held on December 19, 2022, in its 15th resolution, renews the authorization granted to the Board to repurchase Sodexo shares pursuant to articles L.225-209 *et seq.* of the French Commercial Code, articles 241-1 *et seq.* of the General Regulation of the AMF and the European rules applicable to market abuses under European regulation (UE) no. 596/2014 of April 16, 2014.

The new share buy-back program would be in particular, intended to cover restricted share plans, to reduce the Company's share capital through the cancellation of shares and to trade in the shares within the context of the existing liquidity contract.

The maximum number of shares that may be purchased under this new share buy-back program would be set at 10% of the total number of shares comprising the Company's capital as of the date of the Annual Shareholders Meeting on December 19, 2022*, i.e.*, as of August 31, 2022, a maximum number of 14,745,488 shares.

The maximum share purchase price under this share buy-back program may not exceed 95 euros per share and the total amount allocated to the program may not exceed 1.4 billion euros.

This authorization would be valid for a period of 18 months, replacing the authorization given for the same purpose by the Annual Shareholders' Meeting on December 14, 2021, in its 15th resolution.

For further information about this authorization submitted to a vote at the Annual Shareholders' Meeting on December 19, 2022, please refer to chapter 8 of this Universal Registration Document.

7.3.7 Employee share ownership

As at August 31, 2022, Group employees held 1.7% of the Company's share capital, representing 2,469,593 shares, 31.8% of which was held in an employee mutual fund (FCPE).

As at August 31, 2022, the number of Group employee shareholders was estimated at 30,133.

The various profit-sharing agreements in force allow employees of the Group's French subsidiaries to invest the amounts they receive in respect of these profit-sharing agreements into an employees' mutual fund invested in Sodexo shares, or into a restricted savings account. To qualify for favorable tax and social security treatment, amounts due to employees are subject to a five-year lock-up period.

7.3.8 Capital authorized but not issued – Delegations and valid financial authorizations

As at the date of this Universal Registration Document, the Board of Directors of the Company had the following delegations and financial authorizations conferred to it by the decisions of the Annual Shareholders' Meetings.

CURRENTLY VALID AUTHORIZATIONS	MAXIMUM AGGREGATE NOMINAL VALUE OF CAPITAL INCREASE(S)(1) (in million euros)	MAXIMUM AMOUNT OF CAPITAL INCREASE(S)(1) (% of share capital)	DATE OF AUTHORIZATION (N° of the resolution)	DATE OF EXPIRATION	USAGE
Authorizations with preferential rights					
• Issuance of ordinary shares and/or any other securities carrying rights to Sodexo shares	85(2)	14%	December 14, 2021 (17th)	February 13, 2024	Unused
• Issuance of debt securities carrying rights to Sodexo shares	1,000	N/A	December 14, 2021 (17th)	February 13, 2024	Unused
Authorizations to issue shares to employees and managers					
• Issuance of ordinary shares and/or any other securities reserved for members of Employee Savings Plans	About 9(3)	1.5%	December 14, 2021 (19th)	February 13, 2024	Unused
• Grant of restricted shares and performance shares	About 15	2.5%	December 14, 2021 (20th)	February 13, 2025	See section 6.5
Issuance of shares by capitalizing profit, reserves or premiums	85(3)	N/A	December 14, 2021 (18th)	February 13, 2024	Unused
Share capital reduction through cancellation of shares	N/A	5% of number of shares	December 14, 2021 (16th)	February 13, 2024	Unused

(1) Adjusted amounts of share capital as at August 31, 2022.
(2) The 85 million euro ceiling includes the amounts of any capital increases carried out pursuant to the 18st and 19nd resolutions of the Combined Shareholders' Meeting held on December 14, 2021.
(3) This aggregate amount is included in the 85 million euro ceiling set in the 17th resolution of the Combined Shareholders' Meeting held on December 14, 2021.

7.3.9 Potential share capital

As of the date of this document, there are no securities outstanding, other than existing equity securities and the restricted shares allocated to Group employees and Corporate Officers, as described in section 6.5 of the present document, which carry immediate or future rights to the Company's share capital.

7.4 Additional general information and bylaws of the Company

7.4.1 Corporate name, registered office, website

Corporate name: Sodexo.

Registered office: 255, quai de la Bataille-de-Stalingrad, 92130 Issy-les-Moulineaux, France.

Telephone: +33 (0)1 30 85 75 00.

Website: www.sodexo.com

Information that can be found on the Company's website is not an integral part of this document, except if incorporated by reference into said document.

7.4.2 Legal form

Sodexo is a French public limited company *(société anonyme)*, subject to all laws and regulations governing commercial corporations in France, and in particular to the provisions of the French Commercial Code.

7.4.3 Date of incorporation and duration

The Company has a duration of 99 years from December 31, 1974, save earlier termination or winding up.

The date of expiration of the Company is December 30, 2073.

7.4.4 Corporate purpose

The objectives of the Company shall be, in France, the French overseas departments and territories or abroad, directly or indirectly, on behalf of third parties or on its own account or in association with third parties, as follows:

- the development and provision of all services related to the organization of food services and other essential services for corporations and public bodies;
- the operation of all restaurants, bars, hotels and more generally all establishments connected with food services, the hotel industry, tourism, leisure and other services, and the ownership and financing thereof;
- the provision of some or all of the services required for the operation, maintenance and management of establishments or buildings used for office, commercial, industrial, leisure, healthcare or educational purposes, and for the operation and maintenance of some or all of the equipment installed therein;
- the execution of all installation, repair, refurbishment and replacement works on installed equipment;
- the provision of advice and of economic, financial and technical surveys relating to all projects and to all services associated with the development, organization and operation of the establishments defined above, and in particular all acts in furtherance of the construction of such establishments and all related consultations and assistance;
- the formation of all new companies and the acquisition by whatever means of equity interests in all companies irrespective of their corporate purposes;
- and more generally all civil, commercial, industrial and financial transactions, and transactions involving movable property or real estate, that are directly or indirectly associated with the aforementioned purposes or with all similar or related purposes.

7.4.5 Company registration and LEI

Sodexo is registered in the Trade and Companies Register of Nanterre under no. 301 940 219.

Business identifier code (APE code): 5629B

LEI code: 969500LCBOG12HXPYM84.

7.4.6 Material contracts

During the last two years, the Company has not entered into any material contract, other than those signed in the ordinary course of business, that create a material obligation or commitment for the entire Group.

7.4.7 Fiscal year

The fiscal year commences on September 1 of each year and ends on August 31 of the following year.

7.4.8 Form of shares and transfer of shares

The Company's shares may be held in either registered or bearer form. They are freely negotiable.

Transfer of shares occurs by transfer from one account to another in accordance with the conditions laid down by laws and regulations.

7.4.9 Statutory disclosure thresholds

In accordance with article 8 of the Company's Bylaws, any shareholder whose interest in the Company, held in any form and taking into account the forms of ownership provided for in the legislation applicable to statutory disclosure requirements, reaches or falls below 1% of the Company's voting rights or any multiple thereof, including percentages that are higher than the disclosure thresholds provided for in the applicable laws and regulations, must inform the Company by registered mail with request for acknowledgement of receipt within five trading days of the threshold being crossed. When a disclosure threshold is crossed due to a purchase or sale of shares on the open market, the five trading-day timeframe will begin on the trade of the shares rather than their delivery date.

The above disclosure requirements will also apply to intermediaries that are registered with the Company or its share registrar as acting on behalf of shareholders who are not domiciled in France.

If a shareholder fails to comply with the above disclosure rules, the shares not disclosed may be stripped of voting rights at General Meetings.

7.4.10 Identification of shareholders

The Company may make use of the legal framework available for identifying the holders of shares which have, either immediately or in the future, voting rights at Shareholders' Meetings.

7.4.11 Appropriation of earnings and dividend premium

Each share entitles its holder to a proportion of the Company's profits and net assets equal to the proportion of capital represented by the share.

The first appropriation of net income, net of any accumulated losses from prior periods, must be an amount of at least 5% of net income to establish the reserve fund required by law. This appropriation ceases to be compulsory once this reserve fund is equal to one-tenth of the issued capital but must be resumed if for any reason the reserve falls below one-tenth of the issued capital.

Distributable earnings comprise net income for the fiscal year, minus any accumulated losses brought forward and any transfer to the legal reserve, plus any retained earnings brought forward.

Distributable earnings are appropriated in the following order (i) any sum that the Ordinary Shareholders' Meeting, on the proposal of the Board of Directors, decides to carry forward as retained earnings or to appropriate to the creation of an extraordinary reserve fund, contingency fund or other fund, whether or not created for a specific purpose and (ii) the surplus is distributed among all of the shareholders, each share entitling its holder to an equal share of the profit.

However, shareholders able to show that they have been a registered shareholder for at least four years as of the end of a given fiscal year, and who remain registered at the dividend payment date related to the said fiscal year, are entitled to a dividend premium on the shares so registered, equal to 10% of the dividend paid on the other shares, the resulting dividend premium being rounded down to the nearest euro cent where appropriate.

Similarly, shareholders able to show that they have been a registered shareholder for at least four years as of the end of a given fiscal year, and who remain registered at the date of a capital increase by capitalization of reserves, income or share premiums, by distribution of bonus shares, are entitled to supplementary bonus shares equal to 10% of those to be distributed. In the case of odd lots, the number of supplementary shares will be rounded down to the nearest unit. The resulting new shares will qualify for the same treatment as the old shares from which they are derived for the purposes of calculating rights to the dividend premium and to receive supplementary bonus shares.

The number of shares upon which a single shareholder shall be eligible for these dividend premiums or supplementary bonus shares may not exceed 0.5% of the share capital.

The above-mentioned right to a dividend premium has been applicable since the payment of the dividend for the fiscal year ended August 31, 2013.

7.4.12 Shareholders' Meetings

Shareholders' Meetings are called and deliberate on the terms stipulated by the law. They are held at the registered office or at any other place specified in the notice of meeting.

For the purposes of calculating quorum and majority at Shareholders' Meetings, shareholders taking part in said meetings *via* video-conferencing or electronic links allowing them to be identified in accordance with the definitions and conditions relating to such links as stipulated in the relevant laws or regulations are deemed to have attended the meeting.

Shareholders' Meetings are made up of all shareholders whose shares are paid up to the extent called and whose right to participate in the Shareholders' Meeting is evidenced by an entry recorded, by the date and according to the procedure required by applicable laws and regulations, in a share register or securities account in the name of the shareholder or, for shareholders who are not resident in France, the shareholder's accredited financial intermediary, showing the number of shares held.

Shares must be registered within the above-stipulated deadline either in share accounts in the shareholder's name held by the Company or *via* the approved intermediary, or in bearer share accounts held by the approved intermediary.

Members are entitled to attend Shareholders' Meetings upon simple proof of identity and entitlement. The Board of Directors may, at its discretion, issue personal admission cards to shareholders in their names and demand presentation thereof.

All shareholders may vote remotely as provided by applicable laws and regulations.

Equally, all shareholders may take part in discussions when meetings are in session and vote *via* electronic data.

Shareholders' Meetings are chaired by the Chairperson of the Board of Directors, or in his absence by the Vice Chairperson if one has been appointed or failing that by the longest-serving director present. If there is no director present, the meeting elects its own Chairperson.

7.4.13 Double voting rights

No shareholder holds any special voting rights and all shares in the Company carry one voting right, except for registered shares carrying double voting rights.

The Annual Shareholders' Meeting held on February 23, 1999 introduced double voting rights conferred on all fully paid-up shares registered in the name of the same shareholder for at least four years as well as on registered shares allotted free of charge to a shareholder for the existing shares held by that shareholder that carry double voting rights, in the event of a bonus share issue carried out by capitalizing profit, reserves or premiums.

As at August 31, 2022, the 147,454,887 shares making up the Company's capital carried 218,745,234 theoretical voting rights and 217,904,132 voting rights exercisable at Shareholders' Meetings. 71,290,347 of the shares have double voting rights, representing 48.3% of the capital and 65.4% of the voting rights, which could be exercisable at that date.

Only treasury shares do not carry any voting rights, in accordance with article L.225-210 of the French Commercial Code (which accounts for differences between the theoretical number of voting rights and the number of exercisable voting rights).

7.4.14 Modification of shareholder rights

All modifications to share capital or voting rights attached to the shares therein are subject to legal requirements, as the Company's Bylaws do not contain specific provisions.

A full version of the Company's Bylaws is available on the Group's website at www.sodexo.com.

7.4.15 Consultation of legal documents

Documents relating to the Company which are required to be made available to the public (bylaws, reports and other documents, historical financial information of the Company and consolidated financial information for at least each of the two fiscal years preceding the date of this Fiscal 2022 Universal Registration Document) are available on the Company's website (www.sodexo.com) and may also be consulted at its registered office at 255, quai de la Bataille-de-Stalingrad – 92130 Issy-les-Moulineaux, France, preferably by appointment.

8

COMBINED SHAREHOLDERS' MEETING OF DECEMBER 19, 2022

8.1 Agenda

Ordinary business

1. Adoption of the individual company financial statements for Fiscal 2022.
2. Adoption of the consolidated financial statements for Fiscal 2022.
3. Appropriation of net income for Fiscal 2022; determination of the dividend amount and payment date.
4. Reappointment of Véronique Laury as a director for a three-year (3-year) term.
5. Reappointment of Luc Messier as a director for a three-year (3-year) term.
6. Reappointment of Cécile Tandeau de Marsac as a director for a three-year (3-year) term.
7. Appointment of Patrice de Talhouët as a new director for a three-year (3-year) term.
8. Appointment of Ernst & Young as Statutory Auditor.
9. Approval of the compensation policy applicable to the Chairwoman and Chief Executive Officer from March 1 to August 31, 2022.
10. Approval of the components of compensation paid during or awarded for Fiscal 2022 to Sophie Bellon, Chairwoman of the Board of Directors, then Chairwoman and Chief Executive Officer.
11. Approval of the information related to the compensation of corporate officers and directors, as referred to in article L.22-10-9 I of the French Commercial Code.
12. Determination of the maximum total annual envelope for directors' compensation.
13. Approval of the compensation policy applicable to the directors.
14. Approval of the compensation policy applicable to the Chairwoman and Chief Executive Officer.
15. Authorization for the Board of Directors to purchase shares of the Company.

Extraordinary business

16. Authorization for the Board of Directors to reduce the Company's share capital by canceling treasury shares.
17. Powers to carry out formalities.

8.2 Resolutions submitted to the Combined Shareholders' Meeting of December 19, 2022

Ordinary business

First and second resolutions: Adoption of the financial statements for Fiscal 2022

Purpose

In the first and second resolutions, shareholders are invited to adopt the individual company financial statements of Sodexo for the fiscal year ending August 31, 2022, showing net income of 321,434,578 euros, and the consolidated financial statements of the Group, showing profit attributable to equity holders of the parent amounting to 695 million euros.

The individual company financial statements have been prepared in accordance with French legal and regulatory provisions and the consolidated financial statements in accordance with the applicable regulations in force, including International Financial Reporting Standards (IFRS) as endorsed by the European Union.

In compliance with article 223 *quater* of the French General Tax Code *(Code général des impôts)*, no expenses falling within the scope of said Code were incurred during Fiscal 2022.

First resolution

(ADOPTION OF THE INDIVIDUAL COMPANY FINANCIAL STATEMENTS FOR FISCAL 2022)

Having considered the Board of Directors' Report and the Statutory Auditors' Report on the individual company financial statements for Fiscal 2022, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings, adopts the individual company financial statements for the fiscal year ended August 31, 2022 as presented, with net income of 321,434,578 euros.

The Shareholders' Meeting also approves the transactions reflected in these financial statements and/or described in these reports.

In application of article 223 *quater* of the French General Tax Code, the Shareholders' Meeting notes that no expenses within the scope of article 39-4 of said Code were incurred in Fiscal 2022.

Second resolution

(ADOPTION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL 2022)

Having considered the Board of Directors' Report and the Statutory Auditors' Report on the consolidated financial statements for Fiscal 2022, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings, adopts the consolidated financial statements for the fiscal year ended August 31, 2022, which show profit attributable to equity holders of the parent of 695 million euros.

The Shareholders' Meeting also approves the transactions reflected in these financial statements and/or described in these reports.

Third resolution: Appropriation of net income, determination of the dividend amount and payment date

Purpose

In the third resolution, shareholders are invited to approve the Board's recommended appropriation of net income and the payment of a dividend of 2.40 euros per share for the fiscal year ending August 31, 2022, representing a payout ratio on adjusted net profit of 50%, in line with the dividend policy.

In accordance with the Company's bylaws, shares that have been held in registered form for at least four (4) years, *i.e.,* since at least August 31, 2018, and that are still held in such form when the dividend for Fiscal 2022 is paid will automatically be entitled to a 10% dividend premium, representing an additional 0.24 euro per share. Where necessary, the amount of the dividend plus the premium will be rounded down to the nearest euro cent. The number of shares eligible for the dividend premium may not represent over 0.5% of the share capital for any single shareholder (corresponding to a maximum of 737,274 shares per shareholder based on the Company's share capital as of August 31, 2022).

The dividend payment schedule is as follows:

- Friday, December 23, 2022: Ex-dividend date, *i.e.,* date on which the shares are traded without rights to the dividend of the fiscal year ended August 31, 2022;
- Wednesday, December 28, 2022: Payment date of dividend and, as applicable, the dividend premium.

Third resolution

(APPROPRIATION OF NET INCOME FOR FISCAL 2022, DETERMINATION OF THE DIVIDEND AMOUNT AND PAYMENT DATE)

In accordance with the proposal made by the Board of Directors, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings, resolves:

to allocate net income for Fiscal 2022 of	€321,434,578
plus retained earnings as of the close of Fiscal 2022 of	€1,533,707,220
Making a total available for distribution of	€1,855,141,798
In the following manner:	
• dividend (on the basis of 147,454,887 shares comprising the share capital as of August 31, 2022)	€353,891,729
• a 10% dividend premium (on the basis of 8,891,925 shares held in registered form as of August 31, 2022 that are eligible for the dividend premium after application of the limit of 0.5% of capital per shareholder)	€2,134,062
• retained earnings	€1,499,116,007
Total	**€1,855,141,798**

Accordingly, the Shareholders' Meeting resolves that a dividend of 2.40 euros will be paid for the fiscal year ended August 31, 2022 on each share eligible for the dividend.

In accordance with article 18 of the Company's bylaws, shares held in registered form since at least August 31, 2018 and which are still in such form when the dividend for Fiscal 2022 is paid, *i.e.,* on December 28, 2022, will automatically be entitled to a 10% dividend premium, representing an additional 0.24 euro. The number of shares eligible for this dividend premium may not represent over 0.5% of Sodexo's share capital for any single shareholder (corresponding to a maximum of 737,274 shares per shareholder based on the Company's share capital as of August 31, 2022).

The ex-dividend date for the dividend and the dividend premium (for eligible shares) will be December 23, 2022 at midnight (Paris time) and the dividend and the dividend premium will be paid on December 28, 2022.

In the event that the Company holds any of its own shares on the payment date, the dividend due on these shares will not be paid and will be transferred to retained earnings.

Similarly, if any of the 8,891,925 shares held in registered form that are eligible for the dividend premium as of August 31, 2022 cease to be recorded in registered form between September 1, 2022 and December 28, 2022 (the dividend payment date), the amount of the dividend premium due on such shares will not be paid and instead will be transferred to retained earnings.

In accordance with article 243 *bis* of the French General Tax Code, the full amount of the recommended dividend (including the premium) will be eligible for the allowance provided for in article 158-3 2º of said Code to individuals domiciled for tax purposes in France, if they have opted for their overall income to be taxed based on the sliding income tax scale provided for in paragraph 2 of article 200 A of the French General Tax Code.

The Shareholders' Meeting notes that dividends paid for the last three fiscal years were as follows:

	FISCAL 2021 (PAID IN 2021)	FISCAL 2020 (PAID IN 2021)	FISCAL 2019 (PAID IN 2020)
Dividend per share*	€2.00	€0.00	€2.90
Total payout	€294,464,237	€0	€425,069,235

* Dividend fully eligible for the 40% allowance applicable to individuals who are a tax resident in France, as provided for in article 158-3 2º of the French General Tax Code (if the sliding income tax scale option is exercised).

Fourth resolution to seventh resolutions: Composition of the Board directors

Purpose

The Board of Directors is currently composed of twelve members, including two directors representing employees, seven independent directors and seven women (including one female director representing employees).

The terms of office of Véronique Laury, Cécile Tandeau de Marsac and of Luc Messier, expire at the end of this Meeting and will be renewed.

Sophie Stabile, whose term of office expires, will not be renewed. Sophie Bellon, on her own behalf and on behalf of the Board of Directors and all shareholders, thanks her for her contribution to the work of the Board of Directors and the Audit Committee.

In addition, it is proposed that Patrice de Talhouët be appointed as a new director for a period of 3 years.

Reappointment of Véronique Laury as a director

Purpose

The purpose of the fourth resolution is to reappoint Véronique Laury, whose term as director expires at the close of the Annual Shareholders' Meeting of December 19, 2022. Consequently, shareholders are invited to reappoint Véronique Laury for a three-year term expiring at the close of the Annual Shareholders Meeting called to approve the financial statements for Fiscal 2025.

An independent director on the Sodexo Board of Directors since January 21, 2020, Véronique Laury brings to the Board her general management experience, operational and financial expertise and strategic vision, as well as her solid knowledge of consumer culture acquired in the retail sector and in various marketing and sales positions.

Her attendance for Fiscal 2022 was 100% for the Board of Directors and 86% for the Audit Committee.

If she is reappointed as a director at the Annual Shareholders' Meeting, Véronique Laury will continue to serve as a member of the Audit Committee.

Reappointment of Luc Messier as a director

Purpose

The purpose of the fifth resolution is to reappoint Luc Messier, whose term as director expires at the close of the Annual Shareholders' Meeting of December 19, 2022. Consequently, shareholders are invited to reappoint Luc Messier for a three-year term expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for Fiscal 2025.

An independent director on the Sodexo Board of Directors since January 21, 2020, Luc Messier brings to the Board his international experience, particularly in the energy sector, where he held senior management positions in several French and American multinational companies. He has lived and worked in Canada, Asia, Africa, Europe and, more recently, in the United States where he resides.

Since March 1, 2022, he has served as Lead Director.

His attendance for Fiscal 2022 on the Board of Directors was 88% and 100% on the Nominating Committee.

If he is reappointed as a director at the Annual Shareholders' Meeting, Luc Messier will continue to act as Lead Director. He will also continue to serve on the Nominating Committee and will become a member of the Audit Committee as decided by the Board of Directors on October 25, 2022. As Lead Director, he may attend committees of which he is not a member.

Reappointment of Cécile Tandeau de Marsac as a director

Purpose

The purpose of the sixth resolution is to reappoint Cécile Tandeau de Marsac, whose term as director expires at the close of the Annual Shareholders' Meeting of December 19, 2022. Consequently, shareholders are invited to reappoint Cécile Tandeau de Marsac for a three-year term expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for Fiscal 2025.

Independent director on the Sodexo Board of Directors since January 24, 2017, Cécile Tandeau de Marsac brings to the Board her expertise in human resources and her knowledge of the Group. Her skills have been particularly useful in the context of the Group's governance and transformation changes.

Her attendance for Fiscal 2022 was 88% for the Board of Directors, 90% for the Compensation Committee and 100% for the Nominating Committee.

If the renewal of office of Cécile Tandeau de Marsac is approved by the Annual Shareholders' Meeting, it will be proposed to the Board of Directors, based on the recommendation of Sophie Bellon, Chairwoman and Chief Executive Officer, that Cécile Tandeau de Marsac continue to chair the Nominating Committee and Compensation Committee.

Appointment of a new director

Purpose

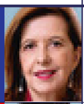
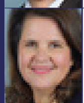
The seventh resolution concerns the appointment of Patrice de Talhouët as a director of the Company for a term of 3 years, *i.e.* until the Shareholers' Meeting called to approve the financial statements for fiscal year 2025.

Of French nationality, Patrice de Talhouët joined Bellon SA as Managing director, to support Bellon SA in its role as the controlling company of Sodexo, to accompany the development of the Group over the long-term. He has an international experience of more than 20 years in the USA, UK and Belgium in finance within large groups, mainly family owned such as Mars, Coty and JAB. Recently he was Group Chief Financial Officer of Coty, the cosmetics group listed in New York and an S&P 500 stock and then European director for JAB consumer fund, the Coty family holding company.

This proposed appointment is in line with the search for diversified profiles and the reinforcement of financial expertise within the Board. The Board will benefit from his management experience in international companies and his deep knowledge of family owned groups.

At the end of this Meeting, if these resolutions are adopted, the Board of Directors would remain composed of 12 members, including 6 independent directors and 6 women, as follows:

COMPOSITION OF THE BOARD OF DIRECTORS AFTER THE SHAREHOLDERS' MEETING OF DECEMBER 19, 2022

			DATE OF BIRTH	NA-TION-ALITY	NUMBER OF DIRECTOR/ OFFICER POSITIONS HELD IN OTHER LISTED COMPANIES	FIRST APPOINTMENT TO THE BOARD	TERM EXPIRES (AT THE ANNUAL SHAREHOLDERS MEETING CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR INDICATED)	SENIORITY (YEARS)	NUMBER OF SODEXO SHARES HELD	INDEPEND-ENT DIRECTORS[1]	BOARD COMMITTEES		
											AUDIT	NOMINAT-ING	COMPEN-SATION
Chairwoman and CEO		Sophie Bellon	1961/08/19		1	1989/07/26	Fiscal 2023	33	7,964				
Independent directors		Françoise Brougher	1965/09/02		0	2012/01/23	Fiscal 2023	10	400	X		●	●
Independent directors		Jean-Baptiste Chasseloup de Chatillon	1965/03/19		0	2021/12/14	Fiscal 2024	1	400	X	Chair		
Independent directors		Federico J. González Tejera	1964/12/04		0	2021/01/12	Fiscal 2023	1	1,000	X			●
Independent directors		Véronique Laury [2]	1965/06/29		3	2020/01/21	Fiscal 2022	2	400	X	●		
Independent directors		Luc Messier [2]	1964/04/21		1	2020/01/21	Fiscal 2022	2	400	X	●	●	
Independent directors		Cécile Tandeau de Marsac [2]	1963/04/17		2	2017/01/24	Fiscal 2022	5	400	X		Chair	Chair
Family directors		François-Xavier Bellon	1965/09/10		0	1989/07/26	Fiscal 2024	33	36,383		●	●	
Family directors		Nathalie Bellon-Szabo	1964/01/26		0	1989/07/26	Fiscal 2023	33	3,052			●	
Non independent Director		Patrice de Talhouët	1966/06/18		0	2022/12/19	Fiscal 2025	0	0				
Director representing employees		Philippe Besson	1956/09/21		0	2014/06/18	Fiscal 2022	8	—	N/A[3]			●
Director representing employees		Cathy Martin	1972/06/05		0	2015/09/10	Fiscal 2023	7	—	N/A[3]	●		

(1) Independent directors based on the criteria set out in the AFEP-MEDEF Code.
(2) The Board of Directors recommends that the Combined Annual Shareholders' Meeting to be held on December 19, 2022, reappoints Cécile Tandeau de Marsac, Véronique Laury and Luc Messier for a term of three years, *i.e.,* until the Annual Shareholders' Meeting held to approve the Fiscal 2025 financial statements.
(3) The term of office of Philippe Besson, who was appointed in 2014 and reappointed in 2017 and 2020 by the most representative trade union among the Group companies in France under the applicable legislation, expires at the end of the Combined Annual Shareholders' Meeting of December 19, 2022. This term will be renewed. In accordance with French law and the AFEP-MEDEF Code, directors representing employees are not included in the calculation of the representation of men and women on the Board or the percentage of independent directors.

60%	58	50%
Independent directors (excluding directors representing employees)	Average age of directors	Female directors (excluding directors representing employees)

Biographical information on these directors is provided in section 6.2.1 of this Fiscal 2022 Universal Registration Document.

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Fourth resolution

(REAPPOINTMENT OF VÉRONIQUE LAURY AS A DIRECTOR FOR A THREE-YEAR (3-YEAR) TERM)

Having considered the Board of Directors' Report and noting that Véronique Laury's term of office expires at the close of this Meeting, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings, resolves to reappoint her as a director for a three-year term expiring at the close of the Annual Shareholders' Meeting to be held to approve the financial statements for the fiscal year ending August 31, 2025.

Fifth resolution

(REAPPOINTMENT OF LUC MESSIER AS A DIRECTOR FOR A THREE-YEAR (3-YEAR) TERM)

Having considered the Board of Directors' Report and noting that Luc Messier's term of office expires at the close of this Meeting, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings, resolves to reappoint him as a director for a three-year term expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending August 31, 2025.

Sixth resolution

(REAPPOINTMENT OF CÉCILE TANDEAU DE MARSAC AS A DIRECTOR FOR A THREE-YEAR (3-YEAR) TERM)

Having considered the Board of Directors' Report and noting that Cécile Tandeau de Marsac's term of office expires at the close of this Meeting, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings, resolves to reappoint her as a director for a three-year term expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending August 31, 2025.

Seventh resolution

(APPOINTMENT OF PATRICE DE TALHOUËT AS A NEW DIRECTOR FOR A THREE-YEAR (3-YEAR) TERM)

Having considered the Board of Directors' Report, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings, resolves to appoint Patrice de Talhouët as a director for a three-year term expiring at the close of the Shareholders' Meeting called to approve the financial statements for the fiscal year ending August 31, 2025.

Eighth resolution: Appointment of Ernst & Young as Statutory auditor

Purpose

The terms of office of PricewaterhouseCoopers Audit, Statutory Auditor, and of Jean-Baptiste Deschryver, Deputy Statutory Auditor, expire at the end of this Combined Shareholders' Meeting.

As a French public limited company publishing consolidated financial statements, the Company is required to have at least two statutory auditors, each independent of the other. In addition, the maximum term of office for statutory auditors is 24 consecutive years. Finally, since the entry into force of Law No. 2016-1691 of December 9, 2016, on transparency, the fight against corruption and the modernization of economic life (known as the "Sapin 2 Law"), the appointment of a deputy statutory auditor is only required if the incumbent statutory auditor is a natural person or a one-person company (article L.823-1, I. of the French Commercial Code).

In this context and following a call for tenders, the Audit Committee recommended to the Board of Directors that the Board proposes to the Shareholders' Meeting the appointment of Ernst & Young as incumbent Statutory auditor to replace PricewaterhouseCoopers Audit and not to proceed with the renewal of the term of office of Jean-Baptiste Deschryver or his replacement.

Consequently, the eighth resolution proposes that the Shareholders' Meeting approve the appointment of Ernst & Young as Statutory auditor to replace PricewaterhouseCoopers Audit, for a term of six fiscal years expiring at the close of the Shareholders' Meeting called to approve the financial statements for the fiscal year ending August 31, 2028, and to note the expiry of the term of office of Jean-Baptiste Deschryver, Deputy Statutory Auditor, and not to reappoint or replace him.

Eighth resolution

(APPOINTMENT OF ERNST & YOUNG AS STATUTORY AUDITOR)

Having considered the Board of Directors' Report, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings, resolves to appoint Ernst & Young as statutory auditor for a term of six (6) fiscal years expiring at the close of the Shareholders' Meeting called to approve the financial statements for the fiscal year ending August 31, 2028, to replace Pricewaterhouse Coopers Audit, whose term of office expires at the close of this Meeting.

The Shareholders' Meeting also notes the expiry of the term of office of Jean-Baptiste Deschryver, Deputy Statutory Auditor, and decides not to reappoint him.

Ninth resolution: Approval of the compensation policy applicable to the Chairwoman and Chief Executive Officer from March 1 to August 31, 2022

Purpose

In the ninth resolution, in accordance with article L.22-10-8 II of the French Commercial Code, shareholders are invited to approve the compensation policy applicable to the Chairwoman and Chief Executive Officer approved by the Board of Directors.

These compensation principles and criteria are applied in the context of the appointment of Sophie Bellon as Chairwoman and Chief Executive Officer, *i.e.,* from March 1 to August 31, 2022, thus ending the interim period that followed the termination of the term of office of Denis Machuel as Chief Executive Officer on September 30, 2021, and the combination of the duties of Chairwoman and Chief Executive Officer as at March 1, 2022.

The compensation policy applicable to the Chairwoman of the Board of Directors for Fiscal 2022 was unchanged from that approved at the Ordinary Annual Shareholders' Meeting of January 12, 2021.

The compensation policy and structure of the Chairwoman and Chief Executive Officer are consistent with the compensation policy for the Chief Executive Officer approved by the Annual Shareholders Meeting of December 14, 2021. It consists of fixed annual compensation of 900,000 euros, paid on a *pro rata* basis for Fiscal 2022; annual variable compensation on a *pro rata* basis that is equal, if the objectives are achieved, to 100% of the fixed compensation; the possibility of allocating performance shares, up to a limit of 150% of the total annual compensation; a supplementary pension plan; benefits post term of office; and other components of compensation (benefits from collective health and benefit plans, as well as a company car).

The compensation policy submitted for shareholder approval is proposed by the Board of Directors based on the recommendation of the Compensation Committee and is presented in the Board of Directors' Corporate Governance Report provided in Section 6.5.1 of this Fiscal 2022 Universal Registration Document.

Ninth resolution

(APPROVAL OF THE COMPENSATION POLICY APPLICABLE TO THE CHAIRWOMAN AND CHIEF EXECUTIVE OFFICER FROM MARCH 1 TO AUGUST 31, 2022)

Having considered the Board of Directors' Report, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings and in accordance with article L.22-10-8 II of the French Commercial Code, approves the compensation policy applicable to the Chairwoman and Chief Executive Officer for the period from March 1 to August 31, 2022, as set by the Company's Board of Directors based on the recommendation of the Compensation Committee and as described in the Corporate Governance Report prepared in compliance with article L.225-37 of the French Commercial Code and detailed in Section 6.5.1 of this Fiscal 2022 Universal Registration Document.

Tenth resolution: Approval of the components of compensation paid during or awarded for Fiscal 2022 to Sophie Bellon, Chairwoman of the Board of Directors, then Chairwoman and Chief Executive Officer

Purpose

In the tenth resolution, in accordance with article L.22-10-34 II of the French Commercial Code, shareholders are invited to approve the fixed and variable components of the total compensation and benefits paid during or awarded for Fiscal 2022 to Sophie Bellon, Chairwoman of the Board of Directors, then Chairwoman and Chief Executive Officer.

These components were determined by the Board of Directors based on the recommendations of the Compensation Committee pursuant to the information communicated on March 1, 2022, when she was appointed as Chairwoman and Chief Executive Officer, and are detailed in the Board of Directors' Corporate Governance Report provided in Section 6.5.2 of this Fiscal 2022 Universal Registration Document.

Tenth resolution

(APPROVAL OF THE COMPONENTS OF COMPENSATION PAID DURING OR AWARDED FOR FISCAL 2022 TO SOPHIE BELLON, CHAIRWOMAN OF THE BOARD OF DIRECTORS, THEN CHAIRWOMAN AND CHIEF EXECUTIVE OFFICER)

Having considered the Board of Directors' Report, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings and in accordance with article L.22-10-34 II of the French Commercial Code, approves the components of the total compensation and benefits paid during or awarded for the fiscal year ended August 31, 2022, to Sophie Bellon, Chairwoman of the Board of Directors, then Chairwoman and Chief Executive Officer, as described in the Corporate Governance Report prepared in compliance with article L.225-37 of the French Commercial Code and detailed in Section 6.5.2 of this Fiscal 2022 Universal Registration Document.

Eleventh resolution: Approval of the information related to compensation paid during or awarded for Fiscal 2022 to corporate officers and directors

Purpose

In the eleventh resolution, shareholders are invited to approve, in accordance with article L.22-10-34 I of the French Commercial Code, the information referred to in article L.22-10-9 I of the French Commercial Code relating to compensation paid during or awarded for Fiscal 2022 to the Company's corporate officers and directors.

All of these components were determined by the Board of Directors based on the recommendations of the Compensation Committee and are detailed in the Board of Directors' Corporate Governance Report provided in Section 6.5 of this Fiscal 2022 Universal Registration Document.

Eleventh resolution

(APPROVAL OF THE INFORMATION RELATED TO COMPENSATION OF CORPORATE OFFICERS AND DIRECTORS, AS REFERRED TO IN ARTICLE L.22-10-9 I OF THE FRENCH COMMERCIAL CODE)

Having considered the Board of Directors' Report, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings and in accordance with article L.22-10-34 I of the French Commercial Code, approves the information referred to in article L.22-10-9 I of the French Commercial Code, as described in the Corporate Governance Report prepared in compliance with article L.225-37 of the French Commercial Code and detailed in Section 6.5 of this Fiscal 2022 Universal Registration Document.

Twelfth resolution: Determination of the maximum total annual envelope for directors' compensation

Purpose

In the twelfth resolution, shareholders are invited to increase the maximum total annual envelope for directors' compensation.

Sodexo's policy has always been to regularly review the overall envelope for directors' compensation. This envelope was increased by 22% in 2018 and 11% in 2021.

Following a market study on the compensation received by directors at comparable companies, the Board of Directors decided to raise the maximum amount to 1,200,000 euros, *i.e.,* an increase of 20%. This increase is intended to take into account the appointment of a Lead Director, any increase in the number of directors and members of certain committees.

Set at 1,000,000 euros at the Combined Annual Shareholders' Meeting of December 14, 2021, it is proposed to increase this amount to 1,200,000 euros. This new maximum annual amount would be effective from Fiscal 2023 and until such time as the Shareholders' Meeting makes a new decision on the matter.

The proposed amount corresponds to a maximum annual envelope that will not necessarily be fully used, since the compensation effectively paid takes into account the composition of the Board of Directors and its specialized Committees, as well as attendance rates. Nearly 93% of this envelope has been used in 2022.

Twelfth resolution

(DETERMINATION OF THE MAXIMUM TOTAL ANNUAL ENVELOPE FOR DIRECTORS' COMPENSATION)

Having considered the Board of Directors' Report, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings, resolves to set the maximum annual envelope for directors' compensation for Fiscal 2023 and for subsequent fiscal years, until such time as the Shareholders' Meeting makes a new decision on the matter, at 1,200,000 euros (one million two-hundred thousand euros).

Thirteenth resolution: Approval of the compensation policy applicable to the directors for Fiscal 2023

Purpose

In the thirteenth resolution, in accordance with article L.22-10-8 I of the French Commercial Code, shareholders are invited to approve the policy for allocating the directors' compensation approved by the Board of Directors.

This policy applies since March 1, 2022 and will apply until the approval of a new compensation policy by the Shareholders Meeting.

The compensation policy submitted for shareholder approval is proposed by the Board of Directors based on the recommendation of the Compensation Committee and is presented in the Board of Directors' Corporate Governance Report provided in Section 6.5.1 of this Fiscal 2022 Universal Registration Document.

Thirteenth resolution

(APPROVAL OF THE COMPENSATION POLICY APPLICABLE TO THE DIRECTORS)

Having considered the Board of Directors' Report, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings and in accordance with article L.22-10-8 I of the French Commercial Code, approves the compensation policy applicable to the directors for Fiscal 2023, as set by the Company's Board of Directors based on the recommendation of the Compensation Committee and as described in the Corporate Governance Report drawn up in compliance with article L.225-37 of the French Commercial Code and detailed in Section 6.5.1 of this Fiscal 2022 Universal Registration Document.

Fourteenth resolutions: Approval of the compensation policy applicable to the Chairwoman and Chief Executive Officer for Fiscal 2023

Purpose

In the fourteenth resolution, in accordance with article L.22-10-8 II of the French Commercial Code, shareholders are invited to approve the compensation policy for the Chairwoman and Chief Executive Officer approved by the Board of Directors.

This policy will apply from Fiscal 2023 until the approval of a new compensation policy by the Shareholders' Meeting. It is in line with the compensation policy applicable to the position of Chief Executive Officer for the 2022 financial year and that communicated on March 1, 2022, when the Chairwoman and Chief Executive Officer was appointed. In order to meet the demands of some of our shareholders, it also includes the compensation principles that would apply in the event of a change in governance.

The main changes proposed in the compensation policy for the Chairwoman and Chief Executive Officer for Fiscal 2023 compared to the policy implemented since March 1, 2022, are as follows:

- the client retention rate, which is one of the key levers of the sustainable and profitable growth model for the Group, has been added to the already existing criteria for the annual bonus of the Chairwoman and Chief Executive Officer;
- clarifications have been provided on the compensation principles that would be applicable in the event of a change in the Group's governance. Provisions have thus been indicated in the event of separation of the functions of Chairperson of the Board of Directors and Chief Executive Officer, and in the event of geographical mobility ("relocation") of the Chief Executive Officer at the time of taking office.

The compensation policy submitted for shareholder approval is proposed by the Board of Directors based on the recommendation of the Compensation Committee and is presented in the Board of Directors' Corporate Governance Report provided in Section 6.5.1 of this Fiscal 2022 Universal Registration Document.

Fourteenth resolution

(APPROVAL OF THE COMPENSATION POLICY APPLICABLE TO THE CHAIRWOMAN AND CHIEF EXECUTIVE OFFICER)

Having considered the Board of Directors' Report, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings and in accordance with article L.22-10-8 II of the French Commercial Code, approves the compensation policy applicable to the Chairwoman and Chief Executive Officer for Fiscal 2023, as set by the Company's Board of Directors based on the recommendation of the Compensation Committee and as described in the Corporate Governance Report drawn up in compliance with article L.225-37 of the French Commercial Code and detailed in Section 6.5.1 of this Fiscal 2022 Universal Registration Document.

Fifteenth resolution: Authorization for the Company to purchase its own shares

Purpose

As of August 31, 2022, the Company held 841,102 treasury shares, corresponding to 0.57% of its share capital, mainly allocated to cover commitments to beneficiaries under restricted share plans and employee share purchase plans as well as the liquidity contract.

In the fifteenth resolution, shareholders are invited to renew the 18-month authorization granted to the Board of Directors to enable the Company to purchase its own shares at any time other than when a public tender offer for the Company's shares is in progress.

In accordance with French law and market practice, it is proposed that they be limited to 10% of the share capital as of the date of the Annual Shareholders' Meeting of December 19, 2022.

The maximum price of the shares that may be purchased under this share buyback program would be 95 euros per share and the total amount invested in the program may not exceed 1.4 billion euros.

The shares purchased would be used, *inter alia*, to (i) cover restricted share plans; (ii) reduce the Company's share capital by canceling shares; and (iii) provide liquidity in Sodexo shares under the liquidity contract entered into between Sodexo and Exane BNP Paribas.

For information on the implementation of the previous share buyback authorization, see Section 7.3.5 of this Fiscal 2022 Universal Registration Document.

Fifteenth resolution

(AUTHORIZATION FOR THE BOARD OF DIRECTORS TO PURCHASE SHARES OF THE COMPANY)

Having considered the Board of Directors' Report, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders' Meetings and in accordance with articles L.22-10-62 *et seq.* of the French Commercial Code, articles 241-1 *et seq.* of the General Regulations of the French Securities Regulator (*Autorité des marchés financiers* – AMF) and the European regulatory framework applicable to market abuse (based on Regulation (EU) no. 596/2014 of April 16, 2014), authorizes the Board of Directors — with powers to subdelegate within the law – to purchase or arrange for the purchase of Sodexo shares to be used, *inter alia,* for the following purposes:

- to implement a stock option plan enabling beneficiaries to acquire – for consideration and by all authorized means – shares of the Company in accordance with articles L.225-177 *et seq.* of the French Commercial Code or any similar plan, with the beneficiaries notably including (i) employees and/or corporate officers of the Company or of companies or groupings affiliated to it under the conditions provided for in article L.225-180 of the French Commercial Code, and/or (ii) any other beneficiary authorized by law to receive such stock options; or
- to grant restricted shares of the Company in accordance with articles L.225-197-1 *et seq.* of the French Commercial Code, notably to (i) employees of the Company or of companies or groupings affiliated to it under the conditions provided for in article L.225-197-2 of the French Commercial Code, and/or (ii) corporate officers of the Company or of companies or groupings affiliated to it under the conditions provided for in article L.225-197-1 II of the French Commercial Code, and/or (iii) any other beneficiary authorized by law to receive such share grants; or
- to allocate or sell shares to employees in connection with an employee profit sharing plan or a company or Group share purchase plan (or equivalent plan) under the conditions provided for by French law, including articles L.3332-1 *et seq.* of the French Labor Code; or
- to transfer shares upon exercise of rights attached to securities issued by the Company or, as authorized by law, by entities affiliated to it, which give access to Company shares through reimbursement, conversion, exchange, presentation of a warrant or any other method; or
- to reduce the Company's share capital by canceling shares within the limits provided for by law and by the sixteenth resolution adopted by this Annual Shareholders' Meeting or any future resolution with the same effect that may be adopted during the period in which this authorization remains valid; or
- to transfer shares as a means of exchange, payment or otherwise in connection with mergers and acquisitions; or
- to carry out market-making in Sodexo shares under a liquidity contract with an investment services provider, in accordance with the market practices accepted by the AMF; or
- generally, to fulfill the obligations related to stock option plans or other share grants to employees or Corporate Officers of the Company or an affiliated company.

The program is also intended to permit the implementation of any market practices that may be authorized at a future date by the AMF and, generally, the execution of any other transaction that complies with the applicable regulations. In this case, shareholders will be notified by means of a press release.

The transactions provided for pursuant to this resolution may be carried out by any method, on one or more occasions, in particular on all markets or over-the-counter, including through the use of any financial instruments, options or derivatives and by means of block purchases or sales or in any other way, or alternatively with a services provider or market member referred to in article L.225-206 of the French Commercial Code. The transactions may take place at any time, subject to the limits authorized by the applicable laws and regulations, other than during a public tender offer for the Company's shares. In the event of such a public tender offer, unless prior consent is given by a Shareholders' Meeting, the Board of Directors may not use this authorization and the Company may not implement any share buyback program from the time when the third party concerned submits the offer until the end of the offer period.

The Shareholders' Meeting resolves that the maximum number of shares acquired pursuant to this resolution may not exceed 10% of the Company's share capital as of the date of this Meeting (*i.e.*, as an indication, as of August 31, 2022, a maximum of 14,745,488 shares), it being stipulated that if this authorization is used, the existing number of treasury shares must be taken into account such that the Company does not at any time hold more treasury shares than the legally permitted maximum of 10% of its share capital.

The Shareholders' Meeting resolves that the maximum price paid for shares purchased under this resolution may not exceed 95 euros per share. However, the Shareholders' Meeting authorizes the Board of Directors to adjust this maximum purchase price in the event of a change in the par value of the Company's shares, a capital increase carried out by capitalizing reserves, a free allocation of shares, a stock split or reverse stock split, the distribution of reserves or any other assets, a redemption of capital, or any other transaction affecting the Company's capital or equity, in order to take into account the impact of the transaction on the share price.

The Shareholders' Meeting resolves that the total amount allocated to the share buyback program may not exceed 1.4 billion euros.

The Shareholders' Meeting acknowledges that this authorization is granted for a period of eighteen (18) months from the date of this Meeting and cancels, with effect from this day, any unused portion of any prior authorization granted to the Board of Directors for the same purpose.

Full powers are given to the Board of Directors – with powers to subdelegate within the law – to decide on and act on the present authorization, to clarify its terms if necessary and determine its specific details, to carry out share purchases and to place stock market orders and enter into agreements, in particular for the keeping of share purchase and sale registers, to allocate or reallocate purchased shares to the desired objectives in accordance with applicable laws and regulations, to establish the procedures necessary to safeguard, should the need arise, the rights of holders of securities or options, in accordance with applicable laws, regulations or contracts, and to make filings and carry out other formalities, and generally do all that is necessary.

Extraordinary business

Sixteenth resolution: Reduction of the Company's share capital through the cancellation of treasury shares

Purpose

In the sixteenth resolution, shareholders are invited to renew the authorization granted to the Board of Directors to reduce the share capital by canceling treasury shares. The capital reductions carried out pursuant to this authorization in any 24-month period would be subject to the same ceiling as that provided for in the fifteenth resolution, i.e., 10% of the Company's share capital. This authorization would be granted for a period of twenty-six (26) months.

The previous authorization granted at the Annual Shareholders' Meeting of December 14, 2021 for the same purpose was not used by the Board of Directors.

Sixteenth resolution

(AUTHORIZATION FOR THE BOARD OF DIRECTORS TO REDUCE THE COMPANY'S SHARE CAPITAL BY CANCELLING TREASURY SHARES)

Having considered the Board of Directors' Report and the Statutory Auditors' Special Report, the Shareholders' Meeting, acting under the rules of quorum and majority applicable to Extraordinary Shareholders' Meetings and in accordance with articles L.22-10-62 *et seq.* of the French Commercial Code, authorizes the Board of Directors to cancel, on one or more occasions, some or all of the shares purchased by the Company under the shareholder-approved share buyback program and to reduce the share capital accordingly. The canceled shares may not represent more than 10% of the total number of shares making up the Company's share capital as of the date of this Shareholders' Meeting (*i.e.,* as an indication, a maximum of 14,745,488 shares as of August 31, 2022) in any period of twenty-four (24) months.

The Shareholders' Meeting gives full powers to the Board of Directors – with powers to subdelegate within the law – to perform such transactions relating to the cancellation and reduction of capital as may be required pursuant to this authorization, and in particular to charge the difference between the purchase price of the cancelled shares and their nominal amount against the related premiums or available reserves, including the legal reserve up to the equivalent of 5% of the cancelled capital, to amend the bylaws accordingly, to make all filings and carry out other formalities, and generally do all that is necessary.

The Shareholders' Meeting acknowledges that this authorization is granted for a period of twenty-six (26) months from the date of this Meeting and cancels, with effect from this day, any unused portion of the authorization granted for the same purpose in the sixteenth resolution of the Combined Annual Shareholders' Meeting of December 14, 2021.

Seventeenth resolution: Powers

Purpose

The seventeenth resolution is a standard resolution conferring powers to complete all legal formalities and filings relating to the resolutions approved at the Annual Shareholders' Meeting.

Seventeenth resolution

(POWERS TO CARRY OUT FORMALITIES)

The Shareholders' Meeting confers full powers on the bearer of an original, copy or extract of the minutes of this Shareholders' Meeting to carry out all filing and publication formalities required by law.

9

APPENDICES

9.1 Glossary

ADR (American Depositary Receipt)

An ADR is a registered certificate issued by a U.S. bank to represent ownership of shares or bonds issued by a publicly-traded non-U.S. company. ADRs are quoted in U.S. dollars, but the underlying shares or bonds are denominated in their original currency and are held in deposit by a bank, known as the custodian, in the country of issue. ADRs enable a non-U.S. company, subject to certain conditions, to be quoted in the United States. One Sodexo share is represented by five Sodexo ADRs. Dividends and voting rights belong to the ADR holder.

Alternative Performance Measures (APM)

These are indicators that complement those directly derived from the financial statements and which can provide investors with additional relevant information allowing a better understanding of strategy and performance.

More details are provided in chapter 3.3.6 of this document.

Bearer shares

Shares held in a share account maintained by the shareholder's bank or broker. Sodexo is not informed of the shareholder's identity. The share purchase and administration of the shares are handled by the shareholder's bank or broker.

Client retention rate

The client retention rate is the percentage of prior fiscal year revenue retained in this current fiscal year.

It is derived by considering prior fiscal year value for all contracts for which termination has either been given by Sodexo or received by the client, or those that have expired without renewal. This is then expressed as a percentage of total prior fiscal year revenue.

Comparable unit growth rate

The comparable unit growth rate is the increase in revenue from sites that have contributed to consolidated revenue over two complete consecutive fiscal years (sites with activity from September 1, 2020 to August 31, 2022).

Corporate Officers

Corporate Officer is the term used in English for the French *mandataire social* and refers to Sodexo's Chairwoman and CEO, and the Members of the Board of Directors.

Development rate

The development rate is the annualized estimated revenue for new contracts signed during the fiscal year, divided by prior year revenue.

Dividend premium

Any shareholder that has held registered shares for at least four years as of the end of the fiscal year including as of the dividend payment date will be eligible for a 10% dividend premium on those shares. The number of shares eligible for the dividend premium is limited to 0.5% of Sodexo's share capital per shareholder.

Earnings per share (EPS)

Group net income divided by the weighted average number of shares outstanding.

Employee engagement rate

Engagement is defined as a state of involvement in a group or a company. This concept includes the mobilization of employees for the success of the Company, their pride in belonging and their loyalty to the Company. Thus, the engagement rate is the percentage of employees who answered the nine questions relating to engagement with an average score greater than or equal to 4.5 on an increasing scale from 1 to 6 (the methodology is the same as that used in recent years with a new provider, The Happiness Index).

More details are provided in section 2.2.2 of this document.

Employee retention rate

The employee retention rate corresponds to the proportion of employees who remain with the Group during the year out of the overall average number of employees for the year.

Note that for purposes of this calculation, employees leaving the Group do not include departures related to legal requirements or regulations concerning lost contracts, transfers between Group subsidiaries or the expiration of fixed-term contracts.

Facilities Management

Facilities Management (or FM) is defined as all the services related to the running of a building. These activities are related to both infrastructure and occupants, and include building maintenance, management of technical premises, cleaning of premises, mail management, and reception.

GRI

The Global Reporting Initiative (GRI) was created in 1997 by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Environment Programme (UNEP). The GRI's vocation is to lift sustainable development reporting methods to a level equivalent to those of financial reporting, in the interests of comparability, credibility, rigor, frequency and verifiability of the communicated information.

Intensity risk

Risks whose frequency and severity require transfer to the insurance market.

ISO

ISO (International Organization for Standardization) is the world's largest developer of voluntary International Standards. International Standards give state of the art specifications for products, services and good practice, helping to make industry more efficient and effective. They include ISO 9001 for Quality management, ISO 14001 for Environmental management, ISO 22000 for Food Safety management, ISO 27000 for Security IT standard and ISO 55000 for Asset management.

Issue volume

Issue volume corresponds to the total face value of service vouchers, cards and digitally-delivered services issued by the Benefits & Rewards Services activity for beneficiaries on behalf of clients.

OHSAS 18001

A standard developed in the United Kingdom (Occupational Health and Safety Assessment Series) used as a model for occupational health and safety management systems. Its objective is to provide companies with assessment and certification of their health and safety management systems, consistent with international management system standards.

Performance shares

Sodexo shares granted free of consideration by the Board of Directors to the Chief Executive Officer and Group managers in order to reward individual performance and whose vesting is subject to the beneficiary still being part of the Group at the end of the vesting period as well as the achievement of performance conditions. The proportion of performance shares within the overall number of shares granted can vary between 0% and 100% depending on the number of shares granted and the responsibilities of the beneficiaries concerned.

Registered shares

Registered shares are shares that are registered in the holder's name in Sodexo's share register (unlike bearer shares). They may be directly or indirectly registered. Registered Sodexo shareholders are entitled to:

- double voting rights for registered shares held for at least four years;
- a dividend premium of 10% for registered shares held for at least four years, limited to 0.5% of Sodexo's issued capital per shareholder;
- automatic invitation to Shareholders' Meetings and personalized information on all financial transactions (capital increases, bond issues, etc.);
- reduced administration costs (for directly registered shares only).

1. Directly registered shares (French *nominatif pur*)

The shares are recorded in the holder's name in a share account kept by the Company's registrar, Société Générale, allowing direct communications between the shareholder and Sodexo.

2. Indirectly registered shares (French *nominatif administré*)

In this case, the shares are registered in the holder's name in a share account managed by his or her bank or broker, which is responsible for the related custodial and administration services. The shares are administered in the same way as for bearer shares

9.2 Responsibility for the Universal Registration Document and the audit of the financial statements

9.2.1 Responsibility for the Universal Registration Document

Person responsible for the information included in the Universal Registration Document:

Sophie Bellon, Chairwoman and Chief Executive Officer

I hereby declare that the information contained in the Universal Registration Document is to the best of my knowledge in accordance with reality and that nothing has been omitted that would alter its impact.

I declare that to the best of my knowledge the financial statements comply with the applicable accounting standards and present a true statement of the net worth, the financial position, and of the income of the Company, and of the consolidated entities, and that the Management Report included in the Universal Registration Document presents a true picture of the evolution of the business, of the results and the financial position of the Company and of the consolidated entities and that it describes the principal risks for the Group.

Sophie Bellon

Chairwoman and Chief Executive Officer

November 9, 2022

9.2.2 Responsibility for the audit of the financial statements

AUDITORS	FIRST APPOINTED	TERM OF OFFICE	TERM OF OFFICE EXPIRES
STATUTORY AUDITORS			
PricewaterhouseCoopers Audit Member of the *Compagnie Régionale des Commissaires aux comptes de Versailles* 63, rue de Villiers 92208 Neuilly-sur-Seine, France Registered no. RCS Nanterre 672 006 483 Represented by Stéphane Basset	February 22, 1994	6 fiscal years	Shareholders' Meeting to adopt the financial statements for Fiscal 2022
KPMG Audit Département de KPMG SA Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* Tour Eqho – 2, avenue Gambetta 92066 Paris-La Défense Cedex, France Represented by Caroline Bruno-Diaz	February 4, 2003	6 fiscal years	Shareholders' Meeting to adopt the financial statements for Fiscal 2026
DEPUTY STATUTORY AUDITOR			
Mr. Jean-Baptiste Deschryver Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* 63, rue de Villiers 92208 Neuilly-sur-Seine, France	January 24, 2017	6 fiscal years	Shareholders' Meeting to adopt the financial statements for Fiscal 2022

9.3 Reconciliation tables

To facilitate the reading of this document, the reconciliation tables below identify:

- the main headings required by Appendix 1 and Appendix 2 of the Delegated Regulation (EU) 2019/980 of March 14, 2019 supplementing Regulation (EU) 2017/1129 of June 14, 2017;
- the information that constitutes the Annual Financial Report provided for under articles L.451-1-2 of the Monetary and Financial Code and 222-3 of the General Regulation of the French securities regulator (Autorité des marchés financiers – AMF);
- the information that constitutes the Management Report of the Board of Directors that includes the Governance Report as defined by the French Commercial Code;
- the information that constitutes the non-financial performance declaration as defined by the French Commercial Code.

9.3.1 Universal Registration Document

RECONCILIATION TABLE FOR THE UNIVERSAL REGISTRATION DOCUMENT – APPENDIX 1 AND APPENDIX 2 OF THE COMMISSION DELEGATED REGULATION (EU) 2019/980 OF MARCH 14, 2019 SUPPLEMENTING REGULATION (EU) 2017/1129 OF JUNE 14, 2017	PAGES
15. Employees	
15.1 Number of employees and breakdown by category and location	94-95
15.2 Share ownership of Administrative Management and Senior Management and any option over such shares	225
15.3 Employee shareholding in the share capital of the Company	225-252
16. Major shareholders	
16.1 Shareholders holding more than 5% of the share capital or voting rights	310
16.2 Existence of different voting rights	316
16.3 Control of Sodexo	309
16.4 Arrangements, known to Sodexo, the operation of which may at a subsequent date result in a change of control	N/A
17. Related party transactions	**185**
18. Financial information concerning assets, financial position and profits and losses	
18.1 Historical financial information	20-21,36-37,190
18.2 Interim and other financial information	N/A
18.3 Auditing of historical annual financial information	193-197, 214-218
18.4 *Pro forma* financial information	N/A
18.5 Dividend policy	303
18.6 Legal and arbitration proceedings	169-170
18.7 Significant change in Sodexo's financial position	185
19. Additional information	
19.1 Share capital	309
19.2 Memorandum and Articles of Association	314-316
20. Material contracts	**314**
21. Documents available	**314-316**

Information incorporated by reference:

Pursuant to article 19 of Regulation (UE) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference into this Universal Registration Document:

- for Fiscal 2021: Group consolidated financial statements and Statutory Auditors' Report on the consolidated financial statements for the year ended August 31, 2021, individual Company financial statements and Statutory Auditors' Report on the individual Company financial statements for the year ended August 31, 2021, as well as the financial information included in Management Report, as presented in the Universal Registration Document filed with the *Autorité des marchés financiers* (French financial markets authority) on November 10, 2021, under number D.21-0926;
- for Fiscal 2020: Group consolidated financial statements and Statutory Auditors' Report on the consolidated financial statements for the year ended August 31, 2020, individual Company financial statements and Statutory Auditors' Report on the individual Company financial statements for the year ended August 31, 2020, as well as the financial information included in Management Report, as presented in the Universal Registration Document filed with the *Autorité des marchés financiers* (French financial markets authority) on November 23, 2020, under number D.20-0949.

Parts of the Registration documents D.21-0926 and D.20-0949 which are not referred to above are either not relevant for the investor, or are included elsewhere in this Universal Registration Document.

9.3.2 Annual Financial Report

INFORMATION CONCERNING THE ANNUAL FINANCIAL REPORT – ARTICLES L.451-1-2 OF THE MONETARY AND FINANCIAL CODE AND 222-3 OF THE GENERAL REGULATION OF THE FRENCH SECURITIES REGULATOR (AUTORITÉ DES MARCHÉS FINANCIERS, AMF)	PAGES
Individual Company Financial Statements (Fiscal 2022)	198-213
Auditors' Report on the individual Company Financial Statements (Fiscal 2022)	214-220
Consolidated Financial Statements (Fiscal 2022)	130-192
Auditors' Report on the consolidated Financial Statements (Fiscal 2022)	193-196
Statutory Auditors' fees	188
Management Report including Governance Report	See reconciliation table below
Auditors' Report on the Governance Report	193
Company's repurchase of its own shares	311
Responsibility for the Annual Financial Report	334

9.3.3 Management Report

RECONCILIATION TABLE FOR THE MANAGEMENT REPORT PURSUANT TO ARTICLES L.225-100 *ET SEQ.* OF THE FRENCH COMMERCIAL CODE	PAGES
Activity of the Company	
Situation and business activity of the Company and of the Group during the past fiscal year	114-128
Results of the business activity of the Company and of the Group	114-128
Progress achieved or difficulties encountered	114-128
Research and development activities	N/A
Foreseeable evolution of the situation of the Company and the Group and future prospects	127
Important events occurred since the end of the fiscal year	126
Objective and exhaustive analysis of the evolution of business, results and financial situation of the Company and of the Group	114-128
Key indicators of financial and non-financial performance	36-39
Key risks and uncertainties	15
Objectives, policy of coverage and exposure of the Company to risks	184
Injunctions or monetary penalties for anti-competitive practices	169
Social and environmental impact of the business activity	
Description and management of environmental and climatic risks	275
Internal control and risk management procedures established by the Company	266-281
Vigilance Plan	**259-261**
Subsidiaries and holdings	**166**
List of subsidiaries and holdings	210
Significant participation or control in companies headquartered in France	210
Information on share capital	
Structure and evolution of the share capital	309-310
State of employee participation in the share capital	309-310
Crossing of legal thresholds declared to the Company	311
Redemption and transfer by the Company of its own shares	311
Transactions carried out on the securities of the Company by executives, their relatives and similar persons	253
Other information	
Amount of dividends distributed over the last three fiscal years	303
Information on terms of payment for suppliers and customers	213
Table showing the Company's results in each of the last five fiscal years	213

9.3.4 Governance Report

RECONCILIATION TABLE FOR THE GOVERNANCE REPORT PURSUANT TO ARTICLES L.225-37-4 ET SEQ. OF THE FRENCH COMMERCIAL CODE	PAGES
Choice of method of exercise of the General Management	243-244, 250-252
Reference to a Corporate Governance Code and application of the "Comply or explain" principle	252
Composition of the Board of Directors, gender equality	225-240
Diversity policy applied to Directors	240-241
List of all mandates and functions exercised in any company by each Director during the last fiscal year	225-239
Conditions of preparation and organization of the work of the Board of Directors	243-250
Limitations on the authority of the Chief Executive Officer	244, 250
Agreements between a significant shareholder and a subsidiary, related party agreements	254
Procedure established by the Company to assess the conditions under which agreements are entered into	255
Compensation policy applicable to Corporate Officers	282-288
Remuneration and benefits of any kind paid during the past fiscal year to each Corporate Executive Officer	289-292
Ratio between compensation paid to the Corporate Executive Officers and the average compensation received by Sodexo employees	293-294
Conditions governing shareholder's attendance at Shareholders' Meetings	315
Information that may have an impact in the event of a public offering	252, 310
Summary table of currently valid delegations concerning share capital increases	313
Auditors' Report on the Governance Report	215

9.3.5 Non-Financial Performance Declaration (DPEF)

RECONCILIATION TABLE FOR THE NON-FINANCIAL PERFORMANCE DECLARATION PURSUANT TO ARTICLES L.225-102-1 AND R.225-105 OF THE FRENCH COMMERCIAL CODE			PAGES
I. Value creation Business Model			**18, 19**
II. Risk management			**15, 266-280**
1. A description of the main risks related to the Company's activity			**266-280**
2. A description of the policies put in place to mitigate and prevent the occurrence of these risks			**266-269**
3. The results of these policies, including key performance indicators			**94-102**
III. Declaration of relevant information related to the main risks/measures mentioned in II			
1. Social Information:			
a Employment:	i	total workforce and distribution of employees by gender, age group and geographical area	94, 98
	ii	new employee hires and dismissals	95
	iii	remuneration and any related changes	282-299
b Work organisation:	i	working-time organisation	94-97
	ii	absenteeism	97
c Labor/Management relations:	i	organization of social dialogue including information procedures, consultation and negotiation with employees	98
	ii	summary of collective bargaining agreements	98
d Health and safety:	i	occupational health and safety conditions	66, 67, 97, 275
	ii	summary of collective bargaining agreements signed with trade unions or workers' representatives on occupational health and safety	98
	iii	occupational accidents, including accident frequency and severity rates, and occupational diseases	97
e Training and education:	i	policies implemented regarding training and education	72, 73, 74, 75, 99
	ii	total number of hours of training	99
f Training and education:	i	measures implemented to promote gender equality	80, 81, 82
	ii	measures implemented to promote the employment and integration of disabled people	80, 81, 99
	iii	policy against discrimination	70, 67, 68, 80, 81
g Promotion of and compliance with the core Conventions of the ILO relative to:	i	freedom of association and the right to collective bargaining	98
	ii	non-discrimination in respect of employment and occupation	67, 68
	iii	the elimination of all forms of forced or compulsory labor	68
	iv	the effective abolition of child labor	67, 68
2. Environmental data:			
a General environmental policy:	i	the Company's organizational strategy to factor in environmental issues and, if appropriate, the approaches to auditing/obtaining certification for environment-related performance	63, 86-93, 100, 101
	ii	information and training measures for employees regarding environmental protection	99
	iii	resources allocated to the prevention of environmental risks and pollution	275
	iv	amount of provisions and guarantees for environmental risks, unless such information is likely to cause serious harm to the Company in the event of ongoing litigation	N/A
b Pollution:	i	measures of prevention, reduction or repair of discharges into the air, water and ground, impacting severely the environment	N/A
	ii	consideration of noise and any other activity-specific pollution	N/A
c Circular economy: i) Waste prevention and management	i	measures of prevention, recycling, reuse, other forms of recovery and disposal of waste	67, 92, 93, 102
	ii	actions against food waste	75, 86, 87, 92, 93, 102
ii) Sustainable use of resources	i	water consumption and water supply adapted to local constraints	102
	ii	consumption of raw materials and measures implemented to improve efficiency in their use	86-93, 100
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	iv	land usage	N/A

RECONCILIATION TABLE FOR THE NON-FINANCIAL PERFORMANCE DECLARATION PURSUANT TO ARTICLES L.225-102-1 AND R.225-105 OF THE FRENCH COMMERCIAL CODE			PAGES
d Climate change:	i	significant greenhouse gas emissions items generated as a result of the Group's activity, particularly by the use of goods and services they provide	88, 89, 90, 91
	ii	adaptation to consequences of climate change	86-93, 275
e Protection of biodiversity:	i	measures implemented to protect or develop biodiversity	90-93, 100
3. Social data:			
a Territorial, economic and social impact of the Company's activity:	i	regarding regional employment and development	74, 75, 78, 79, 81, 100
	ii	on local residents/communities	74, 75, 78, 79, 81, 100
b Relations with stakeholders, including associations for the promotion of social integration, educational institutes, environmental protection associations, consumer associations and local residents:	i	conditions surrounding dialogue with stakeholders	74, 75, 78, 79, 81, 100
	ii	partnership or sponsorship actions	74, 75, 78, 79, 81, 100
c Subcontractors and suppliers:	i	inclusion of social and environmental issues in the Company's procurement policy	62-64, 66-67, 100
	ii	extent of subcontracting and the importance placed on social and environmental responsibility in relations with subcontractors and suppliers	62-64, 66-67, 100
d Fair business practices:	i	anti-corruption policies and procedures	66-67, 68, 256-261
	ii	information on the fight against tax evasion: the actions to prevent tax evasion	66-67, 259
	iii	measures taken for the health and safety of consumers (food safety)	66-67, 70-77
e Other actions	i	actions implemented to promote human rights	63, 67, 256-261
	ii	fight for the respect of animal welfare	100

9.3.6 Global Reporting Initiative (GRI) guideline

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GRI 2: GENERAL DISCLOSURES 2021				
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	2. Activities and workers			10, 11, 94-99
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	4. Strategy, policies and practices	7.5.3 7.6.2		22-39, 266-271
	5. Stakeholder engagement	5.3		64, 65
GRI 3: Material Topics 2021				
General requirements	3-1 Process to determine material topics 3-2 List of material topics 3-3 Management of material topics			66, 67
GRI 201: ECONOMIC PERFORMANCE 2016				
	201-1. Direct economic value generated and distributed 201-2. Financial implications and other risks and opportunities due to climate change 201-3. Defined benefit plan obligations and other retirement plans 201-4. Financial assistance received from government	6.5.5 6.8.1 6.8.2 6.8.3 6.8.7 6.8.9	SDG 2 SDG 5 SDG 7 SDG 8 SDG 9 SDG 13	302, 303, 275
GRI 202: MARKET PRESENCE 2016				
	202-1. Ratios of standard entry level wage by gender compared to local minimum wage 202-2. Proportion of senior management hired from the local community	6.3.7 6.3.10 6.4.3 6.4.4 6.8.1 6.8.2	SDG 1 SDG 5 SDG 8	282-298
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GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016				
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GRI 301: MATERIALS 2016				
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GRI 304: BIODIVERSITY 2016			
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas 304-2 Significant impacts of activities, products, and services on biodiversity 304-3 Habitats protected or restored 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	6.5.6	SDG 6 SDG 14 SDG 15	84-102
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402-1 Minimum notice periods regarding operational changes			94-99
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408-1 Operations and suppliers at significant risk for incidents of child labor			256-261
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419-1 Non-compliance with laws and regulations in the social and economic area			256-261

Notes

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