

Brief document – Sodexo Group

EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

A common aspirational path towards sustainable food systems

INTRODUCTION

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 Company 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 of individuals, diversity and positive impact on local communities 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. Our Corporate responsibility strategy, **Better Tomorrow 2025** (see *ANNEX 1*), guides our actions and directs our progress on our most important social and environmental issues. The Better Tomorrow roadmap is structured in three levels of commitments of the company as **employer, service provider and corporate citizen**.

During Fiscal Year 2021, in collaboration with EY, a third **materiality assessment** (see *ANNEX 2*) identified and prioritized key corporate responsibility issues and their impacts. Consultations and analyses with numerous internal and external stakeholders, integrating the impact of major ongoing developments - social, societal and environmental - as well as the evolution of market expectations, resulted in the quantitative and qualitative assessment of 28 challenges, defined and classified according to their importance. Identifying the most relevant issues helps Sodexo to manage its risks and seize the associated opportunities.

The key issues identified in the materiality assessment confirm the consistency with Sodexo's Better Tomorrow 2025 strategy, which was also developed in accordance with the **United Nations Sustainable Development Goals (SDGs)**. Sodexo evaluates its progress using relevant, tangible and measurable objectives that the Group identifies in a transparent way, in compliance with the principles that form the basis of its governance.

Our company's commitment has a particular resonance today, in a context of **climate and social emergency**. The time has come for action to bring about the necessary transitions, whether ecological, food, energy, digital, etc. For this, the **mobilization of all**, public authorities, civil society and private sector, is necessary.

With 412,000 employees in 56 countries, Sodexo is a labor-intensive service company, with low margins. One of its specificities is to operate in a business-to-business (B2B) mode, on-site, directly by its public or private clients. As the global leader in Quality of Life services, Sodexo serves 120 000 million consumers every day. A **coordinated effort** is therefore needed, together with clients and end consumers as well as across our supply chain to achieve the ambitious goals set by the Code of conduct.

As early as 1996, Sodexo teams in the United States created **Stop Hunger**: employees decided to serve free meals to disadvantaged children who did not have enough to eat when school restaurants were closed during the summer. In 25 years, Stop Hunger transformed the initiative of a few employees into

a global **non-profit network that works for a hunger-free world**, in three fields of intervention: priority given for women empowerment, support to local communities in need and emergency assistance. Stop Hunger relies on partnerships with about 400 local and international NGOs, as well as the unique ecosystem of Sodexo, its founding partner.

More recently, in 2015, Sodexo has embarked on a **fight against food waste**, as still more than one third of all food produced goes to waste. We have launched in 2015 the international food waste coalition (IFWC) to allow companies to join forces on this effort to halve food waste and sustain a hunger free world.

For all these reasons, **Sodexo fully endorses the objectives of the Code of Conduct for responsible food business and marketing practices** initiated by the European Commission.

BRIEF FOR EACH COMMITMENT

All of the following commitments are part of the Better Tomorrow 2025 Corporate responsibility strategy. For most of the commitments, the target year is 2025. Thus, they were conceived before the launch of the Code in July 2021.

COMMITMENT	RATIONALE	MOTIVATION FOR QUANTITATIVE TARGET	INDICATORS/KPIS	BASELINE
<p>100% Consumers with healthy lifestyle options</p>	<p>Sodexo serves daily meals to millions of people and, as such, can greatly influence them to adopt a more balanced and sustainable diet. We believe that providing and promoting healthy lifestyle choices, which improve the quality of life for millions of people, is as much an opportunity as it is an obligation.</p> <p>We understand that by providing and promoting good nutrition and physical activity, along with providing healthy eating options, we can work to make “the healthy choice the easy choice” for our consumers.</p> <p>Because we are the world’s largest private employers of nutritionists and dietitians, we can partner with our clients and communities to establish comprehensive Health and Well-being programs that will empower people to improve their quality of life, as well as reduce the economic burden of poor health for the communities in which we work.</p>	<p>Sodexo is committed to provide and encourage our consumers to access healthy lifestyle choices and has the objective to offer 100% of our consumers healthy lifestyle options every day by 2025.</p>	<p>% of consumers are offered healthy lifestyle options every day.</p> <p>2025 Target: 100%</p> <p>For the first time this year, we are publishing the % of our consumers with access to healthy lifestyle options. This indicator was collected at clients’ sites level through SEA (Site Engagement Assessment). SEA is an innovative on-site environmental and societal performance management tool, developed by Sodexo. During Fiscal 2021, 2,235 sites participated in SEA which will continue to be rolled out to cover all relevant sites by 2025.</p>	<p>73.8% of consumers are offered healthy lifestyle options everyday (2021).</p>

<p>With Stop Hunger, act sustainably for a hunger-free world:</p> <ul style="list-style-type: none"> - Impact 100 million beneficiaries (cumulated until 2025) - Engage 250,000 volunteers, including 100,000 Sodexo employees per year - Distribute 10 million meals per year - Collect and distribute 15 million US\$ per year <p><u>(2020 Strategic KPIs - to be updated by 08/22)</u></p>	<p>800 million people around the world suffer from hunger. Being a food expert, acting for communities around the world, Sodexo funded Stop Hunger in 1996.</p> <p>Sodexo was growing steadily until the pandemic crisis hit in 2020. In 2019, Stop Hunger updated its ambitious strategic map in line with its priorities, food distribution & volunteering with targets of 100 million beneficiaries by 2025, 10 million meals per year and USD \$15 million collected and distributed per year. And 20% of Sodexo employees volunteering for Stop Hunger.</p>	<p>These KPIs are collected on a yearly basis to track actions done in different countries around the world - through our Grants database. Beneficiaries & meals are communicated to us by the NGOs.</p> <p>Our fiscal year runs from September to August of the following year.</p>	<p>Based on the 2025 Stop Hunger strategic map.</p> <p><i>This was published at the end of 2019, just before the pandemic crisis started, based on the 2020 targets and the Group's push to have more employees volunteer. Unfortunately, due to the impact of pandemic crisis on Sodexo growth and ecosystem, Stop Hunger decided to review its targets and work on a new strategic map & objectives to be defined by August 2022.</i></p>	
<p>- 34% of GHG Emissions compared to 2017 (with approval from Science-Based initiative)</p>	<p>Climate change has been a raising issue all over the world, with impacts on environment but also communities, countries etc.</p> <p>A stable climate is indispensable to quality of life and human prosperity over the long term. We are in a strong position to contribute to this global challenge through our core services, working with our clients and suppliers to achieve our common sustainability goals.</p>	<p>We have followed the best practices to set a science-based target. This commitment was approved by the Science Based Targets initiative (SBTi) in July 2019, making us the first food services company to align its objective to limit global temperature rise to 1.5°C above pre-industrial levels.</p> <p>This target concerns Scope 1, 2 and 3. It is ambitious as Scope 3 emissions are more than 99% of our emissions and can be challenging to reduce.</p>	<p>GHG absolute emissions from Scope 1, 2 and 3 in tCO₂e.</p> <p>The methodology is based on the GHG Protocol. Scope 1 & 2 has been calculated for more than 10 years.</p> <p>Scope 3 calculation has been set up thanks to our partnership with WWF and consultant.</p> <p>The emission factors used are coming from internationally recognized databases such as IEA, EcolInvent etc.</p>	<p>FY 2017</p>

<p>50% reduction in our food waste</p>	<p>Food waste contributes to 8% of all GHG emissions. One third of food goes to waste while more than 800 million people go hungry. And commercial and contract catering is a major source of food waste. Food waste is therefore a major area of action for Sodexo within its Better Tomorrow 2025; it is the single biggest direct action Sodexo can take to reduce its environmental footprint.</p>	<p>We are committed to reducing food waste in our operations, in line with the UN SDG 12.3, and addressing this along the Waste Hierarchy Principles with a focus on Prevention. As part of the Better Tomorrow 2025 corporate responsibility roadmap, Sodexo is committed by 2025 to reduce food waste by 50%.</p>	<p>% of food waste reduction on sites having already deployed WasteWatch program.</p> <p>Achieving our goal requires deploying food waste measurement system to relevant Sodexo food sites. Therefore, we also track deployment to assess progress towards this goal.</p>	<p>In 2021, 45.8% of food waste reduction on 878 sites having already deployed WasteWatch program.</p> <p>Baseline is site specific - each site sets its own baseline when deploying WasteWatch.</p>
<p>33% Plant-based dishes in our menus</p>	<p>As part of the Better Tomorrow 2025 corporate responsibility roadmap, Sodexo is committed by 2025 to “offer 100% of our consumers healthy lifestyle options every day” and to “reduce carbon emissions by 34% (Absolute reduction in Scope 1, Scope 2 and Scope 3 carbon emissions, compared to a 2017). Promoting sustainable eating and plant-based meal options is key to achieving both of these commitments.</p> <p>Our approach to sustainable and healthy eating relies on four main factors: responsible sourcing; promoting plant-based meals; nutrition, health and well-being; and the prevention of food waste. With the help of our nutritionists, we create balanced, nourishing meals adapted to guests’ lifestyles and the diversity of their tastes around the world.</p>	<p>Emissions embedded in the products that Sodexo buys represent nearly 50% of our overall emissions, mostly from animal-based products. Therefore, protein diversification and promoting alternatives is essential to meet this commitment.</p> <p>The first step is to ensure that we create delicious plant-based recipes and systematically include those recipes in our menus. To drive progress, Sodexo has committed to increasing the number of plant-based recipes on our planned menus to 33% by 2025.</p>	<p>% plant-based main dish recipes in planned menus</p> <p>% reduction in scope 3 supply chain carbon emissions (compared to a 2017 baseline)</p>	<p>In Fiscal Year 2021, Sodexo reduced its Scope 3 Supply Chain carbon emissions by 23.2% (in absolute, compared to 2017 baseline).</p> <p>Regarding the % plant-based recipes on our menu, we are currently developing the capability to report against this target at the global level.</p>

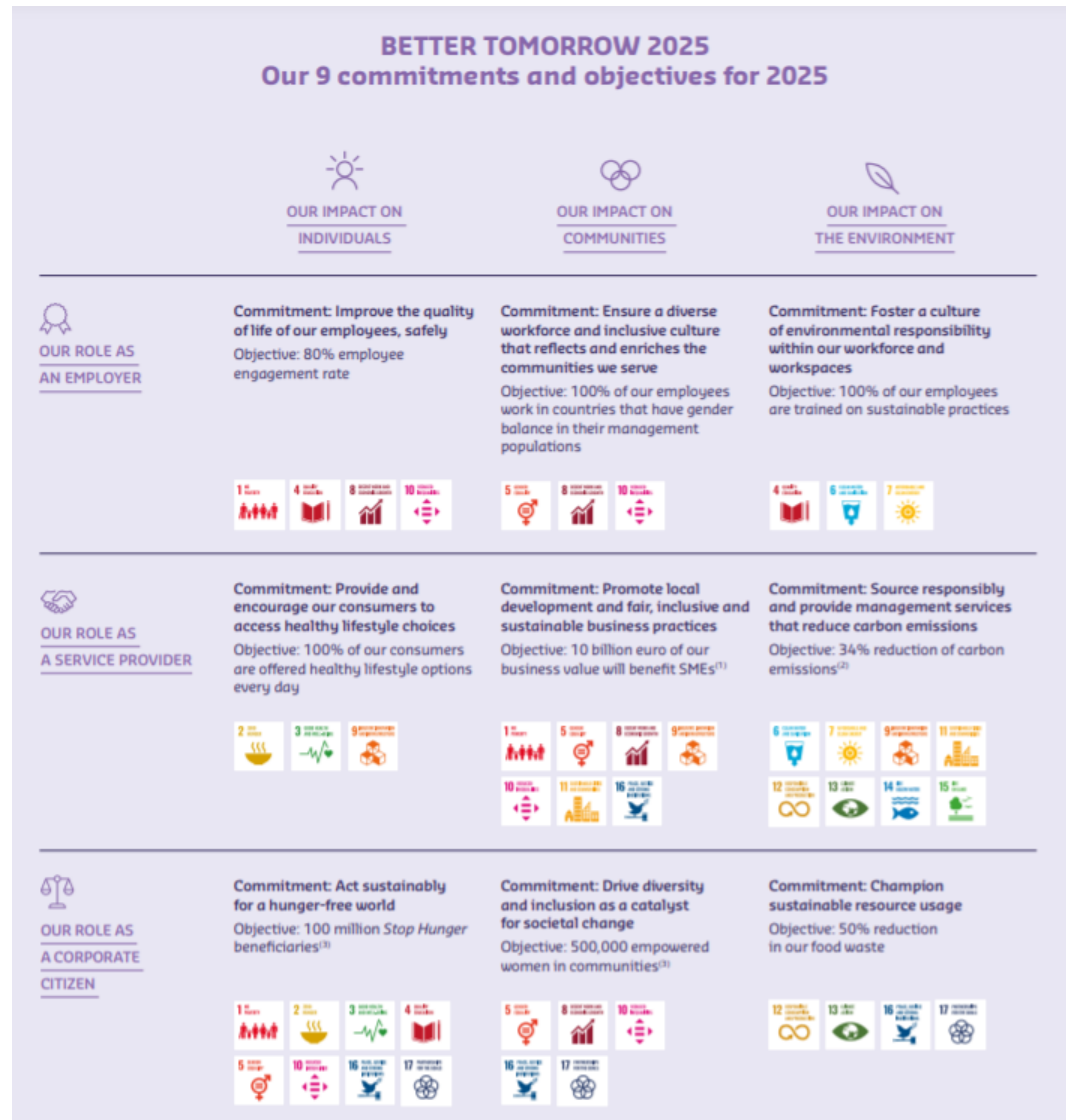
<p>100% renewable electricity in our direct operations</p>	<p>Climate change has been a raising issue all over the world, with impacts on environment but also communities, countries etc. A stable climate is indispensable to quality of life and human prosperity over the long term. We are in a strong position to contribute to this global challenge through our core services, working with our clients and suppliers to achieve our common sustainability goals.</p>	<p>As a member of RE100, Sodexo is switching to 100% renewable electricity by 2025 at its directly operated sites. RE100 is a global initiative bringing together the world's most influential companies leading the transition to 100% renewable electricity. This commitment is ambitious and shows one of the concrete actions behind our emissions reduction target.</p>	<p>Share of renewable electricity in our direct operations. It is calculated by dividing the renewable electricity purchased by the total electricity purchased.</p>	
<p>Eliminate single-used plastic items in 17 countries</p>	<p>Serving over 100 million consumers worldwide, we understand the role we play in the global efforts to reduce the use of plastics in our daily lives. Currently 86% of plastic packaging materials are not recycled.</p>	<p>Sodexo becomes the largest catering company to implement such a commitment in Europe, in advance and going beyond the upcoming European Union Single-Use Plastic Directive taking effect July 1st, 2021.</p>	<p>These items have already been replaced in our purchasing catalogues since March 1st, 2021, in 15 countries, representing 88% of our European On-site Services revenues.</p>	<p>FY 2020</p>
<p>100% employees trained on sustainable practices</p>	<p>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 and operate responsibly.</p>	<p>Foster a culture of corporate social responsibility within our workforce and workspaces. Target: 100% of employees trained. Training is an important part for organizational change and behavior, Sodexo has numerous trainings dedicated to Group's Social & environmental commitments within the Better Tomorrow Roadmap. The objective of this indicator is</p>	<p>Number of employees (unique count) trained in any of the sustainability category trainings that are listed in our L&D platform.</p>	<p>FY 2015</p>

		improving the awareness among our employees about social, environment, climate and how we impact positively through service delivered to our client and consumers.		
100% employees with a gender balanced management	In today's context, the authenticity of an organization's approach to diversity, equity and inclusion is becoming an increasingly important measure for employees, consumers, clients, suppliers, and investors. Equally, it is becoming a critical lever in attracting and retaining talent, and, therefore, Sodexo is deepening its commitments around driving an inclusive culture and integrating diversity, equity and inclusion into its broader approach to corporate responsibility.	Ensure a diverse workforce and inclusive culture that reflects and enriches the communities we serve. Target: 40% to 60% of women in the management team. Sodexo is committed to promoting and fostering a culture of diversity and equal opportunities and to providing inclusive workplaces everywhere we operate. Serving communities around the world, we want our teams to be as diverse as the world itself, and contribute to build communities where everyone belongs, feels safe and valued.	% of women in our management team should be between 40% to 60%.	
A lost time injury rate (LTIR) under 0.3	At the heart of our health and safety commitments is our care for people, for our community of employees, and for all the tens of millions of consumers we serve every day.	In partnership with our clients, consumers, suppliers, and local communities, we work towards a zero-harm culture where we prevent injuries and ill-health and continuously improve working conditions, evidenced by measured indicators including accident rate.	Annual Lost Time Injury and Illness Rate (LTIR), calculation based on the US OSHA rulebook and a 200,000 work-hour frequency.	FY21 LTIR: 0.71

<p>10bn € benefitting SMEs</p>	<p>Sodexo’s mission has remained unchanged since its founding in 1966: to improve the quality of life of our employees and those we serve, and contribute to the economic, social and environmental development of the communities, regions and countries in which we operate. One way that we support the social, economic and environmental development in the cities, regions or countries where Sodexo is by working with local and small businesses through the Partner Inclusion program which allows thousands of local businesses to integrate into Sodexo’s value chain.</p>	<p>As part of Better Tomorrow 2025 Sodexo committed to 10 billion euro in annual business value benefitting SMEs.</p>	<p>Business value benefitting SMEs (in euro)</p> <p>This indicator includes Benefits & Rewards activity with SMEs and On-Site Services purchasing volume with SMEs</p>	<p>In 2021, 6.9 billion euros in business value benefitting SMEs</p>
<p>Responsible sourcing</p> <ul style="list-style-type: none"> • 100% sustainable fish & seafood • 100% cage-free shell and liquid eggs • Improve welfare standards of all chicken meat sourcing in US by 2024 and Europe by 2026 • 100% deforestation-free supply chain by 2030 (palm oil, paper, soy, beef) • 100% physical certified sustainable palm oil • 100% sustainable paper disposables 	<p>With several billion euros spent on food purchases per year, and items received from over 150,000 suppliers worldwide, Sodexo has a big opportunity to improve the quality of life of our stakeholders. Ensuring that every euro spent creates a positive impact on individuals, communities and the environment is at the heart of our responsible sourcing roadmap. Our Responsible Sourcing strategy is built on three pillars:</p> <ol style="list-style-type: none"> 1. Improve health and well-being 2. Foster social equity 3. Protect and restore natural ecosystems <p>Within the Protect and restore natural ecosystems pillar of Sodexo’s Responsible Sourcing strategy there are three key topics:</p> <ol style="list-style-type: none"> 1. Sustainable Agriculture 	<p>Sodexo has defined its responsible sourcing strategy and commitments following a stakeholder engagement process in 2019. Deforestation, Sustainable fish and seafood, and animal welfare are among the most material and relevant topics for Sodexo and its stakeholders and therefore we have taken commitments in these areas.</p>	<ul style="list-style-type: none"> • % sustainable fish and seafood (As per Sodexo Sustainable Seafood Sourcing Guide) • % cage free shell eggs • % cage free liquid eggs Deforestation o % of certified sustainable palm oil (including RSPO credits) o % of physical certified sustainable palm oil (excluding RSPO credits) o % of spend on certified sustainable paper disposables 	<p>2021 results:</p> <ul style="list-style-type: none"> • 86% sustainable fish and seafood (As per Sodexo Sustainable Seafood Sourcing Guide) • 41.1% cage free shell eggs • 61.9% cage free liquid eggs Deforestation o 100% of certified sustainable palm oil (including RSPO credits) o 32.4% of physical certified sustainable palm oil (excluding RSPO credits) o 78.8% of spend on certified sustainable paper disposables

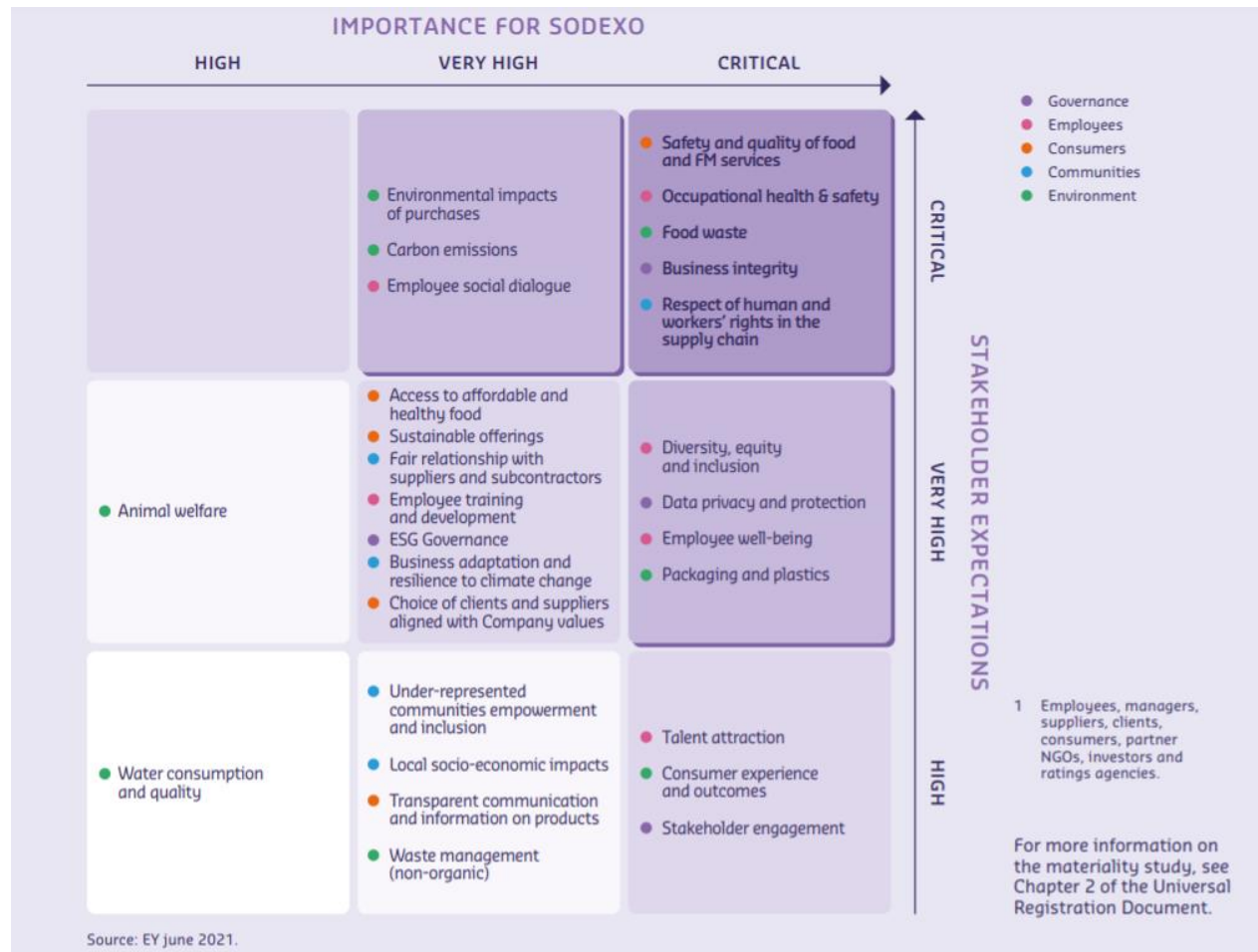
	<p>2. Product & Service Level Resource Efficiency 3. Supplier Operational Resource Efficiency</p> <p>Within our Responsible Sourcing Strategy, in alignment with Better Tomorrow 2025, we have taken a number of environment commitments to increase the positive impact of our purchasing.</p>			<p>Regarding broiler chicken welfare, we are still developing the capability to report on this commitment.</p>
<p>99% of Sodexo controlled coffee purchased for our retail channel responsibly sourced by the end of 2021</p>	<p>This commitment was for 2021 so it is not a future commitment to track and report against.</p>			

ANNEX 1: Sodexo Better Tomorrow 2025 Corporate Responsibility Strategy¹



¹ From : Sodexo 2021 Universal Registration Document (p.27) <https://www.sodexo.com/files/live/sites/com-global/files/02%20PDF/Finance/Sodexo-Universal-Registration-Document-FY-2021.pdf>

ANNEX 2: Sodexo materiality analysis (2021)²



² Idem (page 27)