



Integrated Report

Fiscal 2018
Registration document's
extract

sodexo
QUALITY OF LIFE SERVICES



ABOUT OUR INTEGRATED REPORT

This document follows Sodexo's decision to adopt the practice of integrated reporting. Based on the recommendations of the International Integrated Reporting Council (IIRC), it also reflects the direction being taken in our roadmap for corporate responsibility, Better Tomorrow 2025.

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

This second Integrated Report covers the fiscal year 2018 and draws on information from the Registration Document in which it is published.

SODEXO AT A GLANCE

Founded in 1966 by Pierre Bellon,

Sodexo is the global leader in Quality of Life services.

Sodexo is the world's only company offering **On-site Services, Benefits and Rewards Services** and **Personal and Home Services.**

Sodexo's services contribute to the performance of our clients, the fulfillment of our teams and the economic, social and environmental development of our local communities.

KEY FIGURES⁽¹⁾ AS OF AUGUST 31, 2018

20.4

billion euro in consolidated revenues

460,000

employees

72

countries

100

million consumers served daily

#1

France-based private employer worldwide⁽²⁾

69%

employee engagement rate⁽³⁾

#1

in its industry sector in both the Dow Jones Sustainability Index (DJSI)⁽⁴⁾ and the 2018 RobecoSAM Sustainability Yearbook⁽⁵⁾

#3

in its sector among the World's Most Admired Companies⁽²⁾

and #1

for Innovation⁽²⁾

¹ Source: Sodexo.

² **2017 Fortune 500 ranking.**

³ **2018 employee engagement survey** sent to 386,262 Sodexo employees of whom 62% responded.

⁴ **The Dow Jones Sustainability Indices (DJSI)** provide a global ranking of the companies most advanced in the area of sustainable development. They are jointly compiled by the Standard & Poor's Dow Jones Indices and RobecoSAM.

⁵ **The RobecoSAM Sustainability Yearbook** is the world's most comprehensive publication on corporate sustainability performance. More than 3,400 companies in 59 industries were evaluated according to economic, financial, social and environmental indicators.

UNLOCKING OUR POTENTIAL

As the global leader in Quality of Life services, we have developed a solid business model and a unique offer of integrated services that creates value for our clients. We have leading market positions in each of our segments and a clear roadmap and vision for the future. Together, we are ready to embark on a new phase of growth and profitability, fueled by the energy and professionalism of our 460,000 employees throughout the world.



OUR FUNDAMENTALS

A GLOBAL, INDEPENDENT, PEOPLE-FOCUSED COMPANY

Sodexo is the community of our consumers, clients, employees and shareholders. To meet their expectations, we have built a business model based on profitable organic growth in revenues. The strength of this model is reflected in our fundamentals.



Since Sodexo's inception, **our mission, our values** and **our ethical principles** have guided the work of all employees.

OUR MISSION

Improve the quality of life of Sodexo employees and those we serve, and contribute to the economic, social and environmental development of the communities, regions and countries in which we operate.

OUR VALUES

- Service spirit
- Team spirit
- Spirit of progress

OUR ETHICAL PRINCIPLES

- Loyalty
- Respect for people and equal opportunity
- Transparency
- Business integrity

A CONSUMER AND CLIENT-FOCUSED CULTURE

One of the keys to our ability to develop and expand a unique range of Quality of Life services has been our detailed understanding of the needs of clients and end-users. To leverage our understanding of the challenges faced by our clients and to adapt to the globalization of our markets, our organization is structured around global client segments for our On-site Services. This segment-based approach enables us to better capitalize on our size and global footprint, thereby increasing the value we bring to our clients. This model also helps us to meet the needs of our consumers, which can differ greatly from segment to segment.

DEVELOPING OUR EMPLOYEES

Sodexo is one of the world's largest employers and a company of people at the service of other people. Our people have been at the core of our development in the past but will be even more so in the future. Sodexo's continued growth is the result of the performance, development, professionalism and engagement of its diverse teams.

Recognizing each individual's contribution to the Group's success is a priority. We are committed to being an employer of choice by providing jobs, learning opportunities and internal progression for our people that will enable them to thrive within the company.

AN INTEGRATED OFFER THROUGH THREE ACTIVITIES

Through our three activities: On-site Services, Benefits and Rewards Services, and Personal and Home Services, we offer a holistic response to client needs and provide services that enable us to accompany consumers throughout their lives.

We leverage the synergies that exist among our three activities, such as business development opportunities and global brand awareness. Shared organizations and infrastructure generate cost savings while multiple career gateways offer significant opportunities for our employees.

A WORLDWIDE COMPANY RESPONDING TO MAJOR GLOBAL TRENDS

Major global trends are bringing new quality of life issues to the surface. Demographic changes such as aging populations and urbanization are leading to an explosion in the need for home care services and facilities for the elderly.

Operating in 72 countries and with undisputed leadership in developing economies, Sodexo's global network enables us to customize our integrated offer while delivering a consistently high level of services worldwide. These services thus create value for our clients and improve the daily life of our consumers while respecting our economic, social and environmental commitments.

INDEPENDENCE ENSURED THROUGH FOUNDING FAMILY SHAREHOLDING

Independence enables us to maintain our values, focus on a long-term strategy, maintain management continuity and ensure our sustainability.

Our independence is ensured through the Bellon family shareholding: Mr. and Mrs. Pierre Bellon and their children control 72.6% of Bellon SA.

As of August 31, 2018, our controlling holding company, Bellon SA, held 42.2% of Sodexo's capital and 57.2% of the exercisable voting rights. In June 2015, Mr. and Mrs. Pierre Bellon and their four children entered into an agreement for a duration of 50 years which prevents his direct descendants 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.

The sustained commitment required to build a truly international organization and a strong management team, nurture lasting client relationships and develop a successful integrated offer, reflects this vision.

OUR VALUE CREATION MODEL

CREATING VALUE BY IMPROVING QUALITY OF LIFE

| RESOURCES | IMPACTS |
|---|---|
| <p>ECONOMIC</p>  <ul style="list-style-type: none"> • Stability of family-controlled capital • Robust financial model • Significant market potential • Long-term vision | <p>ECONOMIC</p>  <ul style="list-style-type: none"> • 20.4 billion euro in consolidated revenues • +9.7% Total Shareholder Return per year over 5 years • A- Standard & Poor's rating • Socially Responsible Investment ratings |
| <p>HUMAN</p>  <ul style="list-style-type: none"> • 460,000 engaged employees • Diverse workforce • Development and training of employees (79.3% of employees trained) • Strong presence in local communities • Eco-system of partnerships | <p>INDIVIDUALS</p>  <ul style="list-style-type: none"> • 81% retention rate of total workforce • 3.5% internal promotion • A wide range of Quality of Life services delivered for 100 million consumers every day • 7.6 billion euro in salaries • Stop Hunger: 93,000 committed volunteers • Nearly 7.4 million U.S. dollars raised for 1,200 partner charities and NGOs⁽¹⁾ |
| <p>RELATIONSHIPS</p>  <ul style="list-style-type: none"> • Improving quality of life and contributing to local communities' development • Strong culture and ethical values • Innovation insight gained from 100 million consumers served everyday worldwide | <p>COMMUNITIES</p>  <ul style="list-style-type: none"> • 4.4 billion euro spend with the SMEs⁽²⁾ • Apx. 2.3 billion euro of pay-roll taxes paid • 7,200 tons of fairly traded coffee purchased • 180 local community projects |
| <p>NATURAL</p>  <ul style="list-style-type: none"> • Sustainable processes • Responsibly-sourced raw materials • Responsible use of energy and water | <p>THE ENVIRONMENT</p>  <ul style="list-style-type: none"> • 95,588 tons CO₂ reduction in Scope 1⁽³⁾ and Scope 2⁽⁴⁾ carbon emissions compared to baseline year 2011 • Waste reduction: 87.5% of sites have implemented equipment and process steps to reduce organic waste • 99 million cage free eggs purchased • 25,313 tons of sustainably sourced seafood • 2.7 million liters of used cooking oil converted to biofuel |

¹ **NGOs:** Non-Governmental Organizations.

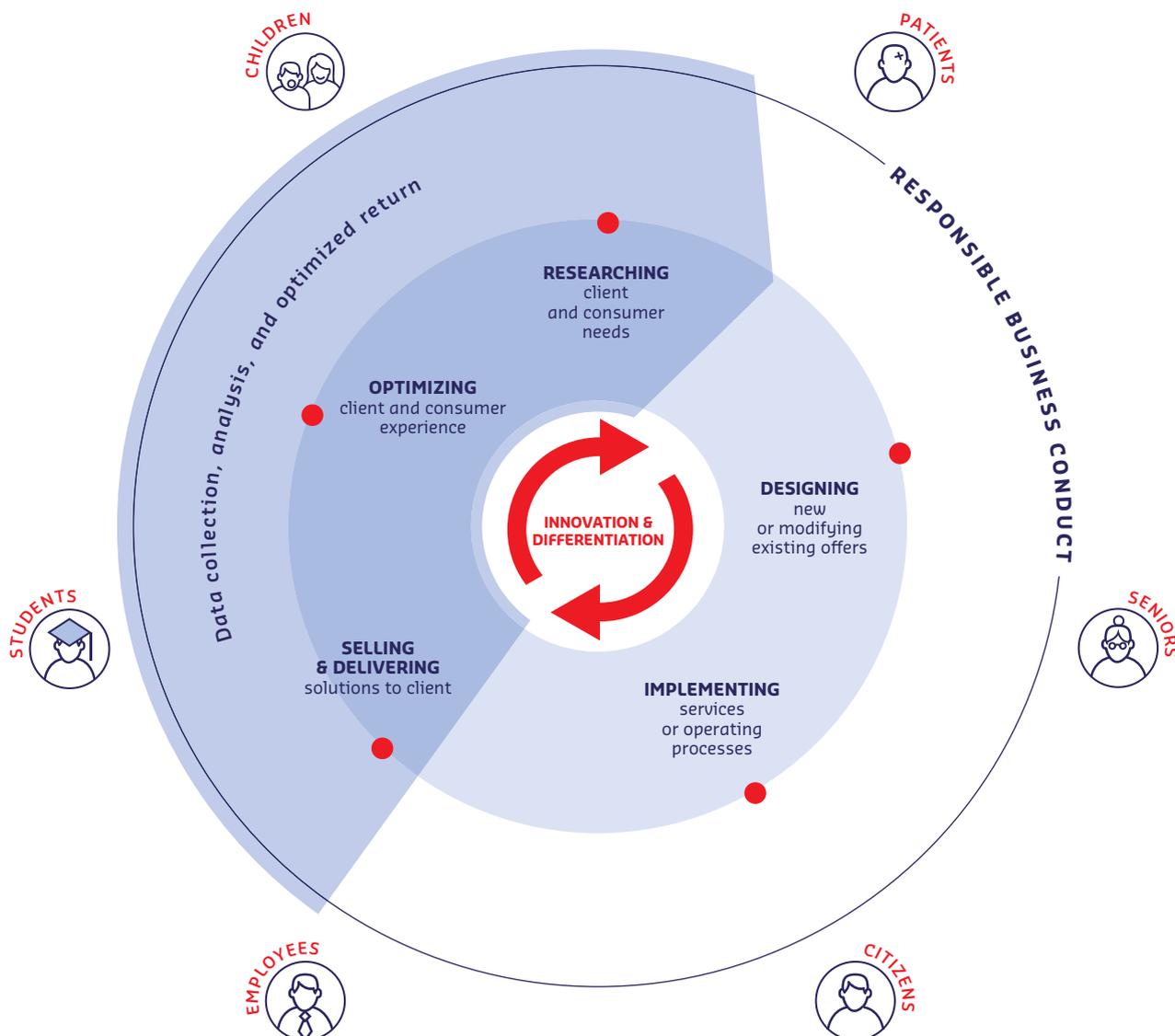
² **SMEs:** Small and Medium sized Enterprises.

³ **Scope 1:** direct GHG emissions from the combustion of energy sources owned or controlled by the company.

⁴ **Scope 2:** indirect emissions of GHG from electricity purchases.

To improve the quality of life of its employees and its consumers, and to contribute to the development of communities in which it operates, Sodexo makes accelerating growth a central priority.

Growth increases our capacity for investment and innovation to capture the strong potential of our markets and offers innovative and increasingly personalized services to our clients and consumers. This depends upon the commitment of our teams, our ability to innovate and an in-depth understanding of our consumers.



All figures are for Fiscal 2018, unless otherwise stated

OUR RESPONSIBLE PROGRAMS

BUILDING SUSTAINABLE RELATIONSHIPS

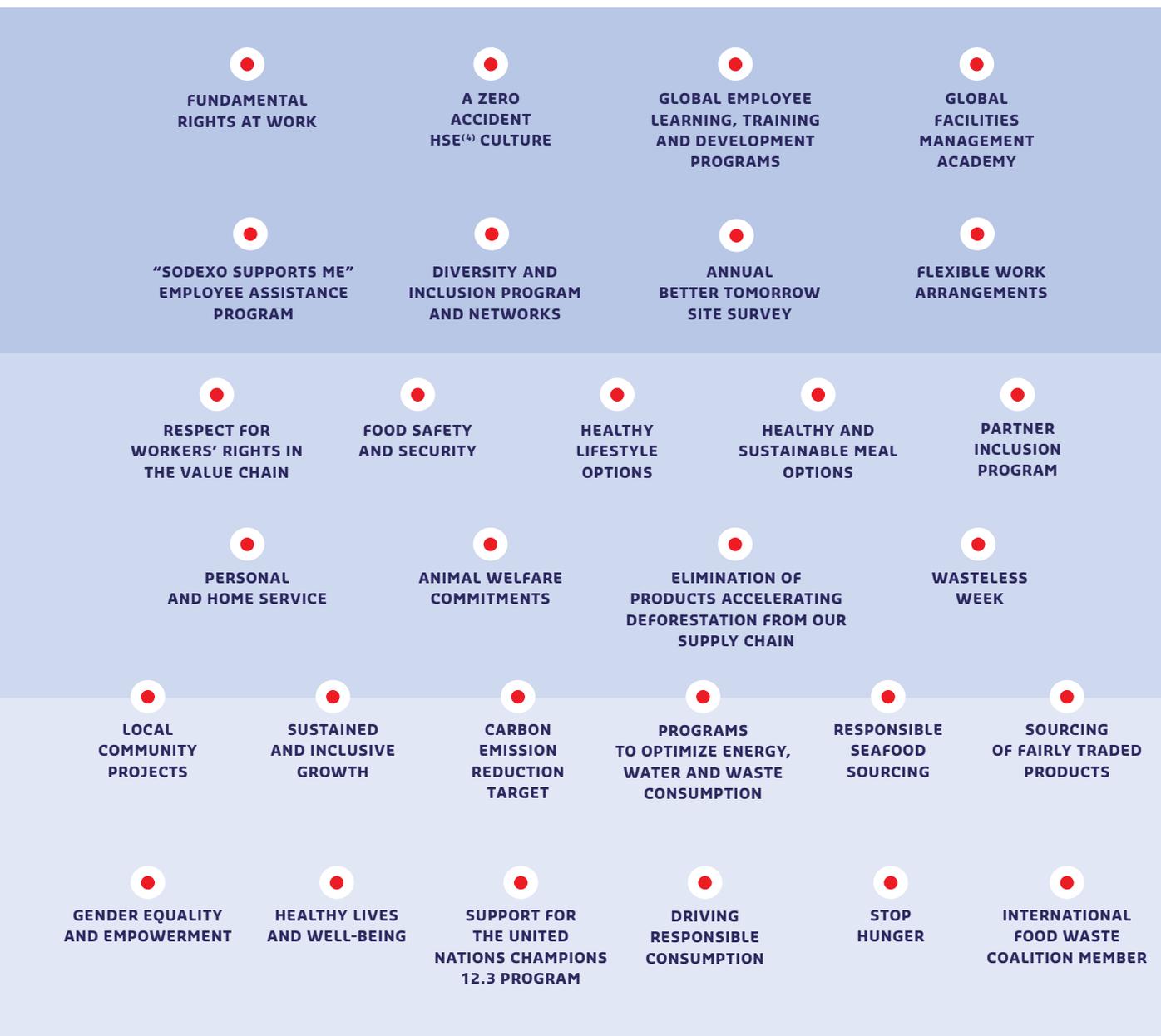


These programs are an operational answer to the issues defined in the materiality matrix (page 10).

Source: Sodexo.

Provider of services, employer, corporate citizen: our activities impact individuals, whether clients, consumers, employees, suppliers or shareholders, as well as the communities in which we operate.

Because our success depends on building constructive relationships with all of our stakeholders, we are committed each day to taking action on numerous programs for responsible action.



¹ **Dow Jones Sustainability Indices (DJSI):** The Dow Jones Sustainability indices (DJSI) provide a global ranking of the companies most advanced in the area of economic, social and environmental responsibility. They are jointly compiled by the S&P Dow Jones Indices and RobecoSAM.

² **The RobecoSAM Sustainability Yearbook** is the world's most comprehensive publication on corporate sustainability performance. More than 3,400 companies in 59 industries were evaluated according to economic, social, environmental and financial indicators.

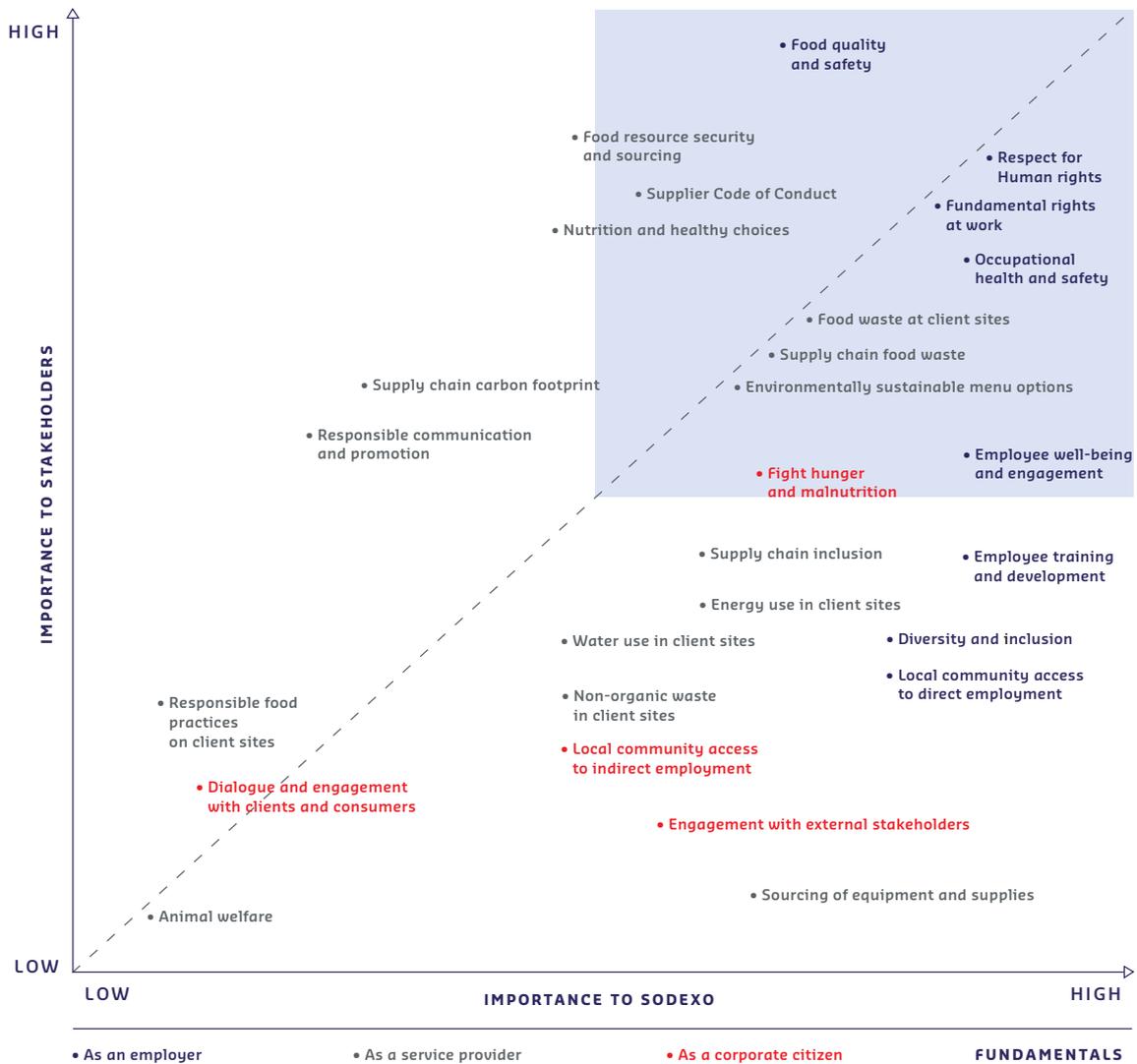
³ **The FTSE4Good** international index identifies socially responsible companies according to environmental, social and governance (ESG) criteria.

⁴ **Health, Safety and Environment (HSE)** the scope of Sodexo HSE function includes Occupational Health and Safety, Food Safety and Environment.

OUR MATERIALITY MATRIX

SHARING A COMMON VISION

Our unique position in the value chain enables us to develop strong relationships with multiple stakeholders. To define priorities and structure for our corporate responsibility roadmap, we have identified and ranked key issues and impacts in consultation with internal and external stakeholders with the support of Business for Social Responsibility (BSR)⁽¹⁾. Our methodology relies on interviews conducted with our employees, clients and consumers as well as market best practices.



Since the publication of our materiality matrix, we have placed stakeholders' most important issues at the heart of our best practices. The result of this progress is detailed in this report. The key indicators illustrating the challenges and priority risks are presented in the tables of chapter 2 and 3 of the Registration document, as well as in Risk Management sub-chapter 5.4.

¹ The internal and external analysis were conducted in Fiscal 2016.

OUR RISK MANAGEMENT

RISK MANAGEMENT AND INTERNAL CONTROL MODEL BASED ON THREE LINES OF DEFENSE

Operational managers are the first line of defense for identifying and managing risks in their area of activity. They put in place controls and action plans for the risks identified.

Support and transversal functions define the procedures and standards and provide tools and techniques for operational staff to implement the appropriate controls.

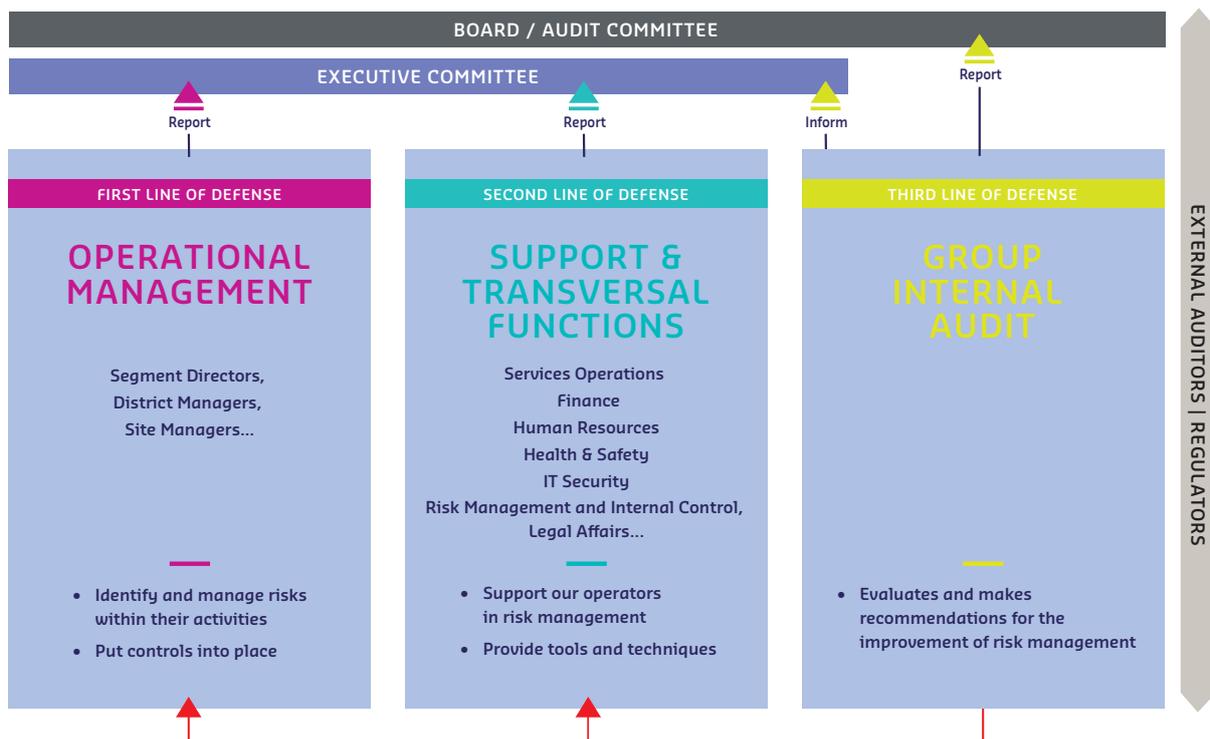
Internal Audit provides an independent assessment of risk management and internal control to the Executive Committee and the Board of Directors.

It makes recommendations on improving risk management to operational teams and support functions.

Each year, a risk assessment is carried out based on the reported results and summaries established by the senior management of the main entities.

Sodexo is thus able to define a risk profile that integrates both internal and external risks. This evaluation is successively validated by the Executive Committee, the Audit Committee and the Board of Directors.

SODEXO'S RISK MANAGEMENT AND INTERNAL CONTROL MODEL
The Three Lines of Defense



MESSAGE FROM SOPHIE BELLON

SOPHIE BELLON

CHAIRWOMAN OF THE BOARD OF DIRECTORS



“Our ambition is to one day improve the quality of life of one billion individuals around the world.”

Sophie Bellon

This past year was marked by important milestones and key developments. On January 23, Denis Machuel became the third CEO in Sodexo's history, and a new chapter opened for our company. Since then, Denis and I have been working together to make sure the tandem we form creates an efficient funnel of collaboration between the Executive Committee and the Board of Directors.

The first work we carried out was an assessment of Sodexo's current situation to see where we stand today, identifying related short and medium-term priorities.

Sodexo's future is ripe with possibilities: the market potential for our combined activities is estimated at 900 billion euro, nearly 45 times current revenues. Global trends are also promising: demand for outsourced services is accelerating, and the integration of various services is set to follow. At the same time, the aspiration to improve quality of life is one that resonates strongly in both Western societies and in those of emerging economies. The 100 million people we serve every day represent a huge asset for the future development of our services.

But we have undoubtedly not been efficient enough in capturing this potential lately, partly because we have likely taken too long to make some decisions.

Sodexo is, and has always been, a growth company. From the very beginning, we have defined ourselves as the community of our

clients, consumers, employees and shareholders and we have always wanted to build a growth company because growth is the best way to respond to the expectations of these different stakeholders.

Today, accelerating this growth is the company's top priority. Our underperformance in some segments and markets required quick and decisive corrective action, which is now underway.

At the same time, major social, demographic and environmental shifts coupled with accelerated technological progress continue to profoundly and irreversibly impact our markets. The changes are affecting relationships with both our B to B clients and with those who consume our services, requiring that we redefine our markets and rethink how we create value.

Looking at these changes, we have already taken very clear steps. First, we are renewing our focus on foodservices, our historical and core expertise. The potential in this area is huge. We are also strengthening the integration of our different services to demonstrate our expertise in each of our client segments and sub-segments. Lastly, we want to better understand the needs of our consumers in order to be able to meet them. As our consumers progressively become an important additional source of revenue, they also have the power to influence the decisions of our BtoB clients to partner with us.

We will seize these emerging opportunities by leveraging the

“We need to get back to the culture of entrepreneurship that has underpinned our success”

increasing convergence of our activities, driven by technological progress. In order to succeed, we need to first get back to the basics of our business: client retention, employee engagement, and extreme operational discipline. Over the years, we have lost sight of these basics in some parts of the business and we are in the process of restoring them.

We also need to get back to the culture that has underpinned our success. Our company culture, created by the first generation of managers, was based on an entrepreneurial spirit. This is about encouraging each manager to manage his or her business as if it was their own, while giving them the means to do so. With entrepreneurship comes accountability. Accountability is about facing the facts with humility before making decisions, and assuming the consequences of our actions.

Lastly, talent is the foundation of everything we do. Almost all the challenges we have today have their roots in wrong people decisions or people situations which have gone on for too long. Developing our talent, constantly building and strengthening our talent pipeline, is the key to our future.

Provided we work on these prerequisites, I believe that we are well positioned to capture the opportunities created by this new world. Today, we have around 100 million consumers. Our ambition is to one day improve the quality of life of one billion individuals around the world.

As we move forward, the Board will have an important role to play in supporting and challenging our strategic choices and how they are executed, as well as evaluating the achievement of our objectives towards reaching this ambition. The recent evolution in the Board’s composition has resulted in a new dynamic, and I am confident that the Board is in a strong position to carry out its role through open discussions and constructive dialogue.

Sodexo today is the result of a long and successful history rooted in the original vision of its founder. When Pierre Bellon created the company 52 years ago, his personal history had led him to believe that companies with a strong social purpose are the ones that stand the test of time. That is why he gave Sodexo powerful values - team spirit, service spirit, and a spirit of progress - and a particularly forward-looking mission for the time. This mission was - and remains - to improve the quality of life of our employees and the people we serve, and contribute to the economic, social and environmental development of the communities, regions and countries where we operate.

These fundamentals have not changed since 1966 and are still very relevant today. For over 50 years, we have grown while making sure along the way that we are actively contributing to foster progress and create social value for individuals, communities and society. Fulfilling our mission is all about growing to improve the quality of life of an ever-increasing number of

individuals, both our employees and our consumers, and to have a greater impact on our communities and the environment we all share.

Our financial independence is a fundamental cornerstone in this ambition. Remaining an independent company, a family-controlled business, is for us the only way to maintain our values and our mission, ensure stability in our management, focus on the long term, and have the freedom to make necessary investments in our development.

Rapidly recovering good levels of performance while starting to actively work towards achieving our ambition will take considerable collective effort and major changes, but I believe we have the right levels of discipline and courage to rise to the challenge. We will do what it takes to make sure the most crucial part of who we are remains the same.

I would like to thank all Sodexo’s employees for their hard work every day for our clients, for our consumers, for their teams and for their communities. It is their engagement and dedication that have made Sodexo the great company it is today.

OUR BOARD OF DIRECTORS

SHARING A LONG-TERM VISION

A family-controlled company, Sodexo's stability is one of the keys to its success. Under the leadership of Chairwoman Sophie Bellon and inspired by a shared long-term vision, Sodexo's Board of Directors, composed of seven women and six men, determines the strategic orientations of the company.

- Member of the Audit Committee
- Member of the Compensation Committee
- Member of the Nominating Committee

For more details on Sodexo's Governance, please see Chapter 5.

As of August 31, 2018



SOPHIE BELLON

Chairwoman of the Board of Directors

Nationality: French

Term expires at the Annual Shareholders' Meeting approving the Fiscal 2020 financial statements

Attendance rate: 100%



EMMANUEL BABEAU

Deputy Chief Executive Officer of Schneider Electric SE

Independent Director

Chairman of the Audit Committee

Nationality: French

Term expires at the Annual Shareholders' Meeting approving the Fiscal 2018 financial statements

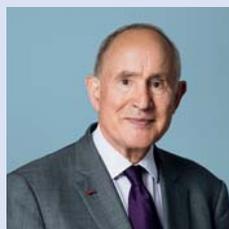
Attendance rate: 100%



PIERRE BELLON

Chairman Emeritus
Founder of Sodexo and
Chairman of the supervisory
Board of Bellon SA

Nationality: French



ROBERT BACONNIER

Independent Director

Nationality: French

Term expires at the Annual Shareholders' Meeting approving the Fiscal 2018 financial statements
(Proposed reappointment)

Attendance rate: 100%



ASTRID BELLON

Director

Nationality: French

Term expires at the Annual Shareholders' Meeting approving the Fiscal 2018 financial statements
(Proposed reappointment)

Attendance rate: 69%



BERNARD BELLON
Director

Nationality: French

Term expires at the Annual Shareholders' Meeting approving the Fiscal 2018 financial statements

Attendance rate: 100%



FRANÇOIS-XAVIER BELLON
Founder and Chief Executive Officer of LifeCarers Ltd
Director

Nationality: French

Term expires at the Annual Shareholders' Meeting approving the Fiscal 2018 financial statements
(Proposed reappointment)

Attendance rate: 92%



NATHALIE BELLON-SZABO
Chief Executive Officer, Sodexo Sports & Leisure
Director

Nationality: French

Term expires at the Annual Shareholders' Meeting approving the Fiscal 2020 financial statements

Attendance rate: 92%



PHILIPPE BESSON
Head of Projects and Sponsorship
Employee representative

Nationality: French

Term expires at the Annual Shareholders' Meeting approving the Fiscal 2019 financial statements

Attendance rate: 85%



FRANÇOISE BROUGHER
Chief Operating Officer, Pinterest
Independent Director
Chairwoman of the Nominating Committee

Nationality: dual French and American

Term expires at the Annual Shareholders' Meeting approving the Fiscal 2020 financial statements

Attendance rate: 100%



SOUMITRA DUTTA
Dean and Professor of Management, Cornell University
Independent Director

Nationality: Indian

Term expires at the Annual Shareholders' Meeting approving the Fiscal 2020 financial statements

Attendance rate: 100%



CATHY MARTIN
Regional Manager
Employee representative

Nationality: Canadian

Term expires at the Annual Shareholders' Meeting approving the Fiscal 2020 financial statements

Attendance rate: 85%



SOPHIE STABILE
Founder and Chairwoman of Révérence
Independent Director

Nationality: French

Term expires at the Annual Shareholders' Meeting approving the Fiscal 2019 financial statements

Attendance rate: 100%



CÉCILE TANDEAU DE MARSAC
Chief Human Resources, Solvay Group
Independent Director
Chairwoman of the Compensation Committee

Nationality: French

Term expires at the Annual Shareholders' Meeting approving the Fiscal 2019 financial statements

Attendance rate: 100%

11 GLOBAL MEGATRENDS

ADAPTING OUR OFFERS TO BUILD THE FUTURE

Preparing the future means being aware of the world's great transformations. By defining and analyzing 11 major megatrends with demographic, social, economic and technological implications, we are fine-tuning our strategy and adapt our offers.



Half of the world's top 500 companies did not exist 25 years ago.

This speaks volumes about the pace and magnitude of the changes we are going through, from Europe to Asia, from the Americas to Africa and Australia.

Whether social, environmental, economic or technological, these changes are occurring at an unprecedented speed and scale.

Attentive to these changes, we are adapting our offers to respond to the expectations of our consumers and users. The world's accelerated transformation is profoundly reshaping our life, work and leisure environments, our behaviors and our modes of consumption.

Understanding these 11 megatrends allows us to invest the right resources where they are needed, for example, by developing new businesses or expanding our global footprint. We are also evolving our offerings to respond to new expectations while creating value for our company.

1. DEMOGRAPHIC SHIFTS

Developed countries are faced with a rapidly aging population and exploding health budgets due in part to slow population growth estimated at 2.9% between 2015 and 2030. Meanwhile, developing countries, led by India, Nigeria and Pakistan, will experience an average population growth of 18.5% between 2015 and 2030⁽¹⁾.

1 billion

humans will be older than 65 in 2030, 13% of the world's population⁽²⁾

Sodexo responds to these challenges

- We are developing a range of services that enhance quality of life for seniors at home, such as Amelis, Comfort Keepers[®] and PrestigeNursing+Care.
- We are making life easier for parents through childcare services like those offered by Crèche Attitude.

2. URBANIZATION

Rapid urbanization is contributing to the increase in GDP per capita, but the emergence of mega-cities (urban areas with more than 10 million inhabitants) is creating enormous economic and social challenges (mobility, security, waste and energy management). In 2030, megacities will generate 72% of global GDP. Meanwhile, mid-tier cities in emerging economies will account for 40% of GDP growth between 2015 and 2025. These cities will gain in economic importance and become major drivers of global growth.

24

of the world's 31 megacities in 2030 will be in developing countries⁽³⁾

Sodexo responds to these challenges

- We accompany deployment of public aid programs to improve the quality of life of citizens and strengthen social ties.
- We offer foodservices solutions adapted to the increased mobility of employees.
- We are developing mobility solutions, including car-sharing solutions adapted to the growth of urban populations, which will represent 57% of the world's population in 2050⁽²⁾.

3. EMERGING MIDDLE CLASS

Education and technologies are transforming consumption modes and habits. The middle class, whose purchasing power is on the rise and which will represent most of the consumers in 2022, are dedicating an increasing share of their budget to leisure and culture. In addition, the future near-elimination of extreme poverty should lead to the emergence of a new class of consumers.

60%

of the world's population will be part of the middle class in 2030, compared to 27% in 2009⁽⁴⁾

Sodexo responds to these challenges

- We are strengthening our expertise in the field of sporting and cultural events and facilitating access to leisure activities.
- We offer services focused on sports, wellness and quality of life to meet the rising aspirations of the growing middle class.

4. GLOBAL ECONOMY

Capital, information and talent are now interconnected and trade is growing, providing companies with new sources of growth. At the same time, consumers prefer locally-sourced products, especially for food and beverages.

The share of exports in GDP will increase from 26% in 2010 to

33%

in 2030⁽⁵⁾

Sodexo responds to these challenges

- We encourage innovations from the front line and share best practices among our sites.
- We source responsibly and give preference to fair trade-certified products.

¹ Roland Berger Trend Compendium, UN DESA.

² United Nations, Population Division.

³ GCIF Working Paper No. 4: Population predictions of the 101 largest cities in the 21st century.

⁴ The unprecedented rise of the middle class : Homi Khara.

⁵ McKinsey Global Institute, Boston Consulting Group RB Trend Compendium 2030.

5. DEVELOPING MARKETS

Developing markets are creating wealth for millions of people. Their weight in the world economy is increasing due to rapid population growth seven times faster than that of developed countries, combined with the rise of the middle class. With their aggressive internationalization and increased competitiveness abroad, half of the world's Fortune 500 companies will be based in emerging market countries by 2025.

About

57%

of global GDP will be generated by developing countries in 2030⁽¹⁾

Sodexo responds to these challenges

- We are positioning ourselves as a strong provider of services in the developing economies.
- We are contributing to the economic and social development of local communities in all countries where we operate.

6. PUBLIC DEFICITS

The weight of public debt is leading governments to consider more efficient ways to provide public services and to outsource certain services. Between now and 2030, rising public deficits and persistent youth unemployment will strongly impact public policies and taxation.

Public debt will amount to

98%

of world GDP in 2035⁽²⁾

Sodexo responds to these challenges

- We partner with local authorities to create and operate Public-Private Partnerships (PPP).
- We are developing solutions that allow public authorities to control expenses while improving the service provided to citizens.

7. ENVIRONMENTAL ISSUES AND RESOURCE SCARCITY

8.6 billion inhabitants in 2030, 9.7 billion inhabitants in 2050: the demographic boom is weighing on natural resources, heightening global warming and disrupting traditional consumption patterns. As a result, government actions and the focus on environmental and ethical standards is increasing. Energy, water and food consumption will increase by 50%, 40% and 20% respectively by 2030⁽³⁾.

2,216

million tons of urban waste will be produced in 2025,

a doubling of volume since 2012⁽⁴⁾

Sodexo responds to these challenges

- We share with our employees a culture of environmental responsibility.
- We are deploying facilities management services to help reduce carbon emissions from the sites we manage.
- We advocate for sustainable use of resources.

8. EMPOWERED CONSUMERS

Consumers and clients now have unlimited access to information and expect personalized services and experiences. The niche culture is growing and B to B is naturally following in the footsteps of B to C, which is leading the way.

78%

of millennials consider the customer experience more important than the product⁽⁵⁾

Sodexo responds to these challenges

- We promote work-life balance by optimizing mobility for employees.
- We create comfortable, safe and healthy working environments.
- We deploy nutrition education programs.
- We develop Incentive and Recognition programs.
- We improve quality of life through innovations like click-and-collect⁽⁶⁾, delivery of meals and subscriptions⁽⁷⁾...

¹ United Nations, Population Division.

² Joseph Gagnon with Marc Hinterschweiger, June 2011. The Global Outlook for Government Debt Over the Next 25 Years. Implications for the Economy and Public Policy.

³ PwC megatrends.

⁴ EY Age of Digital Disruption, KPMG Future State 2030, World Bank, PwC megatrends, Roland Berger Trend Compendium.

⁵ Poll conducted by Harris Group.

⁶ Click-and-collect enables online reservations and collection of purchases at the point of sale.

⁷ Digital platforms allow subscribers to receive basic products and ingredients at a special rate to make their own meals.

9. DIGITAL TRANSFORMATION

Technology disrupts the relationship between companies and users and responds to their new expectations. As the value of data grows, offering new insights and usages, companies are able to increasingly personalize their offers. The digital revolution is creating value.

Between 2009 and 2020, the production of digital data will have multiplied by

44⁽¹⁾

Sodexo responds to these challenges

- We are using innovative technologies (including big data) to design increasingly personalized offers and gain operational efficiency.
- We are leveraging internal and external ecosystems to accelerate our transformation.
- Staying abreast of changing consumer needs, we are able to offer solutions such as menu information, restaurant patronage, available balances on user accounts, identification of restaurants and shops accepting Sodexo payment methods, management of electronic wallets for high school students and reservations at childcare centers.

10. OWNERSHIP VS. USE

Why buy if you can subscribe or rent? Collaborative platforms are revolutionizing business models and buying behaviors. With their lower capital intensity, these business models can generate much more rapid growth than traditional ones. Just as promising: accessible, fast and affordable home delivery of groceries or meals.

Online shipments will increase by

**25%
per year**

through 2020 and by 15% beginning in 2021⁽²⁾

Sodexo responds to these challenges

- We are developing concierge and car-sharing options.
- We manage resources that include employees, consultants and freelancers.
- We offer work space booking platforms like Neo-Nomade or Wx, which provide companies with the flexibility they need while contributing to the work-life balance of employees.

11. FUTURE OF WORK

Disruptive technologies such as artificial intelligence, robotics or the Internet of Things... all are profoundly transforming the world of work. To succeed, companies must support employability and attract talent.

Automation could lead to

375 million

workers switching occupations in 2030⁽³⁾

Sodexo responds to these challenges

- We offer Corporate Services clients workplace management solutions to meet new working habits, such as increasing flexibility and collaboration.
- We will train employees and help them re-skill to adapt to new requirements and the automatization of the work environment.
- We will use new technologies to remove risky and repetitive tasks for employees.

¹ PWC global megatrends.

² Statista, Roland Berger Trend Compendium 2030, McKinsey Institute: A future that works, UN Population Division, Accenture: Harnessing Revolution.

³ McKinsey Institute: A Future that Works, BCG, PWC: Will robots really steal our jobs?

MESSAGE FROM DENIS MACHUEL

DENIS MACHUEL

CHIEF EXECUTIVE OFFICER



“We are unwavering in our determination to accelerate our growth.”

Denis Machuel

As I complete my first year as CEO, I can not help but feel proud of the company Sodexo has become: we started off as a traditional foodservices player, and over the past ten years, facilities management has grown to make up almost a third of our On-site Services revenues. Today nearly half of our client contracts are multiservice. The results for our clients speak for themselves: seamlessly integrated services, optimized costs and energy management, and high-standard services across locations.

Beyond the Group’s achievements, I am disheartened by this year’s results: our performance is not where its needs to be. This became clear in March when we were required to issue a profit warning.

We met our revised guidance with organic growth of 2%, excluding the 53rd week impact in North America, and an underlying profit margin of 5.7% excluding the currency impact, down from 6.5% the previous year. The underperformance in North America, particularly in Education and Health Care, was partially compensated by solid 4.5% organic growth outside North America and 5.1% organic growth from Benefits and Rewards Services. We also generated record free cashflow. However, margins were impacted by the fall in revenue and associated execution issues in North America, lower than expected profitability of a few very large contracts and increased investments in Benefits and Rewards, coupled with lower interest rates in Brazil.

We have been proactive in addressing our areas of underperformance. New leaders are in place in North America Health Care and in Education, and they are implementing efficiency plans on labor productivity and food cost reduction. We reviewed our sales processes and changed our sales teams’ incentive structures. In order to regain market share, we have refocused resources to reassert our excellence in food services. And issues around the ramp-up of a few of our very large contracts are being addressed as well.

We are thus unwavering in our determination to accelerate our growth. Our new strategic agenda, Focus on Growth, is designed to establish the right operational discipline at all levels to manage the business more efficiently and build the key capabilities required to conquer our future. This agenda has four pillars:

- Client and consumer centricity**
 This means being obsessed with client retention and the consumers we serve. We are reviving our client retention program to bring our retention rate above 95%. Through insights from strategy, marketing and digitalization, we are also developing innovative consumer-centric services adapted to new lifestyles and habits.
- Enhanced operational efficiency**
 We are reassessing our operations in order to reduce costs, rationalize processes and reallocate savings to business-driving activities such as sales and marketing and focus the attention of our teams on growth markets.

- **Nurturing talent**

Talent is key as our 460,000 people are the essence of our services, our development, and of our success. To foster intrapreneurship, empowerment and accountability throughout Sodexo, we are focusing on performance management, high performer pool management and training.

- **Anchoring corporate responsibility in our business**

Sodexo ranked first in our sector for the 14th year in a row in the globally-renown Dow Jones Sustainability Index. Our clients and customers are increasingly interested in how our services can support their own sustainability efforts, through healthy and sustainable food options, our growth model that promotes inclusive partnerships with local businesses and by tackling waste. All these actions are crucial as they reduce carbon emissions and support our clients' transition to a low carbon economy and avoid the worst impacts of climate change.

To support this strategic agenda, we are implementing a unified and rigorous Group-wide performance management framework called STEP (Sodexo Targets for Enhanced Performance) to reinforce accountability and align all our teams on the same key performance indicators and targets.

This agenda is also supported by a broadened Executive Committee, with representation from all of Sodexo's segments and activities,

“Sodexo is well-placed to take on the great challenges that lie ahead”

as well as our geographic regions and global functions. This entire management team is resolutely focused on executing our strategic agenda.

As we roll out our strategic agenda, we are also starting to see the impact of digital technology and new lifestyle and sustainability trends on our clients and our services. We have traditionally partnered with clients to serve their “communities” of consumers on their sites, such as employees in companies, patients and staff in hospitals, and students in universities. Today, the lines that have typically defined these communities are increasingly blurred, as is the distinction between what is traditionally called on-site and off-site: employees leave the workplace to work remotely, patients no longer stay as long in hospitals, students will do more and more e-learning outside of the classroom. Clients are asking us for solutions that respond to the new needs of their community of consumers, through multi-choice, digitally-driven, personalized and sustainable solutions.

Entering in this new era, we continue to develop our footprint and build capacity in key segments. For example, we doubled our Sports & Leisure activities through

the acquisition of Centerplate, which partners with over 300 premier event venues. In addition, we are evolving our space in food through acquisitions, such as French online restaurant FoodChéri or English high-end workplace dining boutique, the Good Eating Company. We are also investing in start-ups like Klaxit, a pioneer in home-to-work carpooling, and incubating our own “corp-ups” like Rydoo which is streamlining business travel management.

Looking ahead, I am convinced that Sodexo is well-placed to take on the challenges that lie ahead. I am highly confident in the value of the services we provide, and our ability to deliver on our strategy. I would like to thank all our employees who remain committed and engaged in our mission day-to-day, our clients who continue to trust us, and the consumers we serve as we open up this new chapter in the life of Sodexo.

OUR EXECUTIVE COMMITTEE

DRIVING THE GROUP'S GROWTH

As of August 31, 2018



Denis Machuel
Group
Chief Executive Officer
Chairman of
the Executive Committee
Nationality: French



Nathalie Bellon-Szabo
Chief Executive Officer,
Sports & Leisure Worldwide,
On-site Services
Nationality: French



Cathy Desquesses
Group Chief People Officer
Nationality: French



Johnpaul Dimech
Region Chair,
Asia Pacific
Nationality: Australian



Lorna Donatone
Chief Executive Officer
of Geographic Regions
and Region Chair for
North America
Nationality: American



Sean Haley
Group
Chief Executive Officer
of Service Operations
Region Chair,
UK & Ireland
Nationality: British



Nicolas Japy
Chief Executive Officer,
Energy & Resources
Worldwide,
On-site Services
Nationality: French



Tony Leech
Chief Executive Officer,
Government & Agencies
Worldwide, On-site Services
Nationality: Australian



Satya-Christophe Menard
Chief Executive Officer,
Schools & Universities
Worldwide, On-site Services
Nationality: French



Sylvia Metayer
Chief Executive Officer,
Corporate Services
Worldwide, On-site Services
Triple nationality: French,
British and Canadian

The Executive Committee, newly widened, supports Sodexo's growth and development. This new Executive Committee, diversified and integrating key expertise, represents all of the Group's activities, segments and geographical areas where it operates, reinforcing the focus on clients and consumers and maximizing the efficiency of local execution.



Belen Moscoso Del Prado
Group Chief Digital
& Innovation Officer
Nationality: Spanish



Anna Notarianni
Region Chair,
France
Nationality: French



Marc Plumart
Chief Executive Officer,
Health Care & Seniors
Worldwide, On-site Services
Nationality: French



Marc Rolland
Group
Chief Financial Officer
Nationality: French



Dianne Salt
Group Chief
Communications Officer
Nationality: Canadian



Didier Sandoz
Chief Executive Officer,
Personal and Home
Services
Nationality: French



Aurélien Sonet
Chief Executive Officer,
Benefits and Rewards
Services
Nationality: French



Bruno Vanhaelst
Group Chief
Marketing Officer
Nationality: Belgian

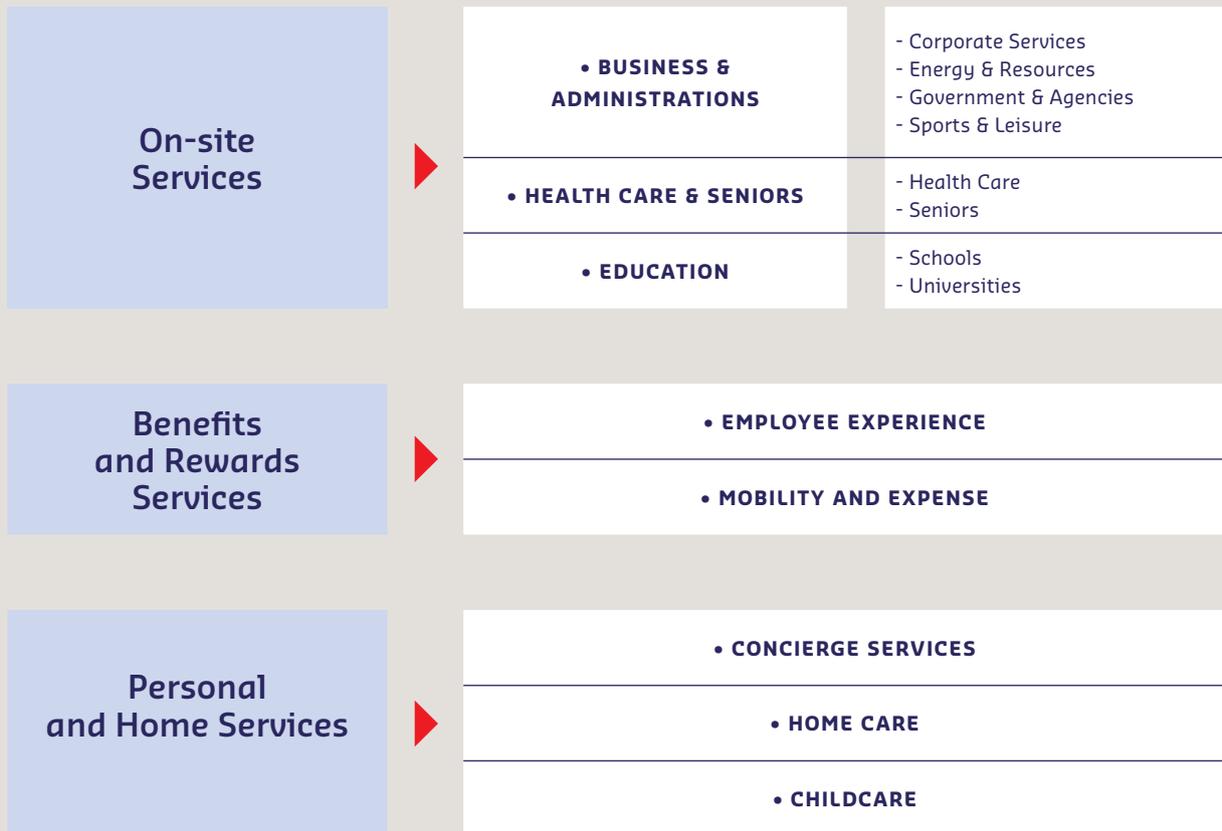


Damien Verdier
Group Chief Strategy
and Corporate
Responsibility Officer
Nationality: French

OUR PROFESSION, OUR MARKETS

WE ARE THE GLOBAL LEADER IN QUALITY OF LIFE SERVICES

Around the world, our 460,000 employees are driven by the same mission: improving quality of life. An essential partner for companies and organizations, our unmatched offer of On-site Services helps them to better serve consumers and increase their efficiency. Our Benefits and Rewards Services and Personal and Home Services complete our offer to help ensure a better tomorrow for all.



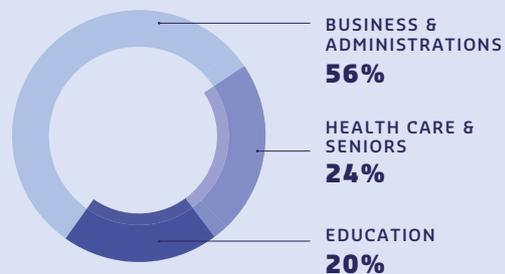
On-site Services

Increase a company's efficiency, reassure patients in the hospital, promote academic growth, provide safety and comfort on a remote site: our services delivered directly on site improve quality of life for millions of consumers and enable our clients to improve their performance. From the design of workplaces to reception services, sterilization of medical equipment, cleaning services and foodservices, our customized, innovative solutions are adapted to our clients' needs, organized into three segments: Business & Administrations, Health & Seniors and Education.

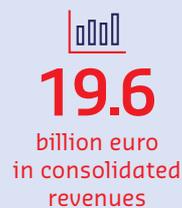
CONSIDERABLE GROWTH POTENTIAL



REVENUES BY CLIENT SEGMENT



KEY FIGURES⁽¹⁾



Source: Sodexo.

¹ Including Personal and Home Services.

² Note: Market estimates are likely to evolve over time, given the growing reliability of information sources in various countries.

On-site Services

BUSINESS & ADMINISTRATIONS

REVENUES BY CLIENT SUB-SEGMENT



KEY FIGURES



56%
of Group revenues



10,938
million euro
in revenues



276,572
employees

Source: Sodexo.

Corporate Services – Enhancing quality of life at work

Professional growth and employee quality of life are drivers of individual and collective performance for companies as well as key differentiators in the competition for talent. Sodexo conceives and implements customized solutions to help clients create an environment contributing to the well-being of employees and visitors while reinforcing their attractiveness and competitiveness. From food to facilities management services ... our solutions respond to the challenges of employee motivation and operational performance.

Energy & Resources – Ensuring safety, comfort and performance in harsh environments

Working and living conditions of employees in onshore and offshore oil and gas, mining, engineering and construction companies are often extreme. Sodexo consistently delivers integrated, innovative services to its clients throughout the world, from a remote location's design to its demobilization. Hospitality, accommodation, site management, logistics, transportation and leisure: all services that ensure residents' quality of life, safety and comfort. While contributing to the development of local communities, our solutions optimize our clients' operational efficiency and ability to attract and retain talent despite cyclical, volatile markets.

Government & Agencies – Honored to serve the public interest

Ensuring high-quality services while responding to budgetary constraints: this is a major challenge for our clients, whether they are armed forces, local authorities, national and international institutions or prisons. Sodexo serves government personnel, military communities, offenders, and those who are reintegrating society after prison. From technical maintenance to foodservices, to the management of complex logistics in peacekeeping operations abroad, to training and reintegration assistance to reduce the recidivism rate of offenders upon release, this wide range of services requires flexibility, rigor and reliability.

Sports & Leisure – Delivering unique experiences and exceptional moments

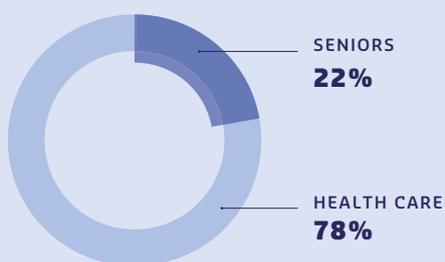
Recognized partner of organizers of major sporting and cultural events and manager of exceptional places for more than 20 years, Sodexo develops solutions that meet the expectations of a demanding clientele worldwide. Combining technique and creativity, our turnkey solutions cover ticketing, travel, foodservices, safety, logistics, marketing and technical and artistic organization. In the digital age, Sodexo helps clients to integrate new technologies into their events by offering innovative and personalized services. Multiple benefits that contribute to the success of prestigious events such as Royal Ascot, the Super Bowl, the Tour de France and the Rugby World Cup, and make exceptional places shine like Lido of Paris, La Maison Lenôtre, Le Pré Catelan, Bateaux Parisiens, Yachts de Paris as well as Bateaux London and the National Gallery in the United Kingdom.



On-site Services

HEALTH CARE & SENIORS

REVENUES BY CLIENT SUB-SEGMENT



KEY FIGURES



24%

of Group revenues



4,768

million euro in revenues



82,384

employees

Source: Sodexo.

Health Care - Supporting quality care

A market leader for more than 20 years, Sodexo contributes to the quality of life, well-being and safety of patients, visitors and healthcare facility staff. We lead our clients through the changing health care landscape. By providing our clients with professional and standardized services, we respond to their challenges of patient satisfaction and improving their performance. In developing countries, Sodexo also helps clients meet the rigorous standards required by international accreditation agencies. Faced with the growing number of patients being treated in day hospitals or outpatient units, Sodexo is leveraging its ability to deliver home-based services to develop services outside the traditional hospital care environment.

Seniors - Responding to the challenges of an aging population

The demographic weight of seniors and the increase in life expectancy are raising significant societal challenges. With many seniors remaining independent longer, the demand for home care services is growing. At the same time, the progression of chronic diseases in the elderly is increasing the workload in nursing homes. These developments require more and more solutions to support the seniors community. To meet these challenges, Sodexo offers a range of high value-added integrated services designed to improve the quality of life for seniors in residences or in a health facility. Adapted for all ages and degrees of dependence, these services are dedicated to their physical, moral and social well-being. They also relieve families, while enhancing the attractiveness and performance of institutions. With the shortage of healthcare staff, Sodexo deploys specialized processes and training to provide its clients with motivated, qualified employees who perform their job with kindness.

On-site Services

EDUCATION

REVENUES BY CLIENT SUB-SEGMENT



KEY FIGURES



20%

of Group revenues



3,855

million euro in revenues



86,717

employees

Source: Sodexo.

Schools - Providing a fulfilling educational environment

Sodexo supports schools around the world in providing students with a balanced diet while creating a healthy, welcoming and safe learning environment that promotes education and reinforces the engagement of faculty and staff. Our service offering is organized around three main trends: solutions to help schools optimize their learning environment; the provision of digital tools to meet the growing use of new technologies in schools; and, responsible and positive solutions for communities in terms of procurement, employment and waste management. Sodexo implements innovative programs to help schools adopt good environmental practices, educate students about waste and combat unhealthy eating habits. All these actions reinforce schools' attractiveness.

Universities - Improving the quality of life on campus

With its integrated service offering, Sodexo promotes the well-being of entire university communities around the world while maximizing the efficiency and attractiveness of universities in a highly competitive market. Our offer includes supporting clients with their infrastructure design and renovation projects, foodservices and facilities management services. Sodexo also supports universities in their sustainable development approach through the implementation of waste recycling programs and energy management systems.



Benefits and Rewards Services

Sodexo believes no asset is more valuable to any business than its people and that improving their quality of life is key to lasting performance. With its range of nearly 250 services, Sodexo Benefits and Rewards Services (BRS) seeks to unlock the potential of people and to keep businesses moving forward. Its offers strengthen employee experience and ease mobility and expense management. Driven by technological innovation, BRS's Quality of Life solutions go beyond its widely recognized vouchers and cards and the workplace. Today, it is creating services that improve engagement, recognition, work-life balance, travel and expense management, health and well-being. Through its customized guidance and bespoke offers, BRS is responding to the main human resource challenge companies and organizations are facing today: increasing employee engagement to contribute to business success.

KEY FIGURES

17.8
BILLION
EURO

in issue volume
(of which **73%** is paperless)



4%

of Group
revenues



850

million euro
in revenues



4,380

employees

430,000

clients (excluding
individuals)

35

million beneficiaries
and consumers

1.3

million
affiliated partners

Source: Sodexo.

Benefits and Rewards Services

EMPLOYEE EXPERIENCE

In a particularly competitive environment, companies must differentiate themselves to attract and retain talent. Today, wages are no longer enough: quality of life at work, recognition, the work environment and work-life balance have become critical determinants in companies' attractiveness. Sodexo offers clients innovative and personalized solutions to facilitate daily quality of life for their employees and reinforce engagement and motivation, thereby contributing to improved company performance. From Meal Pass to the Sport Pass, our solutions encourage healthier lifestyles, promote a better work-life balance and facilitate personal development.

Sodexo also offers companies services designed to enhance the efforts of their employees: gift programs; professional development tools such as training, mentoring and coaching; incentive and recognition programs. These solutions help unite teams around common objectives, recognize their work and reward their efforts.

MOBILITY AND EXPENSE

Business travel, the associated expenses and daily commutes can be complex for businesses to manage. For employees, these mobility issues are often stressful, with potential impacts on their efficiency, motivation and even their health. Sodexo offers simple and easy-to-access solutions *via* unique platforms including fuel cards, Mobility Pass, which covers travel expenses between home and work, booking travel and management of business expenses.

Advantageous solutions for companies to help them better manage their employees' travel and business expenses by ensuring real-time visibility but also for employees in helping to simplify their movements and improve their quality of life.

Personal and Home Services

Sodexo offers a range of Personal and Home Services that respond to demographic trends and contemporary lifestyles. Present at each key stage of life, our services cover three areas: Childcare services, designed to take care of the youngest children while making life easier for parents; Concierge services, to enhance the development and well-being of our clients' employees in the workplace; Home care services, to make life easier for seniors and adults who want to maintain their independence while enjoying the comfort of their home.

Childcare

Through Crèche Attitude, Sodexo responds to one of the main concerns of parents: finding care for their pre-school children. Real alternatives to traditional childcare facilities that are often saturated and poorly adapted to the time constraints of active parents, our structures have been designed to improve the quality of life of children and their parents.

Concierge Services

With its corporate concierge services provided through Circles, Sodexo helps companies to make their employees' daily life easier. Booking a restaurant, running errands, finding a plumber... employees of our corporate clients can benefit from a broad range of services at their workplace that improve their well-being, helping to strengthen their commitment and performance.

Home Care

With their population increasing around the world, seniors today are healthier and want to stay at home as long as possible. To enhance their independence and quality of life at home, Sodexo offers personal assistance solutions through Comfort Keepers® and Amelis such as carrying groceries, preparing balanced meals or assisting with travel, which often involves technological tools.

OUR EVOLUTION

SUSTAINABLE AND PROFITABLE GROWTH

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 has enabled us to grow profitably and sustainably while providing continuous development opportunities for our employees.

INTERNATIONAL DEVELOPMENT & ACQUISITIONS

35 countries
Development in Belgium, Italy, Spain, Africa and the Middle East

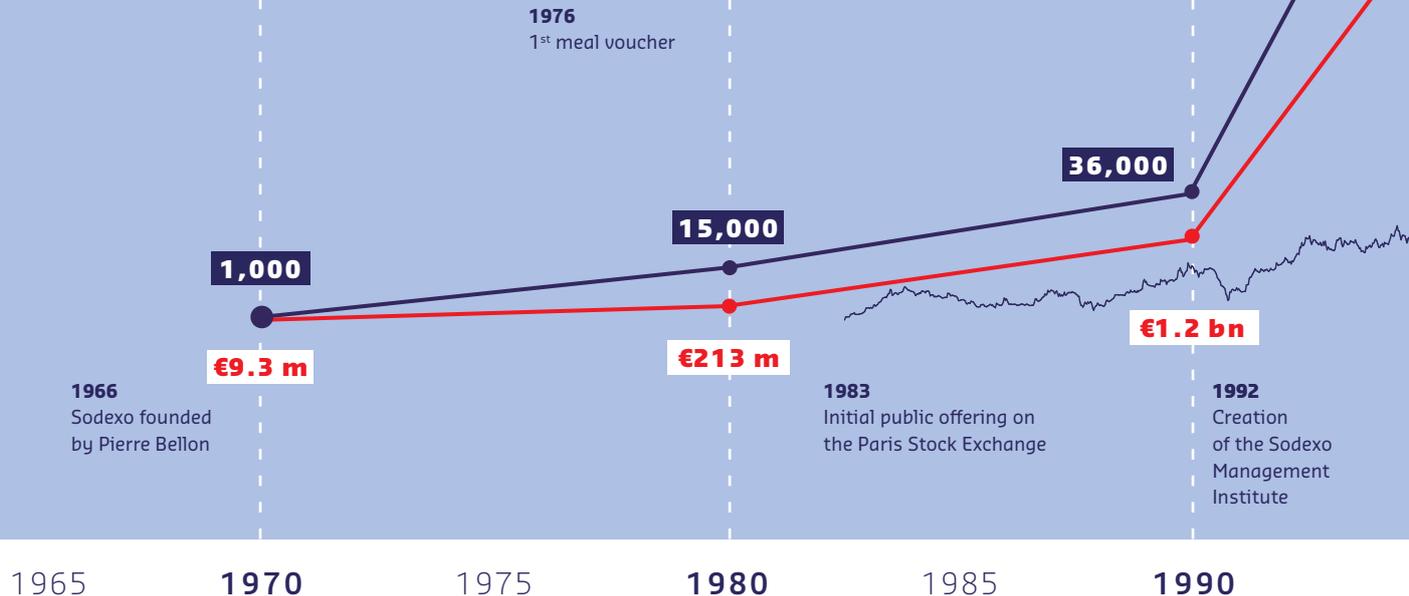
40 countries
Development in North America, South America, Russia and South Africa

QUALITY OF LIFE OFFERS AND SERVICES

1967
First multi-service contract for the management of CNES (French Space Agency) in Guyana

Opening of foodservices in schools and hospitals

KEY MOMENTS





* As of August 31, 2018

OUR CORPORATE RESPONSIBILITY

BETTER TOMORROW 2025: OUR CORPORATE RESPONSIBILITY ROADMAP

Adapted to the challenges of today and tomorrow and comprised of nine commitments, Better Tomorrow 2025 drives the deployment of our corporate responsibility actions and measures their impact in the 72 countries where we operate.

Our mission is to improve quality of life for our employees and all who we serve while contributing to the economic, social and environmental development of the communities, regions and countries in which we operate. As a global business, we have three different, but connected roles: we are an employer, a service provider and a corporate citizen. Better Tomorrow 2025 is helping us anticipate stakeholder expectations and produce outcomes that make a tangible difference. An industry reference, fully engaged in promoting diversity, the development of small and medium local business and waste management, we are committing the resources to improve quality of life for all.

Responsibility is at the heart of our business model.

Our nine commitments are based on tangible and measurable objectives that allow all of our entities to monitor and drive progress.

OUR 9 COMMITMENTS AND OBJECTIVES BY 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 <u>Engagement Rate</u> | Ensure a diverse workforce and inclusive culture that reflects and enriches communities we serve 100% of our employees work in countries that have <u>gender balance</u> in their management populations | Foster a culture of environmental responsibility within our workforce and workspaces 100% of our employees are trained <u>on sustainable practices</u> |
|  OUR ROLE AS A SERVICE PROVIDER | Provide and encourage our consumers to access healthy lifestyle choices 100% of our consumers are offered healthy <u>lifestyle options every day</u> | Promote local development fair, inclusive and sustainable business practices 10 billion euro of our business value will <u>benefit SMEs</u> | Source responsibly and provide management services that reduce carbon emissions 34% <u>reduction</u> of carbon emissions ⁽¹⁾ |
|  OUR ROLE AS A CORPORATE CITIZEN | Fight hunger and malnutrition 100 million <u>Stop Hunger</u> beneficiaries | Drive diversity and inclusion as a catalyst for societal change 500,000 <u>women in communities</u> <u>educated</u> through job training centers | Champion sustainable resource usage 50% <u>reduction</u> in our food waste |

(1) Absolute reduction in Scope 1, Scope 2 and Scope 3 carbon emissions, compared to a 2011 baseline.

Better Tomorrow 2025 was developed in accordance with the United Nations Sustainable Development Goals (SDGs). The SDGs are a set of global goals in 17 key areas, requiring action by governments, businesses and society to achieve a more just and sustainable world by 2030. All our commitments are aligned with these goals.

OUR KEY FIGURES

MEASURING OUR PERFORMANCE

As well as a negative currency effect in Fiscal 2018, Sodexo's performance has been impacted by some execution issues and a lack of growth in North America, particularly in the Education and Health Care segments. Growth is an essential ingredient in the Group's business model, providing the means to satisfy all stakeholders and we are determined to return to better growth.

FISCAL 2018

20.4

billion euro
in consolidated revenues

651

million euro
in Group net income

460,000

engaged employees

81%

employee retention rate

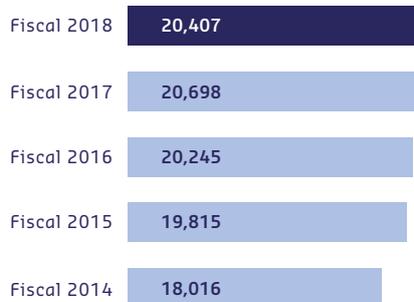
93.8%

client retention rate

Source: Sodexo.

Our financial key figures

EVOLUTION OF CONSOLIDATED REVENUES (IN MILLIONS OF EURO)



20.4

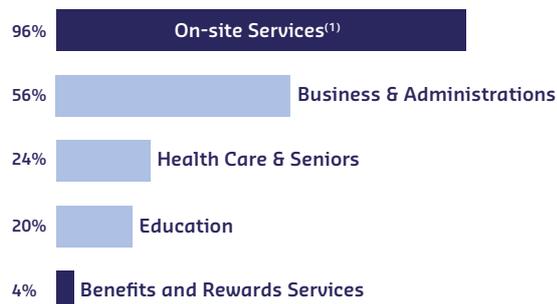
BILLION EURO

Consolidated revenues

5.5%

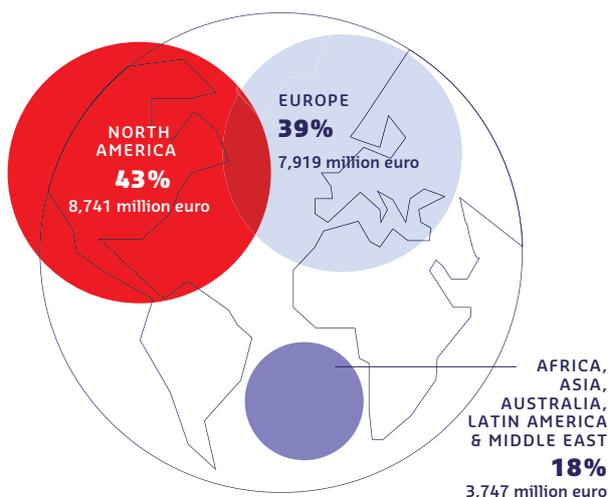
Underlying operating margin

REVENUES BY ACTIVITY AND CLIENT SEGMENT (FISCAL 2018)

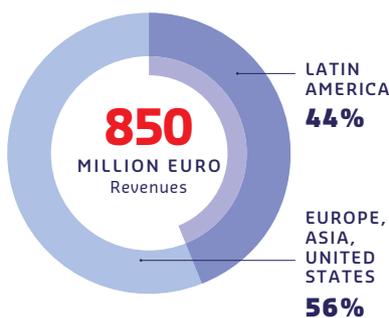
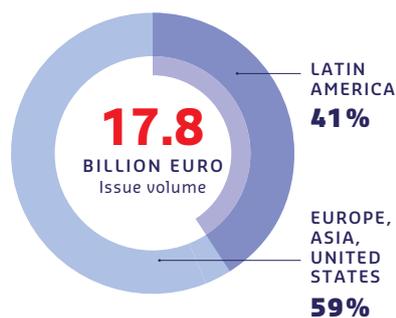


¹ Including Personal and Home Services.

CONSOLIDATED REVENUES BY REGION (FISCAL 2018)



REVENUES AND ISSUE VOLUME, BENEFITS AND REWARDS SERVICES (FISCAL 2018)

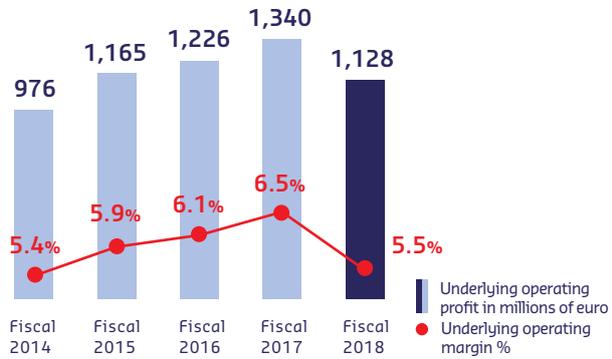


FACILITIES MANAGEMENT SERVICES' SHARE OF REVENUES



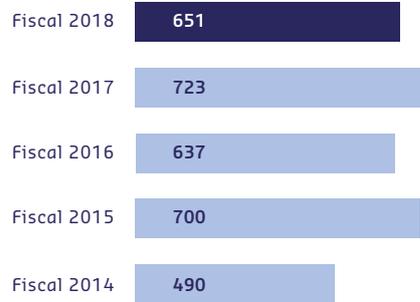
RESULTS AND RATIOS

UNDERLYING OPERATING PROFIT



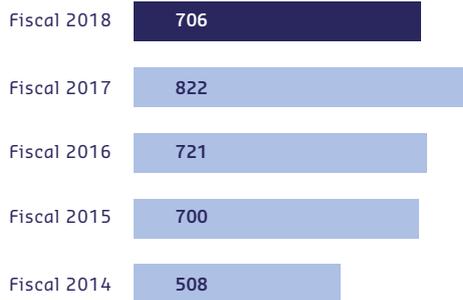
GROUP NET INCOME

(IN MILLIONS OF EURO)



UNDERLYING NET INCOME

(IN MILLIONS OF EURO)



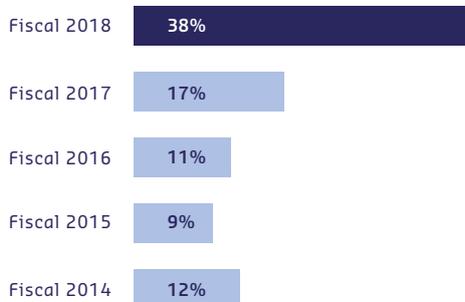
DIVIDEND

(IN MILLIONS OF EURO)



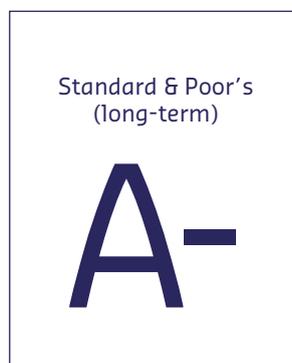
* Subject to approval at the Annual Shareholders' Meeting of January 22, 2019.

NET DEBT AS A PERCENTAGE OF SHAREHOLDERS' EQUITY*



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

RATING

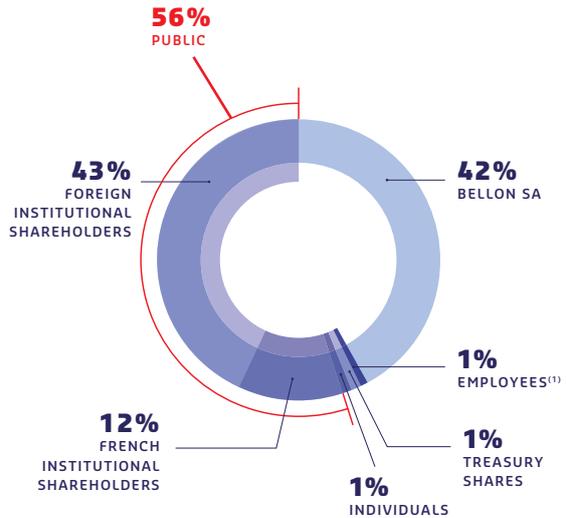


SODEXO SHARE

SHAREHOLDERS AS OF AUGUST 31, 2018

A controlling family shareholding:

- Our independence is ensured through the Bellon family shareholding: Mr. and Mrs. Pierre Bellon and their children control 72.6% of Bellon SA.
- As of August 31, 2018, Bellon SA, held 42.2% of Sodexo's capital and 57.2% of the exercisable voting rights.



Source: Nasdaq.

¹ Including the free share grants held in registered form by employees and still subject to a lock-up period.

EARNINGS PER SHARE (IN EURO)



DIVIDEND PER SHARE (IN EURO)



* Dividend subject to approval at the January 22, 2019 Shareholders' Meeting.

SODEXO SHARE PRICE TREND FROM SEPTEMBER 1, 2017 THROUGH TO AUGUST 31, 2018

Sodexo -8.5%
Cac 40 +6.3%

TSR (TOTAL SHAREHOLDER RETURN)

**Over the past five fiscal years:
+9.7% per year**

$$\frac{\text{Market price at the end of the period} - \text{market price at the beginning of the period} + \text{dividends paid over the period}}{\text{Market price at the beginning of the period}}$$

Our extra-financial key figures

Adapted to the challenges of today and tomorrow and comprised of nine commitments, Better Tomorrow 2025 tracks the deployment of our corporate responsibility actions and measures their impact in the countries where we operate.

1. Improve quality of life for our employees safely

As the number one France-based private employer worldwide⁽¹⁾, employing over 460,000 people from diverse backgrounds, we are committed to being an employer of choice.

ENGAGED EMPLOYEES

69%

Employee engagement rate
(+1 point)⁽²⁾

73%

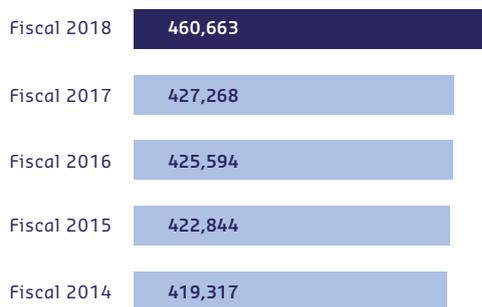
of employees feel that their personal values are aligned with the values of Sodexo

80%

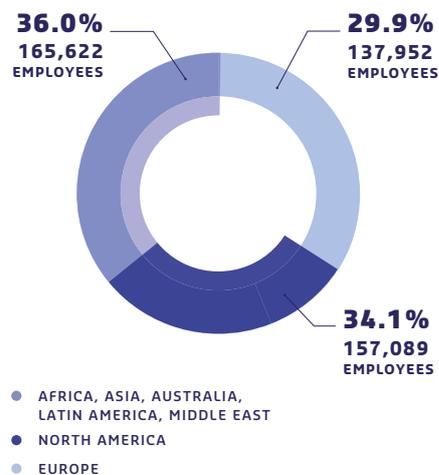
of employees feel that Sodexo is a socially and environmentally responsible organization

EMPLOYEES WORLDWIDE

END OF YEAR WORKFORCE



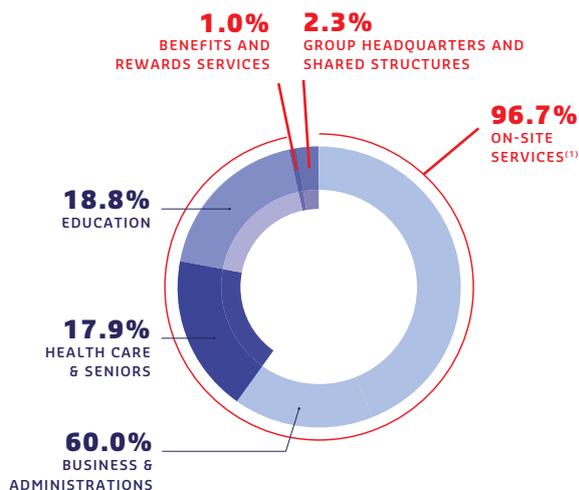
WORKFORCE BY GEOGRAPHICAL REGION



¹ 2018 Fortune 500 ranking.

² 2018 employee engagement survey sent to 386,262 Sodexo employees of whom 62% responded.

WORKFORCE BY ACTIVITY AND BY CLIENT SEGMENT
(FISCAL 2018)



¹ Including Personal and Home Services.

GENDER DISTRIBUTION OF THE WORKFORCE
(FISCAL 2018)
(Excluding Centerplate, acquired during fiscal year 2018)



RETENTION RATE⁽¹⁾
(Excluding Centerplate, acquired during fiscal year 2018)

80.9%
for total workforce

86.6%
for site managers

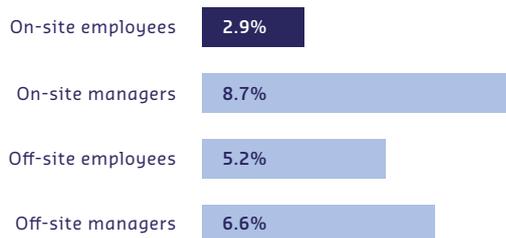
¹ During Fiscal 2017, the following modifications were made to the indicators: retention rate is now calculated on resignation after more than 3 months of service.

| Retention rate for site managers | Countries |
|----------------------------------|--|
| >90% | Argentina, Belgium, Brazil, Chile, Finland, France, Germany, Italy, Netherlands, Spain, Sweden |
| 80%-90% | Canada, China, Colombia, UK, U.S. |
| <80% | India, Russia |

INVESTMENT IN EMPLOYEE DEVELOPMENT
(Excluding Centerplate, acquired during fiscal year 2018)

- **14.6** average hours of training provided annually per employee
- **79.3%** of total workforce participated in at least one training during the fiscal year

INTERNAL PROMOTION RATES BY CATEGORY
(Excluding Centerplate, acquired during fiscal year 2018)



ABSENTEEISM
(Excluding Centerplate, acquired during fiscal year 2018)

Sodexo's employees were absent for **an average of 8.3 days**, due to occupational accidents or sickness and/or personal accidents or sickness during Fiscal 2018.

- 2. Ensure a diverse workforce and inclusive culture that reflects and enriches communities we serve**

37%

of women

on the Executive Committee

54%

of women

on the Board of Directors

- 4. Provide and encourage our consumers to access healthy lifestyle choices**

65.6%

of client sites

implementing actions that proactively address Sodexo's 10 Golden Rules of Nutrition, Health and Wellness

- 3. Foster a culture of environmental responsibility within our workforce and workspaces**

96.9%

of Group revenues

of countries employing environmental experts

47

countries

participated in waste prevention campaigns such as WasteLESS week, with actions focused on reducing water, food, energy, and paper waste as well as encouraging recycling

- 5. Promote local development, fair, inclusive and sustainable business practices**

93.6% of spend with contracted suppliers having signed Sodexo's Supplier Code of conduct

4.4 billion euro of our business value benefiting SMEs

6. Source responsibly and provide management services that reduce carbon emissions

80.7% of sustainable fish and seafood as a total of fish and seafood

7. Fight hunger and malnutrition

More than 1 million euro

invested in programs to empower women working to end hunger in their communities

93,000 volunteers committed

1 U.S. dollar given is 1 U.S. dollar invested in the fight against hunger

8. Drive diversity and inclusion as a catalyst for societal change

89.1%

of Group revenues

of countries with initiatives to improve the quality of life of women

9. Champion sustainable resource usage

65.9%

of Group revenues

of countries working to deliver on the United Nations' food waste objective

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