

# Carbon Reduction Plan

Supplier name: **Sodexo Limited**

Publication date: **20/12/23**

## Introduction

At Sodexo, we have been actively tackling our climate impacts for over a decade, working in partnership with WWF, who have supported us in measuring and reducing our carbon footprint since 2010. We set a baseline in 2017 that covered not just our scope 1 and 2 direct operations, but all scope 3 categories across our value chain.

Scope 1 emissions relate to those that we make directly, including the fuel we use in our vehicles and the heating of our offices. Scope 2 emissions refer to the indirect emissions from the generation of purchased electricity, such as powering our offices or charging electric vehicles. Scope 3 refers to all other indirect emissions that occur in our value chain, including supply chain, business travel, employee commuting, and client site energy and waste.

In 2021, we moved beyond the Sodexo Group science-based target – to reduce greenhouse gas (GHG) emissions by 34% by 2025 – and set out a comprehensive regional **roadmap** and **transition plan** to reach net zero by 2045.

In 2022, we became the first foodservice business, and one of the first organisations globally, to have both near and long-term science-based targets validated by the Science Based Targets initiative (SBTi), as we prioritise decarbonisation to reach net zero.

These targets were subsequently updated in 2023 to increase the ambition level to reach net zero GHG emissions by 2040, in alignment with Sodexo Group (Sodexo SA), and to set FLAG (forest, land and agriculture) science-based targets, which takes account of land-based emissions and removals in land-intensive operations, such as agriculture. These updated near and long-term targets have been validated by the **SBTi**.

Sodexo Limited is committed to reaching net zero across its value chain by 2040 and will achieve this science-based target once all residual GHG emissions have been neutralised through carbon removals.

This carbon reduction plan covers our latest externally verified carbon emissions data for our 2023 financial reporting period, covering 1 June 2022 to 31 May 2023, and all carbon reduction initiatives listed have been deployed within this timeframe.

Sodexo Limited discloses annually a full breakdown of its GHG emissions in alignment with all listed GHG Protocol categories, this is available publicly on our **website**. The scope 3 data within this Carbon Reduction Plan includes both the required subcategories listed in PPN06/21, as well as our total scope 3 footprint which includes all other scope 3 categories, such as our supply chain and client site energy GHG emissions.

The table below highlights the relevant GHG protocol scope 3 categories for Sodexo Limited and whether it is required to be reported as part of PPN06/21. The scope 3 subcategories required as part of PPN06/21 accounts for only 9% of our total scope 3 baseline footprint. Reporting against only these categories does not provide a true reflection of our total impact and performance, hence why our total scope 3 footprint is used to showcase our progress to date.

Scope 3 Category	Included in Sodexo's Footprint	Required as part of PPN06/21
Category 1 Purchased Goods & Services	Yes	No
Category 2 Capital goods	Not relevant	No
Category 3 Fuel- and energy-related activities	Yes	No
Category 4 Upstream transportation and distribution	Yes	Yes
Category 5 Waste generated in operations	Yes	Yes
Category 6 Business travel	Yes	Yes
Category 7 Employee commuting	Yes	Yes
Category 8 Upstream leased assets	Yes	No
Category 9 Downstream transportation and distribution	Not relevant	Yes
Category 10 Processing of sold products	Not relevant	No
Category 11 Use of sold products	Yes	No
Category 12 End-of-life treatment of sold products	Yes	No
Category 13 Downstream leased assets	Not relevant	No
Category 14 Franchises	Not relevant	No
Category 15 Investments	Not relevant	No

## Commitment to achieving Net Zero

Sodexo is committed to achieving Net Zero emissions by 2040.

## Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

### Baseline Year: 2017

#### Additional Details relating to the Baseline Emissions calculations.

Sodexo established a baseline measurement across all scope 1, 2 and 3 emissions in 2017, covering the period from 1 September 2016 through to 31 August 2017.

The primary operations and activities that account for scope 1 and 2 emissions include the use of natural gas and fuel for heating and cooking, fuel for company vehicles and electricity consumption. The base year emissions cover 100% of scope 1 & 2 emissions.

Sodexo has calculated all scope 3 emissions across the value chain; the following baseline measurement includes all categories, including in addition to the required subset listed in PPN06/21: purchased goods and services; fuel and energy related activities; upstream leased assets; use of sold products; end of life treatment of sold products. The base year emissions cover 100% of scope 3 emissions.

The standard used to collect activity data and calculate emissions was the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. A full breakdown of Sodexo Limited GHG emission data across scopes 1, 2 and 3 is available [here](#)

Baseline year emissions: 2017	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	12,214
Scope 2	2,125
Scope 3 (All categories)	921,725
Scope 3 (PPN06/21 subset only)	83,196
Total Emissions (All categories)	936,064

## Current Emissions Reporting

Reporting Year: 2023	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	7,269
Scope 2	261
Scope 3 (All categories)	588,558
Scope 3 (PPN06/21 subset only)	63,235
Total Emissions (All categories)	596,089

## Emissions reduction targets

Sodexo Limited was the first foodservice business and one of the first organisations globally to achieve SBTi validation on its **net zero targets**. These targets were updated to increase our level of ambition and to set FLAG science-based targets in alignment with Sodexo Group and have since been validated again by the SBTi to ensure our journey is thorough, impactful, and transparent.

### Sodexo Limited is committed to net zero GHG emissions across the value chain by 2040

- **Short-term Emissions Reduction Target:** to reduce in absolute terms our scope 1, 2 and 3 GHG emissions by 34% by 2025 against a 2017 baseline.
- **Near-term Emissions Reduction Target:** to reduce in absolute terms our scope 1, 2 and 3 (Non-FLAG) GHG emissions by 55% by 2030 against a 2017 baseline. We commit to reduce scope 3 FLAG GHG emissions by 40% by 2030 against a 2017 baseline.
- **Long-term Emissions Reduction Target:** to reduce in absolute terms our scope 1, 2 and 3 (Non-FLAG) GHG emissions by 90% by 2040 against a 2017 baseline. We commit to reduce scope 3 FLAG GHG emissions by 72% by 2040 against a 2017 baseline.

	<b>Short-term Target 2025 targeted reduction</b>	<b>Near-term Target 2030 targeted reduction</b>	<b>Long-term Target 2040 targeted reduction</b>
<b>Scope 1&amp;2</b>	<b>-34%</b>	<b>-55%</b>	<b>-90%</b>
<b>Scope 3</b>	<b>-34% on all GHG emissions</b>	<b>-40% on FLAG emissions</b>	<b>-72% on FLAG emissions</b>
		<b>-55% on non-FLAG GHG emissions</b>	<b>-90% on non-FLAG GHG emissions</b>

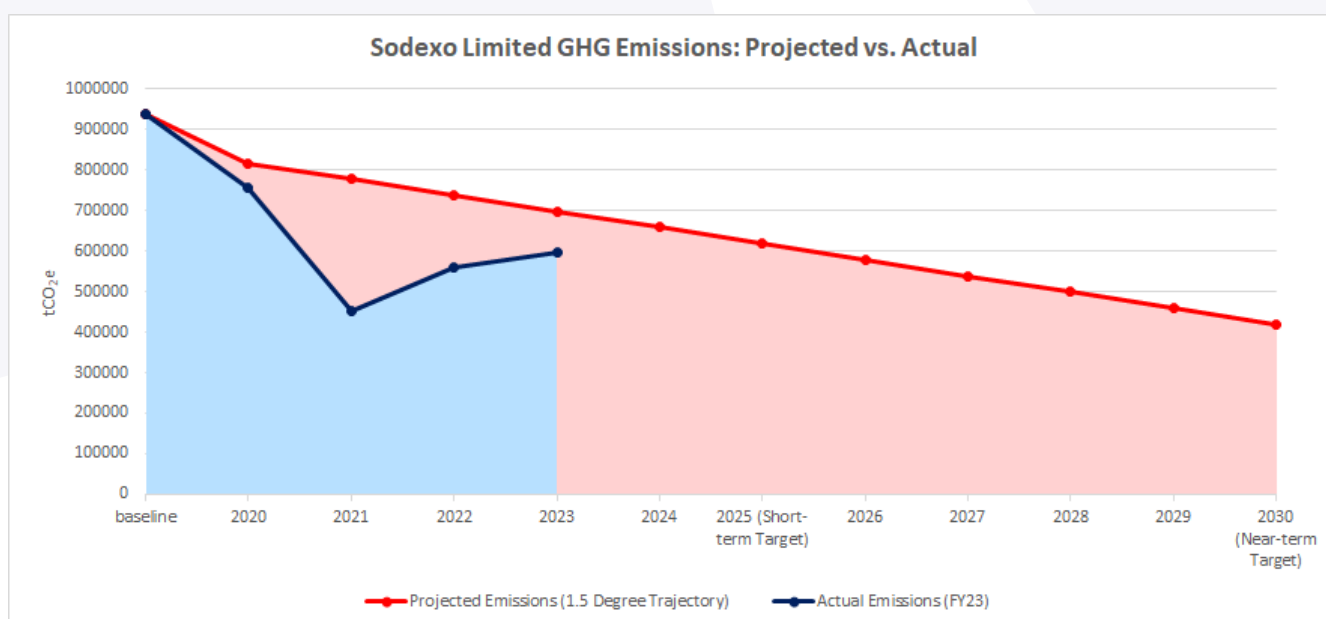
As part of Sodexo’s FLAG target, we have committed to zero deforestation across primary deforestation-linked commodities by December 2025.

In July 2023, Sodexo removed its commitment to achieve carbon neutrality across its direct operations (scopes 1 and 2) by 2025. These emissions related to the fuel consumed in our own fleet, the gas required to heat our buildings and electricity purchased to power our own offices and buildings. This target was removed with Board agreement and communicated to the market. Funds originally allocated for carbon offsets will be utilised for internal decarbonisation projects.

## Progress

We project that carbon emissions will decrease to 617,802 tCO<sub>2</sub>e by 2025 and 418,889 tCO<sub>2</sub>e by 2030. These are reductions of 34% and 55% respectively against all scope 1, 2 and 3 emissions.

Progress against these targets can be seen in the graph below:



## Carbon Reduction Projects

The following levers and interventions have been completed or implemented since the 2017 baseline. The carbon emission reduction achieved equates to 339,975 tCO<sub>2</sub>e, a -36.32% reduction against the 2017 baseline.

The following decarbonisation action levers are effective across all delivered contracts:

### Strategy

- Sodexo made new **sustainability appointments** in July 2021, with Claire Atkins Morris appointed to the role of Director of Sustainability and Simon Mussett to the role of Net Zero Lead (UK&I) to drive our net zero agenda within the UK&I region.
- Sodexo Limited submitted its updated near-term and long-term science-based targets to the SBTi in March 2023 to include FLAG (Forest, Land and Agriculture) GHG emission reduction targets and to increase the level of ambition to 2040 in alignment with Sodexo Group (Sodexo SA). These targets have now been validated by the **SBTi**. Sodexo will reach net zero when we have achieved our long-term target to reduce GHG emissions by 90% by 2040 across scopes 1, 2 and 3 and have neutralised any remaining emissions. Setting science-based targets ensures our net zero strategy is aligned with climate science and on a pathway for limiting global warming to 1.5°C above pre-industrial levels.
- Sodexo invested in and developed a Trajectory Tool that is designed to analyse our GHG emissions and identify measurable decarbonisation action levers to achieve our climate goals and reach net zero. Through the investment in this tool, and our focus on data, we are clear on the steps we need to take to reach net zero; this is documented in our **Transition Plan**.

### Supply Chain

- In March 2023, Sodexo launched its net zero supply chain engagement strategy at its 'Partners with Purpose' supplier conference. The strategy comprises several milestones, such as that by January 2024 the evaluation criteria of all tenders will include a minimum of 10% social value weighting. By September 2025, suppliers representing 75% of Sodexo's supply chain emissions will need to have set their net zero science-based targets validated by the SBTi, rising to 90% by September 2027. Finally, by 2030 Sodexo will only partner with suppliers who can demonstrate tangible progress through published reporting. These milestones are detailed in our **Net Zero Supplier Roadmap**.
- As part of the net zero supply chain engagement strategy, we are working in collaboration with our supply partners and providing support through our SME mentoring programme, such as **Thomas Kneale**. We have also added a grace period for SME and VCSEs in our roadmap to support and grow our diverse supply chain.
- Sodexo is committed to having a deforestation-free supply chain by 2025 for palm oil, beef and paper. In FY23 the following percentage of products were sourced sustainably and from deforestation-free supply chains: hygiene paper (100%), office paper (97%), palm oil (100%) and beef (98%).

## Foodservice

- In partnership with the WWF, we developed a “low carbon” meal definition as one whose production generates 0.9 kgCO<sub>2</sub>e or less. Based on this definition we are designing recipes to ensure that 70% of our main dishes are labelled “low carbon” by 2030.
- To accurately measure, monitor and reduce GHG emissions at a contract level, Sodexo has developed a foodservice footprinting tool. The tool calculates the GHG emissions associated with delivering food services to our clients, including employee commuting, supply chain (based on product volumes and not spend), waste and client site energy. The tool is designed to support targeted specific initiatives and behavioural changes at a local level to reduce and track decarbonisation.
- Sodexo continues to promote plant-based meal options to achieve our target of 33% of our menus being plant-based by 2025. In support of this target, Sodexo has continued to increase the volume of plant-based products used in recipes, achieving a 58% plant-based ratio when comparing volumes of fruit, vegetables, cereals and alternative dairy products with volumes of meat, fish, dairy and eggs.

## Waste Management

- Sodexo continued to deploy its game-changing food waste prevention programme, WasteWatch, to reduce food waste by 50% by 2025, five years ahead of the UN Sustainable Development Goal 12.3. In FY23, this technology was deployed to 412 sites, covering 56% of total raw material spend, and reported a food waste total of 841,155 kg. Throughout this period we have avoided 324 tonnes of food waste and **prevented food waste equivalent to 1,011,713 meals**. Tackling food waste is key to meeting climate goals as highlighted in our **Appetite for Action** campaign.
- Sodexo continues to remove unrecyclable single-use plastics from our operations, with 81% of foodservice disposable packaging now coming from either fibre or PET materials. A further 9.6 million items of single-use plastic have been removed in the last 12 months.

## Energy Management

- **Sodexo joined the Climate Group’s RE100 initiative** and has committed to switching to 100% renewable electricity globally by 2025 at its directly controlled sites. In the UK, 96% of electricity was procured from renewable sources in FY23.

## Transportation

- In March 2023, Sodexo launched a new 100% electric vehicle (EV) only onsite vehicle policy for small and medium sized vans for all new business and contract extensions. This policy will ensure only EVs are leased, where practicable, for new and retained contracts.
- Sodexo continues to replace petrol and diesel vehicles with hybrid and electric vehicles following the launch of the 100% hybrid and EV company car policy in the UK. Over 85% of company cars in the UK are now either hybrid or EVs.
- To support the efficient driving and electrification of our fleet, Sodexo has developed and deployed eco-driving and electric vehicle e-learning training modules. The eco-driving training module has been mandated as part of employee induction and for all those with company cars and car allowance. The module has been completed by over 1,550 employees.

- Sodexo conducted an employee survey in April 2023 to better understand how each employee commutes to work. The survey had over 21,500 responses (73.3% response rate) and provided accurate data relating to mode of transport, frequency, and time of travel. The data was used to improve the calculation of our employee commuting footprint for FY23.
- Sodexo continues to encourage active travel and offers employees a **salary sacrifice cycle to work scheme**. In FY23, 272 new bicycles were procured through the scheme. Sodexo also enhanced the benefit by increasing the annual allowance from £1,000 to £3,000.

**Next steps to support our net zero journey include:**

- Continuing to deploy our Net Zero Supply Chain Engagement Roadmap and include a minimum of 10% social value weighting for all new tenders.
- Launching a Green Salary Sacrifice employee benefit scheme within the UK region to all company car drivers and other eligible employees, providing employees with access to electric vehicles in a tax efficient way.
- Continuing to deploy our WasteWatch programme across the region to tackle food waste and achieve our commitment of a 50% reduction by 2025.
- Calculating the carbon footprint of our menus and creating tasty 'low-carbon' dishes to entice consumers to choose low-carbon.
- Designing net zero learning pathways and modules for employees across different job families to increase green skills required to support and change the way we do business.
- Continuing to source more products locally, seasonally, and sustainably as part of our responsible sourcing strategy delivering against our sustainability strategy Better Tomorrow.
- Developing a cleaning GHG emissions footprinting tool to accurately measure, monitor and reduce emissions associated with delivering cleaning services at client sites.

## Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting .

Scope 1 and scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard .

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

**Signed on behalf of the Supplier:**

A handwritten signature in black ink, appearing to read "Ben Haley".

20th December 2023

