

Sustainable Food, Valued Experiences

Universal
Registration
Document
Fiscal 2023



sodexo

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Sodexo is committed to the practice of Integrated Reporting, based on the recommendations of the International Integrated Reporting Council (IIRC) and the Group's roadmap for corporate responsibility Better Tomorrow 2025. Managers from various departments within the Group took part in a series of workshops to cocreate the report, ensuring there is a common perspective on Sodexo's overall economic, social and environmental performance. This Fiscal 2023 Integrated Report draws on information from the Universal Registration Document in which it is published.



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

The Universal Registration Document was filed on November 3, 2023 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

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

This Document is a reproduction of the official version of the Universal Registration Document including the 2023 Annual Financial Report prepared in accordance with the European Single Electronic Format (ESEF) and filed with the AMF, available on Sodexo's website, www.sodexo.com, and on the AMF website, www.amf-france.org



Founded in Marseille in 1966 by Pierre Bellon, Sodexo is the global leader in sustainable food and valued experiences at every moment in life: learn, work, heal and play.

The Group stands out for its independence, its founding family shareholding and its responsible business model. Its portfolio of activities includes Sodexo Food and Facilities Management Services and Pluxee Employee Benefit Solutions, activity for which the Group⁽¹⁾ announced a spin-off and listing project in early 2024.

This diversified offer meets all the challenges of everyday life with a dual goal: to improve the quality of life of our employees and those we serve, and contribute to the economic, social and environmental progress in the communities where we operate.

For Sodexo, growth and social commitment go hand in hand.

Key figures as of August 31, 2023

Sodexo
(excl. Pluxee)

€22.6 billion
consolidated revenues

430,000
employees

Pluxee

€1,099 million
consolidated revenues

1.7 million
affiliated merchants

For more information on Pluxee (Benefits & Rewards Services), see page 28.

Group
(Sodexo and Pluxee)

€23.7 billion
consolidated revenues

€14.6 billion
market capitalization

#1

France-based private employer worldwide⁽²⁾

Listed on the
**CAC Next 20, CAC 40
ESG, CAC SBT 1.5,
FTSE4Good and DJSI**

Source Sodexo

(1) Given the relative certainty of the Pluxee spin-off, Fiscal 2023 accounts are presented in accordance with IFRS5, in which Pluxee is considered a discontinued operation. To clarify the format of the information provided in this document, the use of the terms "Sodexo" and "Group" is specified: "Sodexo" = Continued operation post spin-off; "Group" = Sodexo Group in its historical form, globally consolidating On-Site Services and Pluxee.

(2) 2023 Forbes Global 2000 ranking.

“ We are taking on Fiscal 2024 with confidence, building on the achievements of the past years.”



Sophie Bellon,
Chairwoman of the Board
and Chief Executive Officer



Eight years ago, in January 2016, I took on my responsibilities as Chairwoman of Sodexo with a clear course of action: continue to adapt the Group to a fast-changing world while upholding the powerful fundamentals that underpinned its success – our values, our mission, our growth DNA.

For the past two years, as Chairwoman and CEO, I actively initiated the transformation of Sodexo: we accelerated the upgrade of our food services, boosted sustainability and innovation in our offers, redesigned the consumer experience in our Facilities Management services, simplified our organization to make it more efficient, reinforced our attractiveness as an employer, and strengthened our financial performance.

The achievements of Fiscal 2023 are the clear outcome of all the actions that we have undertaken. This year brought with it many successes, and I would like to express my deepest gratitude to our teams for their incredible work in a context that has continued to be affected by very high inflation.

For Sodexo Group, Fiscal 2023 was a year of strong growth and profitability, with consolidated revenues of 23.7 billion euros, up 11.6% from the previous year, and an Underlying operating profit margin of 5.6%, up +60 basis points. I am proud of our 95.2% client retention rate: a record achievement that points to high satisfaction levels among those we serve. Commercial development reached 7%, with net development for the fiscal year hitting 2.2%. In terms of Health & Safety in the workplace, we are continuing to draw ever closer to our zero-harm target, hitting the lowest Lost Time Injury Rate ever achieved in our history, at 0.55. We must sustain this good momentum and keep up our efforts.

We have also continued to improve on our sustainability indicators, particularly with regard to our carbon emissions reduction trajectory. We are pursuing our fight against food waste, too. Our dedicated WasteWatch program has now been rolled out across 57% of our food service sites (based on raw materials costs). We are continuing to pave the way for inclusion, and we are working tirelessly to champion gender balance across all levels of the company. For instance, 45% of the Group’s managerial roles are now held by women.



In Fiscal 2023, with the Board of Directors' support, we continued to make choices, and to take a highly proactive approach to managing our activity portfolio. In April, we announced a project to spin-off and list our Benefits & Rewards Services, which have been renamed Pluxee in June 2023. Accelerating profitable growth for this activity is one of the three pillars of our 2025 Strategic Plan, which was announced last November. This is a milestone moment in our Group's history, with the operation setting out to create two leading pure players in high-growth markets. The Pluxee spin-off, expected early 2024, will anchor both companies in a clear position in their respective markets and give them a more targeted strategy and dedicated resources, equipping them both with the means needed to reach their full potential. In September, we also announced that we were selling our Homecare activity.

We are also making headway with implementing our two other strategic pillars. We have accelerated the transformation of our food services, actively deploying our leading commercial brands — particularly Modern Recipe, The Good Eating Company and Kitchen Works — aligned with specific consumers' needs. And we continue to roll out our advanced food models. As an example, this year we acquired A. H. Management to expand our InReach offer across North America's booming convenience market. We are also developing new decentralized production models, in particular in France, Chile, the United States and India. In addition, we are continuing to develop our Facilities Management services by targeting those that help boost our clients' operational effectiveness and enhance the consumer experience.

Naturally, we are doing more to bolster the social, societal and environmental efforts that lie at the heart of our ambition to be the world leader in sustainable food and valued experiences. We are striving to reduce emissions across our entire value chain, collaborating with our suppliers and engaging our teams to offer an ever-broader range of sustainable, healthy, and desirable recipes, optimizing energy consumption in partnership with our clients, and accelerating the fight against food waste. Our holistic approach is driven by our focus on impact. We are taking action for the planet, with an overall -20.7% decrease in emissions across scopes 1, 2 and 3, falling in line with the 1.5°C trajectory. And we are taking action for those who inhabit it, starting with our own teams. This year, we announced and started to roll out our global employee benefits program, Vita by Sodexo. The program sets minimum standards for benefits in all the countries where Sodexo operates, focusing on three benefits: life insurance, an assistance phone line, and parental and care leave.

In terms of governance, given the growing role tech and digital have in shaping our activities, Alice Guéhennec joined our Leadership Team as the newly appointed Group Chief Tech, Data & Digital Officer.

Streamlining our organization and transferring P&L management to a local level in Fiscal 2023 has increased our agility and speed of execution. The progress made on our strategic priorities, along with our teams' total focus on fundamentals such as client retention, commercial development, operational excellence, and consumer satisfaction, have paved the way for us to achieve solid results.

We are now ready to take on Fiscal 2024 with confidence. This will be a pivotal year in terms of reaching our 2025 Strategic Plan objectives, and I know I can count on our Leadership Team's full support: I would like to extend my sincere thanks to every member of the team for all their dedication and hard work. We will be tackling this year with a great deal of enthusiasm: this will be the year we start work on our next ambition, with Sodexo as a pure player, focused on its strategic priorities, clearly positioned on a very high-potential market, and determined to be a top-tier name in sustainable food and valued experiences.

Fiscal 2024 will be an opportunity to look beyond the scope of our current strategic plan and build on our solid foundation—our values, our mission, our heritage as a family company—to lay the groundwork for the future, engage our teams on our vision for the next 10 years, and start working collectively on our future ambition. Our goal will be to express what differentiates us, in keeping with our roots and our company mission. We already know that our trademark human dimension, our social role and, of course, our expertise in healthy, sustainable food, will all play a major part in this process. Our future ambition will have to articulate how the transformation we have embarked on to offer ever more sustainable meals and innovative, personalized food services will enable us to contribute even more to addressing the challenges the world is facing.

We have the means and the responsibility to act on issues such as the environmental crisis, demographic and health challenges, social division, and isolation. We will also take full advantage of technological progress, of young generations' engagement, of the need for social connection, or the yearning for a more humane society.

I am determined to position Sodexo as a leader that differentiates through its impact and its corporate responsibility, in our sector and beyond. We want to be recognized by our clients, our partners and society as a whole as a pioneer. It is part of who we have been since Sodexo was created in 1966, and we want to push it even further.

Naturally, our teams will be a fundamental part of this work. I have said it before, and I will say it again: our people are our greatest strength. Without them and the action they drive day after day, nothing would be possible. And I am delighted and so proud to see that their engagement has reached an all-time high this year, at 82.5%, up 4.2 points compared to the last survey conducted in 2021. I am especially grateful for their trust and confidence, and their attachment to Sodexo.

1

Integrated Report

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Our fundamentals

Since 1966, each day our teams strive to satisfy our clients and consumers, and to create responsible value. Sodexo is, and will continue to be, a company that employees, clients, consumers, partners and other stakeholders can trust. Our values, embodied by each of our employees, and company ethical principles are essential to the success of Sodexo. They constitute a fundamental pillar of our commitments in terms of responsible business conduct.

Our mission

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

Our values



Service spirit

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



Team spirit

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



Spirit of progress

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

Our ethical principles

The Group's leaders and employees must respect and apply all applicable rules and standards according to the principles of our Code of conduct, illustrated by our ethical principles, whether it is fighting corruption, providing accurate financial reports or protecting confidentiality.



LOYALTY

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



RESPECT FOR PEOPLE

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



TRANSPARENCY

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



INTEGRITY

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

Our activities for sustainable food and valued experiences

Sodexo contributes to enhancing the moments that punctuate everyone's daily lives, ensuring that they have a positive impact on people's health and well-being, its clients' performance, as well as ecosystems and the planet.

FOOD SERVICES TO PUT CULINARY EXCELLENCE WITHIN EVERYONE'S REACH

For nearly 60 years, Sodexo has applied its expertise to offer healthy, balanced, varied meals every day, inspired by the latest culinary trends.

In addition to traditional on-site food services, our teams develop customized solutions adapted to each environment to meet our clients' and consumers' needs and expectations. Thanks to our flexible offers, supported by digital innovation and driven by our responsible commitments, consumers have access at all times to multi-channel food offers – on-site restaurant, retail, meal delivery, aggregators, etc. In order to offer the very best food services experiences on a daily basis, our mission is to reconcile the use of natural resources, while taking into account the working environments of our clients and the budgets of our consumers.

FACILITIES MANAGEMENT SERVICES FOR VALUED EXPERIENCES

Our expertise in Facilities Management (FM) combines reception, hospitality and cleaning services (soft FM) and infrastructure maintenance services (hard FM) and aims to meet our clients' needs, while ensuring user comfort, safety and well-being. This two-fold expertise enables us to optimize the experience, improve the efficiency and effectiveness of resources, boost performance, increase client and user satisfaction and well-being, and improve the profitability, sustainability and environmental impact of our clients' activities.

Sodexo is recognized for the quality of its services, particularly in the management of technical services, space planning, resource and waste management, building maintenance and cleaning. As a trusted partner, Sodexo supports its clients by offering proven, expert technological solutions that put efficiency and sustainability at the heart of everyday challenges.

Find out more at www.sodexo.com

For more information on Pluxee (Benefits & Rewards Services), see page 28.

OUR MARKET ENVIRONMENTS

Sodexo operates internationally in four high-potential environments: LEARN, WORK (with a focus on Corporate Services), HEAL (Healthcare & Seniors) and PLAY.



LEARN

Sodexo supports institutions in their provision of a fulfilling attractive educational environment in schools and on campuses. The Group offers solutions and tools for learning environments, and supports its clients with their infrastructure design and renovation projects.



WORK

Sodexo promotes quality of life at work by providing solutions to help companies and public enterprises create a welcoming, creative, efficient and innovative environment for all.



HEAL

Working alongside healthcare professionals throughout the care journey, Sodexo offers food services, equipment engineering and clinical infrastructure, as well as a range of integrated, high value-added services designed to improve the quality of life of patients and seniors in residences, nursing homes or at home.



PLAY

Sodexo Live! offers its clients a collection of tailor-made food, venue marketing and event ticketing services, in cultural destinations, stadia and arenas, conference and convention centers, airport lounges and international events, helping to transform consumer experiences into unforgettable memories.

STRONG FOOD BRANDS TO SUPPORT GROWTH

Sodexo's portfolio of competitive, consumer-focused brands will be a key driver of profitable and sustainable growth, able to meet consumer expectations in all geographical areas, promoting sustainable preferences and enhancing site performance and satisfaction for all. In addition to the historic brands developed by Sodexo over the years, the Group is continuing to make targeted investments to support the transformation of expectations and uses.

A sustainable value-creation model

Our strengths

A FOUNDING MISSION

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

Independence is ensured through the founding family shareholding which guarantees a long-term vision with **42.8%** of Sodexo's capital and **57.9%** of the exercisable voting rights held by Bellon SA.

A GLOBAL PLAYER WITH A LOCAL PRESENCE

- **27,000** sites in **45** countries
- **80 million** consumers
- Strong food brands
- An estimated market potential of **620 billion euros** (growing at around 5% annually)

COMMITTED EMPLOYEES

- **430,000** employees
- **82.5%** engagement rate

A SUSTAINABLE, RESPONSIBLE APPROACH

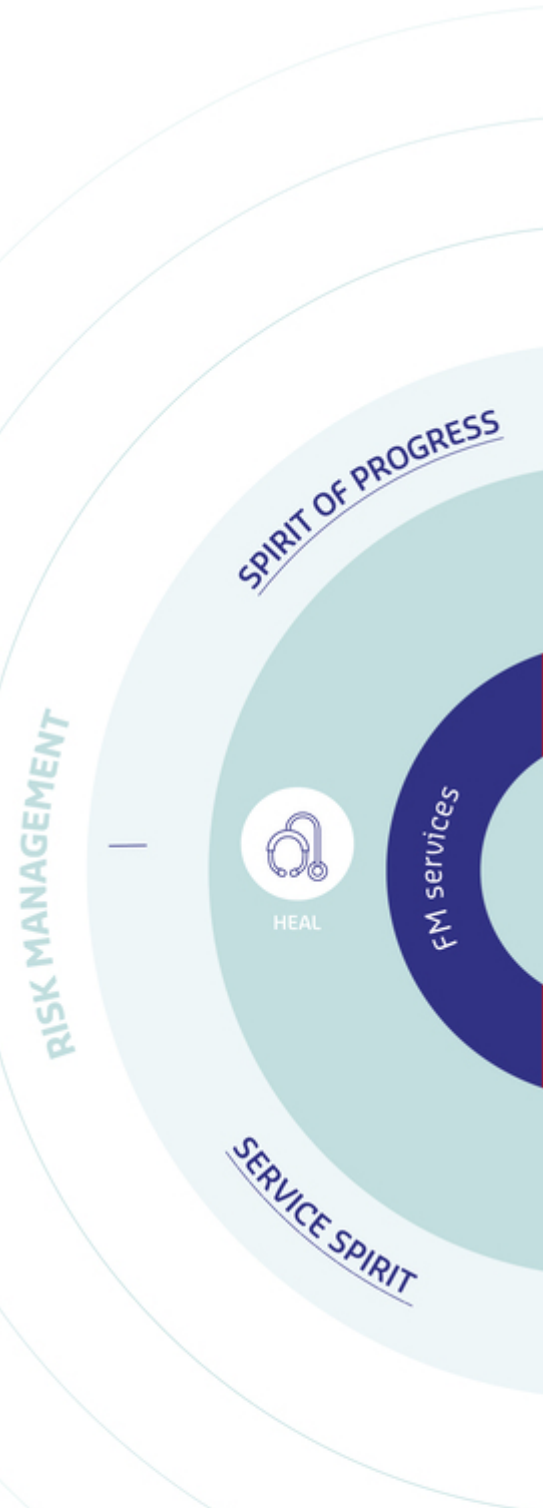
- Innovation insight gained from daily consumer feedback
- **Over 10 billion euros** in annual purchasing capacity
- **6,187** dietitians employed by Sodexo

OUR AMBITION

Be the world leader in sustainable food and valued experiences at every moment in life

OUR PURPOSE

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



This model aims to present the strengths, the activities and the value creation of Sodexo excluding Pluxee, whose business model is detailed in the dedicated section of this document (page 28 onwards).

Our value creation



PEOPLE

TALENT

- **#1** France-based private employer worldwide
- **80.4%** Employee Retention Rate

CLIENTS AND CONSUMERS

- **95.2%** Client Retention
- **89.0%** of our consumers are offered healthy lifestyle options

COMMUNITIES

- **2.2 billion euros** spend with SMEs
- **76.4 million** Stop Hunger beneficiaries (since 2015)
- **7.9 million euros** invested in programs to empower women who are taking action against hunger in their communities

PLANET

CLIMATE

- **-5.4%** reduction in carbon emissions (vs. 2022, absolute scopes 1,2,3)
- **57%** of Sodexo sites around the world have deployed the WasteWatch program with an average **-37.6%** reduction in food waste
- **55%** renewable electricity in Sodexo direct operations

BIODIVERSITY

- **100%** certified sustainable palm oil
- **81.3%** of seafood purchases from responsible sources

PROFIT

- **22.6 billion euros** in consolidated revenues (+11.7% organic growth)
- **976 million euros** in Underlying operating profit (+19.8% vs. FY22)
- **14.6 billion euros** in market capitalization
- **3.10 euros** dividend per share proposed for the financial year

Key figures as of August 31, 2023

For more information, see chapters 2 and 3 of the Universal Registration Document

A long-term vision ensured through founding family shareholding

Sodexo's independence is ensured through the shareholding of the family of Pierre Bellon, founder of the Company. This family-held control guarantees a long-term vision and is one of the keys to Sodexo's success. As of August 31, 2023, Bellon SA held 42.8% of Sodexo's capital and 57.9% of the exercisable voting rights.

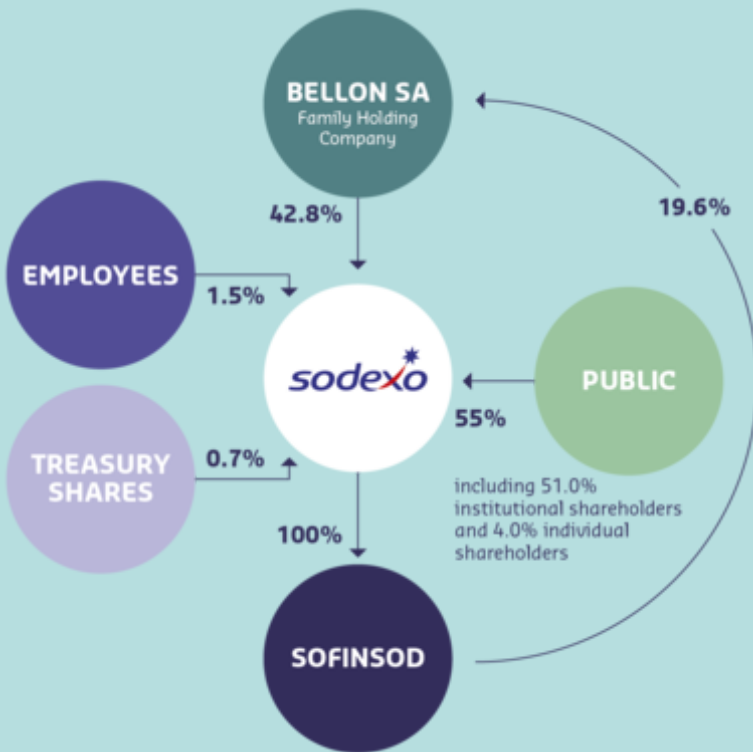
In June 2015, Mr. and Mrs. Pierre Bellon and their children entered into a 50-year agreement, which prevents the direct descendants of Sodexo's founder from freely disposing of their shares in Bellon SA. Bellon SA does not intend to sell its shareholding in Sodexo to third parties.

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

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

CAPITAL STRUCTURE

As of August 31, 2023



DISTRIBUTION OF EXERCISABLE VOTING RIGHTS

As of August 31, 2023



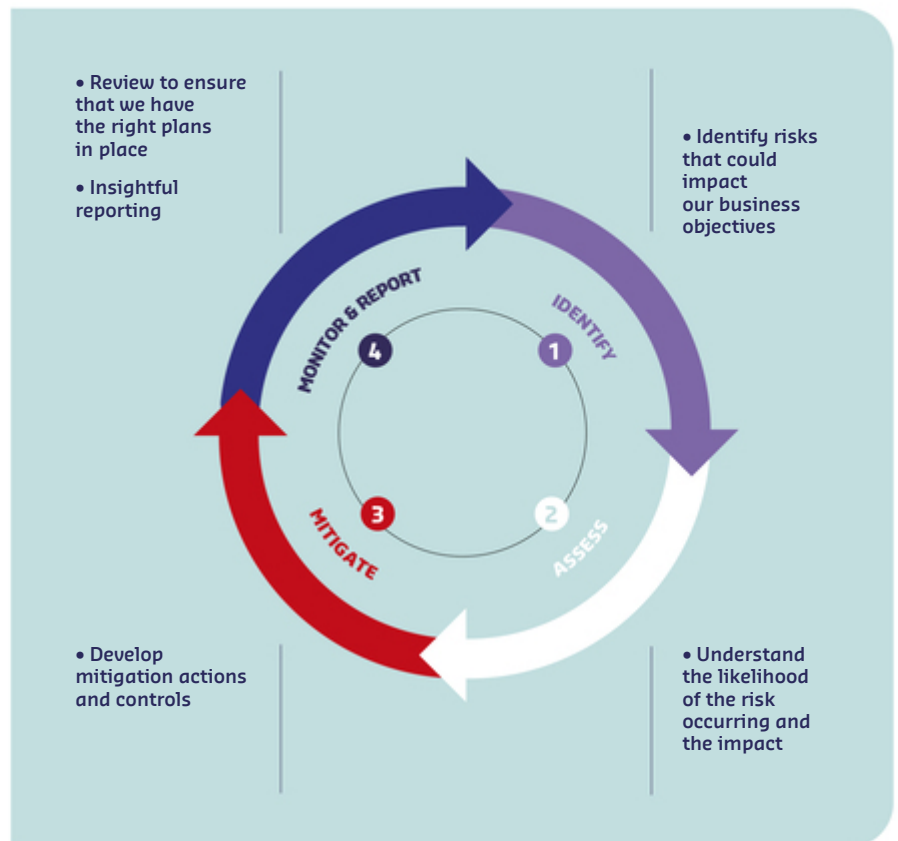
Effective risk management

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

OUR RISK MANAGEMENT APPROACH

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

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



MAIN RISKS

Each year, a risk profile is established based on the risk assessments senior management performs with regard to the main entities, and also on interviews with senior executives. The risks considered to be the most significant for Sodexo as of August 31, 2023, are presented in this table.

Compared with the previous year’s risk profile, pandemic risks have been taken out. Climate disruption exposure, which was included as an emerging risk for fiscal 2022, is now considered as a principal risk.

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

For more information, see chapter 6 of the Universal Registration Document

Profitable and responsible growth over the long term

Since 1966, Sodexo's mission has been to improve the quality of life of our employees and those we serve, and contribute to the economic, social and environmental progress in the communities where we operate. These foundations have enabled the Group to achieve sustainable and profitable growth which provides continuous development opportunities to its employees.

1966

Sodexo founded by Pierre Bellon

1967

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

1975

Opening of Food services in schools and hospitals

1976

1st meal voucher

1983

Initial public offering on the Paris Stock Exchange

1987

The Group is structured in line with its internationalization with the emergence of client segments

1992

Creation of the Sodexo Management Institute

1995

Acquisitions of Gardner Merchant (UK) and Partena (Sweden)

1996

Creation of Stop Hunger

1998

Creation of the European Works Council

1998-2001

Acquisition of Marriott Management Services (U.S.)

2000-2005

Launch of new Facilities Management, vouchers and card services

2000-2010

Rapid international expansion: acquisition of Sogeres and Score (France), Wood Dining Services, Circles, Zehnacker (Germany), RKHS Group (India) and VR (Brazil)

2004

Sodexo's commitment to business integrity and ethics with the publication of its Code of conduct

2009

Implementation of the first corporate responsibility roadmap Better Tomorrow

2010-2020

Development of integrated services, particularly for key global accounts

2016

Appointment of Sophie Bellon as Chairwoman of the Board of Directors

2017

Renewal of corporate responsibility commitments (Better Tomorrow 2025)

2018

Sodexo becomes a leader in the Sports & Leisure segment globally with the acquisition of Centerplate

2019

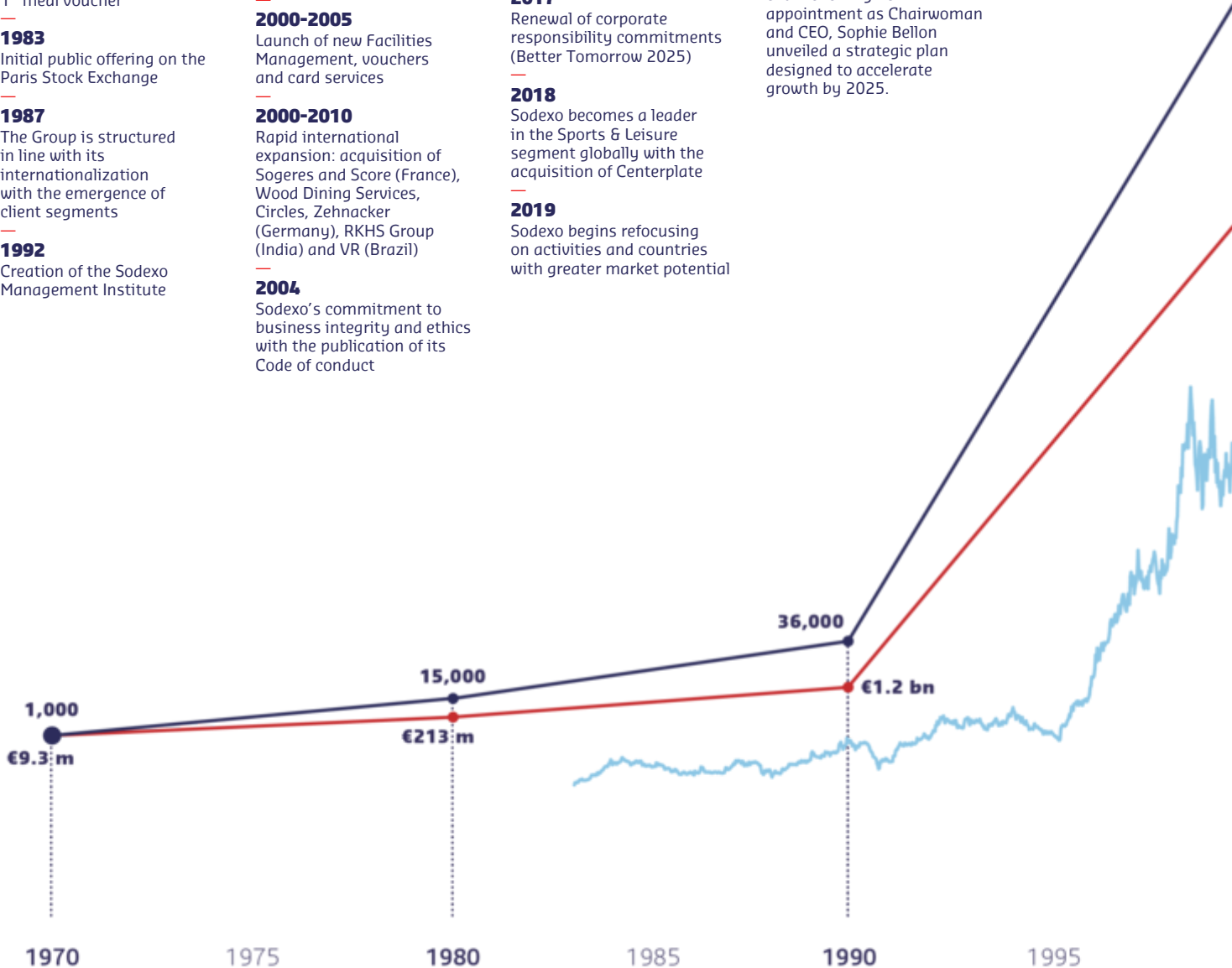
Sodexo begins refocusing on activities and countries with greater market potential

2020

Due to the Covid-19 pandemic, Sodexo faced an unprecedented decline in business, significantly impacting its financial performance, share value and workforce. Nevertheless, the Group demonstrated its resilience and the relevance of its business model.

2022

Sodexo's activity returned to pre-Covid levels by the year-end. Following her appointment as Chairwoman and CEO, Sophie Bellon unveiled a strategic plan designed to accelerate growth by 2025.

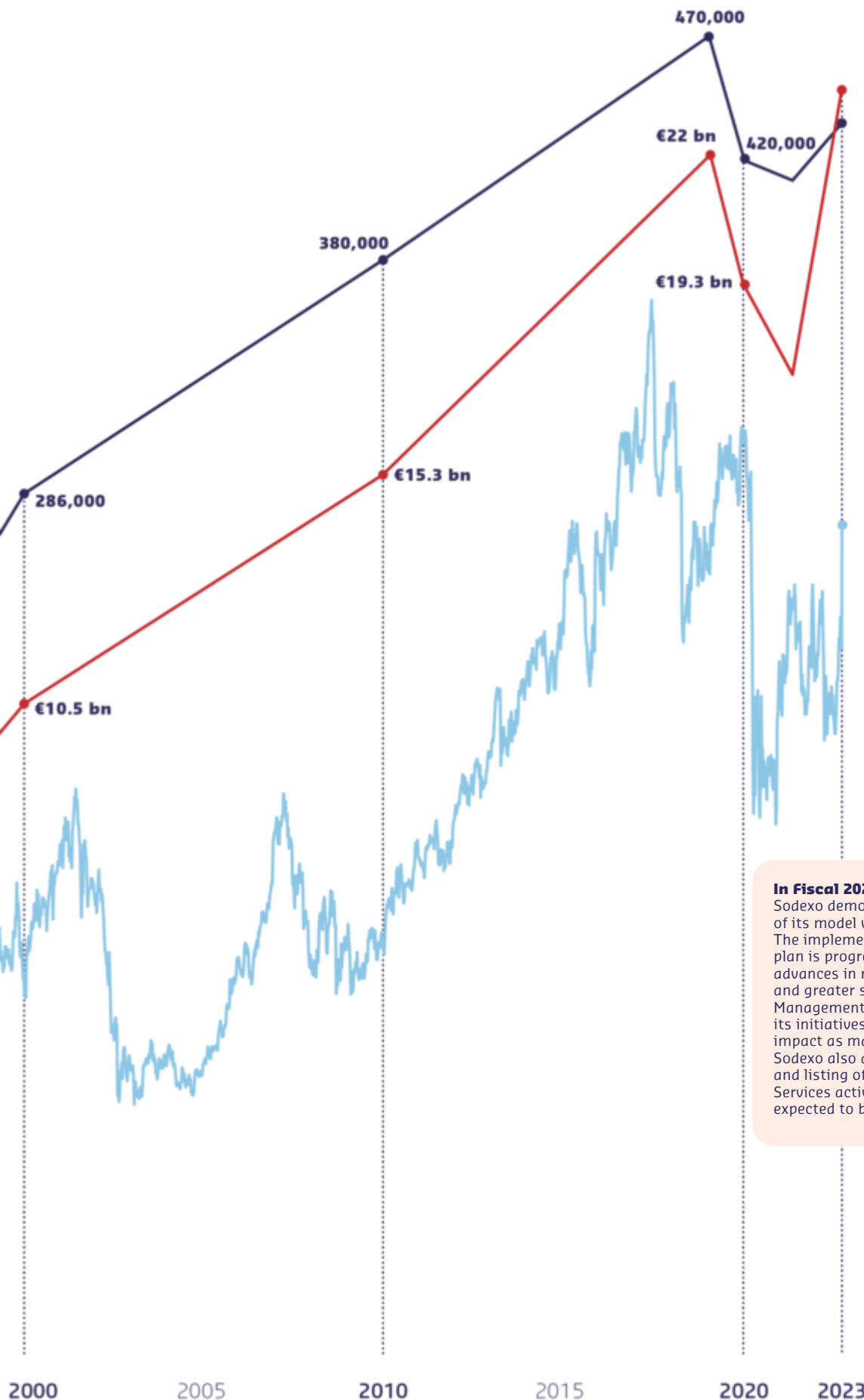


**Group key figures
(Sodexo and Pluxee)**
as of August 31, 2023

23.7 billion euros
consolidated revenues

435,000
employees

99.02 euros
Share price



In Fiscal 2023,

Sodexo demonstrates the transformation of its model with solid results. The implementation of the 2025 strategic plan is progressing with significant advances in refocusing on food services and greater selectivity in its Facilities Management services, while accelerating its initiatives to strengthen the Group's impact as market maker in sustainability. Sodexo also announced the full spin-off and listing of its Benefits & Rewards Services activity, renamed Pluxee, expected to be completed early 2024.

An independent Board of Directors

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

The Board pays special attention to the selection of its members. Directors are chosen for their ability to act in the interest of all shareholders and for their expertise, experience and understanding of the strategic challenges in markets where the Group operates. The composition of the Board of Directors is intended to adhere closely to the principles of diversity and to reflect the geographic mix of business insofar as possible, to

provide a range of technical skills, and to include individuals with in-depth knowledge of Sodexo's activities.

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

BOARD OF DIRECTORS

As of August 31, 2023

 Audit Committee member

 Compensation Committee member

 Nominating Committee member

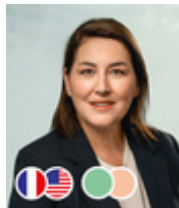
 Chairman/Chairwoman



Sophie Bellon
Chairwoman and CEO



Luc Messier
Lead Independent Director, President of Reus Technologies LLC



Françoise Brougher
Independent Director



Jean-Baptiste Chasseloup de Chatillon
Chief Financial Officer, Sanofi



Federico J. González Tejera
Chairman and CEO, Louvre Hotels Group and Executive Vice Chairman, Radisson Hotel Group



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



Véronique Laury
Independent Director



Cécile Tandeau de Marsac
Independent Director



Patrice de Talhouët
Managing Director, Bellon SA



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



Philippe Besson
Head of Projects and Sponsorship, Sodexo France



Cathy Martin
Regional Manager, Sodexo Canada

During the Shareholders Meeting of December 15, 2023, the renewals of Sophie Bellon, Nathalie Bellon-Szabo, and Federico J. González Tejera will be proposed to the shareholder vote, as well as the appointment of Gilles Pélisson.



Gilles Pélisson
President of Lyfe Institut and Unifrance

For more information on Sodexo's governance, see chapter 7 of the Universal Registration Document

During Fiscal 2023, the Board of Directors met 9 times, with an attendance rate of 95%. Its work focused both on the Group's activity and its major strategic orientations. The Board of Directors continued its work within the framework of defining the strategic orientations of the Group. It received regular and in-depth information on activities, main risks and major issues and fully monitored the implementation of the strategic plan. It thus recorded the transformation of the Group as well as the development of new food models, brands and new offers. A significant part of the meeting agenda was devoted to the spin-off and listing project of Pluxee.

As part of the in-depth review of the Group's business portfolio, the main senior executives presented to the Board of Directors their markets, their growth prospects as well as the main operational risks and opportunities. The importance of client retention was the subject of particular attention by the Board of Directors. It also endeavored to get a better understanding of the Group's competitive environment. Mindful of governance best practices, an external evaluation of the functioning of the Board was carried out. Interactions with the Lead Director were regular and constructive. Aware of the importance of climate issues, several items were put on the agenda at the Board of Directors concerning the multi-year strategic orientations in terms of social and environmental responsibility. To ensure that the directors have a good understanding of climate-related issues, a specific training has been organized. This training was provided by internal and external speakers and was associated with a site visit aimed at understanding environmental issues and in particular climate-related issues in a concrete way. The Board of Directors has reiterated the importance of ethics and compliance issues by regularly inviting the function heads to participate in the Committees. Finally, the Board of Directors considered the diversity of its skills set in order to make the appointment choices, particularly within the various Committees.



Key figures

as of August 31, 2023

12
members

50%
women*

2
Directors
representing
employees

4.3 YEARS
on average in office
for Independent
Directors

4
nationalities

95%
average attendance

60%
Independent
Directors*

58.4 YEARS
average age

* Excluding Directors representing employees

A RESPONSIBLE COMPENSATION POLICY

In the interest of Sodexo and its stakeholders, and in accordance with our values, the Board of Directors ensures that the Company offers a responsible compensation policy to deliver performance and achieve Sodexo's long-term strategy. It is established in accordance with the AFEP-MEDEF Code and external studies carried out with the assistance of independent consulting firms.

In the context of the renewal of the term of office of Sophie Bellon, the Board of Directors has decided to increase the variable component of the executive officer's compensation effective from Fiscal 2024. The compensation policy will be submitted for ex-ante shareholder approval at the Annual Shareholders Meeting on December 15, 2023.

- The compensation structure consists of an annual fixed compensation, rewarding the responsibilities attached to this type of corporate office, an annual variable compensation equal, at achieved objectives, to 120% (previously 100%) of the fixed remuneration, and a long-term compensation in the sole form of performance shares, representing up to a maximum of 150% of the fixed and annual variable.
- The variable compensation is structured to achieve a balance between short and long-term performance to promote the Group's development for the benefit of all its stakeholders. It aims at strengthening the Executive Officer's motivation, while aligning her interests with those of the shareholders and the social interest of the Company.
- The Chairwoman and Chief Executive Officer also benefits from a company car, a supplementary pension plan open to the Group's main senior executives, and life and healthcare expense plans under the same conditions as those applicable to employees of the Group's French entities.
- The Chairwoman and Chief Executive Officer does not receive any other compensation allocated for her term of office as a director of Sodexo S.A.

For more information on the compensation of the Chairwoman and CEO, see chapter 7 of the Universal Registration Document and available information at [sodexo.com](https://www.sodexo.com)

A Leadership Team in action

The Sodexo Leadership Team implements the strategy established by the Board of Directors and oversees Sodexo’s operations worldwide. Fully mobilized to implement the 2025 strategic plan, this team made up of 12 people is chaired by Sophie Bellon, Chairwoman and Chief Executive Officer. It combines cross-functional expertise and skills representative of all of the Group’s activities and geographic areas.

Since October 2022, Sodexo has transferred operational accountability to regions and countries to bring empowerment, decision-making and faster response times to a local level.

The On-site Services activities are regrouped into three geographic zones: North America, Europe, and the Rest of the World, which includes Asia-Pacific, Middle East, Africa, Brazil and Latin America – managed by three Zone Presidents with full P&L responsibility.

Sodexo Live!, whose performance is consolidated within the three geographic zones, has a specific business model and global organization, and retains responsibility for implementing its ambitious growth strategy.

A “Growth and Commercial Performance” role has also been set up to continue to maximize the value of client segmentation and reap the benefits of this through the organization, supporting local teams in client development and retention.

To achieve its ambition, Sodexo is accelerating its transformation in line with its strategic agenda. A “Strategy and Services Innovation” role has been created to ensure that the 2025 strategic plan is implemented in all areas, in both Food and Facilities Management services, based on the various strategic initiatives, the associated investments and solid performance management. Because technology, data and digital factors are playing an increasingly central role in the way Sodexo does business today, a “Tech, Data & Digital” role has also been created to enable Sodexo to accelerate its transformation in these areas and meet the needs of clients and consumers, while strengthening its social and environmental contribution.

The support functions of the Group Finance Department, the Group Human Resources Department and a Group Impact Officer role round out the expertise and skills of this management team.

“The transfer of P&L management to the local level and the tightening of the leadership team promote agility, efficiency and speed of decision-making. The entire organization is aligned with our strategic priorities, which we are executing at pace.”

Sophie Bellon



Key figures

as of August 31, 2023

12

members

50%

women

25%

non-French

4

nationalities
(FR/U.S./AUS/IND)

18 YEARS

on average in the Group

54 YEARS

average age

Sodexo Leadership Team

As of August 31, 2023



Sophie Bellon,
Chairwoman of
the Board and
Chief Executive Officer



**Nathalie
Bellon-Szabo**

Chief Executive
Officer, Sodexo Live!
Worldwide



**Johnpaul
Dimech**

President
APMEA, Brazil &
Latin America



**Alice
Guéhenneq**

Group Chief Tech,
Data & Digital
Officer



**Sarosh
Mistry**

President
North America



**Sunil
Nayak**

President
Europe



**Anna
Notarianni**

Group Chief
Impact Officer



**Marc
Plumart**

Chief Growth &
Commercial Officer



**Marc
Rolland**

Group Chief
Financial Officer



**Alexandra
Serizay**

Chief Strategy &
Services Innovation
Officer



**Annick
de Vanssay**

Group Chief
Human Resources
Officer



**Aurélien
Sonet**

Chief Executive
Officer Pluxee

For more information on Sodexo's governance, see chapter 7
of the Universal Registration Document and www.sodexo.com

Operating in a growth market with strong tailwinds

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

MARKET ACCELERATING TAILWINDS

Exacerbated complexity of in-house management

linked to the past three years disruptions:

- high inflation;
- pandemic;
- labour availability;
- hybrid working.

War for talent:

employee experience key to employer attractiveness.

Growing awareness of climate change issues

including the impact of food chain and the role of businesses.

Site Attractiveness

to compete for employees, students and patients.

MARKET GROWTH LEVERS

Increasing **first-time outsourcing**.

Growing demand for **responsible food and sustainable services**.

Higher demand for **holistic experience** to enhance performance of people and sites.

Growing appetite for **premium offers**, demonstrating “care” for employees, students, consumers...

MARKET EXPECTATIONS



A solid Fiscal 2023 performance

Capitalizing on its strong foundation, operating in attractive, growing markets, the Group strengthened its competitiveness and accelerated its transformation in Fiscal 2023 as part of the implementation of its 2025 strategy.

PERFORMANCE ABOVE GUIDANCE

In Fiscal 2023, the Group delivered above guidance. Organic revenue growth was +11.6% and Underlying operating profit margin at 5.6% compared to guidance of close to +11% and 5.5% respectively. Pluxee outperformed its guidance with organic growth of +26.9% and an Underlying operating profit margin of 33.1%.

Group FY23 Performance vs. Guidance

ORGANIC REVENUE GROWTH

	Fiscal 2023 Guidance	Fiscal 2023 performance
GROUP	close to +11%	+11.6%
PLUXEE	above +20%	+26.9%

UNDERLYING OPERATING PROFIT MARGIN

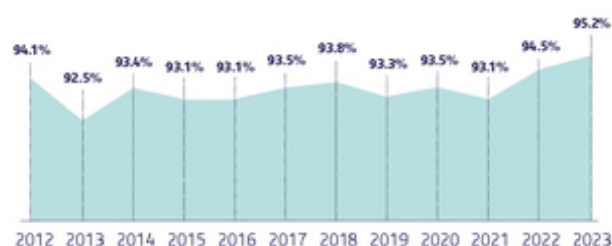
	Fiscal 2023 Guidance	Fiscal 2023 performance	Fiscal 2022 performance	Fiscal 2023 vs. Fiscal 2022
GROUP	at 5.5%	5.6%	5.0%	+60 bps
PLUXEE	above 32%	33.1%	28.6%	+450 bps

On-site Services organic revenue growth was also strong at +11%, better than expected in all regions, due to the effect of the strong post-Covid recovery in the first half, and an acceleration in the contribution of net new business in the second half, as well as strong pricing throughout the year of more than 5%.

BEST CLIENT RETENTION RATE EVER

Retention reached a record 95.2%, up another 70 basis points during Fiscal 2023. Development was at 7%, within the expected range of 7-8%, also representing a record amount of signings of 1.7 billion euros, including cross-selling. As a result, net new development was positive for the second consecutive year, at 2.2%. Processes, incentives, reporting and top management focus are all contributing to this performance.

Evolution of Client Retention



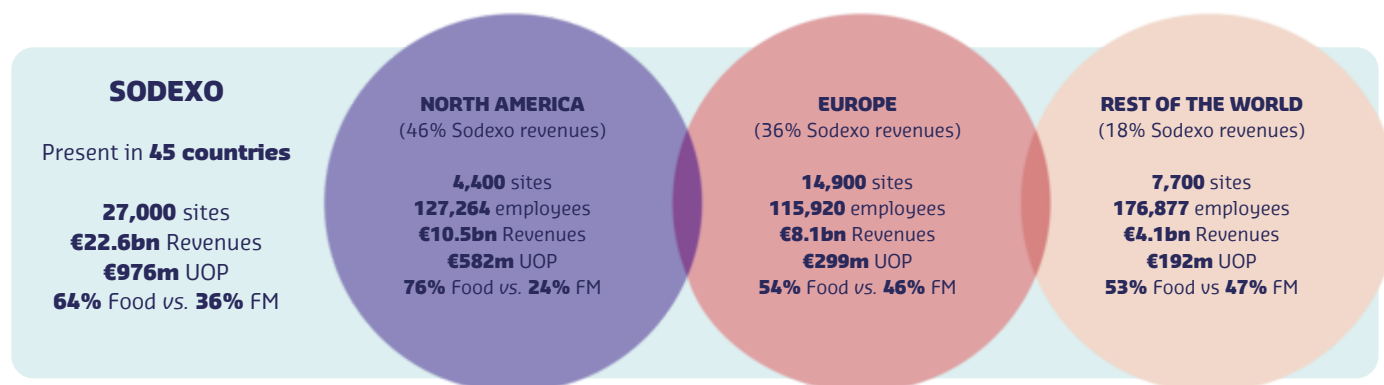
SPIN-OFF AND LISTING OF PLUXEE (BENEFITS & REWARDS SERVICES)

The Group has announced the full spin-off of Pluxee. The listing is expected early 2024 on Euronext Paris, subject to approval of the listing prospectus by the Dutch Authority for the Financial Markets and its passporting to the French Autorité des marchés financiers, the Euronext admission decision and market conditions.

For more information about Pluxee, see page 28.

SODEXO (continuing operations)

Fiscal 2023 Key figures (as of August 31, 2023)



Financial performance

Fiscal 2023 Sodexo (continuing operations, excluding Pluxee) consolidated revenues reached 22.6 billion euros, up +11.7% year-on-year. Underlying operating profit margin of Sodexo was 4.3%, up +30 bps. Net profit of Sodexo continued operations was 560 million euros, up +8.9%. Pluxee contributed 234 million euros, up +29.3%. As a result, Sodexo Fiscal 2023 Net profit reached 794 million euros up +14.2%. Underlying Net profit, adjusted for other income and expenses, linked substantially to restructuring and one-off costs of the spin-off, reached 908 million euros, up +29.9% compared to the previous year.

As a result, the proposed cash dividend for the year is 3.10 euros, up 29%, reflecting a pay-out ratio of 50% of Underlying net profit, in line with the Sodexo dividend policy.

As of August 31, 2023, the Sodexo Group financial ratios improved significantly, with gearing at 24% and the Net debt ratio at 0.7x, below the 1-2x target.

Given the significant cash position of Pluxee, Sodexo excl. Pluxee has a net debt to EBITDA ratio of 2.4x. Following the reallocation of debt between Sodexo to Pluxee, and regular free cashflow generation the Sodexo ratios are expected to return to close to the targeted range of 1 to 2x within 18 months of the spin-off.

SODEXO INCOME STATEMENT

(in million euros)	FY 2023	FY 2022	CHANGE*
Revenues	22,637	20,263	+11.7%
Underlying Operating profit	976	815	+19.7%
Underlying Operating Margin	4.3%	4.0%	+ 30 bps
Net profit (Group share) Sodexo continuing operations	560	514	+8.9%
Net profit (Group share) Pluxee discontinued operations	234	181	+29.3%
Net profit (Group share)	794	695	+14.2%
Earnings per share (in euros)	5.44	4.75	
Underlying net profit group share	908	699	+29.9%
Underlying Earnings per share (in euros)	6.21	4.78	

* At current exchange rate.

BALANCE SHEET RATIOS

(in million euros)	GROUP*	SODEXO (CONTINUING OPERATION)	PLUXEE (DISCONTINUED OPERATION)
Net Debt	1,075	2,918	(1,843)
Gearing ratio	24%	64%	na
Net debt ratio (Net debt/EBITDA)	0.7x	2.4x	-4.4x

* Group before classification and presentation of Pluxee as discontinued operations as per IFRS 5.

For more information, see chapter 3 of the Universal Registration Document.

Sustainability performance

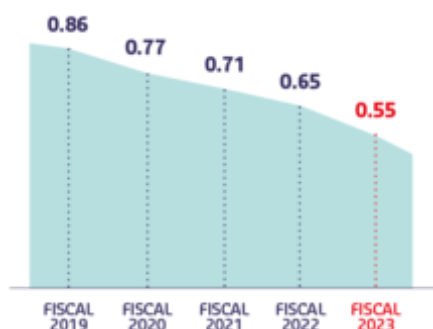
In Fiscal 2023, Sodexo's solid financial performance was accompanied by continued progress on its sustainability commitments.

Several important features this year were:

1. Record performance on safety of our People

At the end of Fiscal 2023, Sodexo reached a record 0.55 Lost Time Injury Rate (LTIR), representing a -15.4% reduction compared to Fiscal 2022. The severity of Lost time injuries also reached a record level reduction of -52% compared to the previous year.

LTIR EVOLUTION
OVER 5 YEARS



2. Employee engagement confirming renewed confidence in Sodexo and its trajectory

For the 10th engagement survey, the participation rate reached an all-time high of 70.3%, up +10.3 points compared to the 2021 survey, with 243,000 participants across the Group. The engagement rate was 82.5%, up +4.2 points compared to 2021, exceeding the 2025 objective of 80%.

3. Increased share in renewable electricity in our direct operations

Further progress has been achieved in the share of the Group's direct electricity consumption that is renewable at 55%, well above the 40% target for the year, on track for the achievement of our target of 100% by 2025.

4. The continuation of the carbon trajectory

In Fiscal 2023, Sodexo records year-on-year reduction in GHG emissions (scopes 1, 2 and 3) of -5.4% and -20.7% vs. 2017. Scope 1 and 2 GHG emissions are down -32.9% relative to the new 2017 baseline, and are on track to reach our reduction target of -34% in 2025.

-15.4%
reduction of LTIR
compared to
Fiscal 2022.

82.5%
Employee
Engagement Rate

55%
Renewable
electricity in our
direct operations

-5.4%
year-on-year
reduction in
scope 1, 2 and 3
emissions

Sodexo share data sheet

- Main listing place:
Euronext Paris - A Compartment
- ISIN code: FR0000121220
- Mnemonic code: SW
- Main indices : CAC Next 20,
SBF 120, CAC 40 ESG, CAC 40 1.5,
Euronext 100, CAC All Share,
FTSE4Good, ESG 80, and
the Dow Jones Sustainability Index.
- Euronext listing date:
March 2, 1983
- S&P rating stable at BBB+/A-2

Key indicators

(as of August 31, 2023)

• Total number of shares:
147,454,887 shares

• Closing price:
99.02 euros

• Market capitalization:
14.6 billion euros

• Sodexo share price trend
during Fiscal 2023:
+30.3%

• CAC 40 trend during Fiscal 2023:
+17.4%

• Underlying earnings per share:
6.21 euros

• Dividend per share, submitted
for approval at the Shareholders
Meeting of December 15, 2023:
3.10 euros

For more information, see chapter 3 of the Universal Registration Document.

2025 strategy: refocus and acceleration

Capitalizing on solid foundations and operating in high-potential markets, Sodexo continues to implement its 2025 strategy, built around two pillars supported by three key drivers of growth.



With the ambition to be the world leader in sustainable food and valued experiences at every moment in life, Sodexo continues to transform its traditional food services models with the mission of offering quality experiences in a consumer-centric approach. The Group is stepping up the pace in its key markets and developing a modern, sustainable food service offering, boosting the deployment of its commercial brands while continuing to invest in its digital ecosystem.

Find out more about corporate responsibility strategy, see pages 24-25 and chapter 2 of the Universal Registration Document

Focusing on Food Services

Food services are Sodexo's core business. A key player in a potential 240 billion euros market*, Sodexo is stepping up the adaptation of its traditional food services models and the development of new advanced models integrating new ways of producing or distributing food services, enabling it to offer consumers genuine experiences and fueling growth, profitability and cash generation.

To achieve this, Sodexo intends to roll out its commercial brands on a larger scale, with positioning aimed at a wide or more premium audience to meet all needs, with the aim of achieving more than 50% of food revenues from these branded offers by 2025.

Sodexo continues to accelerate the development of advanced food models to address fast-changing needs and behaviors: multichannel, hybrid, anytime, anywhere. Through more investments in convenience, aggregation and off-site production options, organically and through acquisitions, these advanced models will represent 10% of Food revenues by 2025, with a positive impact on profitability.

In addition, Sodexo has a strong ambition in off-site food production and intends to at least double the number of its culinary units.

These new-generation culinary units will both optimize production and make it more flexible to improve the taste, quality and durability of dishes, thanks to robotization, team training and optimized supply chain and reduced food waste.



Being more selective in Facilities Management services

In a highly fragmented potential 380 billion euros market*, Sodexo is now taking a more selective approach to developing its Facilities Management (FM) services, focusing on synergies with food experiences to support clients' operational efficiency and create quality experiences for consumers.

This complementarity is successfully expressed, particularly with global strategic accounts, through the relevance of integrated services and Sodexo's support in helping them, with confidence, to strengthen their employer policy or transform their operations in a more responsible way. Sodexo's expertise in this area is built around cleaning, hygiene,

reception and support services (Soft FM) and technical services, project management and energy management (Hard FM).

To enhance efficiency, Sodexo is also continuing its strategy of standardization and adoption of its Command Centers, with the aim of improving efficiency in service management, reliability in implementation and quality of services delivered on site. These command centers generate value thanks to centralization and optimal execution of processes, professionalization and industrialization of functions, and the leveraging and pooling of resources.



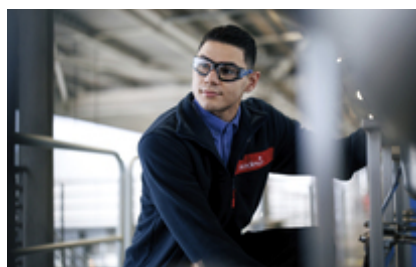
These strategic pillars are supported by three key enablers:

a. Tech & Data



A major driver of growth, Sodexo's investments in this area are designed to improve the quality of IT infrastructures, digital & data to create a solid and secure foundation. The aim is twofold: firstly, to constantly optimize business processes and applications, and secondly, to strengthen the direct relationship with consumers, through greater engagement and offers. By 2025, Sodexo aims to have 10 million active consumers on its On-site Services digital ecosystems.

b. Commercial excellence



Commercial excellence is driven by Sodexo's deep commitment to retaining clients and having a best-in-class selling machine. To do so, Sodexo has been reinforcing implementation of its rigorous client retention program Clients for Life to continuously improve client retention, above 95%. This more disciplined approach is based on anticipation to track Top 200+ accounts with a long-term view of the client lifecycle and solid incentive plans for the Sodexo teams.

The acceleration of the commercial machine is supported by the end-to-end sales process with a strong tech stack in which the Group will continue to invest. To go further, Sodexo will grow and evolve its account-based growth mindset with revised incentive schemes and new training programs as well as reinforce its targeting with better quality and higher margin contracts, including First-time outsourcing in specific environments.

c. Supply Chain Power



Against a backdrop of global pressure on supply chains and inflation, Sodexo is pursuing its efforts and investments in supply chain management. While continuing to manage a balanced approach, with strong category and compliance management, and the development of local, inclusive and responsible sourcing, Sodexo aims to buy 2 billion euros a year from SMEs by 2025, strengthening the role of the supply chain in the sales process, and fostering collaboration to co-construct strong and innovative offers with suppliers. This objective was achieved in Fiscal 2023.

The Group is also continuing to develop Entegra, its Group Purchasing Organization (GPO), in the United States and Europe, in food & hospitality services as both a profit center and a means of increasing its purchasing power, with the target of doubling its 2021 sales by 2025.

* Source Sodexo

Highlights of Fiscal 2023 strategic advances

In Fiscal 2023, Sodexo pursued the implementation of its strategy and achieved several major steps: a simplified and more effective organization, a record client retention level, rebalancing of Food and FM services, strong execution in North America as well as some strategic portfolio decisions and a holistic approach to sustainability.

Improving operational efficiency with tech, data & innovation

To strengthen its competitiveness and increase its agility, Sodexo continues to improve its operational efficiency by capitalizing on the development of innovative, data-driven technological solutions.

Sodexo's business intelligence services, combined with AI-powered technology and intuitive modeling solutions, are now being fully implemented. So, for example, in the current context of supply chain tension, Sodexo can rely on Product Swap, an AI-powered decision support tool, to automate product substitution and improve the efficiency and quality of its logistics, and therefore client service, with more than 5% cost savings by product category.

With Power Pricing, a data-driven decision-support tool, teams at some 1,000 sites worldwide are also able to improve the quality of price positioning for each product and, consequently, better manage margins on each site. Other applications, such as Kronos or 4site, can be used to accurately forecast demand, attendance and staffing requirements in a company restaurant, thereby helping to optimize resources and limit waste.

Developing Advanced Food Models to meet consumers new expectations



In today's era of customization, a personalized meal experience has become the gold standard for consumers. Not only are they expecting choice and flexibility in terms of what, when and where they eat, they also want the benefits of technology to enjoy a smoother and more seamless dining experience.

Sodexo is developing numerous solutions to offer a renewed food experience, investing organically and through acquisitions in convenience, aggregation and off-site production. In North America for instance, in addition to the opening of a new off-site production model in Boston named "The Pass", and the acquisition of Frontline Foodservices and VendEdge in Fiscal 2022, Sodexo extended InReach's food offerings in the fast-growing convenience market with the acquisition of A.H. Management, one of the largest operators in the Mid-West. In Brazil, Sodexo also launched Noponto, a 100% autonomous micro-market model, providing consumers with a high value-added consumption experience.

Better reaching connected consumers

Consumers around the world have been able to order food through their phones for some time, but being able to serve them everywhere with good food is the Group's ambition. In the U.S., Sodexo recently launched Everyday, an app which is already available at over 780 locations across the country, from universities to workplaces and hospitals. It provides access to the day's menu with nutritional information, as well as multiple ordering, delivery and payment options, saving time and making every day easier. At the same time, Sodexo is expanding new technological solutions, like 24/7 service of hot and cold drinks, pizza, burgers, and ramen through automated kiosks on various hospital and university sites, as well as robots that can deliver food on university campuses.



500 million euros

Average annual spend
in Tech & Data

3.9%

of Food revenues
from Advanced Food Model
in Fiscal 2023

Appealing food brands to support growth



The repositioning of the food brand portfolio and the scaling of priority brands carried out over the past two years allows Sodexo to offer its clients and consumers offers which are better suited to their expectations. Significant progress has been made during Fiscal 2023 on the deployment of major branded offers, such as Modern Recipe, The Good Eating Company and Kitchen Works, with the ambition to increase food revenues from branded offers up to 50% by 2025.

With the relaunch of Modern Recipe into a lifestyle brand with strong restaurant and market designs and a reinvigorated focus on health, wellness and sustainability offerings, consumers now benefit from expanded menus, 24/7 convenience and enticing promotions, with digital ordering, delivery and scan-and-go technology. The ambition is to multiply the number of sites by two and expand into 7 more countries by 2025. In manufacturing environments, Kitchen Works was designed to change the face of food services, offering a food court experience, aligned with the Vital Spaces proposition for improved employee experience with variety, ambience, and kitchen automation. In India, Sodexo abandoned 4 traditional local brands to replace them with Kitchen Works and won prestigious new contracts during the year.

31%
of food revenues
come from branded offers
in Fiscal 2023

Creating unforgettable experiences

Sodexo Live! offers its clients a collection of tailor-made catering, venue marketing and event ticketing services, and helps transform the experience of its consumers into unforgettable memories at cultural, sporting and large event sites such as Royal Ascot, Hard Rock Stadium, Eiffel Tower, San Diego convention center, Roland Garros, etc..

In 2023, the teams demonstrated their culinary excellence and delighted consumers, for instance the 270,000 fans at the Formula 1 Grand Prix in Miami, or the 115,000 visitors to the CES in Las Vegas.

Sodexo also took another step forward in implementing its strategic plan, becoming the sole shareholder of STH (Sports, Travel and Hospitality), a global provider of travel, hospitality and ticketing programs.

Behind the scenes, Sodexo Live! teams are actively preparing for the Paris 2024 Olympic and Paralympic Games to create a unique and exceptional food service experience. For the athletes' village and on 14 competition sites (eight for the Paralympic Games), 6,000 employees will be mobilized to serve 15,000 athletes (up to 40,000 services per day), the organization and the spectators, 24 hours a day for almost two months. A logistical, culinary and human challenge that Sodexo Live! and all Sodexo teams are proud to rise to by mobilizing their expertise and reaffirming Sodexo's commitments to sustainable food.



Developing Sodexo group purchasing organization



Sodexo continues to develop Entegra Procurement Services®, the largest food group purchasing organization (GPO) in the world. Entegra operates in 10 countries and supports the hospitality sector, primarily hotels, restaurants, leisure, senior living, healthcare and educational institutions, by providing them with industry-specific saving solutions and improving their operations.

In recent years, Sodexo has sought to accelerate Entegra's growth through several acquisitions in Europe, with CHR-HA and Ami2 in France, Beacon Purchasing in the UK as well as Procent in the Netherlands. In North America, Entegra also demonstrated a solid commercial momentum by winning, among others, the procurement contract for Cinemark, the third largest movie theatre group in the U.S., launching the Entegra Performance Kitchen to provide a wide range of culinary services and building best-in-class data capabilities to deliver actionable insights to clients.

Additionally, to accelerate positive impact across the hospitality industry, Entegra has recently joined forces with five global hotel companies and another GPO to launch the Hospitality Alliance for Responsible Procurement (HARP), powered by EcoVadis, to improve the sustainability performance of suppliers in the industry.

+34%
Entegra Revenue Growth
(Fiscal 2023 vs. Fiscal 2022)

Choosing responsible growth

Anchored in the Group’s DNA since its creation in 1966, corporate responsibility is a cornerstone of Sodexo’s mission and operations. Particularly innovative at the time, this vision and the associated commitments progressed as the Company developed and the collective challenges grew. The key issues identified through the latest materiality assessment carried out by the Group and developed in accordance with the United Nations Sustainable Development Goals (SDGs) confirm the consistency with the commitments of Sodexo’s “Better Tomorrow 2025” roadmap as an employer, service provider and responsible company.

Facing the climate emergency, an ambitious and global project

For Sodexo, choosing responsible growth means continuing to act daily to serve its clients and consumers, in a way that is safer, healthier and more respectful of the environment. Sodexo is, therefore, the first food services company to commit to reaching Net Zero by 2040 globally (scopes 1, 2 and 3), confirming its leadership in its sector when it comes to fighting climate change.

In 2009, Sodexo was the first company in its sector to implement a corporate

responsibility roadmap. Since 2010, the Group has been working with the World Wildlife Fund (WWF) to understand, measure and reduce its global carbon footprint, in collaboration with its clients and suppliers. In 2019, Sodexo was also one of the first major groups with an objective of reducing its direct and indirect greenhouse gas emissions (Scopes 1, 2 and 3) by -34% by 2025 compared to 2017, approved by the Science Based Targets initiative (SBTi) and in line with the 1.5°C trajectory Paris Agreement.

Having a positive impact has always been a priority for Sodexo and today it aims to go even further. To reduce its carbon emissions, Sodexo is undertaking a gradual and structural transformation of its operations, impacting its entire value chain. The challenges to be met are many and will involve all stakeholders.

Sodexo has therefore identified four priority levers to reduce its emissions by 90% by 2040 across its entire value chain, from farm to fork.

Our four levers to reduce carbon emissions



PRODUCTS

The Group takes responsibility for promoting sustainable farming practices and supporting its suppliers’ efforts to reduce their carbon emissions, in particular by setting up a global deforestation and conversion free supply chain by 2030 and by continuing to give priority to the development of local sourcing and short supply chain.



COOKING

Sodexo has developed a “low-carbon” meal definition as one whose production generates 0.9 kg CO₂e or less. Based on this definition and on the expertise and passion of its chefs, Sodexo is designing new recipes to ensure that 70% of its main dishes can be labelled “low-carbon” by 2030.



ENERGY

Sodexo’s efforts to reduce emissions generated by its operations have a direct impact on its clients’ emissions. Sodexo will increase its efforts to reduce energy use at all of its client sites, through less energy-intensive preparation methods, training in these issues for all site managers by 2027 and achieving the target of 100% renewable electricity in its direct operations by 2025.



WASTE

To reduce food waste, Sodexo is intensifying its efforts by expanding the deployment of its WasteWatch program to 85% of its sites by 2025 and, in order to mobilize international institutions, governments and businesses more widely, by maintaining its involvement as a founding member of the International Food Waste Coalition (IFWC) and as a member of the Champions 12.3 coalition.

Being an employer of choice around the world

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

As a company of women and men dedicated to people, Sodexo's mission has been since its creation to improve the quality of life of its employees, with the conviction that having the right talent everywhere is an essential lever for sustainable and profitable growth. Sodexo has defined the pillars of its employer brand on a global scale to

structure initiatives that have a positive impact on employees and set it apart from its competitors. This impact was particularly reflected this year in the exceptional Group employee engagement rate of 82.5% and the record level of participation in the engagement survey with more than 238,700 respondents.

Belong

TO A TEAM

You belong in a company that values you for who you are; where you are treated fairly, with respect and can be yourself, where your ideas count and your opinion matters because when you are happy at work, we perform better.

In 2023, Sodexo launched Vita by Sodexo, a global employee benefits program. With this global program, unique in the sector, Sodexo offers all its employees a common minimum base of social benefits. It aims to be fair and inclusive, so that every employee has the financial protection and personal support they need to be happy at and outside of work. This program, which is currently being deployed, aims to offer all employees, with at least one year's length of service, paid parental leave, a life insurance offer, an assistance program and in particular free psychological support, anonymous and available 24/7, as well as paid carer's leave allowing them to care for their loved ones when it matters most. By the end of 2024, the program will be deployed in at least 60% of the countries where Sodexo operates.



Act

WITH PURPOSE

Be motivated to make a difference through your everyday actions. You have the ability to put a smile on the faces of our customers and guests; to support people in your local community; and to contribute to a more positive future.

Beyond their daily activities, Sodexo employees play a major role in implementing initiatives with a positive impact. Encouraged by a volunteering policy, more than 14,000 volunteers, including Sodexo teams and their networks, committed in 2023 to support Stop Hunger, the Group's only philanthropic cause. Created 27 years ago, Stop Hunger now works in 60 countries, in partnership with more than 300 NGOs to fight hunger and food insecurity in local communities. With this support, Stop Hunger is continuing its efforts to empower women, a strategic pillar against food insecurity, and is responding to support the immediate needs of the most vulnerable, particularly in emergency situations.

Thrive

IN YOUR OWN WAY



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

In 2023, Sodexo has trained nearly 2,000 leaders around the world with its "Empathetic and Collective Leadership" program created by Sodexo Academy. In a rapidly changing post-Covid context, the program helps managers to take care of themselves, to show more empathy towards their teams and their customers, to give and receive feedback and thus manage more effectively their teams in new hybrid work environments. The program, originally initiated by Sodexo in France, has been deployed across all regional management committees in North America, Brazil, Latin America, the United Kingdom, Central Europe and Asia. In addition to the positive feedback from participating managers, the impact was notably measured by the improvement in employee retention and engagement. In France, for example, the employee engagement rate recorded a significant increase of +12 points.

pluxee

Key information

Through a tech-enabled employee benefits and engagement platform with longstanding leadership in an advanced and evolving digital ecosystem, Pluxee provides a compelling user experience to help employees feel engaged, motivated, financially supported and cared for. As the number two player worldwide in the employee benefits market, Pluxee delivers over 250+ products and services across 31 countries, ranging from meal, food and gift to mobility benefits and rewards & recognition and engagement programs as well as public benefits, supporting more than 500,000+ clients and 36 million consumers.

Description of the spin-off

During Fiscal 2023, the Group announced a plan to spin-off and list its Benefits & Rewards Services business, now Pluxee, to create two pure players, both leaders in their markets and both with highly cash-generative business models and to strengthen each of the two entities to execute their respective strategies and realize their full potential in high-growth markets.

The Pluxee listing is expected early 2024 on Euronext Paris, subject to approval of the listing prospectus by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*)

and its passporting to the French *Autorité des marchés financiers*, the Euronext admission decision and market conditions.

Existing double voting rights of Sodexo will be maintained at Pluxee, which will be legally registered in the Netherlands allowing Bellon SA to continue playing a long-term controlling shareholder role in Pluxee. Tax residency will remain in France.

The proposed full spin-off will be put to a shareholder vote during a dedicated General Meeting to be held early 2024.

Pluxee plans to hold a Capital Markets Day shortly before the dedicated General Meeting to present its strategic plan and its next phase of value creation. The Fiscal 2024 and mid-term guidance will be provided on this occasion.

The spin-off will have no significant tax impact for Sodexo and its shareholders, at least in France and in the USA.

Pluxee will be allocated a portion of Sodexo's current indebtedness for a total amount of 0.6 billion euros and Pluxee *Pro Forma* capital structure will be consistent with a strong Investment Grade credit rating.

A new brand

“Pluxee opens up a world of opportunities in bringing to life a personalized and sustainable employee experience at work and beyond.”



By adopting a new brand and a new identity, the Benefits & Rewards Services business aims to set itself apart more assertively in an extremely dynamic market. Pluxee is a modern, digital brand that reflects the vision, ambition and positioning of this business.

Pluxee enables its corporate clients to enhance their employer brand by offering their employees innovative, personalized solutions to the fast-changing world of work. Pluxee's goal is to help people enjoy more of what really matters in their lives.

Dedicated governance

As part of the spin-off and listing project, Pluxee has endorsed a dedicated governance, designed to support the company in the acceleration of its commercial and financial performance.

The Board of Pluxee, chaired by Didier Michaud Daniel, will be comprised of 4 Bellon family Board members and 5 Independent Board members.

To implement its strategy, Pluxee can count on Aurélien Sonet and its management team, who combine cross-disciplinary expertise and skills representative of the different activities and geographical areas in which Pluxee operates.



Didier Michaud-Daniel
Executive Chairman of
Pluxee Board of Directors



Aurélien Sonet
Chief Executive Officer
of Pluxee

A very sizeable, attractive and underpenetrated market

The market for employee benefits and engagement continues to be largely underpenetrated. While the meal and food addressable market was estimated at 219 billion euros in business volume in 2023, it is expected to grow to approximately

235 billion euros in business volume by 2025. The continued growth of the employee benefits market is supported by strong and long-term macro trends, such as:

War for talent & the great resignation

Boost demand for improved employee engagement solutions.

Hybrid working

Multiply innovative solutions, at work and beyond including meal delivery, work from home packages, mobility and well-being benefits.

Digitalization

Improve digital employee and employer experiences for more efficiency.

Empowered consumers

Answer to the increased demands for flexibility and freedom of choice boosted by heterogeneous workforce.

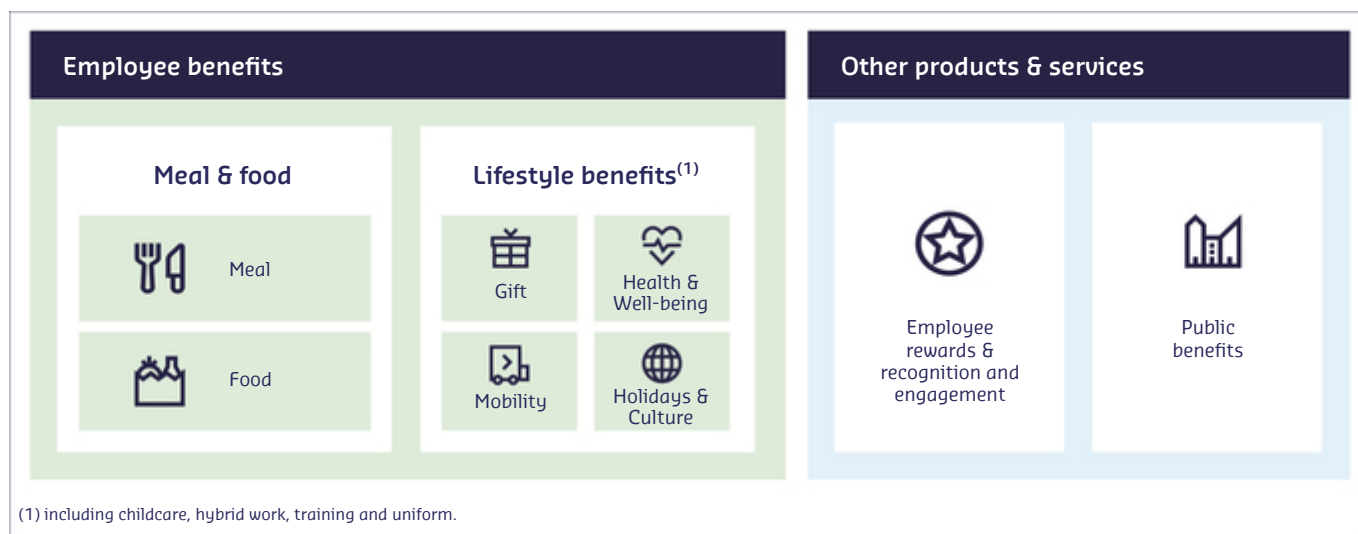
Supporting local business

Implement sustainable and personalized products to support both local merchants and employee's power of purchase.

A compelling and digitalized offer

The employee benefits and engagement market encompasses a wide variety of activities, issued through cards or digital solutions, and almost no paper vouchers. Employee benefits include meal, food, gift, mobility, health, well-being (mental and physical), holiday and culture benefits, as well as benefits

related to hybrid ways of working, training and childcare, among others. The Employee engagement, rewards & recognition activities encapsulate solutions that allow employers to award perks to their employees to help them activate their corporate values and reinforce their employer brand.



Key figures as of August 31, 2023

31

countries

5,218

employees

Over

36 million

beneficiaries

1.7 million

affiliated merchants

More than

500,000

clients

4.8 million

transactions every day

#2

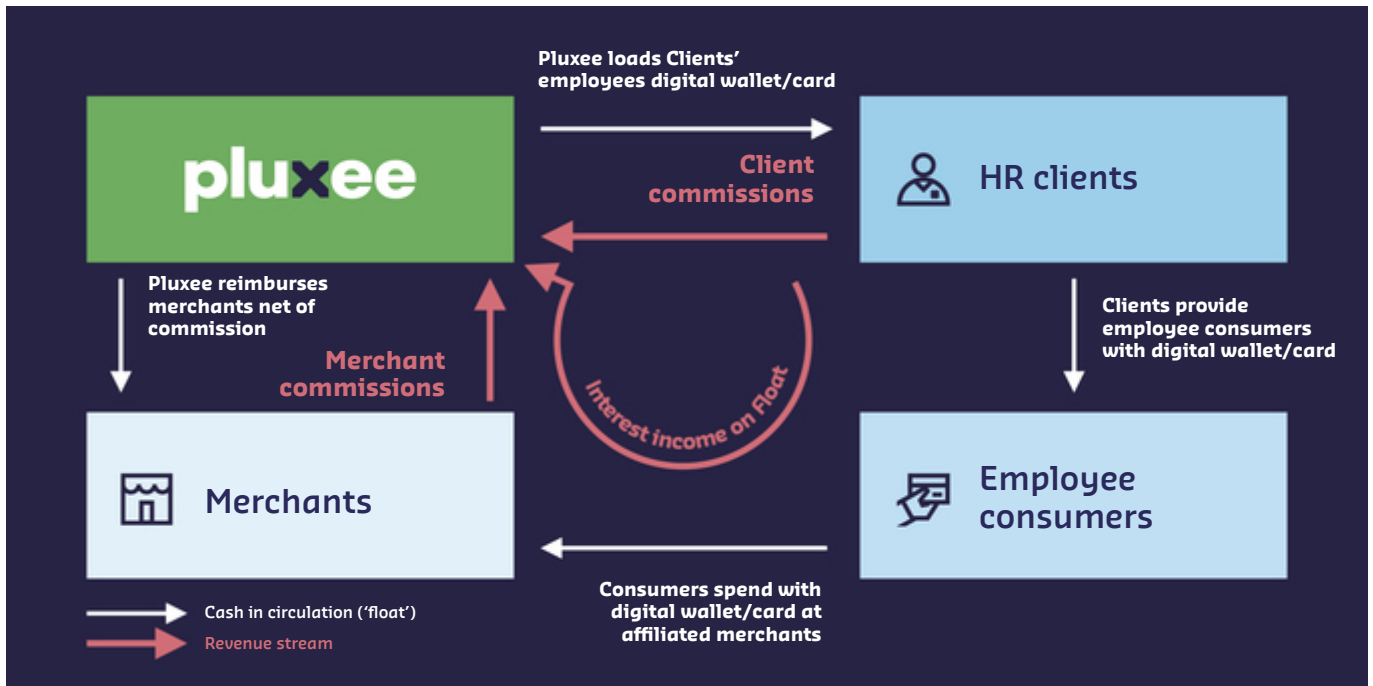
worldwide in employee benefits & engagement

#1

worldwide in public benefits

A structurally virtuous business model

Consisting of pre-paid solutions used by consumers at affiliate merchants, Pluxee’s B2B2C business model creates value for all stakeholders by operating a highly cash generative business model, in which its main revenue streams are client commissions, affiliate merchant commissions and interest on the Float.



A robust strategic roadmap to accelerate profitable growth

Pluxee is executing its strategic plan to leverage its core assets and competitive advantages while accelerating the development of its solutions to better address the underpenetrated market potential.

This ambitious plan is based on the following key pillars:

1. reinforcing leadership in the meal and food benefits market;
2. augmenting its offerings with a wider range of employee benefits as well as reward, recognition and engagement solutions.

Pluxee plans to implement this profitable growth strategy underpinned by key enablers including:

- **Tech & Data:** enabling top line growth, fast time-to-market and the development of advanced digital products supported by its IT infrastructure and utilizing tech and data to improve operational efficiency;
- **Competencies:** continuing to invest in its talents, particularly those that have critical product, tech and data competencies, in order to improve customers’ digital experience, leveraging its new employer brand and employee value proposition;
- **M&A:** reinforcing strong market presence and enriching its product offering and tech capabilities.

Embed CSR into all initiatives

Pluxee aims to conduct its business as a trusted partner to all stakeholders and embed business integrity and transparency into its governance and operations. As part of its commitment to create a positive impact, Pluxee has defined CSR strategies and targets for the fiscal year ended August 31, 2025, focused on:

- engaging with suppliers that have signed the Code of conduct;
- promoting diversity, equity and inclusion in the workplace, with a particular focus on women reaching management positions;
- directing business volume specifically toward SME merchants.
- constructing an ambitious plan to reach Net Zero emissions by 2035, which has been submitted to the Science Based Targets initiative (SBTi) in March 2023 with the objective to reduce by no later than 2035 Pluxee’s direct and indirect greenhouse gas emissions (scopes 1, 2 and 3) by 90% compared to the 2017 baseline.



Fiscal 2023 news

Acceleration in Meal & Food benefits in Brazil

Pluxee and Santander Brazil, one of the largest private banks in the country, have formed a strategic partnership to strengthen Pluxee's leadership in the Brazilian market, combining 145,000 clients, 6.5 million consumers and a network of more than 750,000 partner merchants.

This new step in Pluxee's strategy to accelerate growth in Meal & Food Benefits will reinforce its leadership in Brazil with the exclusive distribution of Pluxee's Employee Benefit solutions in the Santander network and integration of Ben's expertise (Santander's Employee Benefits activity).



Pluxee expands the platforms of its offering

Recently launched in Spain, a unique platform regroups the full budget allocated to an employee for four different benefits: meal, transportation, childcare and training. The employee can then choose how to use this budget fractionally for the purpose of her or his choice.

The development of this solution was possible thanks to the global expertise of Pluxee and its extensive understanding of the employee benefits market. This is how Pluxee creates the best suited solution to the employers and their employees and this, through just one easy to use platform.



A strong and science-backed commitment to the environment

Pluxee is committed to fighting climate change at every level of its value chain. In 2023, Pluxee submitted its 2035 Net Zero objective to the SBTi.

The success of this ambitious and mandatory project will be only possible thanks to the commitment of its 5000+ highly engaged talents. In one year, more than 66% of the employees have been trained on the Net Zero trajectory with significant upskilling of its top suppliers.

Moreover, 100% of the countries in which Pluxee operate defined their Net Zero action plan to measure the impact and a Net Zero steering committee is now in place in 15 of the top countries to ensure progress and success at a local level.

With a dedicated Climate Impact Manager, Pluxee is now able to ensure sustainable success in measuring, monitoring, and reducing emissions to reach our Net Zero target in 2035.

Pluxee Performance

(As of August 31, 2023)

FINANCIAL PERFORMANCE

Total revenues

1,099 million euros
+26,9% organic growth

Underlying EBITDA

422 million euros

Underlying Ebitda margin

38.4%
vs. 33.9% last year

Operating cash

3.19 million euros

SUSTAINABILITY PERFORMANCE

Trusted Partner

94%

of our employees trained in Responsible Business Conduct (anti-corruption/anti-bribery, data privacy and Code of conduct)

Positive impact on individuals

44%

of managers are women (+ 0.2 point vs. FY22)

Positive impact on communities

5.7 billion euros

in business value benefiting SMEs

Positive impact on the environment

-37.9%

reduction in Scopes 1 and 2 Carbon Emission vs. 2017

2

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2.1

Corporate responsibility at Sodexo

Since its creation in 1966, corporate responsibility is central to Sodexo’s activities and is part of its mission to improve the quality of life of its employees and all those it serves, while contributing to economic and social development and environmental protection in the communities where the Group operates. Sodexo employees, clients, suppliers, consumers and shareholders expect the Group growth to have a positive global impact.

Today, choosing to grow responsibly means continuing to do our best every day in a way that is increasingly safe, healthy and environmentally friendly. With the aim of becoming the global leader in sustainable food and valued experiences, Sodexo’s employees are committed to providing sustainable, tasty, healthy and desirable solutions

for its clients and consumers, while having a positive impact on people and the planet.

Better Tomorrow 2025 roadmap guides its actions and the most important social, societal and environmental issues progress for the Group.

In application of IFRS5, some Better Tomorrow 2025 objectives have been reevaluated excluding Pluxee.

9 commitments and objectives by 2025			
BETTER TOMORROW 2025	IMPACT ON INDIVIDUALS	IMPACT ON COMMUNITIES	IMPACT ON THE ENVIRONMENT
 ROLE AS AN EMPLOYER	<p>Improve the quality of life of employees, safely</p> <p>80% employee engagement rate</p>	<p>Ensure a diverse workforce and inclusive culture that reflects and enriches the communities Sodexo serves</p> <p>100% of employees work in countries that have gender balance in their management populations</p>	<p>Foster a culture of environmental responsibility within workforces and workspaces</p> <p>100% of on-site management & senior leaders are trained on sustainable practices by 2025</p>
 ROLE AS A SERVICE PROVIDER	<p>Provide and encourage consumers to access healthy lifestyle choices</p> <p>100% of consumers are offered healthy lifestyle options every day</p>	<p>Promote local development and fair, inclusive and sustainable business practices</p> <p>2 billion euros spend with SME⁽¹⁾ suppliers</p>	<p>Source responsibly and provide management services that reduce carbon emissions</p> <p>34% reduction of carbon emissions⁽²⁾</p>
 ROLE AS A CORPORATE CITIZEN	<p>Act sustainably for a hunger-free world</p> <p>100 million Stop Hunger beneficiaries⁽³⁾</p>	<p>Drive diversity and inclusion as a catalyst for societal change</p> <p>180,000 women in communities empowered⁽³⁾</p>	<p>Champion sustainable resource usage</p> <p>50% reduction in our food waste</p>

(1) Small and Medium Enterprises.

(2) Following the SBTi guidelines, in Fiscal 2023, Sodexo has rebased all its emissions numbers since 2017. Sodexo is on track to reach its 2025 reduction target of -34% on Scope 1 and 2 emissions (compared to Fiscal 2017). The Scope 3 emissions reduction target should be reached in Fiscal 2026.

(3) Cumulative number since 2015.

CSR governance

Corporate responsibility is central to Sodexo's activities and forms part of its mission.

Responsible governance is essential in defining the Group's CSR approach (Corporate Social Responsibility), taking the issues of all stakeholders into account. It ensures compliance with standards and regulations on sustainability and the protection of people and planet, while monitoring the Group's non-financial

performance indicators. CSR governance must also identify and manage the risks associated with social, environmental and ethical issues. All this information is regularly shared with the Board of Directors and the Sodexo Leadership Team (SLT). This year, CSR issues were discussed twice at Board of Directors' meetings and 5 times at SLT meetings. The Group Chief Impact Officer presented Sodexo's progress and future commitments on corporate responsibility.

The Impact Department plays a central role within CSR governance and aims to ensure that Sodexo's purpose, values and commitments to CSR are continuously reflected in the services it delivers. Impact management is key to promoting corporate responsibility and transparently sharing Sodexo's impact on people and the planet with internal and external stakeholders.

Creation of Impact Department

BOARD OF DIRECTORS SODEXO LEADERSHIP TEAM



Decide on the guidelines of the CSR approach

by integrating them into the Group strategy and ensuring implementation at all levels of the organization.

IMPACT DEPARTMENT



Develops global CSR strategic orientations

and monitors progress.

LOCAL TEAMS



Deploy strategic initiatives

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

Financial independence ensured through the founding family shareholding

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

(1) Double reporting: Impact and Human Resources Departments.

Stakeholder engagement

Sodexo 430,000 employees across 45 countries serve over 80 million people at every moment in life: learn, work, heal and play. This provides Sodexo with a major opportunity to engage all its stakeholders. When engaging its stakeholders, Sodexo does it transparently, in compliance with the laws, regulations, and company policies that govern us.










BUILDING SUSTAINABLE RELATIONSHIPS WITH ALL STAKEHOLDERS

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

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

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

STAKEHOLDERS	COMMITMENTS	ACTIONS
 <p>EMPLOYEES</p>	Offer jobs and training that foster professional development and internal promotion.	<p>82.5%</p> <p>of our employees are engaged.</p>
 <p>CLIENTS</p>	Provide a wide range of services to the same client and have a direct impact on strategic issues, such as employee engagement, competitiveness and attractiveness of the organization.	<p>80 million</p> <p>consumers every day.</p>
 <p>CONSUMERS</p>	Influencing food choices towards more balanced and sustainable diets by sharing educational, precise and accessible information.	<p>89.0%</p> <p>of consumers are offered healthy lifestyle choices.</p>
 <p>SUPPLIERS</p>	Building relationships that benefit everyone. Meet demanding standards in terms of quality, working conditions, business integrity and respect for the environment.	<p>95.0%</p> <p>of purchases are with contracted suppliers having signed the Sodexo Supplier Code of conduct.</p>
 <p>INSTITUTIONS AND NGOS</p>	Expand NGO ecosystem to meet challenges such as: <ul style="list-style-type: none"> • respect for human rights; • continuous improvement of working conditions; • promoting diversity, equity and inclusion; • reducing carbon emissions; • improving nutrition; • the fight against food waste or against hunger. 	<p>Sodexo maintains long-term productive relationships with:</p> <ul style="list-style-type: none"> • the Organization for Economic Co-operation and Development (OECD); • the World Wildlife Fund (WWF); • the International Labour Organization (ILO); • the United Nations; • the Global Sustainable Seafood Initiative (GSSI); • the Seafood Task Force; and • academic institutions. <p>Sodexo is also bound by an international framework agreement with the International Union of Food workers (IUF).</p> <p>Sodexo initiated the creation of:</p> <ul style="list-style-type: none"> • the International Food Waste Coalition (IFWC); • the Global Coalition for Animal Welfare (GCAW).
 <p>INVESTORS</p>	Give confidence to institutional and individual shareholders through the presence of the Bellon family in the capital of the Group, a guarantee of financial independence and stability. Provide accurate and timely information on Sodexo performance.	<p>Sodexo is including in the following indices:</p> <ul style="list-style-type: none"> • CAC Next 20 • ESG Euronext CAC 40; • 1.5 Euronext CAC 40; • World Dow Jones Sustainability (DJSI); • Vigeo Eiris; • FTSE4Good.
 <p>GOVERNMENTS AND REGULATORS</p>	Sodexo ensures good cooperation with public authorities to enable them to better understand the model and specificities of service companies and in particular catering, and thus participates in the development of effective and fair regulation. These missions are carried out in compliance with the regulations of each country where Sodexo operates, those specific to the European Union (registration in the Transparency Register of the European Commission and the European Parliament) and in accordance with the Sodexo's "Group Public affairs" policy.	Sodexo regularly communicates with public authorities and provides insight on subjects such as European regulations on non-financial reporting (CSRD), green taxonomy, alternatives to animal proteins in diets, or public markets.

Materiality Matrix

Sodexo’s wide range of activities and services contributes to developing strong relationships with multiple stakeholders. In 2021, Sodexo conducted its third materiality assessment to confirm the validity of its corporate responsibility roadmap.

The process of identification and ranking of key issues and impacts was conducted in consultation with both internal and external stakeholders and the support of an external partner.

Sodexo recognizes that its activities – and the way they are carry out – have impacts that reach well beyond its financial performance. In order to remain successful in the long term, Sodexo needs to continue engaging its stakeholders and society at large.

Understanding their views on the economic, environmental and governance topics

affecting Sodexo, allows the Company to better address their concerns and exchange constructively on different issues.

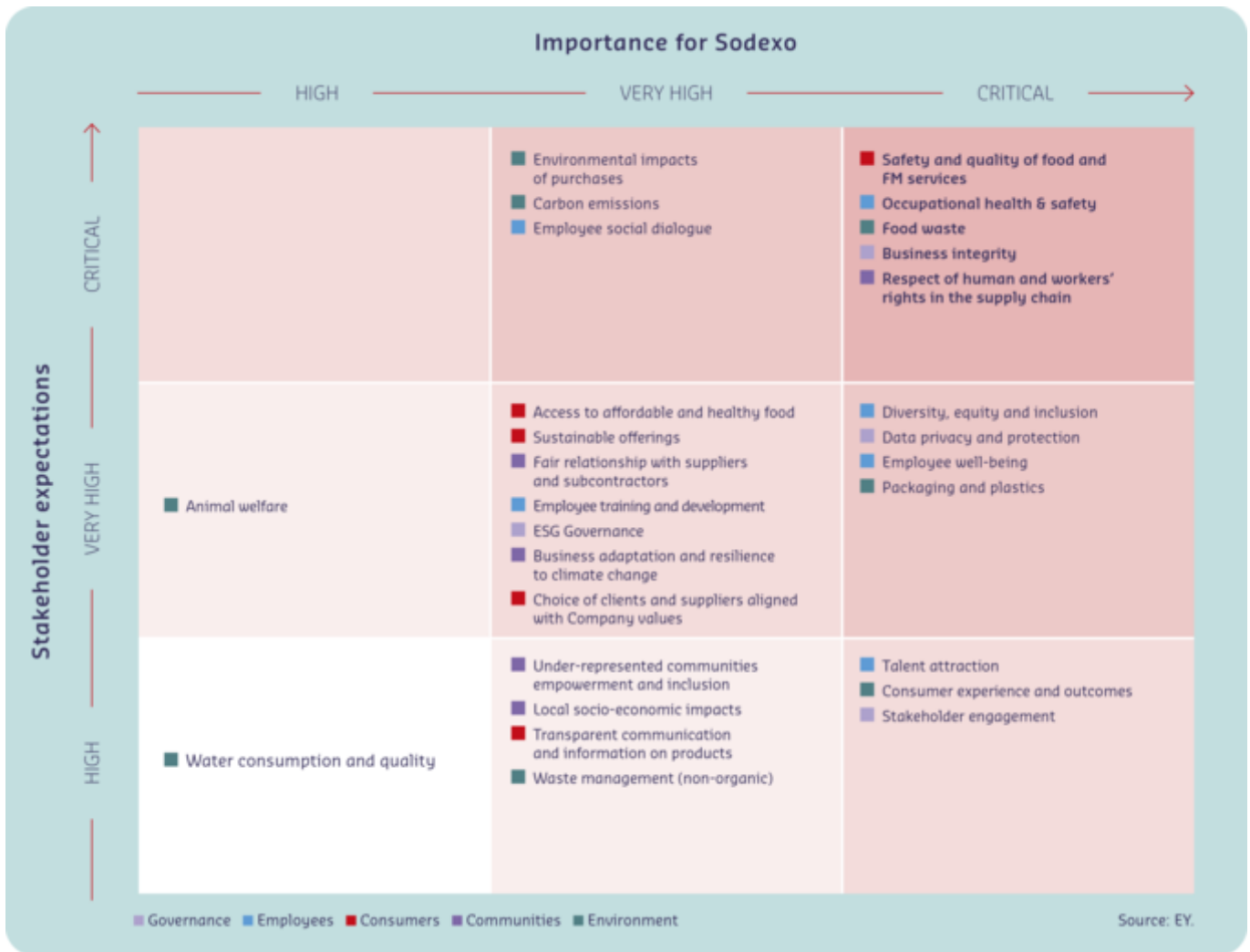
This requires understanding the correlation between different topics and defining scenarios for which Sodexo wants to be prepared.

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

Firstly, the materiality analysis was carried out at the Group level.

Subsequently, the study was adapted for the main Sodexo countries in order to take into account their specificities.

In Fiscal 2024, Sodexo will conduct its first double materiality assessment to meet the reporting requirements of the Corporate Sustainability Reporting Directive (CSRD).



Focus on

Top 5 critical issues and actions put in place

DEFINITION	CHALLENGE	ACTIONS
<p>SAFETY AND QUALITY OF FOOD & FM SERVICES</p> <p>Food hygiene and quality mean sufficient access to safe and nutritious food that is properly washed, stored, cooked and preserved. Quality and safety of Facilities Management services include the selection of cleaning products and amenities that are not harmful to people.</p>	<p>Access to sufficient amounts of safe and nutritious food is key to promoting good health. Unsafe food containing harmful bacteria, viruses, parasites or chemical substances can cause more than 200 different diseases. Sodexo serves 80 million consumers each day and has committed to provide them with healthy lifestyle options every day. Corresponding risk factor (page 209).</p>	<p>96.6% of Group revenues come from countries having either ISO 9001 or ISO 22000 certification for food safety (page 61).</p>
<p>OCCUPATIONAL HEALTH & SAFETY</p> <p>Providing a safe working environment and ensuring the health and safety of workers through adequate protection is among companies' duties to their employees, in particular in physical activities such as catering and Facilities Management. Health & safety policies include the identification of risks through regular risk assessments as well as monitoring and analysis of working accidents and the definition of corrective measures.</p>	<p>Sodexo employs 430,000 people worldwide and also uses subcontractors. Its employees work in a wide variety of environments and are therefore exposed to a wide variety of health and safety risks. Corresponding risk factor (page 209).</p>	<p>0.55 Lost Time Incident Rate (LTIR) (page 58).</p>
<p>FOOD WASTE</p> <p>Food waste may occur at any stage of the food supply chain (production, transportation, processing, retail and consumption) and is a major part of the impact of agriculture on climate change and other environmental issues. Prevention and reduction of food waste through programs, initiatives, innovative systems & technologies, awareness & behavior measures, etc. and applying principles of circular economy is now more important than ever.</p>	<p>Commercial and collective catering is a major source of food waste. Food waste has been identified as a major area of action for Sodexo. Food waste prevention and reduction can also have a great environmental and financial impact. Corresponding risk factor (pages 209, 210).</p>	<p>Sodexo is the first global food services company to have connected its financing to actions to prevent food waste. In 2023, Sodexo has reduced food waste by -37.6% on sites having deployed WasteWatch program (page 65).</p>
<p>BUSINESS INTEGRITY</p> <p>Key stakeholders (investors, regulators, customers, partners, etc.) expect companies to adopt transparent and responsible business practices including in their supply chain, that comply with all applicable laws and regulations and respect of ethical principles. This issue covers several main topics: anti-corruption, fair and open competition, ethical decision-making, the use and protection of Sodexo's assets and tax evasion.</p>	<p>The Group works with suppliers located in countries at risk in terms of ethical breaches, mainly corruption. Sodexo is also involved in sectors where competition is high, which increases the risk of ethical transgressions. Corresponding risk factor (page 210).</p>	<p>100% of workforce works in countries having the Sodexo Statement of Business Integrity available in at least one official language (page 40).</p>
<p>RESPECT OF HUMAN AND WORKERS' RIGHTS IN THE SUPPLY CHAIN</p> <p>Human rights and fundamental freedoms are stated by the Universal Declaration of Human Rights. Building responsible traceable supply chains enables protection and promotion of human rights and fundamental freedoms, including, but not limited to eradication of forced labor, child labor, discrimination, non-respect of freedom of association and collective bargaining.</p>	<p>Sodexo works with suppliers located on every continent around the world, while the Purchasing Department has employees based across the Group's different geographies. Some of these countries where Sodexo operates, and purchases have potentially high human rights risks. Corresponding risk factor (pages 201, 208, 210).</p>	<p>95,0% of spend comes from contracted suppliers having signed the Sodexo Supplier Code of Conduct (page 62).</p>

Ethics, integrity and respect for human rights

Loyalty, respect for people, transparency and integrity: Sodexo’s ethical principles must be known and understood by all employees, who are expected to act in accordance with them. Sodexo’s Code of Conduct provides details on each of these principles and includes a guide for employees on how to put them into practice. These principles are also developed in the Sodexo Supplier Code of Conduct which suppliers and sub-

contractors are required to comply with in doing business with Sodexo.

Sodexo’s Ethics and Compliance governance monitors the implementation and respect of these ethical principles.

Sodexo’s commitments to human rights are laid out in fundamental rights at work statement. The Group’s statement is based on the United Nations Guiding Principles on Business and Human Rights,

the Universal Declaration of Human Rights and the International Labor Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work.

Our occupational Health and Safety policy is captured in the Group Health and Safety Policy and Environmental Policy is covered by the Better Tomorrow 2025 roadmap.

Sodexo’s three founding values drive its commitments in terms of ethics, integrity and respect for human rights. At a global level, four priorities have been defined to guide its ethical actions:

SPREADING AWARENESS AND PREVENT

Prevent breaches of Sodexo ethical principles through individual or collective awareness-raising actions for its employees that integrate lessons learned and evolution of risks.

PROMOTE A SPEAKING-UP CULTURE TO PROGRESS

Encourage and protect employees and third parties raising concerns, in particular by promoting the Speak Up ethics line. Examine each report, take any relevant remedial actions and integrate the findings into a process of continuous improvement of Sodexo measures.

RESPECT PEOPLE

Ensure a workplace that is respectful of Human Rights and Fundamental Rights at Work and promote a culture of diversity and inclusion, and thereby contribute to the engagement of the Sodexo employees.

MEASURE AND BE RECOGNIZED

Measure the progress of the ethical culture of the company and be recognized for Sodexo commitments by its employees and stakeholders, notably in the employee engagement survey (Voice) and in external indices and certifications.



SODEXO ETHICS APP

Accessible in 16 languages to the general public, as well as its employees and stakeholders, the Sodexo Ethics application provides digital access to the Sodexo Code of conduct, key policies and statements, as well as interactive content and direct access to the Speak Up ethics line.

FUNDAMENTAL HUMAN RIGHTS AT WORK PROGRAM

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

100%

of workforce working in countries having the Sodexo statement of business integrity available in at least one official language.

100%

of workforce working in countries having the group Fundamental Rights at Work statement available in at least one official language.

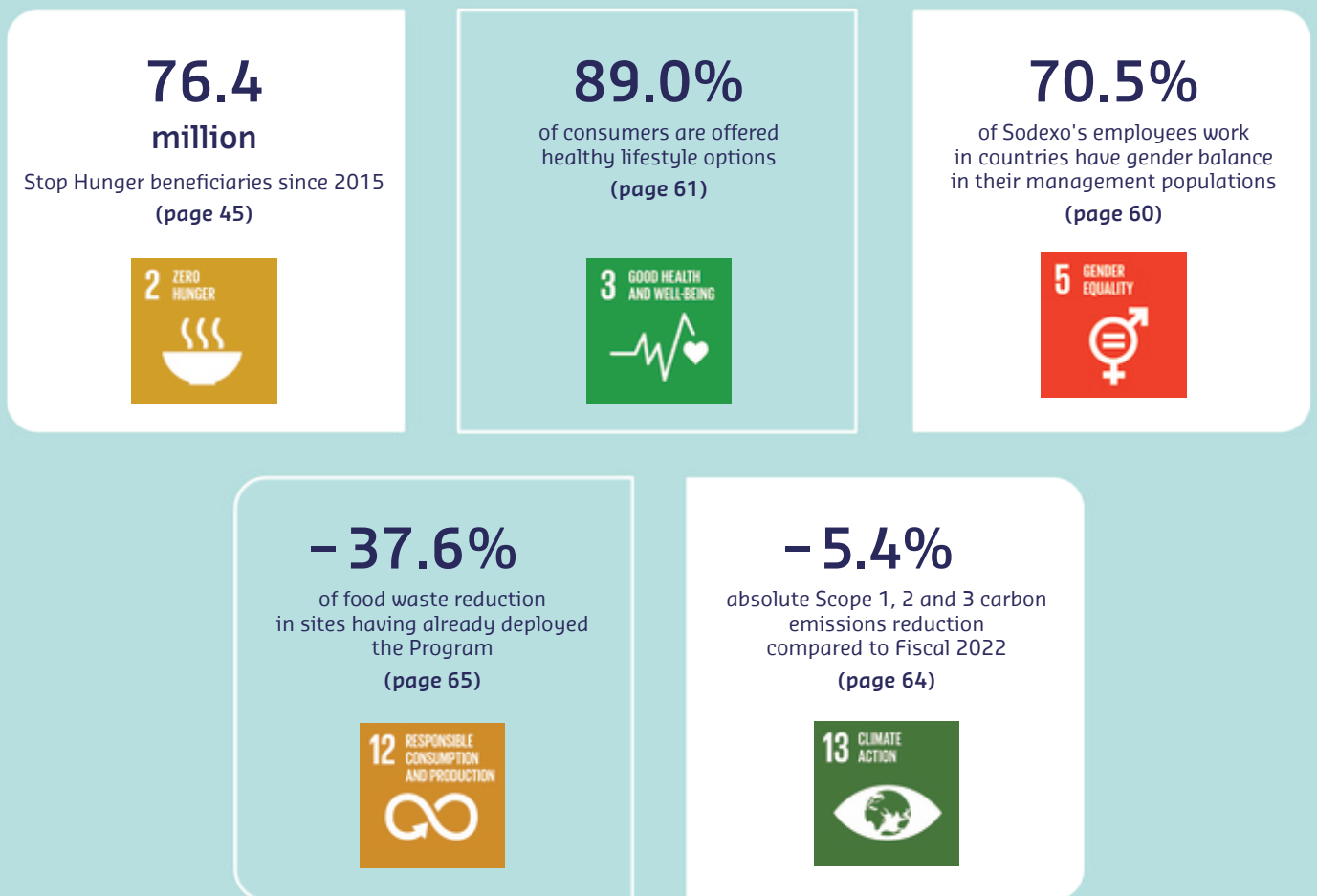
84%

of employees declare to be comfortable to report unethical behavior (according to the survey Voice of Sodexo).

Contribution to the United Nations Sustainable Development Goals

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

5 United Nations Sustainable Development Goals that are a priority for Sodexo



OUR MAIN CORPORATE RESPONSIBILITY AWARDS AND RECOGNITIONS



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

2.2




Impact on Individuals

Sodexo’s global reach gives it tremendous power to positively influence individuals by supporting communities, promoting access to adequate food and empowering women.

Sodexo is committed to its employees’ well-being, health and safety. The training, personal Well-being and development of its employees are essential to their engagement and recognition. Sodexo ensures that everyone has the tools and skills they need to progress within the Group.

Sodexo offers personalized menus based on the specific requirements of consumers. Sodexo is also committed to offering and promoting sustainable, tasty, healthy and appealing meals. Consumers can therefore make informed choices about what they eat, while helping to protect the planet.

Sodexo reaffirms its commitment and determination to take action against hunger and food insecurity through its unique philanthropic cause, Stop Hunger.

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

(1) Cumulative number since 2015.

Impacts on individuals Today

430,000

employees around the world

0.55

lost time injury rate

6,187

dietitians employed
by Sodexo

42.5%

workforce is covered
by collective agreements

82.5%

employee engagement
rate

89.0%

of consumers are offered
healthy lifestyle
options every day

76.4 million

Stop Hunger beneficiaries
since 2015

Achievements for Individuals

Sodexo believes that impact on individuals goes beyond employees and affects the people Sodexo serve on a daily basis. Sodexo fosters a positive corporate culture that is conducive to personal development, innovation and productivity. The three pillars of Sodexo's employer brand, "Belong, Act and Thrive", underpin its employee value proposition and provide a common framework for the entire Company on how to attract, recruit, retain, reward and develop its employees. Working with Sodexo is more than a job!



#BELONG

ACCESS, the platform that connects on-site employees in India

India employs over 48,000 people at more than 1,100 sites. To improve employee experience, our local teams developed a new digital platform: Access. Initially reserved for transactional HR functions, the platform quickly transformed, offering new options focusing on employee needs and usage such as engagement, feedback and even colleague recognition. The 98% of on-site employees use it and the fact that the engagement rate in India is 95.3% demonstrate the value of such a tool for employee experience. The Access platform is currently being rolled out across the Group.

80.4%

workforce retention rate

#THRIVE

Operations Academy - better training for on-site teams

In 2023, Sodexo launched Operations Academy, a global onboarding program for on-site employees, which is 95% of the workforce. Their presence and performance are key to the continuity and efficiency of our client operations. This program is designed to reduce staff turnover by offering attention and training around key moments in a new employee's arrival. The Operations Academy offers on-site employees a high-quality, meaningful onboarding experience and, in particular, specific training on health and safety at work, as well as excellent customer service practices and an introduction to Sodexo. These aspects were highlighted during the needs analysis phase prior to its design. It is currently in test phase at more than 70 sites around the world and roll-out will begin next year.



"People are central to our corporate strategy.

Our Employer Promise provides us with the framework to act and improve our employees' experience in the spirit of progress.

We are proud to have launched social innovations that set us apart in the talent market and positively impact our team engagement and retention.

Sodexo's VITA program, the IUF agreement on stopping violence against women and the Empathetic and Collective Leadership program are all good examples of ways that enable us to reduce employee absenteeism and stabilize our retention rate."

**Annick de Vanssay
Group Chief Human
Resources Officer**

#BELONG

Voice, our employees' exceptional commitment

Sodexo conducts a biannual employee engagement survey called "Voice". In 2023, one year on from the launch of the Employer Promise, Sodexo's employee engagement rate reached 82.5% (up 4.2 points from 2021). This exceptional figure was driven by record participation of more than 243,000 respondents including Pluxee (up 10.3 points from 2021). This positive trend is also reflected in the Employee Net Promoter Score (eNPS), which reached 36.4 in 2023 (up 5.4 points from 2021). This means that 55.5% of our employees would recommend Sodexo as a good company to work for. Measuring employee engagement is essential to continuously improve their experience and make Sodexo a place where employees feel part of a team, find meaning in their actions and can grow. The next survey will take place in 2025. In the meantime, the action plans currently being rolled out will help us to continue to progress on the various points of attention revealed by the survey, to maintain the improvement momentum.

50,000

hours of volunteering
offered by Sodexo

#ACT

A day of volunteering for everyone

Sodexo offers its employees one paid day a year to volunteer for Stop Hunger or another local cause focused on combating hunger and food insecurity. In 2022, more than 8,000 employees took part in charitable activities as part of this initiative, which represented almost 50,000 hours of volunteering. In the same volunteering spirit but over longer periods of time, 4 missions were undertaken as part of Stop Hunger's YEAH! (Your Engagement Against Hunger!) program in partnership with the World Food Programme (WFP) in 2022. 81 Sodexo experts have already taken part in a YEAH! mission in 23 countries since 2016.



Sodexo and Stop Hunger

Through its unique philanthropic cause, Stop Hunger, Sodexo is firmly embedding its social impact and footprint in the most vulnerable communities in the strong belief that empowering women and younger generations is central to delivering solutions for a better future.

#STOPHUNGER

A global campaign in support of food banks and a white paper

Food insecurity, an issue that has been exacerbated by the unprecedented inflationary crisis, is affecting more than 828 million people worldwide. Faced with a massive increase in demand, food banks have been sounding the alarm since the start of the year. In response to this emergency, Stop Hunger and Sodexo launched a joint "Show your heart, Play your part" campaign in some 10 countries.

In addition, Stop Hunger, in partnership with the Brunswick agency, published a white paper entitled "Food insecurity: the urgent need for a paradigm shift" to raise awareness among all stakeholders and call on them to take action to combat the unacceptable scourge of hunger. Sodexo supports Stop Hunger's initiative to highlight the issues surrounding this problem. Finally, this year, the Servathon, Sodexo's annual volunteer rallying initiative, brought together 4,800 committed and enthusiastic volunteers from 38 countries and helped support more than 384,000 beneficiaries.

#STOPHUNGER

Empowering women, a key lever in the long-term fight against food insecurity

This year, in partnership with Women in Africa, Stop Hunger designed a signature program, Women for Zero Hunger, to support outstanding initiatives to combat hunger and food insecurity in Africa.

More than 600 applications were received, and three finalists were selected by a panel of committed public figures.

This enabled Women Smiles (Uganda), FarmSahel (Burkina Faso) and Childvoice (Uganda and Nigeria) to benefit from financial support, development workshops and a tailor-made mentoring program with Sodexo and Women in Africa experts.



#STOPHUNGER

Long-standing solidarity at the annual Stop Hunger event

The 2023 "Sowing Golden Seeds" event brought to a close a successful fundraising campaign, which raised over a million euros in donations. This memorable evening was a great opportunity to bring together Sodexo leaders, consumers, clients, suppliers, and volunteers around issues relating to food insecurity. Sodexo and many of its partners attended this event to support the fight against hunger and food insecurity.

Other fundraising events were organized around the world, thus amplifying the impact and reach of this cause. Events in the United States, United Kingdom, Canada, Spain and Singapore raised 4 million euros in donations.

Through Stop Hunger's 300 NGO partners, 100% of these funds will be used directly to support food aid and women's empowerment programs.

36,000

beneficiaries from the
Empowering women projects

2.3




Impact on Communities

Sodexo is supporting and promoting diversity and equity, and developing an inclusive workplace culture. Serving communities around the world, Sodexo ensures its teams are as diverse and inclusive as the world itself.

Sodexo strives to strengthen its culture of inclusion by seeking new ways to promote diversity and improve working conditions for its employees. Sodexo firmly believes that gender diversity within committed teams is beneficial for all our stakeholders.

Sodexo products and services have a significant impact on communities and individuals. This is why Sodexo is committed to increasing the proportion of purchases made from small and medium-sized enterprises, in order to redistribute the commercial value among people in the surrounding communities.

Sodexo commits to working with partners who promote diversity, equity and inclusion. The Company has strong links with local organizations, advocacy groups and initiatives aimed at empowering vulnerable populations. These actions together contribute to a positive impact on people and the planet, and demonstrate a significant social and environmental commitment.

	IMPACT ON INDIVIDUALS	IMPACT ON COMMUNITIES	2025 OBJECTIVES	IMPACT ON THE ENVIRONMENT
 ROLE AS AN EMPLOYER	Improve the quality of life of employees, safely	Ensure a diverse workforce and inclusive culture that reflects and enriches the communities Sodexo serve	100% of employees work in countries that have gender balance in their management populations	Foster a culture of environmental responsibility within workforces and workspaces
 ROLE AS A SERVICE PROVIDER	Provide and encourage consumers to access healthy lifestyle choices	Promote local development and fair, inclusive and sustainable business practices	2 billion euros spend with SME ⁽¹⁾ suppliers	Source responsibly and provide management services that reduce carbon emissions
 ROLE AS A CORPORATE CITIZEN	Act sustainably for a hunger-free world	Drive diversity and inclusion as a catalyst for societal change	180,000 empowered women in communities ⁽²⁾	Champion sustainable resource usage

(1) Small and Medium Enterprises.
(2) Cumulative number since 2015.

Impact on communities Today

45%

of women in
management positions

54.3%

of coffee purchases
is certified sustainable (in kg)

9,646

employees with disabilities

The SheWorks program aims to help vulnerable women return to work by allowing them to discover the professional opportunities offered by the Group. SheWorks brings together more than 2,540 women in 30 countries.

70.5%

of Sodexo's employees work
in countries that have
gender balance
in their management
populations

**2.2
billion euros**

spent with SME
suppliers

108,029

empowered women
in communities

Achievements in Communities

Sodexo's activities have a significant impact on the environment, health, education, culture and well-being of the communities where it operates. This is why Sodexo is committed to gender equality, the integration of people with disabilities, respect for culture, gender and sexual orientation, and the creation of a local, inclusive supply chain.

SheWorks: empowering women and driving gender equality

Sodexo's SheWorks program helps foster a more inclusive and equitable society by supporting vulnerable women in the community, enabling them to explore new job opportunities. In collaboration with SoTogether (Sodexo's Global Gender Advisory Board) and Stop Hunger, the program was launched in 2019 and has expanded to include 30 countries in 2023. More than 2,540 women have benefited from this program thus far through the dedicated support of over 850 Sodexo ambassadors who offer their expertise and guidance to participants. By equipping women with the necessary resources and opportunities, the program empowers them to overcome barriers and thrive in the workforce.



55%

total workforce are women



“Fostering diversity, equity and inclusion goes beyond our corporate values. They are the ingredients that empower our workforce to serve with excellence and drive a positive impact in our communities and on our performance.

Their everyday efforts continue to fuel our commitment to creating an inclusive workplace, despite an individual's background, age, origin, gender or sexual identity.”

**Patrick Sochnikoff
Group SVP CSR and Diversity,
Equity & Inclusion**

Pioneering innovation in inclusive communications for the hearing impaired

Recognizing the significance of inclusivity for those with hearing disabilities, Sodexo is committed to ensuring equal opportunities. In April 2023, Sodexo Brazil implemented the HandTalk digital plugin on their local website and intranet. This tool translates text into sign language, creating an inclusive space for Sodexo employees and visitors alike. The plugin is frequently used, emphasizing the value of providing accessible environments both online and offline. With approximately 500 deaf employees at Sodexo Brazil, this innovative solution demonstrates Sodexo's dedication to creating an environment that embraces and accommodates the unique needs of individuals with hearing disabilities.

Sodexo takes global action against gender-based violence with IUF partnership

According to estimates provided by the World Health Organization (WHO), approximately one in three women worldwide has experienced physical and/or sexual violence.

In order to address this issue, which affects the workplace and the well-being of hundreds of thousands of employees worldwide, Sodexo is the first company in its sector to sign this type of joint declaration with the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco, and Allied Workers' Associations (IUF). One of these initiatives is "Time to Act", Sodexo's global guidelines on addressing gender-based violence. These guidelines provide information and training to Sodexo teams and support each country in implementing relevant measures in collaboration with local authorities, NGOs, and clients.



91.1%

of countries having specific initiatives to integrate SMEs into Sodexo's Value Chain

Ongoing commitment to LGBTQ+ inclusion recognized by the Workplace Pride Global Benchmark

Whether it's using chosen pronouns, welcoming conversations about personal lives, or supporting LGBTQ+ employees through strong networks, Sodexo is dedicated to fighting harassment and advocating for LGBTQ+ inclusion. This dedication is exemplified by Sodexo's achievement of the top-level Advocate designation on the 2022 Workplace Pride Global Benchmark, a recognition earned for the third consecutive year. This accomplishment reflects Sodexo's ongoing efforts to promote LGBTQ+ rights and equality in the workplace. By achieving this designation, Sodexo has demonstrated its commitment to fostering an inclusive culture where all employees, regardless of their sexual orientation or gender identity, feel valued and respected. This recognition inspires other organizations to prioritize LGBTQ+ rights in their own workplaces, creating a positive impact on the broader business community and society as a whole.

A local and inclusive supply chain

Sodexo is committed to responsible sourcing and to working with its suppliers to ensure communities' health and well-being, promoting social equity, protecting and restoring natural ecosystems throughout its supply chain.

Sodexo Live! in the United Kingdom partners a Full Circle organic farm

In Sussex, Sodexo Live! has purchased a 1.5 acre plot at Full Circle Farms, a regenerative farm that offers organizations the opportunity to grow vegetables without a single drop of pesticides or herbicides with the help of its farm team. This partnership forms part of a twofold commitment to provide its chefs with the best locally-grown fresh produce and to reduce food waste. More than three tonnes of organic vegetables have already been used at events and iconic customer venues such as Royal Ascot, Fulham FC and Brighton & Hove Albion FC. The food waste is then returned to the farm, where it becomes part of the soil regeneration process. The increasing number of partnerships with regenerative farms will contribute to the development of local communities and should help Sodexo achieve its carbon reduction targets.



Sodexo is reintroducing organic durum wheat and lentils in Île-de-France region

In the Île-de-France region, Sodexo supports the reintroduction of crops that are good for the environment, fair to producers, and that fulfill local sourcing and food traceability requirements. Sodexo has been helping the organic cooperative "Scic Coop Bio" to reintroduce durum wheat in the Île-de-France region since 2021. The 250 tonnes of organic durum wheat now produced are processed by its partner Pastacorp Lustucru and consumed on major client sites. In the Yvelines region, Sodexo has signed an agreement with the local authority and producers to promote lentil cultivation and make the west of the Paris region the new home of this low-water consumption, soil friendly legume, which is well known for its nutritional qualities. For Sodexo, these partnerships guarantee supply volumes and provide a real competitive advantage in these local markets.

In the United States, The Good Eating Company supports local regenerative farms

To drive positive social and environmental impact, The Good Eating Company (GEC), Sodexo's bespoke Foodservices offering in North America, has committed 15% of its food budget to regenerative agriculture by 2025. In California and Georgia, GEC is buying a selection of meat, cereals and local produce from BIPOC* operated farms run by, which practice regenerative farming. This fresh, sustainable and nutritious food is served in 10 cafes, to employees of tech companies in the San Francisco Bay Area.

* Black, Indigenous, People of Color.

2.4




Impact on the Environment

Sodexo works with all its stakeholders to create, improve and offer services with a low impact on the environment.

Sodexo offers its employees training in reducing the environmental footprint of its activities, as well as simple everyday tips for limiting the impact of their homes on the environment. Their daily environmentally friendly practices have a considerable impact on individuals and on the planet.

Sodexo creates and offers energy management services that promote the use of renewable energy and generate significant savings for its customers. Sodexo also ensures responsible sourcing by encouraging sustainable agriculture, co-developing products and services based on circular economy principles, and improving resource efficiency management.

Sodexo’s services can drive progress on major issues. For years, Sodexo has been promoting the fight against food waste as one of the essential levers for sustainable action against climate change.

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

(1) Following the SBTi guidelines, in Fiscal 2023, Sodexo has rebased all its emissions numbers since 2017. Sodexo is on track to reach its 2025 reduction target of -34% on Scope 1 and 2 emissions (compared to Fiscal 2017). The Scope 3 emissions reduction target should be reached in Fiscal 2026.

Impact on the Environment Today

85.1%

of spend on certified sustainable hygiene paper

81.3%

of purchased fish and seafood is sustainable

Our WasteWatch program is deployed on 57% of our food sites (based on Raw Material Cost)

55%

of the total electricity consumption in our direct operation comes from renewable sources

17.4%

of on-site management & senior leaders are trained on sustainable practices

-5.4%

absolute Scope 1, 2 & 3 carbon emissions reduction (compared to Fiscal 2022)

-37.6%

reduction in our food waste

Achievements for the Environment

In line with its ambition to become the world leader in sustainable food and valued experiences, Sodexo has been committed to reducing the carbon emissions associated with its activities since 2017. Today, Sodexo is going even further by committing to a gradual and profound transformation of its activities and mobilizing its entire ecosystem around four levers: sustainable supply chain, low-carbon meals, use of renewable energy and the fight against food waste.



Supporting sustainable fishing to ensure sustainable sourcing from suppliers

Sodexo is committed to sourcing 100% sustainable fish and seafood by 2025 and supports the Fisheries Improvement Fund launched in 2023 by its long-standing partner WWF and environmental investment consultancy, Finance Earth. The Fisheries Improvement Fund is an innovative model of sustainable financing aimed at subsidizing fisheries improvement projects (FIPs) based on sustainable, fair and profitable fishing practices. Through this fund, over 100 million U.S. dollars will be invested in the development of programs promoting sustainable fishing by 2030, benefiting the natural world and the communities that depend upon it. This initiative is an example of collaboration between leading global industrial players and philanthropic partners committed to investing in the preservation of natural resources and moving global fisheries regulation towards an equitable financial model.



“To achieve our sustainable food ambition, all meals are important and all our stakeholders have a role to play. The exceptional products of our suppliers and the expertise of our chefs allow Sodexo to offer sustainable and tasty menus that meet our low-carbon meal definition. The passion displayed by our teams is a driving force and encourages our consumers to make more responsible choices. Sustainable food is an opportunity to take care of ourselves and the planet, while recognizing our responsibility to future generations. Together we can make a real difference.”

**Anna Notarianni,
Group Chief Impact Officer**

6,600

Sodexo's sites have assessed their CSR performance through Sodexo's SEA tool in 2023

Committing to the sustainable food transition together with our teams

In collaboration with external experts, Sodexo has developed a definition of a “low-carbon” meal (impact less than or equal to 0.9 kg CO₂e) and is working on this basis with its chefs to design and roll out plant-based, vegetarian and plant-forward recipes worldwide. The Group aims to be able to label 70% of its main dishes as “low-carbon” by 2030. Measuring carbon emissions from dishes – already in place in Norway, Austria, Germany, Belgium, Sweden, Finland, Switzerland and the Netherlands – is being extended to all countries in which the Group is present, using tools similar to those used, for example, by Oscar Jonasson. This chef at the Björken restaurant in Uppsala, thanks to a partner solution for calculating emissions, has managed to reduce the average carbon footprint per portion by 59% in three years. To rally teams around this common goal, Sodexo has launched the “Vegetalising our menus & offers to start a cultural shift” training course as part of the Sodexo Academy, in collaboration with Humane Society International. The course is designed to turn Sodexo’s chefs, nutritionists, buyers and marketing teams into ambassadors for food transformation. The Continental Europe teams were the first to receive this training.





Reduce energy consumption on Sodexo sites and encourage the use of renewable energy on client sites

Sodexo strives to make its services less energy-intensive by adapting preparation methods and by training its teams. The aim is to have 100% of its site managers trained by 2027 and that all food offers include energy awareness. These actions have a direct impact on client emissions. Sodexo also works with clients to accelerate the use of renewable energy and implement optimal energy solutions. Such solutions have already shown a positive impact for clients such as "Asbury Senior Living", where Sodexo has deployed a global approach including the management of the energy supply, the modernization of energy and hydraulic equipment and the monitoring of site consumption. The positive social, environmental and economic impacts of this approach have been praised by the client.

An ambition supported by innovation and data

Sodexo's progress towards achieving its goal will be supported and measured by data. Each year, Sodexo will communicate its overall progress in relation to its emissions reduction targets and provide an update on the various measures in place.



A tool for assessing CSR performance on each site

The Site Engagement Assessment (SEA) tool, for assessing site CSR performance, enables site managers to rate their progress on corporate responsibility and put in place the measures needed to achieve their objectives. This is due in particular to a library of best practices and expert advice. SEA includes a specific module for calculating the carbon footprint of food services, making it easier to share the results with clients in order to develop joint environmental improvement plans. In 2023, 6,600 sites worldwide used SEA.

Traace, the carbon trajectory tool available in countries where the Group is present

To help on-site teams achieve their carbon emissions reduction targets, Sodexo is deploying a bespoke, low-carbon strategy analysis and planning solution. This solution, created in collaboration with Traace and tailored specifically to Sodexo's needs, enables effective and insightful analysis of the carbon footprint of each entity and the development of a bespoke action plan to reduce it. The module allows employees to choose from a catalog of existing measures or create complex decarbonization projects and assess their impact before launching the program. With this solution, each Sodexo entity around the world can now independently build a roadmap aligned with its emissions reduction targets and the Group's commitments.

Joining forces with all stakeholders to fight against food waste

Since 2019, WasteWatch, Sodexo's food waste data collection and analysis program, has achieved an average waste reduction of -37.6% at the sites where it has been implemented. To further develop this initiative, Sodexo is extending its deployment to 85% of its food services sites (based on Row Material Cost), with the goal of reducing waste by -50% by 2025, thanks to the commitment of its teams around the world.

Being aware of the importance of engaging its teams in a fun way, Sodexo has launched the GOALympics in the United States. This competition gives employees the opportunity to share their innovation and creativity in the fight against food waste. Among the initiatives received and rewarded were a series of fun food recycling activities for the ECU Health Beaufort Hospital team in North Carolina and a waste sorting experience offered to guests by the Sodexo Live! team at the Ronald Reagan Museum in Simi Valley, California.

Sodexo Net Zero ambition



Anchored in the Group’s DNA since its creation in 1966, corporate responsibility is a cornerstone of Sodexo’s mission and operations. Standards, methods and tools to measure carbon emissions are improving and becoming more precise year after year. Committed to rigorous performance tracking, Sodexo communicates its performance in terms of carbon emissions and the progress of its transformation annually. Sodexo’s Climate ambition is to reach Net Zero by 2040, which implies an average -4.2% annual carbon emissions reduction. This is a theoretical indication because the Sodexo reduction trajectory will not be a linear one.

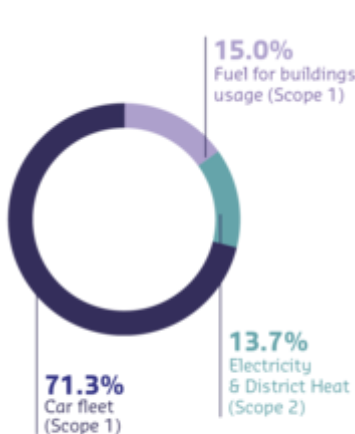
Sodexo Carbon Footprint:

OUR DIRECT GREENHOUSE GAS EMISSIONS

SCOPE 1 & 2

1% of total emissions

Scope 1 and 2 pertain to the Company’s direct emissions and indirect emissions linked to the production of the energy used by the Company.

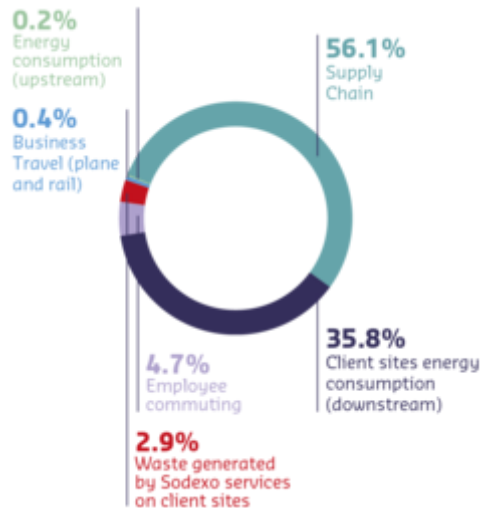


OUR INDIRECT GREENHOUSE GAS EMISSIONS

SCOPE 3

99% of total emissions

Scope 3 includes indirect emissions from the value chain: upstream and downstream of Sodexo’s activity. It includes the emissions of the various stakeholders (suppliers, consumers, service providers, etc.).



Achievements in Fiscal 2023



Products

- 100% of certified sustainable palm oil
- 81.3% of spend on sustainable fish and seafood
- 85.1% of spend on certified sustainable hygiene paper
- 92% of spend on sustainable office paper
- 71.5% of cage free liquid eggs



Cooking

- 22.9% plant-based main dish recipes in Sodexo’s menus
- 6,187 dietitians employed by Sodexo



Energy

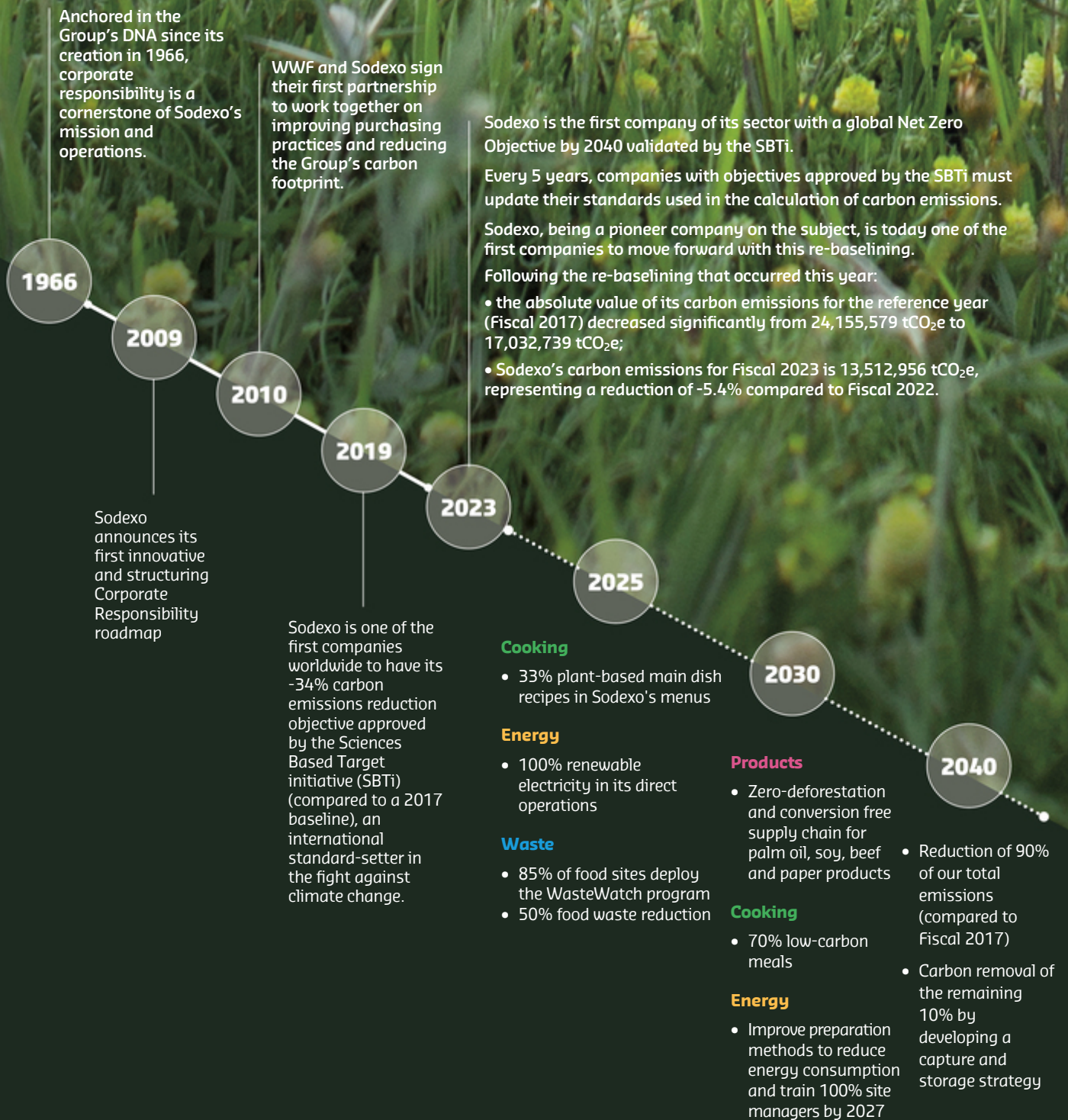
- 55% renewable electricity in our direct operations
- 17.4% of on-site management and senior leaders trained on sustainable practices



Food Waste

- 57% of food sites deployed WasteWatch (based on Raw Material Cost)
- 37.6% of food waste reduction in sites having already deployed the WasteWatch Program

Sodexo Climate Ambition



2.5 Non-financial reporting

In application of IFRS5, all non-financial reporting indicators have been calculated and commented excluding Pluxee, considered as discontinued operations, except the total workforce indicators by Region in 2.5.1 and the workforce by category and gender in 2.5.2. A specific Pluxee section is integrated at the end of this section (in note 2.5.10).

2.5.1 Improving the quality of life of our employees, safely

Workforce by Zone and activity

	NUMBER OF PEOPLE			BREAKDOWN	
	FISCAL 2023	CHANGE	CHANGE %	FISCAL 2023	FISCAL 2022
North America <input checked="" type="checkbox"/>	127,264	+6,090	+5.0%	29.2%	28.7%
Europe <input checked="" type="checkbox"/>	115,920	+3,034	+2.7%	26.6%	26.8%
Asia-Pacific, Latin America, Middle East and Africa <input checked="" type="checkbox"/>	176,877	+2,600	+1.5%	40.6%	41.3%
Shared structures <input checked="" type="checkbox"/>	9,534	+970	+11.3%	2.2%	2.0%
Group Headquarter <input checked="" type="checkbox"/>	346	+1	+0.3%	0.1%	0.1%
SODEXO EXCLUDING PLUXEE <input checked="" type="checkbox"/>	429,941	+12,695	+3.0%	98.8%	98.9%
PLUXEE <input checked="" type="checkbox"/>	5,218	+473	+10.0%	1.2%	1.1%
TOTAL GROUP <input checked="" type="checkbox"/>	435,159	+13,168	+3.2%	100%	100%

In Fiscal 2023, the number of employees excluding Pluxee increased by +3% to 429,941 at the end of the year, compared to a +11% organic growth.

The workforce is increasing in all of our Zones. This increase comes from:

- in North America, the workforce rose by +5%, well below the organic revenue growth of +24.0% over the year. This evolution is mainly the result of:
 - Universities headcount which increased by +11.7% (+4,240 employees), as vacancies were filled during the year, and increased sports and catering events,
 - Corporate Services headcounts (+6.9%), with the acceleration of the return to the office of our client's teams,
 - Seniors headcounts decrease in the United States;
- in Europe, the workforce increase comes mainly from:
 - Sodexo Live! in the United Kingdom, as more sport events are taking place in the stadiums,
 - Healthcare & Seniors mainly in Spain and in the United Kingdom Kingdom as a result of the increase in retail activity post-Covid;
- our workforce is also increasing in Asia-Pacific & Latin America due to:
 - strong growth in India, on Corporate Services, Energy & Resources and Education,
 - solid growth in the Energy & Resources activity and the Corporate Services in Brazil, Mexico and Chili,
 - these variances are partly offset by the exit of Kuwait beginning of Fiscal 2023 (-1,170 employees).

Following the implementation of the new geographical organization the support services are mutualized in "shared structures" in each Zones.

Talent retention

	FISCAL 2023	FISCAL 2022
Retention rate for total workforce <input checked="" type="checkbox"/>	80,4%	79,0%
Retention rate for site managers <input checked="" type="checkbox"/>	85,4%	83,6%

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

The net improvement of the retention rate in Fiscal 2023 is the result of, on one hand, a lower number of resignations, and, on the other hand, an increase in our workforce. The Employee Value Proposition (EVP) campaign that was launched more than a year ago is starting to show good results.

This campaign aims to reaffirm and communicate to all employees and potential employees the values of Sodexo and the benefits of working for the Group. It acts as a differentiator in the job market to attract new talents but also to retain our existing ones.

The main programs of this campaign launched in Fiscal 2022 are:

- *Vita by Sodexo*, a program that introduces a common foundation for employee benefits across the globe with a minimum package of Parental and Care Leave, Life Insurance Benefit (equivalent to 1 year of salary) and an Assistance phone line. The launch of Vita by Sodexo demonstrates the Group's commitment to contribute to the personal, financial, and family well-being of all our employees regardless of the country in which they work or the entity which employs them. Sodexo is the first Group of its industry to launch this kind of program at a global level. By the end of 2024, at least 60% of total countries will benefit from Vita by Sodexo;

Indicators verified to the level of "reasonable" assurance by KPMG.

- the *Sodexo Academy*, which organizes all the Group's training and aligns them on specific professional paths to offer our employees better support for their career. One priority action of Sodexo Academy is to focus on front liners through its Operations Academy described on page 44;
- the design and launch of the Empathetic and Collective Leadership Program that aims at helping our leaders and managers to acquire and develop the necessary soft skills to manage the teams more efficiently, by assuring their well-being and thus reinforcing productivity.

Lastly, employee retention has been a strong focus during Fiscal 2023 and has even been included as a performance objective in the bonus plan for all employees eligible to the Group's Bonus plan. Indeed, the Group considers that all employees, can, on their own way contribute to employee retention improvement. Retention is a collective effort, everyone can be a strong witness of the EVP.

Hiring, excluding acquired companies and staff takeovers

	FISCAL 2023	FISCAL 2022	CHANGE
Employees	164,019	175,264	-11,245
Managers	9,776	10,518	-742
TOTAL	173,795	185,782	-11,987

The reduction in hiring during Fiscal 2023 despite an overall increase in our workforce is the result of the improvement of our employee retention.

As a consequence, in North America, the number of hires decreased by more than one fourth, i.e. 20,000 less hires against Fiscal 2022, which allowed our On-site teams and Human Resources teams to focus, solely, on employee retention and the upskilling of our teams.

In India, the employees willing to help their families during harvest season are helped by Sodexo which allows them to remain in our workforce and return to work once the season is over, which helps to lower our recruitment needs. Still in India, the Win Back program continues to be rolled out and motivates former trained employees to rejoin Sodexo.

Since 2018, the hiring of refugees continues to be a focus at all levels of the organization: 6,300 refugees have been hired by Sodexo, with Brazil and Chili leading the way.

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

	FISCAL 2023	FISCAL 2022	CHANGE
Resignations (less than 3 months)	35,512	34,722	+790
Resignations (after 3 months) <input checked="" type="checkbox"/>	83,168	87,008	(3,840)
TOTAL RESIGNATIONS	118,680	121,730	(3,050)
Decrease in staff	55,475	45,372	+10,103
Retirement and other reasons	4,696	5,898	(1,202)
TOTAL NUMBER OF DEPARTURES	178,851	173,000	+5,851

The total number of departures increased compared to Fiscal 2022, primarily due to voluntary staff reductions up by +22% during the year, while the number of resignations decreased by -2.6%. The staff reductions mostly come from India and the United States a result of a reduction in the active employee base.

The decrease in the number of resignations comes specifically from the population with more than 3 months seniority in historically tight labor markets like the United States, China, India or the United Kingdom. This decrease is the visible impact of our Employee Value Proposition (EVP) deployment and the actions in favor of our employee experience built on 3 pillars: "Belong, Act, Thrive", with the ambition of becoming an employer of choice in all the markets where we operate because Sodexo takes care of its employees, wants to contribute to the development of each, and have teams that perform well and inclusive.

The results of the tenth engagement survey described below provide proof of the strength of Sodexo's attractiveness.

The number of resignations below 3 months of seniority has slightly increased, due mainly to Brazil where the job market remains highly competitive for all actors of our industry. Employee onboarding is one of the priorities of the Sodexo Academy. Launched in 2023, this program started to have an impact on resignations in some countries.

Finally, the reduction in departures for other reasons is due to the closing of Russia entity last year.

Employee engagement

	JUNE 2023	JUNE 2021	CHANGE
Number of respondents ⁽¹⁾	238,721	207,770	+14.9%
Response rate ⁽²⁾	72.9%	62.6%	+10.3 pts
Employee engagement rate <input checked="" type="checkbox"/>	82.5%	78.3%	+4.2 pt
Employee Net Promoter Score ⁽³⁾	36.4	30.9	5.50
% of employees believing that Sodexo values diversity, such as age, gender, culture and origin, religion, sexual orientation and providing opportunities for individuals with disabilities, in the workplace	86.0%	83.4%	+2.6 pt
% of employees considering Sodexo to be a socially and environmentally responsible company	83.1%	80.2%	+2.9 pt

(1) Pluxee's respondents represent 4,576 for 2023 edition and 3,714 for 2021; including them, total Group's respondents are 243,297 for 2023 and 211,484 for 2021.

(2) The response rate has been adjusted for employees who were not included for specific reasons: activities in order to be sold and site closures, or countries where the Group decided not to prioritize the survey such as Turkey where the earthquake in February 2023 mobilized the teams, or Chili which was under a general Unions representation renewal. In total, 87% of the Group's employees were invited to respond to the 2023 edition against 83% in 2021 edition.

(3) Employee Net Promoter Score measures whether employees would recommend Sodexo as a place to work. Calculated by subtracting the share of Detractors from share of Promoters. Results go from -100 to 100.

Every two years, the Group conducts a Voice employee engagement survey in all countries where Sodexo operates. This simple and agile survey is made of less than 20 questions and allows Sodexo to adjust its HR roadmap according to the results. The engagement rate is a key performance indicator for Sodexo, which seeks to become one of the most valued companies by its employees worldwide.

The results obtained this year are the reflection of the initiatives launched around our EVP.

In 2023, Sodexo's tenth employee engagement survey beat the record with 238,721 participants for the On-site Services, and a

participation rate of 72.9%, up +10,3 points compared to the previous survey in 2021. Sodexo's employee engagement reached 82.5%, an increase of +4.2 points compared to 2021. In addition, in 2023 the Employee Net Promoter Score (eNPS) reached 36.4 (+5.5 points compared to 2021). Voice results help us to define global and local action plans, to continuously improve the areas that matter for our employees. This feedback is key to continuing to make Sodexo a great place to work where employees belong to a team, act with purpose and thrive in their own way.

The next engagement survey will take place in 2025.

Internal promotion at the heart of Sodexo's model

	FISCAL 2023	FISCAL 2022
% of off-site managers promoted internally	9,7%	8,4%
% of on-site managers promoted internally	14,1%	10,8%
% of on-site employees promoted internally	3,0%	2,9%

Sodexo has always been very attached to social promotion. In Fiscal 2023, as a result of the strong growth in revenues and the staff reductions in certain areas internal promotion increased at all levels of the Group, on-site and off-site, in line with our Employee Value Proposition targeted at all of our workforce.

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

	FISCAL 2023	FISCAL 2022
% Workforce working part-time	26,7%	26,9%

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

Ensuring employee safety

	FISCAL 2023	FISCAL 2022
% of Group revenues of countries having one or more OHSAS 18001 or ISO 45001 <input checked="" type="checkbox"/>	90.8%	90.9%
Number of work-related accidents requiring leave <input checked="" type="checkbox"/>	2,124	2,359
Average number of work day absences per employee due to work-related and non-work-related accident or illness ⁽¹⁾	11.5	11.8
LTIR <input checked="" type="checkbox"/>	0.55	0.65
Best performance: LTIR for the Energy & Resources activities	0.08	0.07
% LTIR reduction <input checked="" type="checkbox"/>	-15.4%	-8.5%

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

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

Sodexo's lost time incident rate (LTIR) corresponds to the number of accidents per 200,000 hours worked. 200,000 hours worked is equal to 100 full-time employees working for one full year. The LTIR includes safety incidents (injuries) and work-related health issues (illnesses) that lead to an employee being unable to work. In Fiscal 2023, this rate decreased by -15.4%, reflecting the Group's ongoing efforts towards improving occupational safety and training on on-site best practices.

In August 2022, the Sodexo Leadership Team made a new Group-wide commitment on occupational health and safety. Thanks to this commitment, Sodexo aims to engage all its employees on a path towards making the workplace safer and making all managers accountable for the security of each member of their teams. One of the direct applications of this agreement was the inclusion, as of Fiscal 2023, of the LTIR as a performance objective for the entire workforce eligible for the Group bonus plan. More than ever security is at the heart of what we do.

Collective agreement for health and safety, with a focus on inclusion

	FISCAL 2023	FISCAL 2022
% of workforce covered by collective agreements <input checked="" type="checkbox"/>	42,5%	40,9%
% of workforce working in countries that have collective agreements and are covered by those agreements	91,1%	89,0%

The increase in the percentage of employees covered by a collective agreement comes mainly from the integration of Mexico this year.

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

This declaration of intent on health and safety is a first in the industry and helps to strengthen the relationship between Sodexo and the IUF, which had already laid the initial foundations by signing an international framework agreement on respect for fundamental rights in 2011 and, in 2017, by signing a joint commitment against sexual harassment. In 2023, we continue in these dynamics by signing a new international agreement with the IUF on domestic violence. This agreement reflects the constructive social relations that the Group has had with all its social partners worldwide for several years, for whom the topic of inclusion is key as well.

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

Workforce by category and gender equality

	SODEXO EXCLUDING PLUXEE				TOTAL SODEXO GROUP, INCLUDING PLUXEE			
	FISCAL 2023		FISCAL 2022		FISCAL 2023		FISCAL 2022	
	TOTAL	% FEMALE	TOTAL	% FEMALE	TOTAL	% FEMALE	TOTAL	% FEMALE
Board of Directors <input checked="" type="checkbox"/> ⁽¹⁾	10	50%	10	60%	10	50%	10	60%
Sodexo Leadership Team <input checked="" type="checkbox"/>	12	50%	17	41%	12	50%	17	41%
Group Senior Executives <input checked="" type="checkbox"/> ⁽²⁾	162	41%	163	43%	182	39%	184	41%
Managers <input checked="" type="checkbox"/>	46,931	45%	46,157	44%	48,514	45%	47,608	44%
Employees <input checked="" type="checkbox"/>	383,010	56%	371,089	56%	386,645	56%	374,383	56%
Total Workforce <input checked="" type="checkbox"/>	429,941	55%	417,246	54%	435,159	54%	421,991	54%

(1) Excluding Directors representing employees.

(2) Group Senior Executives include the key functions reporting directly to Group Executive Committee members, higher-level sales and operations executives and high potential employees.

The Group's reorganization by zone announced at the beginning of Fiscal 2023 led to a simplification of the managing structure, and, by this means, a reduction in the number of members of the Sodexo Leadership Team (SLT). As of August 31, 2023, the SLT was composed of 12 people, 6 women and 6 men, *versus* 17 people of which 7 women and 10 men in the previous year.

In November 2022, Sodexo was ranked first by the French Ministry of Gender Equality, Diversity and Equal Opportunity in the ranking of women in the management bodies of SBF120 companies. Each year, this ranking establishes the list of the 120 largest French companies, highlighting their commitment to increasing the number of women in their management bodies and, more generally, to promoting gender equality in the workplace. Sodexo's ranking reflects its long-standing commitment to increasing the number of women on its Board of Directors, Executive Committee and senior management teams. Equal Pay Gap matters as well: an internal analysis conducted in 2023 on 39,000 of our site managers and off-site teams revealed a gender pay gap of less than 5%.

More globally, the Group continues to emphasize on a global policy towards inclusion. At Sodexo, we respect all sexual orientations and gender identity, and work to exclude all discrimination from the workplace. The recognitions received in that respect speak for themselves: in March 2023, Sodexo was ranked 12th in the Equileap study, the world's leading provider of data and information on

gender equality, and first among the French companies; the Group was awarded the Advocate recognition from the Workplace Pride Global Benchmark, and, for the 15th consecutive year, the best grade on the yearly evaluation of equity at work from the LGBTQ+ of the Human Rights Campaign Foundation.

	FISCAL 2023	FISCAL 2022
% of employees working in countries that respect gender balance in their management *	70.5 %	68.8 %

* The calculation methodology for this KPI was updated in 2023 and the 2022 figure was recalculated for consistency purpose.

The proportion of employees working in countries that respect gender diversity in their management increased in Fiscal 2023, in line with the target set in the Better Tomorrow 2025.

Paying special attention to our disabled employees

	FISCAL 2023	FISCAL 2022
Number of disabled employees*	9,646	8,249

* These figures are not complete. They do not include countries in which this information cannot be collected.

The increase in the number of disabled employees is in line with the general increase in the Group's workforce, representing 2.3% of the workforce in 2023 (against 2.1% in 2022).

During our 2023 engagement survey, we collected new demographic data of which some linked to disability: the number of employees self-declaring themselves anonymously as disabled was 18,736, almost double the number collected *via* the social reporting. This figure means that the share of disabled employees out of our total workforce is in reality more than 4.5% in Fiscal 2023. This confirms

the importance of invisible disabilities and the necessity of supporting them at all levels of the organization.

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

Workforce by age and average years of service

	FISCAL 2023		FISCAL 2022	
	EMPLOYEES	MANAGERS	EMPLOYEES	MANAGERS
Under 30 years	26,0%	8,9%	25,4%	9,3%
30-40 years	23,1%	28,9%	23,6%	29,1%
40-50 years	22,0%	29,8%	22,3%	29,9%
50-60 years	19,8%	23,9%	20,0%	23,7%
Over 60 years	9,1%	8,5%	8,7%	8,0%
TOTAL	100.0%	100.0%	100.0%	100.0%

(in number of years)	FISCAL 2023	FISCAL 2022
Managers	8,9	8,7
Employees	4,9	5,1
AVERAGE YEARS OF SERVICE	4,9	5,1

Our workforce is getting younger, moving towards a greater representation of employees under 30 years of age, while the proportion of 40-60-year-old employees has decreased compared to the previous year. Recruitment programs aimed at young graduates and apprentices partly explain this change. In parallel, the increase of the over 60 years among our employees is driven by the importance given to seniors employability, in France particularly,

where the share of more than 60 years went from 4.6% in Fiscal 2022 to 6.9% in Fiscal 2023.

The average years of service is almost stable between the two Fiscal years. It is slightly decreasing for employees while increasing for managers and reflect the higher retention, as described above.

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

Employee development

	FISCAL 2023	FISCAL 2022	CHANGE
Total number of training hours*	4,755,362	4,836,136	-1.7%
Average number of hours of training per employee	11.2	11.7	-4.3%
% of Group revenues of countries employing environmental experts	99.7%	99.5%	+0.2 pt
% of on-site management trained on sustainable practices	16.7%	11.7%	+5.0 pts
% of senior leaders trained on sustainable practices	36.9%	31.0%	+5.9 pts
% of on-site management & senior leaders trained on sustainable practices	17.4%	12.3%	+5.1 pts

* The number of training hours excludes Germany due to constraints imposed by trade unions. It is underestimated in France where the number of training hours is only captured for active employees as of August 31.

Investing in the development of our employees through training is a priority for Sodexo to ensure that social elevation works. The reduction in average training hours by employee vs Fiscal 2022 comes mainly from a reduced training format to adapt to operational priorities.

We refocused Sodexo Academy in 2022 to offer training programs to enhance the positive experience of employees and to guarantee that our employees have the necessary skills to work effectively with our clients.

One of the priorities of the Sodexo Academy is to focus on frontline staff who represent 95% of our total workforce. Following feedback and insights from the leadership community and 6,000 frontline employees, the global learning and development team is working closely with the regional teams to deliver a global standard for frontline teams, with a specific focus on onboarding, customer service and health and safety.

Sodexo Academy is also committed to fighting illiteracy, which is still unfortunately too often present in the world. Therefore, in

France, where illiteracy represents more than 7% of the overall population, Sodexo offers its employees a dedicated learning path in partnership with the *Greta*, a professional training network belonging to the French Education Ministry. In 2023, more than 130 voluntary employees followed a 6-months training program of 180 hours, graduating in July 2023. Requests continue to arrive and from today to 2025, another 500 employees will have followed this training program against illiteracy in France.

Since 2021, more than 2,000 employees in France and 200 Global Senior Leaders participated in the Global training program for empathetic and collective leadership, under Sodexo Academy supervision. This program aims at building an empathetic culture among our teams, in a co-construction and collaborative spirit for a better global performance. Given the positive feedback on this program and the impact on our employee's engagement, we will continue to deploy this program to 1,000 additional managers in France and to the 1,600 Group Senior Leaders Group in the next 2 years.

2.5.4 Providing and encouraging our consumers to access healthy lifestyle choices

	FISCAL 2023	FISCAL 2022	CHANGE
% of Group revenues of countries having a system to ensure that employees with food service responsibilities are trained in compliance with local laws and regulations and Global Food Safety and Hygiene Policy	97.2%	96.9%	+0.3 pt
% of our consumers offered healthy lifestyle choices	89.0%	89.3%	-0.3 pt
% of Group revenues of countries having one or more ISO 9001 certification	96.9%	96.9%	0.0 pt
% of Group revenues of countries having either ISO 9001 or ISO 22000 certification for food safety	96.6%	96.6%	0.0 pt
% of Group revenues of countries providing Health and Wellness Services including physical wellness services	86.9%	85.1%	+1.8 pt
Number of registered dietitians employed by Sodexo	6,187	5,594	+10.6%

The percentage of our consumers offered healthy lifestyle choices was collected at Sodexo client sites through SEA (Site Engagement Assessment) system. Developed with a strong focus on CSR, this innovative tool plays a crucial role in our sustainability commitment. By delivering real-time scores and best-practice recommendations, SEA provides our site managers with valuable insights into their sustainability performance. It enables them to identify areas for improvement and implement recommended actions, ultimately

working towards improving their sustainability actions, by partnering with clients. As a result, SEA not only measures the impact on our client sites but also plays a pivotal role in driving continuous improvement in environmental and societal performance across all sites, aligning with both Sodexo and Client's sustainability roadmap. In Fiscal 2023, more than 6,600 sites participated in SEA which will continue to be rolled out to cover all relevant sites by 2025.

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

	FISCAL 2023	FISCAL 2022	CHANGE
% of Group revenues of countries having specific initiatives to integrate SMEs (Small and Medium Enterprises) into Sodexo's Value Chain	91.1%	93.8%	-2.7 pts
Spend with SME suppliers (in billion euros)	2.2	1.7	+29.4%
% of certified sustainable coffee (in kg)	54.3%	50.4%	+3.9 pts
% of spend with contracted suppliers having signed the Sodexo Supplier Code of conduct <input checked="" type="checkbox"/>	95.0%	95.6%	-0.6 pt

The indicator "business value benefiting SMEs" was changed this year to "Spend with SME suppliers" to reflect On-site Services contribution, without Pluxee. On-site Services increased spend with SMEs across the business, led by significant increases in the United

States, France and Brazil. Inflation is also responsible for a portion of the increase in spend.

2.5.6 Sourcing responsibly and providing management services that reduce carbon emissions

	FISCAL 2023	FISCAL 2022	CHANGE
Sustainable fishing and aquaculture			
% of certified sustainable fish and seafood as a % of total fish and seafood	46.0%	46.1%	-0.1 pt
% of sustainable fish and seafood which is sustainable as a % of total seafood (in kg)* <input checked="" type="checkbox"/>	81.3%	85.3%	-4.0 pts

* As per Sodexo Sustainable Seafood Sourcing Guide.

	FISCAL 2023	FISCAL 2022	CHANGE
Protecting forests and peatlands			
Palm Oil			
% of certified sustainable palm oil (including RSPO credits, Mass Balance, Segregation and Identity Preserved)	100.0%	100.0%	
% of physical certified sustainable palm oil (Mass Balance, Segregation and Identity Preserved) <input checked="" type="checkbox"/>	44.2%	42.3%	+1.9 pt
% of physical certified sustainable palm oil (Mass Balance)	43.3%	41.4%	+1.9 pt
% of physical certified sustainable palm oil (Segregation and Identity Preserved)	0.9%	0.9%	0.0 pt
Paper			
% of spend on sustainable hygiene paper as a % of total hygiene paper (virgin certified or recycled sources) <input checked="" type="checkbox"/>	85.1%	81.7%	+3.4 pts
% recycled hygiene paper	28.5%	2.9%	+25.6 pts
% of spend on sustainable office paper as a % of total office paper (virgin certified or recycled sources) <input checked="" type="checkbox"/>	92.0%	77.6%	+14.4 pts
% recycled office paper	5.0%	4.2%	+0.8 pt
Soy			
Number of direct (tier 1) animal product suppliers engaged and to whom Sodexo Commitment has been communicated in priority countries (Brazil and France)	29		
Beef			
% of raw/primary beef with known origin (country of slaughter)	49.2%		
Number of direct (tier 1) raw/primary beef suppliers engaged and to whom Sodexo Commitment has been communicated	4		
% of engaged suppliers with strategies aligned with Sodexo's Deforestation and Conversion Policy	25.0%		

Palm oil

The vast majority of Sodexo's palm oil footprint comes from three products: margarine, frying oil and cooking oil. These products are the focus of Sodexo's commitment on sustainable palm oil. In Fiscal 2023, the volume of palm oil contained in these products is 2,679 tons. Sodexo represents 0.003% of the estimated 2022 global palm oil market of 77.6 million tons.

Soy

Nearly all of Sodexo's soy footprint is indirect. Indirect Soy refers to the soy used in animal feed for the products that Sodexo purchases (e.g. dairy, meat, etc.).

Sodexo's global soy footprint in Fiscal 2023 is 124,646 tons, covering both direct and indirect soy.

Sodexo France and Brazil have been identified as priority countries due to high volumes of indirect soy and likely exposure to origins with a high-risk of deforestation and conversion.

Beef

Beef, in various forms, is the main cattle product that Sodexo purchases. Sodexo's cattle footprint including both raw/primary beef and processed beef is 40,159 tons. Raw/primary beef (including ground beef), the priority focus of our beef commitment, represents 33,242 tons.

In Fiscal 2023, to begin mapping its beef supply chain in Brazil, Sodexo launched a supplier questionnaire to understand their actions and alignment with Sodexo's commitment as well as their traceability tools and capabilities.

	FISCAL 2023	FISCAL 2022	CHANGE
Animal welfare			
% of cage free shell eggs (of the total of shell eggs purchased by Sodexo) ☑	28.6%	21.0%	+7.6 pts
% of cage free liquid eggs (of the total liquid eggs purchased by Sodexo) ☑	71.5%	68.3%	+3.2 pts
% of Group revenues of countries having the 2020 Sodexo Animal Welfare Supplier charter available in at least one official language	97.9%	98.1%	-0.2 pt

The percentage of cage free eggs has increased for both shell and liquid in Fiscal 2023.

For 87% of Sodexo revenues, we are on track to achieve 100% shell and liquid cage free eggs by 2025.

Austria, Belgium, Germany, Luxembourg, Netherlands, Norway, Poland, Sweden, Switzerland, have already achieved 100%.

Brazil, France and United Kingdom have done major achievements this year.

For Australia, Austria, Belgium, Finland, Germany, Italy, Ireland, Luxembourg, Netherlands, Norway, Poland, Spain, Sweden, Switzerland, United Kingdom, we have decided to go further to our commitment for cage free by adding "processed" which means that for these countries by 2025, 100% processed eggs will be also cage free.

For the 13% of Sodexo's revenues remaining, local context holds us back.

In Algeria, Chile, China, Colombia, Costa Rica, India, Israel, Malaysia, Mexico, Oman, Peru, Philippines, Qatar, South Africa, Singapore, Turkey, Thailand, UAE and Vietnam, we are investing time and energy to better understand market maturity and legislation landscape. Our buyers work closely with our suppliers to support them in improving their practices without compromising their economic survival.

	FISCAL 2023	FISCAL 2022	CHANGE
Sustainable recipes and menus			
% plant-based dish recipes in our central menus	22.9%		

Sodexo's ambition is to be the world leader in sustainable food and valued experiences. Plant-based recipes, alongside vegetarian and low-carbon recipes, contribute to a healthy and sustainable diet and form an important part of Sodexo's Climate and Sustainable Eating strategies.

The above indicator is a weighted average of dozens of centrally planned menus across Sodexo countries and activities for the 4th quarter of Fiscal 2023. With this result, Sodexo is on track to achieve its target of 33% plant-based recipes in our centrally planned menus and have a head start towards providing 70% low-carbon meals on-site by 2030.

Sodexo has been accelerating on this topic as evidenced by the sustainability focused refresh of global brand Modern Recipe, the Sustainable Eating Masterclass developed in Europe and the U.S. Universities commitment to 50% plant-based recipes. The effort has been recognized with Sodexo receiving an A+ rating on the Humane Society of the United States (HSUS) Protein scorecard.

	FISCAL 2023	FISCAL 2022	BASELINE 2017	CHANGE
Reduction in carbon emissions - Scope 1 & 2				
Energy consumption for our direct operations (MWh) ☑	511,675	535,723	644,611	-4.5%
Total Scope 1 & 2 emissions (tCO ₂ e) - market-based ☑	95,858	101,384	142,814	-5.5%
Scope 1 emissions (tCO ₂ e)	82,605	82,599	100,527	—%
Scope 2 emissions (tCO ₂ e) - location based	21,579	21,294	43,674	+1.3%
Scope 2 emissions (tCO ₂ e) - market based	13,253	18,785	42,287	-29.4%
% renewable electricity in our direct operations ☑	55.0%	26.1%	5.8%	+28.9 pts
% reduction in absolute Scope 1 & 2 emissions (market-based) (compared to 2017 baseline)	-32.9%	-29.0%		
% reduction in intensity Scope 1 and Scope 2 carbon emissions (compared to 2017 baseline)	-40.7%	-26.2%		

	FISCAL 2023	FISCAL 2022	BASELINE 2017	CHANGE
Reduction in carbon emissions - Scope 3				
Total Scope 3 emissions covered by our SBTi commitment (tCO ₂ e) - FLAG emissions	4,614,523	4,759,991	5,944,880	-3.1%
Total Scope 3 emissions covered by our SBTi commitment (tCO ₂ e) - Non-FLAG emissions	8,802,574	9,427,157	10,945,044	-6.6%
Total Scope 3 emissions covered by our SBTi commitment (tCO ₂ e) ☑	13,417,098	14,187,148	16,889,925	-5.4%
Scope 3 Category 1 Purchased Goods & Services (tCO ₂ e) ☑	7,311,000	6,852,219	8,837,127	+6.7%
Scope 3 Category 1 Purchased Goods & Services - FLAG (tCO ₂ e)	4,614,523	4,759,991	5,944,880	-3.1%
Scope 3 Category 1 Purchased Goods & Services - Non-FLAG (tCO ₂ e)	2,696,476	2,092,229	2,892,247	+28.9%
Scope 3 Category 3 Fuel- and energy-related activities (tCO ₂ e)	25,755	25,729	30,721	+0.1%
Scope 3 Category 4 Upstream transportation and distribution (tCO ₂ e)	210,066	184,426	441,856	+13.9%
Scope 3 Category 5 Waste generated in operations (tCO ₂ e)	56,238	57,771	78,275	-2.7%
Scope 3 Category 6 Business travel (tCO ₂ e)	53,088	34,177	36,917	+55.3%
Scope 3 Category 7 Employee commuting (tCO ₂ e)	625,167	606,933	689,957	+3.0%
Scope 3 Category 8 Upstream Leased Assets (tCO ₂ e)	283			
Scope 3 Category 11 Use of sold products (tCO ₂ e)	4,808,806	6,152,519	6,337,846	-21.8%
Scope 3 Category 12 End-of-life treatment of sold products (tCO ₂ e)	326,695	273,374	437,225	+19.5%
% reduction in absolute Scope 3 emissions (compared to 2017 baseline)	-20.6%	-16.0%		
Reduction in carbon emissions - Scope 1, 2 and 3				
% reduction in absolute Scope 1&2 and 3 emissions (compared to 2017 baseline)	-20.7%	-16.1%		

In 2019, Sodexo was one of the first companies worldwide to have its -34% carbon emissions reduction objective approved by the Science Based Target initiative (SBTi) (compared to a 2017 baseline), an international standard-setter in the fight against climate change.

Every 5 years, companies with objectives approved by the SBTi must update their standards used in the calculation of carbon emissions using those of the GHG protocol, the only scientific reference which is the global standard for the carbon accounting.

Updating the standards, which can be called “re-baselining”, has an impact on the values of the current year, of previous years and also those of the reference year.

Sodexo, being a pioneer company on the subject, is today one of the first companies to move forward with this re-baselining.

Following the re-baselining that occurred this year:

- the absolute value of its carbon emissions for the reference year (Fiscal 2017) decreased significantly from 24,155,579 tCO₂e to 17,032,739 tCO₂e;
- this change in the value of the reference year is explained by:
 - improvement of the data collected internally (e.g. energy consumption on site),

- changes in the scope taken into account in the calculation of carbon emissions (e.g. acquisitions, disposals, growth),
- evolution of the norms and standards for calculation of carbon emissions recommended by the GHG Protocol (e.g. evolution of the charts used in the calculation of emissions by product line);
- according to this re-baselining, Sodexo’s carbon emissions for Fiscal 2023 is 13,512,956 tCO₂e, a reduction of -5.4% compared to Fiscal 2022 and -20.7% compared to Fiscal 2017;
- Sodexo’s Climate ambition implies an average -4.2% annual carbon emissions reduction. This is a theoretical indication because the trajectory towards Net Zero by 2040 will not be a linear one;
- even if the carbon emissions reduction has accelerated over the last two years; during these 8 years, it has been on average slightly lower than the -4.2% per year rate. As a result, the intermediate objective of -34% should be exceeded on scopes 1 and 2 by 2025, and should be achieved on scope 3 during Fiscal 2026;

Sodexo’s reduction between Fiscal 2022 and Fiscal 2023 is well above the -2.8% annual emissions reduction recommended by the SBTi in accordance with the Paris agreement trajectory and is aligned with Sodexo’s climate ambition.

2.5.7 Act sustainably for a free-hunger world

	2015-2023 PERIOD
Number of Stop Hunger beneficiaries (in millions) ☑	76.4
Funds invested in programs to empower women working to end hunger in their communities (in thousands of euro)	7,921

As part of Better Tomorrow 2025, Sodexo has set itself the ambitious objective of reaching 100 million Stop Hunger beneficiaries, through its various initiatives, over the period 2015-2025. At the end of the Fiscal 2023, the cumulative result represents 76.4 million beneficiaries, an increase compared to 63.9 million in 2022. This is

mainly due to the increase in the number of partnerships with NGOs in the United States.

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

2.5.8 Driving diversity and inclusion as a catalyst for societal change

	FISCAL 2023	FISCAL 2022	CHANGE
Empowered women in communities	108,029	74,133	+45.7%
% of workforce of countries with initiatives to improve the quality of life of women	97.9%	92.1%	+5.8 pts

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

2.5.9 Championing sustainable resource usage

	FISCAL 2023	FISCAL 2022	CHANGE
Food waste			
% of food waste reduction in sites having already deployed the WasteWatch Program <input checked="" type="checkbox"/>	37.6%	41.5%	
% of WasteWatch Sites Deployment Coverage as a % of Group Raw Material Cost	57.0%	45.6%	+11.4 pts
% of Group revenues of countries working to deliver on the United Nations' food waste objective	90.4%	91.6%	-1.2 pt
% of Group revenues of countries having one or more ISO 14001 certification	93.7%	96.1%	-2.4 pts
Water			
Direct water withdrawals - offices and owned production units (in m ³)	3,411,298	3,807,457	-10.4%
Direct water consumption - offices and owned production units (in m ³)	784,331	834,970	-6.1%

In Fiscal 2023, Sodexo decided to focus its efforts on WasteWatch program deployment and increased its deployment performance by 11.4 points. However, this had a negative impact on the waste reduction, mainly due newly engaged countries (Brazil, Chile, Peru, and Colombia) which face structural causes of food waste generation like the prioritization of fresh food within menus (around 100% Healthy Menu Attribute Target in Brazil), self-service buffet model or food safety laws. Excluding these countries, waste reduction would have reached -42.5%. Sodexo will take corrective action for those

countries, along with continuing its other actions to achieve its objective of halving food waste in its Foodservices activities by 2025.

Our direct water withdrawals and consumption remain stable, the slight decrease being due to the total or partial closing of offices in countries like Canada or Belgium. China's offices were also under-occupied due to Covid lockdowns. In 2022, Sodexo resumed its water workstream with WWF to enhance the resiliency of its operations and contextually reduce the pressures on freshwater.

2.5.10 Pluxee non-financial performance

As a trusted partner, Pluxee engages its supply chain and its teams to developing reliable technology and managing data responsibly to provide the best user experience.

Pluxee brings to life an inclusive and sustainable employee experience at work and beyond for its teams and consumers and promote healthy and conscious lifestyle options.

Pluxee contributes to the development of local communities by generating value to its SMEs merchants and by empowering vulnerable populations.

Pluxee is strongly committed to the environment by reducing carbon emissions generated from its operations and achieving its Net Zero objective no later than 2035 (from a 2017 baseline).

	FISCAL 2023	FISCAL 2022	CHANGE
Trusted Partner			
% employees trained in Responsible Business Conduct – sexual harassment, anti-corruption, anti-bribery, data privacy and Code of conduct	94.0%	87.7%	+6.3 pts
Client NPS	40.0	38.0	+5.3%
% subsidiaries monitoring the Minimum Security Baseline progress	100.0%	100.0%	
Positive impact on individuals			
Retention Rate for Total Workforce <input checked="" type="checkbox"/>	89.0%	86.5%	+2.5 pts
Engagement Rate <input checked="" type="checkbox"/>	81.0%	77.6%	+3.4 pts
% of women in management positions	44.0%	43.8%	+0.2 pt
Positive impact on communities			
Business value benefiting SMEs (in billion euros)	5.7	4.5	+26.7%
Positive impact on the environment			
Total Scope 1 & 2 emissions (tCO ₂ e) – market-based	4,591	4,016	+14.3%
% reduction in absolute Scope 1 & 2 emissions (market-based) (compared to 2017 baseline)	-37.9 %	-45.7 %	

2.6 Vigilance Plan

Sodexo has been actively managing its risks for a long time. The legal requirements regarding the Duty of Vigilance therefore reflect the values and actions long championed by the Group and its founder, Mr. Pierre Bellon.

In accordance with French law, the Vigilance Plan presents the measures put in place within the Group to identify risks and prevent serious impacts in terms of (i) human rights and fundamental freedoms, (ii) individual health and safety, and (iii) environmental damages that may result from the Group's activities and those of its subcontractors and suppliers.

As Sodexo operates in 45 countries in a variety of complex economic and socio-cultural contexts, it adapts its approach to the above issues in accordance with its different businesses and host countries. The Vigilance Plan covers Sodexo and its subsidiaries' activities and is perfectly in line with its corporate responsibility roadmap.

In addition, the Group has put in place a dedicated governance system relating to ethics and compliance issues, as described in section 7.3.3. The Ethics Department coordinates the duty of vigilance within the Group and ensures the integration of vigilance issues into

existing processes. The Ethics Department is also responsible for managing the Speak Up alert system, a collection and reporting mechanism required by law. This system is accessible to our employees and our external stakeholders.

The subjects relating to the Duty of Vigilance are cross-functional and also involve numerous teams: social and environmental responsibility, purchasing, legal, internal control, internal audit, human and operational resources. In addition, customers, suppliers and subcontractors are also involved in this work.

No one can be exemplary if they are not exemplary within their own organization. Sodexo is committed to ensuring common standards for all and this commitment is set out in our Better Tomorrow 2025 plan, in line with the recommendations of the United Nations Sustainable Development Goals (SDGs) and our declaration on fundamental human rights.

The following diagram details the measures implemented by the Group in accordance with the obligations concerning the three categories of issues.

THE MAIN MEASURES CONTAINED IN THE VIGILANCE PLAN ARE PRESENTED BELOW:

	RISK MAPPING	REGULAR EVALUATION PROCEDURES COMPANY-WIDE	APPROPRIATE ACTIONS TO MITIGATE RISKS OR TO PREVENT SERIOUS HARM
	<ul style="list-style-type: none"> • Risk mapping including risks related to human rights, prepared by all countries • Consideration of the sexual harassment risk as part of the social dialogue (Sodexo employee) • Materiality assessment (cf. section "Materiality assessment", chapter 1) • Identification of three supply chain risk categories and specific monitoring of the supply chain: <ul style="list-style-type: none"> • Textile: Uniforms • Seafood: Tuna • Agricultural product: Beef 	<ul style="list-style-type: none"> • Implementation of the Responsible Business Conduct program • Supplier Code of conduct • Global HR survey on fundamental labor rights conducted in each country • Matrix audit for textile supplier (uniforms) • Assessment using the Supplier Information Management (SIM) system 	<ul style="list-style-type: none"> • Specific clauses in customer and employee contracts • Sodexo declaration on fundamental labor law rights • Sodexo Code of conduct (integrity statements) • Supplier and Subcontractor Contract Management (Contractual clauses; Right Supplier, Right Terms) • Training for managers on fundamental labor rights and preventing sexual harassment
	<ul style="list-style-type: none"> • Risk mapping including risks related to health and security, prepared by all countries (cf. section 6.4 Risk Management) • Materiality assessment (cf. section "Materiality assessment", chapter 1) • "Zero harm" Culture • Covid-19 related risk governance, including the Medical Advisory Committee (MAC) • Consideration of health and safety as part of the social dialogue (Sodexo employees) 	<ul style="list-style-type: none"> • Standard operating procedure review process, including modifications due to Covid-19 in coordination with the MAC • Implementation of the Responsible Business Conduct program • Supplier Code of conduct • Assessment* using the Supplier Information Management (SIM) system 	<ul style="list-style-type: none"> • Deployment of Global Health Policies – Workplace Safety • "Zero harm" Culture • Clauses in customers and employees' contracts • Annual plans of health and safety improvement • Roll-out of e-learning and micro-learning courses on health and safety • Sodexo Safety Net Program (focused on high-risk sites and activities) • Sodexo's Code of conduct (integrity statements) • Supplier and Subcontractor Contract Management (Contract clauses, Right Supplier, Right Terms)
	<ul style="list-style-type: none"> • Risk mapping including environmental risks, prepared by all countries (cf. section 6.4 Risk Management) • Materiality assessment (cf. section "Materiality assessment", chapter 1) 	<ul style="list-style-type: none"> • Standard operating procedure review process, including modifications due to Covid-19 in coordination with the MAC • Implementation of the Responsible Business Conduct program • Supplier Code of conduct • Assessment* using the Supplier Information Management (SIM) system 	<ul style="list-style-type: none"> • Sales Academy (special session dedicated to the Environment) • Site Manager Academy (special session dedicated to the Environment) • Implementation of Group policies: Palm Oil, Seafood, Eggs, Animal Welfare • Customer and employee contractual clauses • Sodexo's Code of conduct • Supplier and Subcontractor Contract Management (Contract clauses, Right Supplier, Right Terms)

* Self-assessments.

WHISTLEBLOWING AND REPORTING MECHANISM	FOLLOW-UP ON IMPLEMENTED MEASURES AND EVALUATION OF THEIR EFFECTIVENESS	INDICATORS AND EXAMPLES OF EFFECTIVENESS	OPPORTUNITIES CREATED
<ul style="list-style-type: none"> • Speak Up Ethics Line, whistleblowing system accessible to everyone impacted by Sodexo business activities 	<ul style="list-style-type: none"> • Independent third-party audit (KPMG) • Biennial Engagement Survey • Regular supplier review process (external certification, mitigation and prevention) 	<ul style="list-style-type: none"> • 95% of Sodexo's Senior Leaders received training on sexual harassment • 100% of Sodexo's textile suppliers are evaluated by an independent organization. • More than 27.000 managers received training on fundamental rights at work 	<ul style="list-style-type: none"> • Strengthening social dialogue through a global framework agreement on preventing sexual harassment • Strengthening the relationship with suppliers through the Global Sustainable Seafood Initiative • Multi-sector and multiplayer (NGOs, trade unions, businesses, etc.) cooperation through the OECD's Business for Inclusive Growth
<ul style="list-style-type: none"> • Speak Up whistleblowing system accessible to everyone impacted by Sodexo's business activities • Sodexo Life Safety program to report potential serious incidents • Health and safety reporting tool (Salus) for all injuries and recordable injuries 	<ul style="list-style-type: none"> • Independent third-party audit (KPMG) • Biennial Engagement Survey • Regular supplier review process (external certification, mitigation and prevention) • External certifications and compliance with standards (ex: OHSAS 18001/ISO 45001) 	<ul style="list-style-type: none"> • Lost Time Injury Rate (LTIR): 0.55 (improved by 15.4%) • 90.8% of Group revenues from countries having one or more OHSAS 18001 or ISO 45001 • 2% Speak Up cases related to health and safety 	<ul style="list-style-type: none"> • Appeal to customers and to their loyalty • Reduction in insurance costs • Increase employee engagement • Reduction in absenteeism rate • Strengthening social dialogue through a global framework agreement in workplace health and safety
<ul style="list-style-type: none"> • Speak Up whistleblowing system accessible to everyone impacted by Sodexo's business activities 	<ul style="list-style-type: none"> • Independent third-party audit (KPMG) • Biennial Engagement Survey • Regular supplier review process (external certification, mitigation and prevention) 	<ul style="list-style-type: none"> • 20.6% reduction in absolute total Scope 1 & 2 and 3 carbon emissions (compared to 2017 baseline) • 81.3% of seafood purchased are from sustainable sources (in kg) • 28.6% of all shell eggs purchased by Sodexo are from cage-free sources (in volume) 	<ul style="list-style-type: none"> • Development of offers and services having a positive impact on the environment • Participation in global initiatives to fight against climate change • Contribution to the achievement of our customers' environmental objectives • Positive impact on Sodexo's employer brand

Focus on Fundamental Rights at Work

Fundamental human rights at work are standards that govern the treatment of all employees. As a company founded on strong values and principles, Sodexo is committed to respecting these rights in accordance with local and national laws in the countries in which we operate. By signing the United Nations Global Compact in 2003, we formalized our commitments as a responsible company. We do everything possible to make our employees aware of our commitments in these areas.

The Sodexo Human Rights Statement is based on the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the Organization's Declaration International Labor Organization (ILO) relating to fundamental principles and rights at work. It covers the workplace, but also business connections, communities, reporting concerns, due diligence and transparency.

To complete the Group's human rights risk mapping, the Ethics Department mapped the risks related to fundamental rights at work for Sodexo's on-site operations according to external indicators provided by Verisk Maplecroft (risk management platform). This map ranks countries based on their human rights risks in four areas: Freedom of association and collective bargaining, Effective abolition of child labor, Working conditions and eradication of forced labor, Non-discrimination and inclusion. The countries' mitigation plan, such as policies and processes, were also taken into account. The methodology defines the risk exposure score and a unique mitigation plan for each country.

Action plans have been defined, adjusted to the results of these risk maps. The tools available to entities are a practical guide and an e-learning module containing best practices and examples. More than 27,000 managers have received training on fundamental rights at work.

In 2023, it was decided to place a particular focus on human rights risks linked to the practices of certain Sodexo strategic partners, who work with clients in countries where Sodexo is not present. A project was launched to better identify risks and possible actions by Sodexo given its role and influence. An action plan is being developed; the measures envisaged are reinforced due diligence on these partners, training and development of tools for internal actors in contact with them, or even dedicated support for these partners to help them increase their skills on these subjects.



Focus on Sodexo ESG Program for Uniform Suppliers

The textile industry is a major source of employment in developing countries and is tied to ongoing systemic violations of fundamental rights in the workplace. The selection of the uniforms category is based on the risk profile of these suppliers, combining their geographic location, the product category and the reputational risk for Sodexo.

Sodexo ESG program which aims at addressing compliance to the Sodexo Supplier Code of conduct, includes:

- audit conducted by third party experts;
- corrective action plan (including target achievement date for each action);
- ongoing monitoring and progress follow-up.

During the last Fiscal Year, 100% of global providers were evaluated, including 100% in a follow-up audit. Through monitoring and improvement plans implemented with the partners over the last two years, the suppliers have achieved a low level of risk.

The audits that have been completed by a third-party auditor have all resulted in corrective action plans that are jointly followed up by Sodexo and the Tier 1 supplier, these actions plans have resulted in at least one corrective action. At the end of the Fiscal Year there is no global supplier ranked as "high risk" because of the corrective actions that have been implemented. Last but not least, for the coming years, for the Uniforms category, we have decided to extend our ESG supplier program beyond Tier 1 suppliers to include Tier 2 suppliers.

2.7 Controversies

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

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

Energy & Resources

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

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

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

Justice Services

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

Sodexo operates prisons under 4 strict criteria:

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

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

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

Coal Industry

Sodexo is also committed to progressively transition away from coal sector projects as part of its strategy to selectively grow its presence in specific mining markets since 2015; aiming to exit the sector by 2025 (no new or renewal of contracts related to the provision of food or Facilities Management services on coal mining sites).

Sodexo is increasingly supporting diversified energy clients that are willing to shift to new business streams and renewable energies.

2.8 Our reporting methodology

2.8.1 Non-financial Indicators

Choice of indicators

In Fiscal 2023, we continue to disclose our Corporate Responsibility related information and data in our Integrated Report (chapter 1) and chapter 2 of the present report.

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

Chapter 2 presents our 9 Better Tomorrow 2025 commitments, CSR Governance and the highlights of Fiscal 2023 and our key performance indicators as well as their progress compared to the previous year.

Starting Fiscal 2023, with Pluxee spin-off, we are only considering Sodexo On-site Services into our Better Tomorrow reporting roadmap. We have reviewed and aligned all impacted indicators and targets according to On-site Services relevance and application. As a result, our Fiscal 2023 Better Tomorrow indicators are calculated excluding Pluxee data and Fiscal 2022 results were recalculated for the same scope.

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

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

In addition, Sodexo's indicators:

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

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

Scope of consolidation

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

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

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

Fiscal 2023 workforce indicators

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

- the number of training hours which excludes data from Germany;
- the number of days of absence for non work related accident or illness in India that has been restated from the total number of days of absence for Fiscal 2023 and Fiscal 2022;
- number of disabled employees as this information cannot be collected in all the countries where Sodexo operates.

Engagement rate published indicators reflect the results of the Fiscal 2023 Engagement survey, and were verified at a reasonable level of assurance at the time.

Fiscal 2023 societal and environmental indicators

Societal and environmental indicators are calculated and consolidated for entities representing over 99.8% of Group revenues.

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

Sodexo carbon footprint is extrapolated from reported activity data to cover 100% of the financial perimeter with operational control. The reported data concerns:

- 96.4% of revenues for Scope 1 & 2;
- 96.9% of food revenues and 94.5% of revenues for Scope 3 related to Supply Chain; and
- 79% of revenues for Scope 3 related to Business travel.

Carbon Footprint indicators

Definitions & Methodology

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

Scope 2 includes electricity and heat district consumption for buildings and sites that Sodexo directly controls, as well as electricity for fleet.

Scope 3 Fuel- and energy-related activities are related to the upstream emissions of the energy consumed for Scope 1 & 2: transportation, production and losses related to energy consumption.

Scope 3 Upstream Leased Assets concerns the Sodexo offices, warehouse, central production units or other Sodexo sites where Sodexo doesn't pay for the energy consumption.

Scope 3 Purchased goods & services include all purchases for our services, food and non-food goods and services.

Scope 3 Upstream transportation & distribution concerns the distribution from our suppliers to the sites of Sodexo clients.

Scope 3 Business travel concerns the travels by plane, train, short-term leased cars and taxis.

Scope 3 Employee commuting concerns the travelling of Sodexo employees on their workplace, both for on-site employees and office workers.

Scope 3 Use of Sold Products concern the energy consumption and refrigerants leakage related to Sodexo services on the client sites. They are due to Foodservices, Cleaning services and Landscaping services, where Sodexo directly uses energy through the equipments it operates.

Scope 3 Waste Generated in Operations concerns the back-of-house waste: office paper, personal protective equipment, pre-consumer food waste and other waste directly controlled by Sodexo in its operations.

Scope 3 End-of-life treatment of sold products concerns the front-of-house waste, happening after client or consumer use, at the end of Sodexo services: post-consumer food waste, Foodservices packaging, hygiene paper.

Databases

The following databases are used for the calculation of Sodexo carbon footprint:

- International Energy Agency (IEA) the UK Government GHG Conversion Factors for Company Reporting, ADEME Carbon Base, U.S. EPA, Canada National Inventory Report, Australia National Greenhouse Accounts (NGA) and AIB are used to calculate all energy-related emissions: Scope 1, Scope 2, Scope 3 Use of Sold Products, Scope 3 Fuel- and energy-related activities, Scope 3 Upstream Leased Assets);
- Agribalyse v3.1 (ADEME) and Ecolinvent v3.9 (Allocation cut-off) are used to calculate emissions related Scope 3 Purchased goods & services, Scope 3 Upstream transportation & distribution;
- the UK Government GHG Conversion Factors for Company Reporting is used for other indicators such as Scope 3 Waste generated in Operations, Scope 3 End-of-life treatment of sold products, Scope 3 Business travel and Scope 3 Employee Commuting.

Improvements in Fiscal 2023

A new methodology has been created for Scope 3 Employee Commuting by adding travel patterns questions to the annual engagement survey Voice.

Scope 3 Use of Sold Products has been reestimated from Fiscal 2017 to Fiscal 2021 using Fiscal 2022 and Fiscal 2023 results.

Since Fiscal 2022, business travel includes expenses reimbursed by Sodexo for travels.

A new methodology has been created to account for Scope 3 Upstream Leased Assets based on Scope 1 & 2 reporting and square metering.

In Fiscal 2023, Scope 3 Waste generated in operations and End-of-life treatment of sold products were separated (previously reported only in End-of-life treatment of Sold products).

In Fiscal 2023, an inflation correction has been applied for purchased reported in spend (for non-food goods & services).

For all scopes, a new methodology has been created in Fiscal 2023 and applied to all previous years to account for the changes in financial perimeters. All acquisitions and divestment are now accounted, and updated every year.

Finally, a re-baselining process has been carried out to correct the data used for Fiscal 2017 baseline on purchased goods and services. The following countries have participated: China, Finland, France,

India, USA, Canada, Qatar, United Arab Emirates, Singapore, Sweden, United Kingdom, Ireland, Italy and Austria.

More information on the methodology is available on Climate Transition Plan on Sodexo website.

Better Tomorrow indicators

Pluxee spin-off has a direct impact on some of Sodexo Better Tomorrow commitments and objectives.

Two of them have been reviewed to account for the continued activities only:

% of employees trained in sustainable practices, was changed to - % of on-site management and senior leaders trained in sustainable practices.

Business value benefiting SMEs, was changed to - spend with SMEs.

The methodology calculation for other two commitments has also been adapted:

% of employees working in countries with gender-balanced management calculation methodology has been adapted for two countries: India and Brazil. The new methodology takes into account the cultural, societal, and legal requirements and societal boundaries in those countries.

The target for the Number of women empowered in communities, has been now set to 180,000 taking into account Pluxee exclusion.

Reporting framework and tools

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

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

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

All information published in this report was also examined by the Group's external auditors; more details of the assessment are presented in section 2.8.4 of this document.

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

Limitations

Sodexo employs 430,000 people, in 45 countries, with differing regulations and operates on a significant number of client sites of different sizes and types of activity.

Certain indicators therefore require some specific explanation as follows:

- number of work-related accidents requiring absence:
 - excludes commuting accidents,
 - includes Sodexo workforce only,
 - excludes temporary labor, sub-contracted labor and other personnel that are not Sodexo employees,
 - may have insignificant differences created by the way that work-related illness is accounted for locally;

- average number of days absence:
 - includes absences for work-related accidents and illness as well as personal accidents and illness,
 - may have insignificant differences created by the way the number of days of absence is accounted for locally; as some include weekend and others only working days, the minimum number of days of absence from which the absence is recorded;
- number of training hours:
 - the number of training hours in the U.S. is based on an estimation. The estimation is an extrapolation of actual data covering 35% of the population,
 - in France, the number of training hours is only captured for active employees as of August 31, 2023, and doesn't capture all training hours followed by employees having left the Company during Fiscal 2023.

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

- preventive or corrective actions with regard to discharges into the atmosphere, water and soil with a significant negative impact on the surrounding environment;
- consideration of noise and any other activity-specific pollution;
- given the short deadlines, the information related to actions aimed at promoting the Nation-army link supporting enlistment in the army reserves was not published for Fiscal 2023, this work is planned for the Fiscal 2024;
- land usage;
- importance of sub-contracting.

2.8.2 Reconciliation tables

The Sustainability Accounting Standards Board (SASB) reconciliation table

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

Accounting Metrics	Code	Sodexo actions & performance
Energy Management		
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	FB-RN-130a.1	(1) 1,841,940 GJ Energy consumption on our direct operations. (2) 28.2% energy consumption from grid electricity. (3) 17.5% renewable energy in our direct operations.
Water Management		
(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	FB-RN-140a.1	(1) 3,411,298 direct water withdrawals in m ³ . Our water withdrawal has slightly decreased compared to last year. 784,331 direct water consumption in m ³ . Our water consumption has slightly decreased compared to last year. (2) In early 2023, we conducted a Basin Risks Assessment on a representative sample of client sites. It puts into evidence that 13% of our clients' sites face high or very high-water scarcity risks.
Food & Packaging Waste Management		
(1) Total amount of waste, (2) percentage food waste, and (3) percentage diverted	FB-RN-150a.1	(2) Sodexo targets to halving its food waste on all relevant sites using our WasteWatch program.
(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	FB-RN-150a.2	(1) Total weight of packaging (food service disposables): 27,015 tonnes (2) percentage made from recycled and/or renewable materials: 10,405 tonnes (38.7%) and (3) percentage that is recyclable, reusable, and/or compostable: "Not Applicable"
Food Safety		
(1) Percentage of restaurants inspected by a food safety oversight body, (2) percentage receiving critical violations	FB-RN-250a.1	(1) In Fiscal 2023, 13,241 Foodservices sites were part of a risk-based site audit program for Food Safety and Hygiene.
(1) Number of recalls issued and (2) total amount of food product recalled	FB-RN-250a.2	In Fiscal 2023 P5 to P12, total 67 voluntary recalls issued by sites and 108 involuntary recalls requested by the supplier/regulatory authorities.
Number of confirmed foodborne illness outbreaks, percentage resulting in U.S. Centers for Disease Control and Prevention (CDC) investigation	FB-RN-250a.3	This indicator will be monitored starting Fiscal 2024.

Accounting Metrics	Code	Sodexo actions & performance
Nutritional Content		
(1) Percentage of meal options consistent with national dietary guidelines and (2) revenue from these options	FB-RN-260a.1	(1) Sodexo is reporting the % of sites offering healthy lifestyle options, page: 61
(1) Percentage of children's meal options consistent with national dietary guidelines for children and (2) revenue from these options	FB-RN-260a.2	Sodexo does not currently track this indicator.
Number of advertising impressions made on children, percentage promoting products that meet national dietary guidelines for children	FB-RN-260a.3	Sodexo does not currently track this indicator.
Labor Practices		
(1) Voluntary and (2) involuntary turnover rate for restaurant employees	FB-RN-310a.1	The voluntary turnover rate is disclosed for employees and on-site manager employees who remain with the Company for at least three months, page 57.
(1) Average hourly wage, by region and (2) percentage of restaurant employees earning minimum wage, by region	FB-RN-310a.2	Sodexo does not currently consolidate this information at Group level.
Total amount of monetary losses as a result of legal proceedings associated with (1) labor law violations and (2) employment discrimination	FB-RN-310a.3	Information regarding litigation can be found page 71.
Supply Chain Management & Food Sourcing		
Percentage of food purchased that (1) meets environmental and social sourcing standards and (2) is certified to third-party environmental and/or social standards	FB-RN-430a.1	(1) 95.0% of spend came from contracted suppliers having signed the Sodexo Supplier Code of conduct page 62. (2) please refer to the results pages 61-62.
Percentage of (1) eggs that originated from a cage-free environment and (2) pork that was produced without the use of gestation crates	FB-RN-430a.2	(1) please refer to the results page 63. (2) Sodexo does not currently track this indicator.
Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-RN-430a.3	97.9% of On-site Services revenues of countries have the 2020 Sodexo Animal Welfare Supplier charter available in at least one official language.
Activity Metric		
Number of (1) Company-owned and (2) franchise restaurants	FB-RN-000.A	(1) Sodexo does not currently track this indicator.
Number of employees at (1) Company-owned and (2) franchise locations	FB-RN-000.B	(1) 429,941 total number of employees worldwide.

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

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

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

Topic	Recommended Disclosure	Pages
Governance	a) Describe the Board's oversight of climate-related risks and opportunities.	35
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	35
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	210, 211
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	210, 211
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	50-55
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	210, 211
	b) Describe the organization's processes for managing climate-related risks.	210, 211
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	210, 211
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	63, 64
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	63, 64, 210, 211
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	50-55, 210, 211

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

2.8.3 Green Taxonomy

Regulatory context

In accordance with the European Union (EU) regulation 2020/852 of June 18, 2020 and its delegated acts (referred to as the “Taxonomy” regulation), Sodexo is required to publish, for Fiscal 2023, performance indicators that highlight the proportion of its eligible and aligned revenues, investments (CapEx), and operating expenditure (OpEx) associated with economic activities considered to be sustainable within the meaning of this regulation⁽¹⁾ for the first two objectives mentioned in article 9 of EU regulation 2020/852:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

An economic activity is considered as “eligible” if it is included in the list of activities described in the Taxonomy delegated acts.

An activity becomes “aligned” when it meets all the technical screening criteria, consisting of specific conditions and performance objectives necessary to demonstrate substantial contribution to one of the six environmental objectives; does not significantly harm the other environmental objectives; and if the Company complies with the minimum safeguards related to human rights, corruption, taxation and fair competition.

Methodology elements

The financial information used to conduct this analysis was subject to self-assessment by country teams and additional reporting as part of the year-end closing. The indicators were reviewed and analyzed jointly by Corporate Responsibility and Finance teams, and supported by third-party experts, in order to ensure consistency of the decisions regarding eligibility and alignment, as well as consistency with Fiscal 2023 consolidated revenue, investments and operating expenses.

Results for Fiscal 2023

Taxonomy indicators for Fiscal 2023 are summarized below:

	REVENUES (%) FISCAL 2023	CAPEX (%) FISCAL 2023
Eligible	2.7%	21.1%
Aligned	0.0%	0.0%

Eligibility analysis

Eligible activities

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

As of today, only some Facilities Management services provided by Sodexo are included in the EU taxonomy:

- services related to the renovation of workspaces and buildings, installation, maintenance, and repair of energy-related equipment as well as professional services related to energy performance;
- waste management services;
- road passenger transport and inland passenger water transport services.

Based on existing reporting processes, systems and estimates formulated by management and the subsidiaries, 2.7% of consolidated revenues⁽²⁾ have been identified as eligible in the meaning of the Taxonomy, compared to less than 2% in Fiscal 2022.

Eligible Investments (CapEx)

Sodexo’s eligible CapEx includes:

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

The eligible CapEx identified mainly corresponds to increase of right-of-use assets related to leases on buildings and vehicles.

Following this analysis, eligible CapEx for Fiscal 2023 was assessed at 21.1% of total CapEx, compared to 7% in Fiscal 2022. Denominator amount at 428 million euros and includes additions and scope entrance of tangible and intangible assets (excluding goodwill) for 338 million euros as well as right-of-use assets for 90 million euros.

Eligible Operational Expenditure (OpEx)

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

(1) Climate delegated regulation of June 4, 2021 and the appendices thereto supplementing (EU) 2020/852 by specifying the technical criteria for determining under what conditions a business activity can be considered as making a substantial contribution to climate change mitigation or adaptation; European Commission delegated regulation 2021/2178 of July 6, 2021 and the appendices thereto, supplementing (EU) regulation 2020/852 specifying the method for calculating the key performance indicators and the narrative information to be published; and European Commission delegated regulation 2022/1214 of March 9, 2022 modifying delegated regulation 2021/2139 and 2021/2178 (gas and nuclear).

(2) In accordance with Taxonomy regulation, denominator corresponds to the consolidated revenues of the Group, as presented in section 4.1 consolidated financial statements.

Alignment analysis

The Group has performed an assessment of alignment of its main eligible activities, in accordance the criteria stipulated in the Taxonomy:

Substantial contribution criteria and specific DNSH

Analysis of substantial contribution criteria and specific DNSH were performed for our energy management services and some of our transportation services, through workshops and data collection matrix. A critical review of the data collected was performed at Group level.

Several alignment screening workshops were conducted with Subject Matter Experts from several countries. The workshops objectives were first – to provide guidance on screening steps and equip SMEs with profound understanding of the regulation, and second – to lay out action plans for future alignment of identified eligible activities.

Two main activities were the subject of more in-depth analysis: Energy Management services and inland passenger water transport.

Energy Management Services

As part of our journey towards a net-zero objective, our energy management services are undergoing a profound transformation, becoming more sustainable and environmentally friendly. Our team of experts is diligently working on developing client site energy transition plans that shall not only meet net-zero ambition but also fulfill the EU taxonomy's alignment criteria, solidifying our commitment to reduce energy use at all our operated sites.

Inland passenger water transport

In Fiscal 2023, Yacht de Paris invested in the 100% electrification of their boat called "Cachemire". Sodexo Live! considers converting its remaining diesel-powered boats into hybrid or electric vessels in the coming years. The objective of this initiative is to achieve a substantial reduction in greenhouse gas emissions of the activity.

Generic DNSH

For the eligible activities of the Group to be taxonomy aligned, it is required to perform a Climate risk assessment relevant for those activities. The Group's strategic plan identifies Climate adaptation as a major topic for the coming years, and, as a result, a study on risks, vulnerability and mitigation actions regarding physical events induced by climate change was launched in Fiscal 2023.

An analysis of climate risks was carried out at Group level without studying the specificities of the activities considered eligible within the meaning of the Taxonomy. As a result, for Fiscal year 2023, Sodexo does not meet the conditions for alignment with the green taxonomy with regard to the DNSH "climate change adaptation" (Appendix A).

Minimum safeguards

Review of minimum safeguards was performed at Group level through workshops held with the corresponding departments. Based on this analysis, the Group concluded that it complies with the four themes covered by the minimum safeguards:

Human rights

Sodexo's commitments to Human Rights and Fundamental Rights at Work are laid out in the Human Rights Policy and the Fundamental Rights at Work charter. Sodexo is committed to respecting human rights wherever it does business. This commitment, policies and procedures are based on international texts such as:

- (i) the United Nations Guiding Principles on Business and Human Rights;
- (ii) the Universal Declaration of Human Rights;
- (ii) the International Labor Organization's (ILO) Declaration;
- (iv) OECD Guidelines for Multinational Enterprises.

Anti-corruption

Sodexo has documented its approach in the Sodexo's Business Integrity Guide.

Specific training courses on Responsible Business Conduct are developed and delivered within the Group to the staff categories with the highest level of exposure. E-learning modules on Responsible Business Conduct (combating sexual harassment, data protection, public affairs, human rights in the workplace, and preventing corruption and conflicts of interest) have been put in place for all of the Group's leaders and managers.

Taxation

Sodexo Group undertakes to respect local tax laws and regulations that apply and pay its fair share of taxes in all countries where it operates, in line with the substance of the economic activity of the business locally (refer to 7.3.3.3 Sodexo Group tax policy).

Fair Competition

Sodexo complies with anti-trust laws, which prohibit competitors from agreeing to fix prices, rig bids or to allocate markets, geographies or clients. Sodexo Group formalized its fair and open competition approach in the Business Integrity Guide. Initiatives are put in place to raise awareness among employees and suppliers of the importance of respecting anti-trust laws.

Synthesis and outlook for Fiscal 2024

Sodexo strictly applied the regulation and none of its eligible activity or investments was qualified as "aligned" after review of technical screening criteria and analysis required for alignment, which are not, as of today, completely available.

It should be noted that Fiscal 2023 is the first year for which alignment analysis is performed. Risk assessment in relation to climate adaptation and other Taxonomy environmental objectives were not available at the level of granularity required.

Corporate responsibility has always been at the heart of our mission and everything we do. Despite limited Taxonomy-eligible activities today, we are convinced that our services bring positive impact to our employees, consumers, clients, suppliers, and shareholders.

In Fiscal 2024, the Group will review and adapt its methodology and eligibility and alignment analysis as the introduction of the Taxonomy progresses and in light of changes to the regulations, listed activities and technical review criteria.

Proportion of taxonomy eligible and aligned revenues

Economic activities (1) (in million euros)	Code (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity or) (20)	Category ('transitional activity') (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)							
A. TAXONOMY ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (taxonomy-aligned)																						
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	N/A	0	0,0%			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	N/A	N/A			
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																						
Renewal of waste water collection and treatment	5.4	2	0,0%																			
Collection and transport of non-hazardous waste in source segregated fractions	5.5	64	0,3%																			
Composting of bio-waste	5.8	11	0,0%																			
Urban and suburban transport, road passenger transport	6.3	145	0,6%																			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	34	0,2%																			
Inland passenger water transport	6.7	66	0,3%																			
Construction of new buildings	7.1	5	0,0%																			
Renovation of existing buildings	7.2	116	0,5%																			
Installation, maintenance and repair of energy efficiency equipment	7.3	105	0,5%																			
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	2	0,0%																			
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	13	0,1%																			
Installation, maintenance and repair of renewable energy technologies	7.6	7	0,0%																			
Professional services related to energy performance of buildings	9.3	39	0,2%																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)	N/A	609	2,7%																			
TOTAL (A.1. + A.2.)	N/A	609	2,7%																			
B. TAXONOMY NON ELIGIBLE ACTIVITIES																						
Turnover of Taxonomy non-eligible activities (B.)	N/A	22,028	97,3%																			
TOTAL (A. + B.)	N/A	22,637	100,0%																			

Proportion of taxonomy eligible and aligned CapEx

Economic activities (1) (in million euros)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx, year N (18)	Taxonomy-aligned proportion of CapEx, year N-1 (19)	Category (enabling activity or) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)							
A. TAXONOMY ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (taxonomy-aligned)																						
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	N/A	0	0%			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	N/A	N/A			
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																						
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	13	3,1%																			
Inland passenger water transport	6.7	4	0,9%																			
Acquisition and ownership of buildings	7.7	73	17,1%																			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)	N/A	90	21,1%																			
TOTAL (A.1. + A.2.)	N/A	90	21,1%																			
B. TAXONOMY NON ELIGIBLE ACTIVITIES																						
CapEx of Taxonomy non-eligible activities (B.)		338	78,9%																			
TOTAL (A. + B.)		428	100,0%																			

Proportion of taxonomy eligible and aligned OpEx⁽¹⁾

Economic activities (1) (in million euros)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx, year N (18)	Taxonomy-aligned proportion of OpEx, year N-1 (19)	Category (enabling activity or) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)							
A. TAXONOMY ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (taxonomy-aligned)																						
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	N/A	0	0%			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	N/A	N/A			
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																						
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)	N/A	0	0%																			
TOTAL (A.1. + A.2.)	N	0	0%																			
B. TAXONOMY NON ELIGIBLE ACTIVITIES																						
OpEx of Taxonomy non-eligible activities (B.)		1,186	100%																			
TOTAL (A. + B.)		1,186	100%																			

(1) As mentioned above, the Group applied the exemption provided in the regulation and, as a result, no OpEx is considered as eligible.

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

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

Sodexo S.A.

Head Office: 255, Quai de la Bataille de Stalingrad
92130 Issy-les-Moulineaux

For the year ended August 31, 2023

To the Annual General Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "entity") appointed as independent third party, and accredited by the French Accreditation Committee (COFRAC) under number 3-1884⁽¹⁾, we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended August 31st, 2023 (hereinafter, the "Information" and the "Statement" respectively), presented in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

At the request of the entity, we also performed work designed to express a reasonable assurance conclusion on the information selected by the entity and identified by the sign √.

Limited assurance conclusion

Based on the procedures we performed as described under the "Nature and scope of procedures" paragraph and the evidence we obtained, nothing has come to our attention that causes us to believe that the Statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Reasonable assurance conclusion on a selection of non-financial information

In our opinion, the information selected by the entity and identified with the symbol √ in the Statement has been prepared, in all material respects, in accordance with the Guidelines.

Preparation of the non-financial performance statement

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

Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the entity's website or on request from its headquarters.

Inherent limitations in preparing the Information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the entity

Management of the entity is responsible for:

- Selecting or establishing suitable criteria for preparing the Information;
- Preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators, and the information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- preparing the Statement by applying the entity's "Guidelines" as referred above; and
- Designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Management Board.

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

Responsibility of the Statutory Auditor, appointed as independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- The fairness of the historical information (observed or extrapolated) provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

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

It is not our responsibility to report on:

- The entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French Duty of care law, and provisions against corruption and tax evasion law);
- The fairness of information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagements, in particular the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes*, "*Intervention du commissaire aux comptes – Intervention de l'OTI – Déclaration de performance extra-financière*", acting as the verification program, and with the international standard ISAE 3000 (revised)⁽²⁾.

Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of eleven people between July and October 2023 and took a total of eighteen weeks.

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

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

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

⁽²⁾ ISAE 3000 (Revised) – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

- We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented,
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the Appendices. Concerning certain risks⁽³⁾, our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities⁽⁴⁾;
- We verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code, within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures the entity implemented, and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, presented in the Appendices, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
 - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities⁽⁴⁾ and covers between 20% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities' activities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*), a higher level of assurance would have required us to carry out more extensive procedures.

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

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

The selected sample accounts for between 59% and 100% of the information identified by the symbol √.

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

Paris la Défense, on October 26th 2023

KPMG S.A.

Caroline Bruno Diaz
Partner

Fanny Houlliot
ESG Expert

⁽³⁾ Employee social dialogue, Food waste, Packaging and plastics, Respect of human and workers' rights in the supply chain, Safety and quality of food and FM (Facilities Management) services, Access to affordable and healthy food, Data privacy and protection, Fight against tax evasion.

⁽⁴⁾ Entities that were selected for limited assurance: OSS United States of America and OSS France.

Entities that were selected for reasonable assurance:

- Sodexo On-Site Services: Brazil, Chili, India

- Sodexo Benefits & Rewards Services: France

Appendix

Qualitative information (actions and results) considered most important

“Time to Act” initiative to combat violence against women
Measures to promote social dialogue
Internal survey on employee Well-being
Partnership to reduce food waste
Measures taken against plastic waste and results achieved
Action to promote healthy and sustainable food and associated results
Business integrity measures and principles
Anti-corruption and data protection training provided
Actions and investments to promote regenerative agriculture

Key performance indicators and other quantitative results considered most important

SOCIAL KEY PERFORMANCE INDICATORS AND OUTCOMES	LEVEL OF ASSURANCE
Total Workforce by category, activity and segment	Reasonable
Retention rate for total workforce	Reasonable
Retention rate for site managers	Reasonable
Number of resignations (after 3 months) for permanent contracts	Reasonable
Number of hiring, excluding acquired companies and staff takeovers	Limited
Average number of work day absences per employee due to work-related and non-work related accident or illness	Limited
Total number of training hours	Limited
Average number of hours of training per employee	Limited
% of workforce covered by collective agreements	Reasonable
% of women on the Board of Directors	Reasonable
% of women on the Executive Committee	Reasonable
% of women among Group Senior Executives	Reasonable
% of women among managers	Reasonable
% of women among employees	Reasonable
Employee engagement rate	Reasonable
SAFETY KEY PERFORMANCE INDICATORS AND OUTCOMES	LEVEL OF ASSURANCE
Number of work-related accidents requiring leave	Reasonable
LTIR	Reasonable
% LTIR reduction	Reasonable
% of Group revenues of countries having one or more OHSAS 18001 or ISO 45001 certification	Reasonable
ENVIRONMENTAL KEY PERFORMANCE INDICATORS AND OUTCOMES	LEVEL OF ASSURANCE
Energy consumption for our direct operations (MWh)	Reasonable
% of reduction in absolute Scope 1 & 2 emissions (market-based) (compared to 2017 baseline)	Limited
% reduction in absolute Scope 3 – Supply Chain (“purchased goods & services” & “upstream transportation & distribution”) emissions (compared to 2017 baseline)	Limited
Scope 3 Category 1 Purchased Goods & Services (tCO ₂ e)	Limited
Scope 3 Category 11 Use of sold products (tCO ₂ e)	Limited
% of renewable electricity in our direct operations	Reasonable
Total Scope 1 & 2 emissions (tCO ₂ e) – market-based	Reasonable
Total Scope 3 emissions covered by our SBTi commitment (tCO ₂ e)	Reasonable
% of Group revenues of countries employing environmental experts	Limited
SOCIETAL KEY PERFORMANCE INDICATORS AND OUTCOMES	LEVEL OF ASSURANCE
% of On-site Services revenues of countries having either ISO 9001 or ISO 22000 certification for food safety	Reasonable
% of physical certified sustainable palm oil	Reasonable
% of cage free shell eggs	Reasonable
% of cage free liquid eggs	Reasonable
% of sustainable fish and seafood which is sustainable as a % of total seafood	Reasonable
% of spend on certified sustainable hygiene paper as a % of total hygiene paper	Reasonable
% of spend on certified sustainable office paper as a % of total office paper	Reasonable
% of spend with contracted suppliers having signed the Sodexo Supplier Code of conduct	Reasonable
Spend with SMEs	Limited
Number of Stop Hunger beneficiaries	Reasonable

3

Fiscal year activity report

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3.1 Group Fiscal year highlights

3.1.1 Group performance ahead of guidance

In Fiscal 2023, the Group delivered above guidance, which had already been upgraded progressively during the year. Group (including Pluxee) organic revenue growth was at +11.6%, compared to revised guidance of "close to 11%", and Underlying operating

profit margin at 5.6%, compared to revised guidance "at 5.5%". Pluxee organic revenue growth landed at +26.9%, compared to revised guidance of "above +20%", and Underlying operating profit margin at 33.1%, compared to revised guidance of "above 32%".

3.1.2 Fiscal 2023 Group strong operating performance

(in million euros)	FISCAL 2023			FISCAL 2022		DIFFERENCE
	SODEXO (CONTINUING OPERATION)	PLUXEE (DISCONTINUED OPERATION)	ELIMINATION	GROUP ⁽¹⁾	GROUP	
Revenue	22,637	1,099	(9)	23,727	21,125	+12.3%
Organic revenue growth	+11.0%	+26.9%		+11.6%	+16.9%	
UNDERLYING OPERATING PROFIT	976	364	(5)	1,335	1,059	+26.1%
UNDERLYING OPERATING PROFIT MARGIN	4.3%	33.1%		5.6%	5.0%	+60 bps
NET PROFIT (GROUP SHARE)	560	234	0	794	695	+14.2%
EPS (in euros)				5.44	4.75	+14.5%
UNDERLYING NET PROFIT				908	699	+29.9%
Underlying EPS (in euros)				6.21	4.78	+29.9%
DIVIDEND (in euros)				3.10	2.40	+29.2%

(1) Before classification and presentation of Pluxee as discontinued operation..

Fiscal 2023 Group Organic Growth is +11.6%.

- Sodexo (On-site Services) Fiscal 2023 solid growth resulted from the ongoing post-Covid recovery, good level of pricing to pass inflation, and acceleration in net new development contribution to the revenue. Excluding an accounting change related to the revenue recognition in one of our large contracts which impacted the fourth quarter by -2.3%, the underlying organic growth exit rate was in fact +10.4% in the fourth quarter.
- Pluxee benefited from continued sustained growth in operating revenues as a result of the solid net new development and the continuous increase in face value, and from a strong progression of the financial revenue driven by the increase in interest rates.

The Group Underlying operating profit margin increased +60 bps to 5.6%, thanks to the operating leverage from higher revenue, rigorous inflation management, and cost control. Net profit was 794 million euros, up +14.2% *versus* prior year. Underlying net profit reached 908 million euros, up nearly +30% compared to Fiscal 2022.

Sodexo's client retention rate was a record 95.2%, +70 bps higher than the previous year which was already a record level. New sales development was 7%, in the 7-8% target range. New wins including cross-selling reached 1.7 billion euros up against 1.5 billion euros the previous year. As a result, the net new business signed during the year was positive at 2.2% compared to 2% in the previous year and this will contribute to Fiscal 2024 growth.

Fiscal 2023 was rich in new signatures and renewals of contracts during the year and here are some examples:

- Sodexo has strengthened its commercial relationship with SSM Health, a leading health system serving Missouri, Illinois, Oklahoma, and Wisconsin, for which Sodexo has provided services for 23 years. Effective immediately, Sodexo will transition

approximately 2,000 additional employees and service 28 hospitals across four states. The extended contract covers food and nutrition and environmental services. Sodexo will address critical needs for the health system and continue to improve patient and staff satisfaction across SSM Health's various locations;

- based on a long-term successful collaboration in more than 25 countries, Sodexo and Colgate-Palmolive have extended their global partnership for 5 more years. Sodexo will expand its delivery of integrated Facilities Management (IFM) to include 12 additional Colgate-Palmolive sites in the United States of America, increasing the global portfolio to 43 sites. With the mutual drive on Corporate Social Responsibility (CSR) and innovation, the partnership has solidified further, encompassing a joint vision for 2023 to 2027. For instance, the Sodexo Site Engagement Assessment Tool for sustainability has been implemented across 100% of the sites. The current food offer will also remain with a pilot of Modern Recipe offer intended for the NYC site;
- the Healthcare Board in Stockholm Region, one of Europe's largest healthcare providers, renewed the contract with Sodexo AB regarding the aid equipment services in the Northern part of the county. The new contract comes into force on February 1, 2024, the agreement is for 5 years, with an option to extend for another 5 years. The contract covers, among other things, storage, counselling, testing, distribution, repair and service of aid equipment. Sodexo has worked with aid equipment in Stockholm's Northern county since 2003. The long-term collaboration has led to the development cost-effective warehousing and improved services. 85% of the aid equipment is reused after renovation and reconditioning, which means they can arrive quickly for the benefit of new users.

3.1.3 Solid Group consolidated financial position

Group⁽¹⁾ Balance Sheet

(in million euros)	AUGUST 31, 2023	AUGUST 31, 2022	(in million euros)	AUGUST 31, 2023	AUGUST 31, 2022
Non-current assets	10,390	10,785	Shareholders' equity	4,541	4,415
Current assets excluding cash	5,849	5,648	Non-controlling interests	13	10
Restricted Cash Pluxee	936	960	Non-current liabilities	6,554	7,223
Financial Assets Pluxee	384	297	Current liabilities	9,686	9,272
Cash	3,235	3,225			
Asset held for sale		5			
TOTAL ASSETS	20,794	20,920	TOTAL LIABILITIES & EQUITY	20,794	20,920
			Gross borrowings	5,625	5,742
			Net debt	1,075	1,268
			Gearing ratio	23.6%	28.7%
			Net debt ratio (Net debt/ EBITDA)	0.7x	1.0x

Group Operating Cash (including Pluxee restricted cash and financial assets) totaled 4.6 billion euros as of August 31, 2023, of which 3.1 billion euros related to Pluxee, and 1.5 billion euros related to Sodexo. Group net debt was 1.1 billion euros at the end of Fiscal 2023, down compared to the previous year at 1.3 billion euros. As a result, gearing is at 24% and the net debt ratio is 0.7x⁽¹⁾.

(1) In order to present the balance sheet before classification of Pluxee as discontinued activities, the contribution of (i) Sodexo (continuing activity), presented in the consolidated financial information in 4.1.3, and (ii) Pluxee (discontinued activity) presented in Chapter 4, consolidated financial information note 3.2.1, have been added in each line of this table.

3.1.4 Continuous improvement in Corporate Social Responsibility

In Fiscal 2023, Sodexo's solid financial performance was accompanied by continued progress on its sustainability commitments:

- **Record performance on safety of our People:**

At the end of Fiscal 2023, Sodexo reached a record 0.55 Lost Time Injury Rate (LTIR), representing a -15.4% reduction compared to Fiscal 2022. The severity of Lost time injuries also reached a record level reduction of -52% compared to the previous year.

- **82.5% Employee engagement confirming renewed confidence in Sodexo and its trajectory:**

The engagement rate was up +4.2 points compared to 2021, exceeding the 2025 objective of 80%. For this 10th engagement survey, the participation rate reached an all time high of 70.3%, up +10.3 points compared to the 2021 survey, with 243,000 participants across the Group.

- **Increased share in renewable electricity in our direct operations:**

Further progress has been achieved in the share of the Group's direct electricity consumption that is renewable at 55%, well above the 40% target for the year and therefore facilitating the achievement of our target of 100% by 2025.

- **The year-on-year Scope 1, 2 and 3 reduction in Greenhouse Gas (GHG) emissions was -5.4% in Fiscal 2023 while the reduction compared to 2017 was at -20.7%:**

Sodexo emissions targets have been validated by the SBTi in 2019. Because our journey started early on and following the SBTi guidelines, Sodexo has rebased its emissions data since 2017. The effect of this rebaselining implies a significant reduction of the 2017 baseline numbers. As a result, at the end of Fiscal 2023, Scope 1 & 2 GHG emissions are down -32.9% relative to the new 2017 baseline, on track to reach our reduction target of -34% in 2025. The -34% Scope 3 reduction target should be reached in Fiscal 2026. The current reduction trajectory is aligned with the SBTi recommended pathway for the 1.5°C trajectory.

3.1.5 Pluxee spin-off

The project to spin-off Pluxee has advanced significantly.

The listing is expected early 2024 on Euronext Paris, subject to approval of the listing prospectus by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) and its passporting to the French *Autorité des marchés financiers*, the Euronext admission decision and market conditions.

Existing double voting rights of Sodexo shareholders will be maintained at Pluxee, which will be legally registered in the Netherlands allowing Bellon SA to continue playing a long-term controlling shareholder role in Pluxee. Tax residency will remain in France.

The proposed full spin-off will be put to a shareholder vote during a dedicated General Meeting to be held early 2024.

Pluxee plans to hold a Capital Markets Day shortly before the dedicated General Meeting to present its strategic plan and the next

phase of value creation. The Fiscal 2024 and mid-term guidance will be provided on this occasion.

The spin-off will have no significant tax impact for Sodexo and its shareholders, at least in France and in the USA.

Pluxee will be allocated a portion of Sodexo's current indebtedness for a total amount of 0.6 billion of euros and Pluxee proforma capital structure will be consistent with a strong Investment Grade credit rating.

The Board of Pluxee will be comprised of:

- an Executive Chairman: Didier Michaud-Daniel;
- 4 Bellon family Board members;
- 5 Independent Board members.

The Animation (services) contract between Bellon SA and Pluxee will be similar to that of Sodexo.

The Group has signed 2 new banking facilities for Pluxee to ensure it has a solid and flexible financing structure in place post the listing. These comprise a 650 million euros 5-year Revolving Credit

Facility and a 1.5 billion euros 12-month Bridge Facility. The RCF facility will provide liquidity headroom for Pluxee. The bridge facility will be used to repay existing intercompany debt, and is intended to be refinanced by a bond market issuance in due course and subject to market conditions.

3.1.6 Changes in the Board of Directors

At the Shareholders Meeting on December 15, 2023, the following renewals and appointments will be proposed:

- Sophie Bellon, who should she be reelected will then be reappointed as Chairwoman and Chief Executive Officer;
- Nathalie Bellon-Szabo, who will then be confirmed as member of the Nominating Committee;
- Federico J. González Tejera, who will then be confirmed as member of the Compensation Committee;
- Françoise Brougher's term expires after the 2023 Shareholders Meeting. No longer considered as an independent director, she will not be seeking renewal.

The appointment of a new independent director, Gilles Pélisson, will be presented for election at the Shareholders Meeting. Since 2016 and until recently, Gilles Pélisson was Chairman of the Board and Chief Executive Officer of the commercial television network and production group, TF1. Before joining TF1, Gilles Pélisson was Chairman and CEO of several international, listed companies such

as Accor, Euro Disney and Bouygues Telecom. Gilles Pélisson was also Board member for Bic, Lucien Barrière Group, NH Hoteles and Sun Resort International. He is currently the Lead Independent Director of Accenture PLC (United States) and Chairman of the Lyfe Institute (formerly Paul Bocuse Institute), a management school in hospitality and culinary arts. Gilles Pélisson will bring 40 years of extensive operational experience in international environments in the services industry, as well as a thorough understanding of Corporate Governance. Should his appointment be approved at the Shareholders Meeting, he will become member and Chairman of the Nominating Committee.

As part of the review of the Committees, the Board of Directors endorsed the appointment of François-Xavier Bellon and Jean-Baptiste Chasseloup de Chatillon as members of the Compensation Committee.

Should all the resolutions concerning the appointment and reelection of Board members be approved at the Shareholders Meeting, the Board will be made up of five women and seven men and 60% of its elected members will be independent.

3.2 Fiscal 2023 Performance of Sodexo

3.2.1 Consolidated income statement

(in million euros)	FISCAL 2023	FISCAL 2022 restated	DIFFERENCE	DIFFERENCE CONSTANT RATES
Revenue	22,637	20,263	+11.7%	+10.2%
Organic growth	+11.0%	+17.0%		
UNDERLYING OPERATING PROFIT	976	815	19,7%	+17.1%
UNDERLYING OPERATING PROFIT MARGIN	4.3%	4.0%	+30 bps	+30 bps
Other operating income and expenses	(129)	(3)		
OPERATING PROFIT	847	812	+4.3%	+2.5%
Net financial expense	(101)	(87)		
Net income before tax & shares accounted for equity method	737	718		
Tax charge	(181)	(206)		
CONTINUING OPERATIONS NET PROFIT (GROUP SHARE)	560	514	+8.9%	+8.7%
PLUXEE NET PROFIT (GROUP SHARE)	234	181	+29.3%	+25.6%
GROUP NET PROFIT (GROUP SHARE)	794	695	+14.2%	+12.9%
EPS (in euros)	5.44	4.75		
CONTINUING OPERATIONS UNDERLYING NET PROFIT	659	525	+25.5%	+24.1%
PLUXEE UNDERLYING NET PROFIT	249	174	+43.1%	+38.9%
GROUP UNDERLYING NET PROFIT	908	699	+29.9%	+27.8%
Underlying EPS (in euros)	6.21	4.78		

3.2.2 Revenues

Continuing activity revenues by region

REVENUES (in million euros)	FISCAL 2023	FISCAL 2022	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
North America	10,479	8,828	+13.9%	+0.6%	+4.2%	+18.7%
Europe	8,071	7,774	+7.5%	-2.0%	-1.7%	+3.8%
Rest of the World	4,087	3,661	+11.5%	-1.5%	+1.6%	+11.7%
SODEXO Continuing activities	22,637	20,263	+11.0%	-0.8%	+1.5%	+11.7%

Fiscal 2023 Sodexo continuing activities consolidated revenues reached 22.6 billion euros, up +11.7% year-on-year, driven by organic growth of +11.0%, positive currency impact of +1.5% and net contribution from acquisitions and disposals of -0.8%.

Fiscal 2023 organic revenue growth was up +11.0%, benefiting from higher attendance and average spend related to post-Covid ramp-up in Corporate Services, Sports & Leisure and Universities, as well as a consistent pricing effect of more than 5% throughout the year. Net new business contribution accelerated quarter on quarter to reach 2% in the second half. The end of the Testing Centers contract in the United Kingdom impacted the first three quarters and accounted for -1.2% in the full year organic growth. Finally, an accounting change related to the revenue recognition in a large Energy & Resources contract affected the organic growth of the year by -0.5%, and by -2.3% for the fourth quarter alone where the change was implemented retroactively for the full year.

Organic growth was boosted by a strong recovery in Food services up +16%. Facility Management services were up +3%, or +6% excluding the impact of the end of the Testing Centers contract in the United Kingdom. Food services represented 64% of total On-site revenues

during the period, increasing from 60% in Fiscal 2022, and almost back up to pre-Covid levels.

Key performance indicators improved significantly in Fiscal 2023:

- client retention rate reached a record at 95.2%, up +70 bps compared to the previous year, which was already the highest rate ever. This performance was the result of the strong focus and discipline of the teams, and improvement in processes that have been implemented over the last years;
- new sales development was 7.0%, down -50 bps *versus* last year in percentage of prior year revenue, but up in value and in the target range of 7-8%. Total new signings during the year, including cross-selling, amounted to 1.7 billion euros compared to 1.5 billion euros in Fiscal 2022;
- as a result, the net new business signed during the year was more than 2% for the second year in a row, demonstrating the ability of the business to generate consistent net new development to sustain future growth.

North America

REVENUES BY SEGMENT (in million euros)	FISCAL 2023	FISCAL 2022	ORGANIC GROWTH
Business & Administrations	3,866	2,983	+23.4%
Healthcare & Seniors	3,440	3,047	+8.8%
Education	3,173	2,798	+9.1%
NORTH AMERICA TOTAL	10,479	8,828	+13.9%

Fiscal 2023 **North America** revenues totaled **10.5 billion euros**, up +13.9% organically. This strong growth resulted from the post-Covid recovery in the first half, and the acceleration of revenue contribution from net development and cross-selling in the second half. The growth was also driven by consistent 5% price revisions throughout the fiscal year, although with a slight decrease in the fourth quarter as the cost inflation drivers on cost plus accounts declined.

Organic growth in **Business & Administrations** was +23.4%, boosted by the return to the office and new contracts in Corporate Services, increased activity in Sports events, convention centers and airport lounges, with increased passenger counts and higher spend per capita, as well as inflation pass-through. Although coming from a smaller base, Convenience solutions and Entegra also contributed to the momentum with strong organic growth.

In **Healthcare & Seniors**, revenues were up +8.8% organically, driven by price increases, cross-selling and retail volume improvement. The net new development contribution has accelerated through-out the year with the full impact of the Ardent mobilization, now visible in the second half.

In **Education**, organic growth was up +9.1% compared to the previous year, driven by Universities up +13.4%, benefiting from strong attendance levels, price increases, and a higher level of board plans, retail sales and event catering. In Schools, growth was slightly negative, the impact of price adjustments being offset by decreases in meal volumes related to the reduction of government waiver eligibility for students.

Europe

REVENUES BY SEGMENT (in million euros)	FISCAL 2023	FISCAL 2022	ORGANIC GROWTH
Business & Administrations	5,337	4,898	+12.2%
Healthcare & Seniors	2,026	2,106	-2.4%
Education	708	769	+4.4%
EUROPE TOTAL	8,071	7,774	+7.5%

Fiscal 2023 **Europe** revenues totaled **8.1 billion euros**, up +7.5% organically, or +10.6% excluding the impact of the end of the Testing Centers in the United Kingdom. The growth was driven by strong price revisions, continued improvement in return to the office and very strong Sports & Leisure activity. Thanks to a strong fourth quarter in Sports & Leisure in France and new business in Government in the United Kingdom, combined with high level of growth in Corporate services, organic growth in the fourth quarter in Europe was +9.0%, trending favorably compared to the third quarter which was at +6.9% excluding the impact of Testing Centers affected by strikes and bank holidays.

In **Business & Administration**, organic growth was +12.2%, boosted by strong price revisions, continued improvement in the return to the office, significant IFM (Integrated Facilities management) project works and retail picking up, particularly in Continental Europe. Sports & Leisure growth was very strong, boosted by record sales in tourism in France, sports events (Roland Garros and Tour de France), and an increase in number and size of corporate events.

This was somewhat offset by contract losses in Energy & Resources in Northern Europe.

In **Healthcare & Seniors**, organic growth of -2.4% was impacted by the end of the Testing Centers. The rest of the business was +9.1%, with the contribution of new openings and solid occupancy in Seniors particularly in France.

Organic revenue growth in **Education** was +4.4%, reflecting in the first half some volume recovery following the impact of Covid lock downs in the previous year. The third quarter was affected by strikes in France and an overall increase in bank holidays, offset in the fourth quarter by positive impact of working days. Pricing contribution was lower than in most segments, particularly in France where passing on inflation was hampered by the use of inadequate indices. Revenues decreased by 61 million euros compared to prior year due to the disposal of the Childcare business during Fiscal 2022.

Rest of the World

REVENUES BY SEGMENT (in million euros)	FISCAL 2023	FISCAL 2022	ORGANIC GROWTH
Business & Administrations	3,659	3,285	+11.5%
Healthcare & Seniors	337	305	+6.2%
Education	91	70	+35.1%
REST OF THE WORLD TOTAL	4,087	3,661	+11.5%

Fiscal 2023 **Rest of the World** revenues were **4.1 billion euros**. Organic Growth was up +11.5%. Excluding a change in revenue recognition on project works of one of our large Energy & Resources contracts, from a gross to net basis reflecting the changes in the way 2 operate this contract, the organic growth would have been +14.6%. The change was implemented during the fourth quarter, with retroactive impact for the full year.

Business & Administrations organic growth was up +11.5%, impacted by the accounting change, but +14.9% excluding this effect, driven by an increase in project works and successful

negotiations on price adjustments in Energy & Resources, impact of the new openings and strong pricing in Corporate Services and mining in Latin America and Brazil, and strong performance in India and South East Asia, in particular in the tech sector.

Healthcare & Seniors revenue was +6.2% organically, with good development in India and China, partly offset by a decrease in Brazil as a result of the exit of several low performing contracts.

Education organic growth was +35.1%, with all schools reopened in China and strong volume growth in India.

3.2.3 Underlying Operating Profit

Fiscal 2023 underlying operating profit from Sodexo continuing operations was 976 million euros, up +19.7%, or +17.1% excluding the currency effect. The Underlying operating profit margin,

including Corporate expenses, was 4.3%, up +30 bps. The currency mix effect was negligible.

(in million euros)	UNDERLYING OPERATING PROFIT FISCAL 2023	DIFFERENCE	DIFFERENCE (EXCLUDING CURRENCY EFFECT)	UNDERLYING OPERATING PROFIT MARGIN FISCAL 2023	DIFFERENCE IN MARGIN	DIFFERENCE IN MARGIN (EXCLUDING CURRENCY MIX EFFECT)
North America	582	+23.6%	+18.7%	5.6%	+30 bps	+20 bps
Europe	299	-0.5%	+2.2%	3.7%	-20 bps	-20 bps
Rest of the World	192	+23.1%	+19.2%	4.7%	+40 bps	+30 bps
UNDERLYING OPERATING PROFIT BEFORE CORPORATE COSTS	1,073	+15.8%	+13.6%	4.7%	+10 bps	+10 bps
Corporate expenses	(97)	-13.4%	-13.4%			
UNDERLYING OPERATING PROFIT (continuing activities)	976	+19.7%	+17.1%	4.3%	+30 bps	+30 bps

The increase in profitability in Fiscal 2023 was driven by operating leverage from higher revenue, especially in North America, combined with rigorous inflation management including sustained price increases and mitigation actions, improved supply chain economics, and disciplined corporate cost management.

- **North America** underlying operating profit increased by +23.6% and the underlying operating margin was up +30 bps to 5.6%, despite strong inflationary pressure, mobilization costs in Healthcare and additional investments to support growth. Leverage on the volume recovery, combined with operational efficiencies including supply chain optimization, improved workforce retention and recruitment, labor scheduling and attendance forecasting contributed to the increase in profitability.

- In **Europe**, the -0.5% decrease in underlying operating profit (or +2.2% increase excluding the currency effect) resulted in a margin of 3.7%, down -20 bps. In a highly inflationary environment, and despite strong mitigation efforts, margins were temporarily affected in public contracts in France, Italy and Belgium where price adjustments lagged food cost inflation. In addition, the Testing Centers contract had high margin flow through and stopped during the third quarter of last year.
- In **Rest of the World**, underlying operating profit was up +23.1% and the margin up +40 bps to 4.7% thanks to operating leverage in most countries, and successful price negotiations in Australia.

3.2.4 Net profit from continuing operations

(in million euros)	FISCAL 2023	FISCAL 2022 restated	DIFFERENCE	DIFFERENCE CONSTANT RATES
UNDERLYING OPERATING PROFIT	976	815	+19.7%	+17.1%
Net scope change impacts	(7)	52		
Restructuring and rationalization costs	(45)	(4)		
Amortization of purchased intangible assets	(36)	(36)		
M&A costs, spin-off costs & Other	(41)	(15)		
OTHER OPERATING INCOME AND EXPENSES	(129)	(3)		
OPERATING PROFIT	847	812	+4.3%	+2.5%
Net financial expense	(101)	(87)		
Pre-tax profit excluding share of profit from Equity method companies	737	718		
Tax charge*	(181)	(206)		
CONTINUING OPERATIONS NET INCOME (GROUP SHARE)	560	514		
UNDERLYING NET PROFIT	659	525	+25.5%	+24.1%

* Fiscal 2023 effective tax rate is 24.6%, compared to an ETR of 28.8% in Fiscal 2022.

Other operating income and expenses of Sodexo continuing operations amounted to **-129 million euros** compared to -3 million euros in the previous year. This significant increase is due to M&A costs, one-off spin-off costs of Pluxee this year (12 million euros) and restructuring costs principally related to the change in organization from global segments to geographies. Prior year also benefited from 52 million euros of net gains related to the disposals program, including the Childcare business.

As a result, the **Operating Profit** is **847 million euros** compared to 812 million euros in the previous year.

Fiscal 2023 Net financial expenses increased to 101 million euros against 87 million euros in the previous year. The increase is mainly due to 14 million euros costs linked to the bond consent process related to the spin-off project of Pluxee. The blended cost of debt at Fiscal 2023 year end was 1.7%, 10 basis points higher than at Fiscal 2022 year end, mainly due to the increased costs associated with the USD floating rates swaps.

The tax charge was down significantly to 181 million euros, despite a higher pre-tax profit, leading to an Effective Tax Rate of 24.6% against 28.8% in the prior year. This improvement is explained by the decrease in the CVAE rate in France and the better pre-tax results in France where deferred tax assets are not recognized. In addition, improved financial outlook in some geographies (mainly Germany and Netherlands) have led to a recognition of deferred tax assets related to prior years losses, excluding which, the Effective Tax Rate would have been 25.5%.

The share of profit of other companies accounted for using the equity method was 12 million euros, slightly up compared to 8 million euros last year. Profit attributed to non-controlling interests was 8 million euros compared to the previous year amount of 6 million euros.

As a result, **Net income** from continuing operations (Group share) amounted to **560 million euros**, against 514 million euros in Fiscal 2022. Underlying net profit adjusted for Other operating income and expenses net of tax reached 659 million euros, compared to 525 million euros in Fiscal 2022.

3.2.5 Net profit from discontinued operations (Pluxee)

The following income statement for Pluxee is built by difference between Group (before classification of Pluxee as discontinued operation) and Sodexo income statement under IFRS 5. Therefore, it does not reflect Pluxee stand-alone. Notably, it is pre-Group Corporate cost allocation, and the Effective Tax Rate is under-estimated.

Pluxee Consolidated Income statement

(in million euros)	FISCAL 2023	FISCAL 2022 restated	DIFFERENCE	DIFFERENCE CONSTANT RATES
Revenue	1,099	865	+27.1%	+26.5%
Organic revenue growth	+26.9%	+14.2%		
UNDERLYING OPERATING PROFIT	364	248	+47.0 %	+47.3%
UNDERLYING OPERATING PROFIT MARGIN	33.1%	28.6%	+450 bps	+480 bps
Other operating expenses	(30)	(3)	+900.0 %	+867.3 %
OPERATING PROFIT	334	245	+36.6%	+37.4%
Net financial expense	(18)	(3)		
Net income before tax & shares accounted for equity method	316	242		
Tax charge	(80)	(58)		
PLUXEE NET PROFIT (GROUP SHARE)	234	181	+29.3%	+25.6%
PLUXEE UNDERLYING NET PROFIT (GROUP SHARE)	249	174	+43.1%	+38.9 %

Fiscal 2023 Pluxee revenue amounted to 1,099 million euros, up +27.1%, helped by a +0.6% impact from currencies. As a result, organic growth was +26.9%.

REVENUES BY ACTIVITY (in million euros)	FISCAL 2023	FISCAL 2022	ORGANIC GROWTH
Employee Benefits	916	711	+28.5%
Services Diversification*	183	154	+19.8%
PLUXEE	1,099	865	+26.9%

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

Employee Benefits organic growth was +28.5%, accelerating quarter by quarter, and reaching +35.7% in the fourth quarter. Issue volume amounted to 16.6 billion euros for the year and was up +13.8% organically, boosted by double digit growth across all the product range supported by strong portfolio growth and a dynamic trajectory in face value, especially in Brazil.

Services Diversification was up +19.8% organically for the year, resulting from the strong performance of public benefits, boosted by two major contracts in Austria and Romania.

REVENUES BY REGION (in million euros)	FISCAL 2023	FISCAL 2022	ORGANIC GROWTH
Europe, USA and Asia	669	558	+24.7%
Latin America	430	307	+31.0%
PLUXEE	1,099	865	+26.9%

Organic revenue growth was strong across all geographies, respectively +24.7% in Europe, United States and Asia, and +31.0% in Latin America. This performance was due to strong growth in all major markets supported by a solid portfolio development and increase

face values. In addition, the positive impact of change in regulation in Brazil and the contribution from rising interest rates through out the fiscal year also helped.

REVENUES BY NATURE
(in million euros)

	FISCAL 2023	FISCAL 2022	ORGANIC GROWTH
Operating Revenues	953	804	+18.0%
Financial Revenues	146	61	+145.6%
PLUXEE	1,099	865	+26.9%

Operating revenues organic growth was +18.0%, fueled by the face value increase and positive net new development.

Financial revenues organic growth was +145.6%, due to the further increase in interest rates in the Euro zone and Central Europe.

Underlying operating profit was up +47.0%. The margin increased to 33.1% up +450 bps or +480 bps excluding currencies, resulting from operating leverage, fueled by strong growth in business volumes across all regions, despite sustained investments in Tech & Digital, and significant increase in interest rates boosting financial revenues and margins.

Pluxee Other operating income and expenses include 19 million euros of spin-off costs.

The increase in Pluxee net financial expense is the result of the intercompany debt costs.

The tax charge was up to 80 million euros.

As a result, Pluxee net income (Group share) amounted to 234 million euros, against 181 million euros in Fiscal 2022. Given the accounting of Pluxee as discontinued operations, the net income is presented in the Group Income Statement on a separate line after income from continuing operations.

3.3 Sodexo consolidated financial position

3.3.1 Cash flows

(in million euros)	FISCAL 2023	FISCAL 2022 restated
Operating cash flow	1,130	977
Change in working capital	(222)	(193)
IFRS 16 leases outflow	(186)	(196)
Net capital expenditure	(348)	(262)
Free cash flow from continuing operations⁽¹⁾	374	326
Net acquisitions	(21)	(41)
Share buy-backs/Treasury stock	(57)	(13)
Dividends paid to shareholders	(352)	(294)
Other changes (including scope and exchange rates) ⁽²⁾	646	2
(Increase)/decrease in net debt from continuing operations	590	(20)
Pluxee Free cash flow (discontinued)	438	305
Pluxee (Increase)/decrease in net debt (discontinued)⁽²⁾	(397)	230
Group Free cash flow	812	631
Group (Increase)/decrease in net debt	193	210

(1) The Group does not believe the accounting treatment introduced by IFRS 16 modifies the operating nature of its lease transactions. Accordingly, to ensure the Group's performance measures continue to best reflect its operating performance, the Group considers repayments of lease liabilities as operating items impacting the Free cash flow, which integrates all lease payments (fixed or variable). To be consistent, the lease liabilities are not included in Net debt (treated as operating items).

(2) Includes debt push-down from Sodexo to Pluxee for 0.6 billion euros

Free cash flow from continuing operations, adjusted for IFRS 16, was 374 million euros against 326 million euros in Fiscal 2022.

Operating cash flow improved to 1,130 million euros against 977 million euros in the previous year, as a result of the improvement in Underlying operating profit.

The Working capital outflow in Fiscal 2023 of 222 million euros was similar to last year. It was affected by some residual unwinding of government Covid-linked payment delays in North America and Northern Europe, a change in supplier payment delays in Europe, as well as a significant payroll timing impact in North America.

Net capital expenditure, including client investments, increased to 348 million euros, and 1.5% of revenues, compared to 262 million euros in the preceding year, at 1.3% of revenues. Gross capex was 520 million euros, or 2.3% of revenues, of which more than 85% was client facing investments. The increase in capital expenditure compared to the prior year is mainly coming from more significant client investments in North America, in the Education and Healthcare segments in particular with the Ardent contract, in

Australia in Mining and in the United Kingdom, related to new sales in Government and Healthcare.

M&A activity was limited in Fiscal 2023 with net acquisition spend of 21 million euros.

In order to project the post spin-off financial position, intragroup loans and deposits between Sodexo and Pluxee are considered as settled as at August 31, 2023 in this table, even though they will be settled only just prior to the listing date of Pluxee. As a consequence, Other changes includes in Fiscal 2023 a 0.6 billion euros debt push-down to Pluxee.

The resulting restated net debt from continuing activities reduced by 590 million euros ending the year to 2,918 million euros at August 31, 2023.

Pluxee net debt increased by 397 million euros due to the 610 millions euros debt push-down (considered as settled as of August 31, 2023).

3.3.2 Adjusted condensed consolidated statement of financial position at August 31, 2023

(in million euros)	AUGUST 31, 2023 ⁽¹⁾	AUGUST 31, 2022	(in million euros)	AUGUST 31, 2023 ⁽¹⁾	AUGUST 31, 2022
Non-current assets	9,406	10,785	Shareholders' equity	4,542	4,415
Current assets excluding cash	4,044	5,648	Non-controlling interests	12	10
Interco loans/deposits with Pluxee	1,215	—	Non-current liabilities	6,440	7,223
Restricted cash + financial assets Pluxee	—	1,257	Current liabilities	5,481	9,272
Cash	1,455	3,225	Liabilities held for sale	5,534	—
Assets held for sale	5,889	5	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	22,009	20,920
TOTAL ASSETS	22,009	20,920	Borrowings	5,588	5,742
			Net debt (adjusted⁽¹⁾)	2,918	1,268
			Gearing (adjusted⁽¹⁾)	64%	29%
			Net debt ratio (adjusted⁽¹⁾)	2.4x	1.0x

(1) In order to project the post spin-off financial position, in this table intragroup loans and deposits between Sodexo and Pluxee are not eliminated (on the one hand 1,215 million euros loan from Sodexo to Pluxee, presented in this table in Assets, into "interco loans/deposits with Pluxee" with counterpart in "Liabilities held for sale", and on the other hand deposits from Pluxee in Sodexo cash-pooling for 570 million euros, presented in the table in Assets as a reduction of Cash with counterpart in "Assets held for sale". These restatements explain the gaps with the Consolidated financial position in note 4.1.3, in which intragroup loans are eliminated. Moreover, these intragroup loans are considered as settled as at August 31, 2023, and thus are part of the net debt calculation, as they will be settled just prior to the listing date of Pluxee.

Reconciliation of balance sheet accounts as of August 31, 2023

(in million euros)	Consolidated financial position as published	Adjustment	Adjusted Consolidated financial position
Interco loans to Pluxee	—	1,215	1,215
Cash	2,025	(570)	1,455
Assets held for sale	5,319	570	5,889
Liabilities held for sale	4,319	1,215	5,534

As of August 31, 2023, Sodexo continuing operations net debt (adjusted to reflect the post spin-off situation) was 2,918 million euros, up significantly compared to the previous year at 1,268 million euros, which still included the Pluxee cash. As a result, gearing is at 64% and the net debt ratio is 2.4x, compared to 1.0x last year for the Group including Pluxee. Restated with Pluxee as discontinued operations, net debt at the end of Fiscal 2022 would have been 3,508 million euros and the net debt ratio 3.4x.

Fiscal 2023 Net debt is shown adjusted post spin-off, including Sodexo continuing activities net debt reduction of 0.6 billion euros due to the push-down to Pluxee.

At year end, Sodexo continuing operations gross debt of 5.6 billion euros was 72% euro-denominated, 21% dollar-denominated and 6%

sterling denominated, with an average maturity of 3.8 years, 95% at fixed rates and 100% covenant-free.

By the end of Fiscal 2023, Operating cash of Sodexo continuing operations adjusted post spin-off reached a total of 1,455 million euros.

At the year end, unused credit lines totaled 1.8 billion euros.

In anticipation of the full spin-off of Pluxee, Sodexo has elected to redeem, on November 10, 2023 all of its 300 million euros 1.125 per cent Bonds series due May 22, 2025 pursuant to the terms and conditions of these Bonds.

3.3.3 Acquisitions and disposals for the period

Fiscal 2023 has been a quiet period for both acquisitions and disposals of non-core activities and geographies.

3.3.4 Earnings per share

Published EPS was 5.44 euros against 4.75 euros in Fiscal 2022. The weighted average number of shares for Fiscal 2023 was more or less stable at 146,127,620 compared to 146,295,576 shares for Fiscal 2022. Underlying EPS was 6.21 euros, up +30% compared to the prior year.

3.3.5 Proposed dividend

The Board of Directors has proposed a dividend of 3.10 euros, up +29.2% compared to Fiscal 2022, in line with our policy of a pay-out-ratio of 50% of Underlying net profit.

3.3.6 Currency effect

Exchange rate fluctuations do not generate operational risks, because each subsidiary bills its revenues and incurs its expenses in the same currency.

€1=	AVERAGE RATE FY 2023	AVERAGE RATE FY 2022	AVERAGE RATE FY 2023 VS. FY 2022	CLOSING RATE AT 08/31/2023	CLOSING RATE AT 08/31/2022	CLOSING RATE 08/31/2023 VS. 08/31/2022
U.S. dollar	1.059	1.101	+4.0%	1.087	1.000	-8.0%
Pound Sterling	0.871	0.846	-2.8%	0.857	0.860	+0.4%
Brazilian real	5.403	5.772	+6.8%	5.308	5.148	-3.0%

The +1.5% positive impact of currencies on Sodexo continuing activities Fiscal 2023 revenues is linked to the weakness of the euro against the U.S. dollar during the first half of the year. However, the euro has been increasing since the end of the first half Fiscal 2023 and therefore the currency impact is negative in the second half. On the other hand, UK pound Sterling was down -2.8% during the year,

explaining a negative impact of currencies in Europe. The impact of currency mix on the Underlying operating margin was negligible. Group net income was impacted by a negative currency impact of -1.3%, mainly coming from Pluxee discontinued operations.

Sodexo (continuing activities) operates in 45 countries. The percentage of total revenues and Underlying operating profit denominated in the main currencies are as follows:

FISCAL 2023	% OF REVENUES	% OF UNDERLYING OPERATING PROFIT
U.S. dollar	44%	63%
Euro	23%	-4%
UK pound Sterling	8%	11%
Brazilian real	4%	8%

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

3.3.7 Outlook

Given the strategic progress made in Fiscal 2022 and 2023, Sodexo is on track to pursue its recovery in North America, enhance efficiency and agility, continue to transform the food offers and operations and grow selectively in Facilities management. Commercial excellence, data and digital investments and supply management support, will all contribute to better commercial momentum and better margins.

The underlying revenue growth rate exit rate in the fourth quarter was over 10%. With continued inflation being passed through, pricing is expected to average out at 3-4% for Fiscal 2024. The

contribution from net new business should be above 2%, amplified by some cross-selling.

As a result, Sodexo (excluding Pluxee) Fiscal 2024 and 2025 guidance:

- organic revenue growth should be between +6% and +8% *per annum*;
- underlying operating profit margin should continue to grow by +30-40 bps *per annum*, at constant rates.

3.3.8 Subsequent events

In July 2023 the Company launched a consent solicitation process relating to its 4.4 billion euros of outstanding EUR and GBP bonds, in order to seek certain approvals and waivers to proceed with the proposed spin-off of the Benefits & Rewards Services activity (Pluxee). The proposal was approved in relation to 7 out of the 8 bonds series. The consent solicitation in relation to the 300 million euros 1.125% bonds due May 22, 2025 (the "May 2025 Bonds") was terminated and, on October 25, 2023, the Board of Directors decided to redeem the May 2025 Bonds and to publish the make-whole redemption notice on October 26, 2023. Sodexo will redeem the total aggregate principal amount of the May 2025 Bonds outstanding on November 10, 2023.

At the end of July 2023, Sodexo signed an agreement for the acquisition of A.H. Management, independent convenience solutions, to accelerate food transformation and development in North America.

A.H. Management, the premier convenience solutions operator in the Chicago region and Southeast Wisconsin, is one of the largest operators in the Mid-West. This acquisition, closed in September 2023, will extend InReach's offerings in the fast-growing North American convenience market.

At the end of September 2023, the Group signed a disposal agreement for its worldwide Homecare services including subsidiaries in the United States, United Kingdom, and Scandinavian countries. The transaction is subject to the satisfaction of customary closing conditions and is expected to be finalized by the end of the calendar year.

3.3.9 Alternative Performance Measure definitions

Blended cost of debt

The blended cost of debt is calculated at period end and is the weighted blended financing rate on borrowings (including derivative financial instruments and commercial papers) and cash pooling balances at period end.

Financial ratios

Please refer to Chapter 4, 4.3.1.

Free cash flow

Please refer to the section entitled Consolidated financial position.

Growth excluding currency effect

The currency effect is determined by applying the previous year's average exchange rates to the current year figures except in hyper-inflationary economies where all figures are converted at the latest closing rate for both periods when the impact is significant.

Issue volume

Issue volume corresponds to the total face value of service vouchers, cards and digitally delivered services issued by Pluxee for beneficiaries on behalf of clients.

Net debt

Net debt is defined as Group borrowing at the balance sheet date, less operating cash.

Organic growth

Organic growth corresponds to the increase in revenue for a given period (the "current period") compared to the revenue reported for the same period of the prior fiscal year, calculated using the exchange rate for the prior fiscal year; and excluding the impact of business acquisitions (or gain of control) and divestments, as follows:

- for businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- for businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded;
- for businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded;
- for businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded.

Underlying net profit

Underlying net profit presents a net income excluding significant unusual and/or infrequent elements. Therefore, it corresponds to the Net Income Group share excluding Other Income and Expense and significant non-recurring elements in both Net Financial Expense and Income Tax Expense where relevant.

Underlying net profit per share

Underlying net profit per share presents the Underlying net profit divided by the average number of shares.

Underlying operating profit margin

The Underlying operating profit margin corresponds to Underlying operating profit divided by revenues.

Underlying operating profit margin at constant rates

The Underlying operating profit margin at constant rates corresponds to Underlying operating profit divided by revenues, calculated by converting 2023 figures at Fiscal 2022 rates, except for countries with hyperinflationary economies.

4

Consolidated financial statements

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4.1 Consolidated financial statements

The comparative period presented in the consolidated income statement and in the consolidated cash flow statement disclosed in the document has been restated to reflect the classification as discontinued operations of Benefit & Rewards Services activity (Pluxee) in accordance with IFRS 5 “Assets held for sale and discontinued operations”. Restatements of previously published information are disclosed in note 3.2.

4.1.1 Consolidated income statement

(in million euros)	NOTES	FISCAL 2023	FISCAL 2022 IFRS 5 restated
Revenues	4.1	22,637	20,263
Cost of sales	4.2	(19,917)	(17,807)
Gross profit		2,720	2,456
Selling, General and Administrative costs	4.2	(1,753)	(1,648)
Share of profit of companies accounted for using the equity method that directly contribute to the Group's business	8	9	7
Underlying operating profit	4.1	976	815
Other operating income	4.2	4	102
Other operating expenses	4.2	(133)	(105)
Operating profit		847	812
Financial income	12.1	90	36
Financial expenses	12.1	(191)	(123)
Share of profit of other companies accounted for using the equity method	8	3	1
Profit for the year before tax		749	726
Income tax expense	9.2	(181)	(206)
Net profit of the year from continuing operations		568	520
Net profit of the year from discontinued operations		236	184
Net profit for the year		804	704
Of which:			
Profit attributable to non-controlling interests		10	9
Net profit of the year from continuing operations – Attributable to non-controlling interests		8	6
Net profit of the year from discontinued operations – Attributable to non-controlling interests		2	3
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		794	695
Net profit of the year from continuing operations – Attributable to equity holders of the parent		560	514
Net profit of the year from discontinued operations – Attributable to equity holders of the parent		234	181
Basic earnings per share (in euros)	11.2	5.44	4.75
Net profit of the year from continuing operations, Group share per share (in euros)		3.83	3.51
Net profit of the year from discontinued operations, Group share per share (in euros)		1.61	1.24
Diluted earnings per share (in euros)	11.2	5.38	4.69
Net profit of the year from continuing operations, Group share diluted per share (in euros)		3.80	3.47
Net profit of the year from discontinued operations, Group share diluted per share (in euros)		1.58	1.22

4.1.2 Consolidated statement of comprehensive income

(in million euros)	NOTES	FISCAL 2023	FISCAL 2022 IFRS 5 restated
NET PROFIT FOR THE YEAR		804	704
Components of other comprehensive income that may be reclassified subsequently to profit or loss		(398)	715
Change in fair value of cash flow hedge instruments	12.5 and 11.1	—	—
Change in fair value of cash flow hedge instruments reclassified to profit or loss	12.5 and 11.1	—	—
Currency translation adjustment	11.1	(398)	686
Currency translation adjustment reclassified to profit or loss	11.1	—	29
Tax on components of other comprehensive income that may be reclassified subsequently to profit or loss	11.1	—	—
Share of other components of comprehensive income (loss) of companies accounted for using the equity method, net of tax	11.1 and 8	—	—
Components of other comprehensive income that will not be reclassified subsequently to profit or loss		125	129
Remeasurement of defined benefit plan obligation	5.1 and 11.1	(104)	87
Change in fair value of financial assets revalued through other comprehensive income	12.3 and 11.1	197	65
Tax on components of other comprehensive income that will not be reclassified subsequently to profit or loss	11.1	32	(23)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), AFTER TAX		(273)	844
COMPREHENSIVE INCOME FROM CONTINUING OPERATIONS		293	1,312
COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS		238	236
COMPREHENSIVE INCOME		531	1,548
Of which:			
Attributable to equity holders of the parent		523	1,534
Comprehensive income from continuing operations – Attributable to equity holders of the parent		285	1,302
Comprehensive income from discontinued operations – Attributable to equity holders of the parent		238	232
Attributable to non-controlling interests		8	14
Comprehensive income from continuing operations – Attributable to non-controlling interests		8	10
Comprehensive income from discontinued operations – Attributable to non-controlling interests		—	4

4.1.3 Consolidated statement of financial position

Assets

(in million euros)	NOTES	AUGUST 31, 2023	AUGUST 31, 2022
Goodwill	6.1	5,568	6,611
Other intangible assets	6.2	448	678
Property, plant and equipment	6.3	510	510
Right-of-use assets relating to leases	7.2	787	895
Client investments	4.4	687	667
Investments in companies accounted for using the equity method	8	66	73
Non-current financial assets	12.3 and 12.5	1,071	1,025
Other non-current assets		77	172
Deferred tax assets	9.3	192	154
NON-CURRENT ASSETS		9,406	10,785
Financial assets	12.3 and 12.5	74	57
Inventories		324	352
Income tax receivable		84	171
Trade and other current operating assets	4.3	3,562	5,068
Restricted cash and financial assets related to the Benefits & Rewards Services activity	3.2	—	1,257
Cash and cash equivalents	12.2	2,025	3,225
Assets held for sale or for distribution	3.2	5,319	5
CURRENT ASSETS		11,388	10,135
TOTAL ASSETS		20,794	20,920

Shareholders' equity and liabilities

(in million euros)	NOTES	AUGUST 31, 2023	AUGUST 31, 2022
Share capital		590	590
Additional paid-in capital		248	248
Reserves and retained earnings		3,704	3,577
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		4,542	4,415
NON-CONTROLLING INTERESTS		12	10
SHAREHOLDERS' EQUITY	11.1	4,554	4,425
Long-term borrowings	12.4 and 12.5	5,056	5,709
Long-term lease liabilities	7.1	683	759
Employee benefits	5.1	265	282
Other non-current liabilities	4.3	174	197
Non-current provisions	10.1	110	115
Deferred tax liabilities	9.3	152	161
NON-CURRENT LIABILITIES		6,440	7,223
Bank overdrafts	12.2	—	8
Short-term borrowings	12.4 and 12.5	537	35
Short-term lease liabilities	7.1	148	184
Income tax payable		177	207
Current provisions	10.1	79	99
Trade and other payables	4.3	4,540	5,230
Voucher liabilities	3.2	—	3,509
Liabilities directly associated with assets held for sale or for distribution	3.2	4,319	—
CURRENT LIABILITIES		9,800	9,272
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		20,794	20,920

4.1.4 Consolidated cash flow statement

(in million euros)	NOTES	FISCAL 2023	FISCAL 2022
Operating profit		847	812
Depreciation, amortization and impairment of intangible assets, property, plant and equipment and right-of-use assets*		458	457
Provisions		(17)	(53)
(Gains) losses on disposals		11	(51)
Other non-cash items		31	28
Dividends received from companies accounted for using the equity method	8	8	6
Net interest expense paid		(66)	(55)
Interests paid on lease liabilities		(19)	(16)
Income tax paid		(123)	(151)
Operating cash flow		1,130	977
Change in inventories		(11)	(72)
Change in trade and other current operating assets		(204)	(470)
Change in trade and other payables		(7)	349
Change in working capital from operating activities		(222)	(193)
Net cash provided by operating activities from continuing operations		908	784
Net cash provided by operating activities from discontinued operations		468	251
NET CASH PROVIDED BY OPERATING ACTIVITIES		1,376	1,035
Acquisitions of property, plant and equipment and intangible assets		(338)	(266)
Disposals of property, plant and equipment and intangible assets		33	17
Change in client investments	4.4	(43)	(13)
Change in financial assets and share of companies accounted for using the equity method		(36)	(61)
Business combinations	3.1	(21)	(126)
Disposals of activities	3.2	—	80
Net cash used in investing activities from continuing operations		(405)	(369)
Net cash used in investing activities from discontinued operations		(121)	(17)
NET CASH USED IN INVESTING ACTIVITIES		(526)	(386)
Dividends paid to Sodexo S.A. shareholders	11.1	(352)	(294)
Dividends paid to non-controlling shareholders of consolidated companies		(6)	(3)
Purchases of treasury shares	11.1	(57)	(13)
Sales of treasury shares	11.1	7	6
Change in non-controlling interests		(12)	—
Proceeds from borrowings	12.4	544	111
Repayment of borrowings	12.4	(550)	(699)
Repayments of lease liabilities	7.1	(186)	(196)
Net cash provided by/(used in) financing activities from continuing operations		(612)	(1,088)
Net cash provided by/(used in) financing activities from discontinued operations		(34)	(21)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		(646)	(1,109)
NET EFFECT OF EXCHANGE RATES AND OTHER EFFECTS ON CASH		(191)	145
Net effect of exchange rates and other effects on cash from continuing operations		(156)	100
Net effect of exchange rates and other effects on cash from discontinued operations		(35)	45
CHANGE IN NET CASH AND CASH EQUIVALENTS		13	(315)
NET CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		3,217	3,532
NET CASH AND CASH EQUIVALENTS, END OF YEAR	12.2	3,230	3,217
of which Net cash and cash equivalents from continuing operations, end of year		2,025	2,274
of which Net cash and cash equivalents from discontinued operations, end of year		1,205	943

* Including 188 million euros corresponding to the depreciation of right-of-use assets recognized in Fiscal 2023 pursuant to IFRS 16 (200 million euros recognized in Fiscal 2022).

4.1.5 Consolidated statement of changes in shareholders' equity

(in million euros)	NUMBER OF SHARES OUTSTANDING	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	RESERVES AND COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENT	TOTAL SHAREHOLDERS' EQUITY		
						ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
Notes	11.1			11.1				
Shareholders' equity as of August 31, 2022	147,454,887	590	248	3,992	(415)	4,415	10	4,425
Net profit for the year				794		794	10	804
Other comprehensive income (loss), net of tax				125	(396)	(271)	(2)	(273)
Comprehensive income				919	(396)	523	8	531
Dividends paid				(352)		(352)	(7)	(359)
Treasury share transactions				(52)		(52)		(52)
Share-based payment (net of income tax)				45		45		45
Change in ownership interest without any change of control				(36)		(36)	2	(34)
Other				(1)		(1)	(1)	(2)
SHAREHOLDERS' EQUITY AS OF AUGUST 31, 2023	147,454,887	590	248	4,514	(811)	4,542	12	4,554

(in million euros)	NUMBER OF SHARES OUTSTANDING	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	RESERVES AND COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENT	TOTAL SHAREHOLDERS' EQUITY		
						ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
Notes	11.1			11.1				
Shareholders' equity as of August 31, 2021	147,454,887	590	248	3,455	(1,125)	3,168	7	3,175
Impact of changes in accounting principles*				(21)		(21)		(21)
Shareholders' equity as of September 1, 2021	147,454,887	590	248	3,434	(1,125)	3,147	7	3,154
Net profit for the year				695		695	9	704
Other comprehensive income (loss), net of tax				129	710	839	5	844
Comprehensive income				824	710	1,534	14	1,548
Dividends paid				(294)		(294)	(11)	(305)
Treasury share transactions				(9)		(9)		(9)
Share-based payment (net of income tax)				38		38		38
Change in ownership interest without any change of control				1		1	(1)	—
Other				(1)		(1)	1	—
SHAREHOLDERS' EQUITY AS OF AUGUST 31, 2022	147,454,887	590	248	3,992	(415)	4,415	10	4,425

* Corresponding to the application of the IFRS Interpretation Committee decisions issued in March, providing details on the accounting for configuration and customization costs of SaaS (Software as a Service) type software, and in April 2021, clarifying the calculation methods, in application of IAS 19 "Employee benefits", for certain commitments relating to defined benefit plans.

4.2 Notes to the consolidated financial statements

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Sodexo is a *société anonyme* (a form of limited liability company) registered in France, with its headquarters located in Issy-les-Moulineaux. Sodexo offers a wide range of services to meet the daily needs of its clients, not only within its On-site Services activity, composed of Food and Facilities Management services, but also with its Benefits & Rewards Services activity (newly denominated “Pluxee”, see note 3.2), offering a complete suite of solutions of employee benefits and commitment.

Sodexo’s consolidated financial statements for the fiscal year ended August 31, 2023 were approved by the Board of Directors on October 25, 2023 and will be submitted to the Annual Shareholders Meeting on December 15, 2023.

The numbers shown in the tables were prepared in thousands of euros and are presented in million euros (unless otherwise indicated).

NOTE 1. SIGNIFICANT EVENTS

1.1 Change in On-site Services organization

As announced in July 2022, the Group has reorganized its On-site Services activity with regions and countries consolidated into geographic zones led by three Zone Presidents, with the full responsibility of the Profit and Loss. The three geographic zones are North America, Europe and Rest of the World (including Asia-Pacific, Middle East, Africa, Latin America).

In order to reflect the implementation of the new organization of On-site Services by geographic zone, fully effective from October 1, 2022, the Group has redefined its operating segments as defined by IFRS 8 (corresponding until then to the global client segments and now represented by regions) and has updated its segment information accordingly. Thus, within On-site Services activity, the new operating segments after aggregation correspond to the following geographic zones:

- North America;
- Europe (including the Continental Europe, France and United Kingdom & Ireland regions);
- Rest of the World (including Asia-Pacific/Middle East/Africa, Latin America (without Brazil) and Brazil).

The Benefits & Rewards Services activity (Pluxee), not impacted by the reorganization, is an operating segment on its own.

For comparability purposes, the segment information of the previous period has been restated (see note 4.1).

Furthermore, in accordance with IAS 36 “Impairment of assets”, the reorganization of On-site Services activity has led the Group to reassess the level at which goodwill impairment tests are carried out. On-site Services goodwill have therefore been reallocated to each region (group of Cash Generating Units), which corresponds to the lowest level at which goodwill is monitored for internal management purposes (see note 6.1), based on their estimated relative value in use as of August 31, 2022.

1.2 Plan to spin-off Benefits & Rewards Services (Pluxee)

The Sodexo Board of Directors has unanimously approved the project to separate the two business units of Sodexo by spinning-off and listing Benefits & Rewards Services activity (renamed Pluxee) through the distribution of this entity’s shares to Sodexo shareholders.

As part of the preparation of the spin-off, the modification of Sodexo’s by-laws as well as the temporary suspension of the dividend premium will be put to a shareholder vote during the Annual General Meeting to be held on December 15, 2023. The full spin-off will be subsequently proposed to a dedicated Shareholders Meeting to be held early 2024, and the listing is expected to start early 2024 on Euronext Paris, subject to Euronext admission decision and market conditions.

Given the progress of the project as of August 31, 2023, the Benefits & Rewards Services activity (Pluxee) has been classified in accordance with IFRS 5 “Assets held for sale and discontinued operations” as a discontinued operation in Sodexo consolidated financial statement in Fiscal 2023 (see the detailed accounting treatment in note 3.2).

1.3 Strategic partnership between Pluxee (Benefits & Rewards Services activity) and Santander in Brazil

In July 2023, to reinforce its market leadership in Brazil, Pluxee has signed a strategic partnership with Santander Brazil, one of the largest private banks in the country, combining 145,000 clients, 6.5 million consumers and a network of over 750,000 merchants.

This strategic partnership includes (i) a 25-year exclusive distribution agreement of its Employee Benefit solutions in the Santander network and (ii) the integration of Santander’s Employee Benefits activity, Ben. This partnership will enable Pluxee to enhance the distribution of its products through the wide national network of Santander agencies and will create significant synergies. As part of this partnership, Santander is also contributing its existing Employee Benefits activity in Brazil and will hold a 20% equity stake into Benefits & Rewards Services activity entity in Brazil (Pluxee Brazil). Created in 2019 to complement the Bank’s range of offers, Santander’s Brazilian Employee Benefits activity relies on a network of 3,000 clients, 600,000 consumers and over 400,000 merchants.

This transaction has been approved by the Administrative Council for Economic Defense (CADE) and is still subject to the approval of the Central Bank of Brazil. It is expected to be completed during 2024 calendar year.

NOTE 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Accounting policies

2.1.1 General principles

Pursuant to European regulation 1606/2002 of July 19, 2002, the consolidated financial statements of the Sodexo group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union as of the year end. The texts adopted by the European Union are published in the Official Journal of the European Union and are available for consultation on EUR-Lex.

Information for the comparative year presented has been prepared using the same principles.

The Group does not apply IFRS standards that are not approved by the European Union at the closing date. Considering the Company closing date, the IFRS application dates as approved by the European Union have been the same as those for the IFRS standards published by the IASB.

Furthermore, the Group did not elect to early adopt non-mandatory new standards, amendments and interpretations for Fiscal 2023. The Group does not anticipate the application of non-mandatory new standards, amendments and interpretations to have a material impact on its consolidated financial statements.

2.1.2 New accounting standards and interpretations applied

The accounting policies used by the Group to prepare its consolidated financial statements for the fiscal year ended August 31, 2023 are the same as those used for the consolidated financial statements as of August 31, 2022, with the exception of the policies impacted by the reorganization of On-site Services (see notes 4.1, 6.1 and 6.4). The other texts effective as of September 1, 2022 had no material impact on the consolidated financial statements of the Group.

2.2 Use of estimates

The preparation of financial statements requires the Management of Sodexo and its subsidiaries to make estimates and assumptions which affect the amounts reported for assets, liabilities and contingent liabilities as of the date of preparation of the financial statements, and for revenues and expenses for the year.

These estimates and valuations are updated continuously based on past experience and on various other factors considered reasonable in view of current circumstances and are the basis for the assessments of the carrying amount of assets and liabilities.

Actual amounts may differ from these estimates if assumptions or circumstances change.

2.2.1 Key estimates and assumptions

Significant items subject to such estimates and assumptions include the following:

- impairment of current and non-current assets (notes 4.3 and 6.4);
- provisions for risks, litigation and restructuring (notes 10.1 and 10.2);
- recognition of deferred tax assets (note 9);
- liabilities recognized for uncertain tax positions (note 9);

- fair value of financial assets and derivative financial instruments (notes 12.5 and 12.6);
- valuation of post-employment defined benefit plan assets and liabilities (note 5.1);
- share-based payments (note 5.2);
- valuation of intangible assets acquired as part of a business combination, as well as their estimated useful lives (note 3);
- assessment of the lease term in measuring the lease liabilities and related right-of-use assets (note 7.1).

2.2.2 Assessment of the effects of climate change

As part of its Climate Strategy, the Group has set the objective of significantly reducing its environmental impact at every level of its value chain, in particular through the following actions:

- developing plant-based food offers, to raise consumer awareness of the nutritional and environmental benefits of meals based on plant-based proteins, an essential driver in reducing carbon emissions;
- using 100% renewable electricity at its directly operated sites by 2025, and deploying its energy management service to assist its clients with their renewable energy choices;
- implementing the WasteWatch program, to reduce food waste by facilitating the operational and behavioral changes required to eliminate avoidable product waste, both in the kitchen and by consumers;
- progressively phasing-out from coal sector projects, with the aim of exiting the sector by 2025 (no new contract and no renewal of contracts relating to catering services or Facilities Management on coal mining sites).

The many initiatives undertaken by Sodexo aim, in particular, to achieve the objective of a -34% greenhouse gas emissions reduction by 2025 (as compared to the 2017 baseline), as part of its corporate responsibility roadmap Better Tomorrow 2025 defined in 2017.

The Group took into account the estimated costs of implementing these actions within the business plans drawn up for each operating segment when preparing its impairment tests.

The potential long-term impact of climate-related risks and opportunities on other components of business plans – primarily the effect on the cost of sales and the margin of possible disruptions to the Group's supply chain due to physical risks after taking into account the anticipated impact of the mitigating measures – is considered *via* sensitivity analysis of the value in use estimated for the purposes of the impairment tests to the variation in operational assumptions, the results of which are presented in note 6.4.

The commitments made by the Group in relation to climate change had no other impact on the judgments and estimates used by Management in the context of the preparation of its consolidated financial statements as of August 31, 2023, in particular regarding the assessment of the useful life of property, plant and equipment, the estimate of their recoverable value or the recognition of liabilities.

2.3 Valuation bases

The consolidated financial statements are prepared using the historical cost convention, except for:

- identifiable assets acquired, and liabilities assumed, recognized as part of a business combination, measured at the acquisition date fair value (note 3.1);
- derivative financial instruments, cash and cash equivalents and non-consolidated investments, measured at fair value (note 12);
- post-employment defined benefit plan assets and liabilities (note 5.1);
- share-based payment, measured at fair value (note 5.2);
- right-of-use assets relating to leases and lease liabilities (note 7).

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

In line with the IFRS 13 “Fair Value Measurement” classification, there are three levels of fair value:

- level 1: fair value determined using unadjusted quoted prices in active markets for identical assets or liabilities, used for the valuation of cash and cash equivalents;
- level 2: fair value determined by models that use observable inputs for the asset or liability, either directly (*i.e.*, prices) or indirectly (*i.e.*, price-based data), used for the valuation of derivative financial instruments (valuation models commonly used for derivative instruments traded on a regulated or over-the-counter market);
- level 3: fair value determined using valuation techniques based on unobservable inputs, used for the valuation of client relationships acquired as part of a business combination and non-consolidated investments.

NOTE 3. MAIN CHANGES IN SCOPE OF CONSOLIDATION

ACCOUNTING PRINCIPLES

Principles and methods of consolidation

INTRAGROUP TRANSACTIONS

Intragroup transactions and balances, and unrealized losses and gains between Group subsidiaries, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, unless they represent an impairment charge.

CONSOLIDATION METHODS

A subsidiary is an entity directly or indirectly controlled by Sodexo S.A.. The Group controls a subsidiary when it is exposed or has rights to obtain variable benefits from its involvement with the subsidiary and has the ability to influence those benefits through its power over the subsidiary. In determining whether control exists, voting rights granted by equity instruments are taken into account only when they give the Group substantive rights. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained to the date on which control ceases to be exercised.

Associates are companies in which Sodexo S.A. directly or indirectly exercises significant influence over financial and operating policy without exercising exclusive or joint control. Joint ventures are joint arrangements in which Sodexo S.A. directly or indirectly exercises joint control and has rights to the net assets of the arrangement. Associates and joint ventures are accounted for using the equity method. Sodexo has a number of equity interests in project companies established in connection with Public-Private Partnership (PPP) contracts. These contracts enable governments to call upon the private sector for the design, construction, financing and management of public infrastructure (hospitals, schools, barracks, prisons), with detailed performance criteria. An analysis is performed for each of these equity interests, in order to determine whether they qualify as associates or joint ventures. Sodexo only makes equity and subordinated debt investments in such projects when it acts as a service provider to the project company.

Further information on the main entities consolidated as of August 31, 2023 is provided in note 14.4 “Scope of consolidation”.

FOREIGN CURRENCY TRANSLATION

The exchange rates used are derived from rates quoted by the European Central Bank and on other major international financial markets.

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies at the period end are translated using the closing rate. The resulting translation differences are reported in financial income or expenses.

Non-monetary foreign currency assets and liabilities reported at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities reported at fair value are translated using the exchange rate at the date when the fair value was determined.

Transactions for the period are translated at the exchange rate at the transaction date.

Translation differences on monetary items that are in substance part of a net investment in a foreign operation consolidated by Sodexo are reported in other comprehensive income until the disposal or liquidation of the investment.

Financial statements denominated in foreign currencies

(i) Countries with stable currencies

The separate financial statements of each consolidated entity are presented on the basis of the primary economic environment (functional currency) in which the entity operates.

For consolidation purposes, all foreign currency assets and liabilities of consolidated entities are translated into the reporting currency of the Sodexo Group (the euro) at the closing exchange rate, and all income statement items are translated at the average exchange rate for the period. The resulting translation differences are recognized in other comprehensive income under "Currency translation adjustment".

(ii) Countries with hyperinflationary economies

Non-monetary assets and liabilities in hyperinflationary countries, as well as the income statement, are adjusted to reflect the changes in the general pricing power of the functional currency in accordance with IAS 29 "Financial reporting in hyperinflationary economies". Moreover, financial statements of subsidiaries in hyperinflationary countries are translated at the closing rate of the period in accordance with IAS 21 "The effects of changes in foreign exchange rates". Since April 2022, Turkey has been classified as a country with a hyperinflationary economy. However, the impacts of hyperinflation in that country were not material at Group level during Fiscal 2023 and Fiscal 2022.

Business combinations

In accordance with IFRS 3 "Business combinations", the purchase method is used to account for acquisitions of subsidiaries by the Group. At the acquisition date, the Group measures the consideration transferred, the identifiable assets acquired, and the liabilities assumed at fair value, as well as any non-controlling interest in the acquired company. The residual difference between the fair value of the consideration transferred, increased by the amount of the non-controlling interest in the acquired company, and the fair value as of the date of acquisition of the assets acquired and liabilities assumed, is recognized as goodwill in the statement of financial position.

Fair value of the consideration corresponds to the fair value of assets transferred, liabilities incurred, and equity interests issued by the Group measured as of the date of the acquisition. Costs directly related to the acquisition are expensed as incurred in the income statement.

The Group measures non-controlling interests on a case-by-case basis for each business combination either at fair value or based on their percentage interest in the fair value of identifiable net assets acquired. Commitments to purchase non-controlling interests given in connection with business combinations are recognized as described in section Accounting principles of the note 11 "Equity and earnings per share".

Changes to the measurement of identifiable assets and liabilities resulting from specialist valuations or additional analysis may be recognized as adjustments to goodwill if they are identified within one year of the date of acquisition and result from facts and circumstances existing at the acquisition date. Once this one-year period has elapsed, the effect of any adjustments is recognized directly in the income statement (unless it is the correction of an error), including recognition of deferred tax assets which are recognized in the income statement as a tax benefit if recognized more than one year after the acquisition date.

PURCHASE PRICE ADJUSTMENTS AND/OR EARN-OUTS

Purchase price adjustments and/or earn-outs related to business combinations are recognized at their fair value as of the date of acquisition even if they are considered to be not probable. After the date of acquisition, changes in estimate of the fair value of price adjustments lead to an adjustment to goodwill only if they occur within the time allowed (a maximum of one year as of the date of acquisition) and if they result from facts and circumstances that existed at the acquisition date. In all other cases, the change is recognized in profit or loss except when the consideration transferred consists of an equity instrument.

BARGAIN PURCHASES

When the fair value of the assets acquired and the liabilities assumed as of the acquisition date is greater than acquisition cost, increased by the amount of any non-controlling interest, the excess – representing negative goodwill – is immediately recognized in the income statement in the period of acquisition, after reviewing the procedures for the identification and measurement of the different components included in the calculation.

STEP ACQUISITIONS

In a step acquisition, the fair value of the Group's previous interest in the acquired entity is measured at the date that control is obtained and is recognized in profit or loss (in the case of investments in companies accounted for using the equity method upon acquisition of control) or through other comprehensive income (in case of non-consolidated investments). In determining the amount of goodwill recognized, the fair value of the consideration transferred (for example the price paid) is increased by the fair value of the interest previously held by the Group.

3.1 Business combinations

A total goodwill amount of 19 million euros was recognized during Fiscal 2023, mainly due to the business combination accounting of Beacon Services Group Limited in the United Kingdom and of AMI2 in France for On-site Services activity.

The table below shows the values of the assets acquired and liabilities assumed as of August 31, 2023. The values are estimated provisionally as of August 31, 2023 for most of Fiscal 2023 acquisitions:

(in million euros)	AUGUST 31, 2023
Intangible assets	1
Trade and other current operating assets	5
Cash and cash equivalents	4
Trade and other payables	(5)
TOTAL IDENTIFIABLE NET ASSETS	5
CONSIDERATION TRANSFERRED⁽¹⁾	24
GOODWILL⁽²⁾	19

(1) Including 1 million euros corresponding to liabilities recognized in connection with deferred considerations and written put options over non-controlling interests.

(2) Goodwill is recognized as the difference between the acquisition price and identifiable net assets at fair value. It principally represents the *savoir-faire* and expertise of employees and synergies expected from acquired companies.

Business combinations impacts the cash flow statement as follows:

Price paid during the year	25
Cash acquired	4
Business combinations	21

Companies consolidated during Fiscal 2023 were integrated from the date of acquisition, and contributed for 6 million euros to consolidated revenue and for 0.3 million euros to the consolidated underlying operating profit of the period.

Goodwill variations during Fiscal 2023 and the comparative period are presented in note 6.1 "Goodwill".

3.2 Disposed and held for sale or distribution activities

ACCOUNTING PRINCIPLES

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", when the Group expects to recover the value of an asset or a group of assets through its sale rather than by its use, or when the asset or group of assets is held for distribution to owners of the Group, this asset or group of assets is presented on a separate line "Assets held for sale or for distribution" of the consolidated statement of financial position. Non-current assets classified as such are measured at the lower of their carrying value and their fair value net of disposal costs and therefore are no longer subject to depreciation. The liabilities relating to the asset or group of assets are also presented on a separate line of the consolidated statement of financial position ("Liabilities directly associated with assets held for sale or for distribution").

In addition, when the group of assets held for sale or for distribution represents a separate major line of business or geographic area of operations, and thus meets the definition of a discontinued operation according to IFRS 5, its contribution to income and cash flows is presented on separate lines in the consolidated income statement (line "Net profit of the year from discontinued operation") and the consolidated cash flow statement (separate lines within each cash flow category). The comparative consolidated income statement and consolidated cash flow statement are restated as if the activity had met the criteria for a discontinued operation as of the opening of the comparative period.

The Group continued its portfolio rationalization:

- At the end of September 2023, the Group signed a disposal agreement for its worldwide Homecare services including mainly subsidiaries in the United States, in the United Kingdom, and in Scandinavian countries. The transaction is subject to the satisfaction of customary closing conditions and is expected to be finalized by the end of the calendar year. Pursuant to IFRS 5, the assets and liabilities of the subsidiaries to be disposed are classified in the consolidated statement of financial position as of August 31, 2023 in "Assets held for sale or for distribution" and "Liabilities directly associated with assets held for sale or for distribution" for respectively 211 million euros and 72 million euros. As Homecare services do not meet the definition of a discontinued operation, their contribution to income and cash flows is maintained within continuing operations in the consolidated income statement and in the consolidated cash flow statement, in accordance with IFRS 5;
- During Fiscal 2022, the disposal of a certain number of activities, including Childcare activities in France and in Spain, On-site Services activities in Morocco, the Lido in France and non-strategic account portfolios in Australia and in Czech Republic, resulted in a net gain on disposal of 50 million euros recognized in "Other operating income and expenses" during Fiscal 2022 (see note 4.2.2 "Other operating income and expenses").

Furthermore, given the progress of the spin-off project of the Benefits & Rewards Services activity (Pluxee) disclosed in note 1.2, this activity meets the definition of a discontinued operation as of August 31, 2023 as set out by IFRS 5 (separate major line of business, the net assets of which are available for immediate distribution in their present condition, and the distribution of which is highly probable). In accordance with this standard, the net profit and the cash flows of this activity are presented on separated lines relating to discontinued activities in the consolidated income statement and in the consolidated cash flow statement:

- Net profit of the year from discontinued activities in the consolidated income statement;

- Net cash flow from discontinued operating activities, Net cash flow from discontinued investing activities, and Net cash flow from discontinued financing activities in the consolidated cash flow statement.

The assets and liabilities of the Benefits & Rewards Services activity (Pluxee) have been reclassified as assets held for sale or for distribution and associated liabilities in the Group's consolidated statement of financial position as of August 31, 2023.

3.2.1 Financial statements of discontinued operations

Net profit from discontinued operations

The key consolidated income statement items of the Benefits & Rewards Services activity (Pluxee) classified as discontinued operations are the following:

(in million euros)	FISCAL 2023	FISCAL 2022
Revenue	1,099	865
Cost of sales	(334)	(281)
Gross profit	765	584
Underlying operating profit	364	248
Net other operating income/(expenses)	(30)	(3)
Operating profit	334	245
Financial income (expense)	(18)	(3)
Profit for the year before tax	316	242
Income tax expense	(80)	(58)
Net profit of the year	236	184

Cash flow statement from discontinued operations

The key consolidated cash flow statement items of the Benefits & Rewards Services activity (Pluxee) classified as discontinued operations are the following:

(in million euros)	FISCAL 2023	FISCAL 2022
Operating profit	334	245
Adjustments	(33)	21
Operating cashflow	301	266
Change in vouchers payables	114	178
Change in financial assets related to the Benefits & Rewards Services activity	(100)	(145)
Other components of net change in working capital from operating activities	153	(48)
Net cash provided by operating activities	468	251
Net capital expenditure	(115)	(79)
Other investing activities	(6)	62
Net cash used in investing activities	(121)	(17)
Dividends paid	(140)	(194)
Net proceed of borrowings	(14)	(5)
Other financial activities	120	178
Net cash provided by/(used in) financing activities	(34)	(21)

Statement of financial position from discontinued operations

The major classes of assets and liabilities of the Benefits & Rewards Services activity (Pluxee) classified in Assets held for sale or for distribution and in Liabilities directly associated with assets held for sale or for distribution in the consolidated statement of financial position as of August 31, 2023, are:

(in million euros)	AUGUST 31, 2023
Goodwill	635
Other intangible assets, property, plants and equipment, and right-of-use assets relating to leases	284
Other non-current assets	64
NON-CURRENT ASSETS	983
Trade and other current operating assets (including inventories)	1,386
Restricted cash and current financial assets	1,320
Cash and cash equivalents ⁽¹⁾	1,210
Other current assets	209
CURRENT ASSETS	4,125
TOTAL ASSETS	5,108

(in million euros)	AUGUST 31, 2023
Long-term borrowings	15
Other non-current liabilities	99
NON-CURRENT LIABILITIES	114
Short-term borrowings ⁽¹⁾	26
Trade and other payables	523
Voucher liabilities	3,543
Other current liabilities	41
CURRENT LIABILITIES	4,133
TOTAL LIABILITIES	4,247

(1) Short-term borrowings are shown after elimination of internal borrowings/deposits with Sodexo S.A. and its non Pluxee subsidiaries for 645 million euros (of which 1,215 million euros of borrowings and 570 million euros of deposits).

3.2.2 Restatement of consolidated financial statements 2022

Impact on the 2022 consolidated income statement of the IFRS 5 restatement applied

(in million euros)	FISCAL 2022 PUBLISHED	IFRS 5 RESTATEMENT	FISCAL 2022 RESTATE
Revenues	21,125	(862)	20,263
Cost of sales	(18,088)	281	(17,807)
Gross profit	3,037	(581)	2,456
Selling, General and Administrative costs	(1,985)	337	(1,648)
Share of profit of companies accounted for using the equity method that directly contribute to the Group's business	7	—	7
Underlying operating profit	1,059	(244)	815
Other operating income	153	(51)	102
Other operating expenses	(158)	53	(105)
Operating profit	1,054	(242)	812
Financial income	37	(1)	36
Financial expenses	(124)	1	(123)
Share of profit of other companies accounted for using the equity method	1	—	1
Profit for the year before tax	968	(242)	726
Income tax expense	(264)	58	(206)
Net profit from continuing operations	704	(184)	520
Net profit from discontinued operations		184	184
Net profit for the year	704	—	704
Of which:			
Attributable to non-controlling interests	9		9
Net profit of the year from continuing operations - Attributable to non-controlling interests	9	(3)	6
Net profit of the year from discontinued operations - Attributable to non-controlling interests		3	3
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	695	—	695
Net profit of the year from continuing operations - Attributable to equity holders of the parent	695	(181)	514
Net profit of the year from discontinued operations - Attributable to equity holders of the parent		181	181

Impact on the 2022 consolidated cash flow statement of the IFRS 5 restatement

(in million euros)	FISCAL 2022 PUBLISHED	IFRS 5 RESTATEMENT	FISCAL 2022 RESTATE
Operating profit	1,054	(242)	812
Depreciation, amortization and impairment of intangible assets, property, plant and equipment and right-of-use assets	523	(66)	457
Provisions	(52)	(1)	(53)
(Gains) losses on disposals	(48)	(3)	(51)
Other non-cash items	31	(3)	28
Dividends received from companies accounted for using the equity method	6	—	6
Net interest expense paid	(54)	(1)	(55)
Interests paid on lease liabilities	(17)	1	(16)
Income tax paid	(200)	49	(151)
Operating cash flow	1,243	(266)	977
Change in inventories	(68)	(4)	(72)
Change in trade and other current operating assets	(563)	93	(470)
Change in trade and other payables	390	(41)	349
Change in vouchers payable	178	(178)	—
Change in financial assets related to the Benefits & Rewards Services activity	(145)	145	—
Change in working capital from operating activities	(208)	15	(193)
Net cash provided by operating activities from continuing operations	1,035	(251)	784
Net cash provided by operating activities from discontinued operations	—	251	251
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,035	—	1,035
Acquisitions of property, plant and equipment and intangible assets	(345)	79	(266)
Disposals of property, plant and equipment and intangible assets	17	—	17
Change in client investments	(13)	—	(13)
Change in financial assets and share of companies accounted for using the equity method	(58)	(3)	(61)
Business combinations	(64)	(62)	(126)
Disposals of activities	77	3	80
Net cash used in investing activities from continuing operations	(386)	17	(369)
Net cash used in investing activities from discontinued operations	—	(17)	(17)
NET CASH USED IN INVESTING ACTIVITIES	(386)	—	(386)
Dividends paid to Sodexo S.A. shareholders	(294)	—	(294)
Dividends paid to non-controlling shareholders of consolidated companies	(5)	2	(3)
Purchases of treasury shares	(13)	—	(13)
Sales of treasury shares	4	2	6
Change in non-controlling interests	—	—	—
Proceeds from borrowings	106	5	111
Repayment of borrowings	(699)	—	(699)
Repayments of lease liabilities	(208)	12	(196)
Net cash provided by/(used in) financing activities from continuing operations	(1,109)	21	(1,088)
Net cash provided by/(used in) financing activities from discontinued operations	—	(21)	(21)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	(1,109)	—	(1,109)
NET EFFECT OF EXCHANGE RATES AND OTHER EFFECTS ON CASH	145	—	145
Net effect of exchange rates and other effects on cash from continuing operations	145	(45)	100
Net effect of exchange rates and other effects on cash from discontinued operations	—	45	45
CHANGE IN NET CASH AND CASH EQUIVALENTS	(315)	—	(315)
NET CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,532	—	3,532
NET CASH AND CASH EQUIVALENTS, END OF YEAR	3,217	—	3,217
of which Net cash and cash equivalents, end of year from continued operations	3,217	(943)	2,274
of which Net cash and cash equivalents, end of year from discontinued operations	—	943	943

NOTE 4. SEGMENT INFORMATION AND OTHER OPERATING ITEMS

ACCOUNTING PRINCIPLES

Income statement

The Group presents its income statement by function.

Operating profit comprises the following components:

- gross profit;
- Selling, General and Administrative costs (SG&A); and
- other operating income and expenses.

In order to better focus the Group's financial communication on recurring operating profit and to simplify benchmarking with competitors, the consolidated income statement includes the indicator "Underlying operating profit", which corresponds to operating profit before "Other operating income" and "Other operating expenses".

Other operating income and expenses include the following:

- gains and losses arising from changes in the scope of consolidation;
- gains and losses arising from changes in post-employment benefit obligations;
- restructuring and rationalization costs;
- acquisition-related costs;
- amortization and impairment of purchased intangible assets (primarily client relationships and trademarks);
- goodwill impairment;
- impairment of non-current assets and other unusual and non-recurring items representing material amounts.

Underlying operating profit also comprises the Group's share of profit of companies accounted for using the equity method that directly contribute to the Group's business.

Underlying operating profit is disclosed in the segment information, as it is the main indicator reviewed regularly by the Sodexo Leadership Team, which is the Group's main operating decision-maker.

REVENUES

Revenues reported by Sodexo relate to the sale of services in connection with the ordinary activities of fully consolidated companies as follows:

- **On-site Services:** Revenues include all revenues stipulated in contracts with clients, whether Sodexo acts as principal (the vast majority of cases) or agent.

Foodservices revenues are recognized when the consumer pays at the check-out (the date on which control of the goods is transferred to the consumer, since the sales do not represent any other unsatisfied performance obligation at that date). Facilities Management services mainly represent routine or recurring services, whose benefits are simultaneously received and consumed by clients as they are performed by the Group, and therefore correspond to performance obligations satisfied over time. Consequently, the Group applies the practical expedient provided for in IFRS 15 "Revenue from contracts with customers" and recognizes the revenue for its right to bill (invoicing based on contractual prices, which represent the transaction prices of the different promised services).

As a result, revenue recognition matches with billing for most of the On-site Services.

Principal versus Agent considerations

When a third party is involved in providing goods or services to a client (for example, a subcontractor), the Group evaluates whether or not it obtains control of goods or services before transferring control to the client. When the Group controls the good or service before it is transferred to the client, the revenue is recognized on a gross basis. Otherwise, when the control is not obtained, the Group is not considered to be acting as principal in the transaction and the revenue is recognized on a net basis.

Revenues are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the clients, net of discounts and rebates as well as Value Added Tax (VAT) and other taxes. The financial component of each commercial transaction is considered as negligible and therefore is not recognized separately in accordance with IFRS 15 provisions.

- **Benefits & Rewards Services (classified as a discontinued operation):** Revenues include mainly commissions received from clients and affiliated merchants, financial income from the investment of cash generated by the activity, and profits from unreimbursed card, digital solutions and paper vouchers.

Commissions received from clients in the Benefits & Rewards Services activity are recognized when the cards are credited or when the digital solutions or papers vouchers are issued and sent to the client; commissions received from affiliates merchants are recognized when the cards are used, or when the digital solution or paper vouchers are redeemed, in accordance with IFRS 15. Profits from unreimbursed cards, digital solution and paper vouchers are recognized based on their expiration date and the deadline for presentation for reimbursement by the affiliate merchants. Financial incomes from invested funds generated by the activity are recognized in accordance with IFRS 9 "Financial instruments" and corresponds primarily to interests on financial assets measured at amortized costs, which are recognized in revenue in the period to which they relate applying the effective interest method.

VENDOR DISCOUNTS AND DISCOUNT ALLOWANCES

As part of its food or other material supply contracts with manufacturers and distributors, the Group can earn discounts, rebates, or credits related to purchases made under those contracts. Vendor Discounts and Allowances (VDA) are earned on the volume of materials purchased under the contract, on the periodic purchase volumes exceeding certain contractually-defined thresholds, or as fixed amounts in exchange for certain commitments such as vendor exclusivity arrangements. The Group retains VDAs to the extent consistent with the Food or Facilities Management services contract signed with the client and applicable law.

VDAs are typically recognized as a reduction to the cost of sales in the period the purchases are made based on the volume of materials purchased in the period and the contractual VDA rate. VDAs earned based on purchase volumes reaching contractually-defined thresholds are recognized in proportion to the purchases made as soon as the Group considers it probable that the thresholds will be reached. If the Group does not consider it probable that its purchase volumes will reach the contractually-defined thresholds, any VDAs earned are recognized if and when the thresholds are reached. Fixed-amount VDAs are recognized immediately unless certain conditions need to be met in order for them to be earned or if there is a clear link between the amount promised and the future purchase volumes. In such cases, fixed-amount VDAs are recognized over the period of the related commitment.

Cash flow statement

The cash flow statement analyzes changes in net cash and cash equivalents, defined as cash and cash equivalents less current bank overdrafts and credit bank balances payable on demand that form an integral component of treasury management.

4.1 Segment information and revenue information

ACCOUNTING PRINCIPLES

In accordance with IFRS 8 “Operating segments”, the segment information presented below has been prepared based on internal management data as monitored since the first quarter of Fiscal 2023 by the Sodexo Leadership Team, which is Sodexo’s chief operating decision-maker: On-site Services and Benefits & Rewards Services (Pluxee).

For On-site Services, Revenue and Underlying operating profit are followed by region. These regions meet the definition of operating segments in IFRS 8.

Sodexo’s operating segments and groups of operating segments are as follows:

- On-site Services activity:
 - North America,
 - Europe, which includes the Continental Europe, France and United Kingdom & Ireland regions,
 - Rest of the World, including Asia-Pacific/Middle East/Africa, Latin America (without Brazil) and Brazil;
- Benefits & Rewards Services activity (Pluxee), classified as discontinued operations (see note 3.2).

The operating segments that have been aggregated within the On-site Services activity carry out similar operations – both in terms of type of services rendered and processes and methods used to deliver the services – and have similar economic characteristics (notably in terms of margins they generate).

Segment assets and liabilities are not presented as they are not included in the chief operating decision-maker’s measurement of segment performance.

No single Group client or contract accounts contribute for more than 2% of the consolidated revenues.

4.1.1 Segment information

FISCAL 2023 (in million euros)	NORTH AMERICA	EUROPE	REST OF THE WORLD	CORPORATE EXPENSES	GROUP TOTAL
Revenues	10,479	8,071	4,087		22,637
Underlying operating profit*	582	299	192	(97)	976

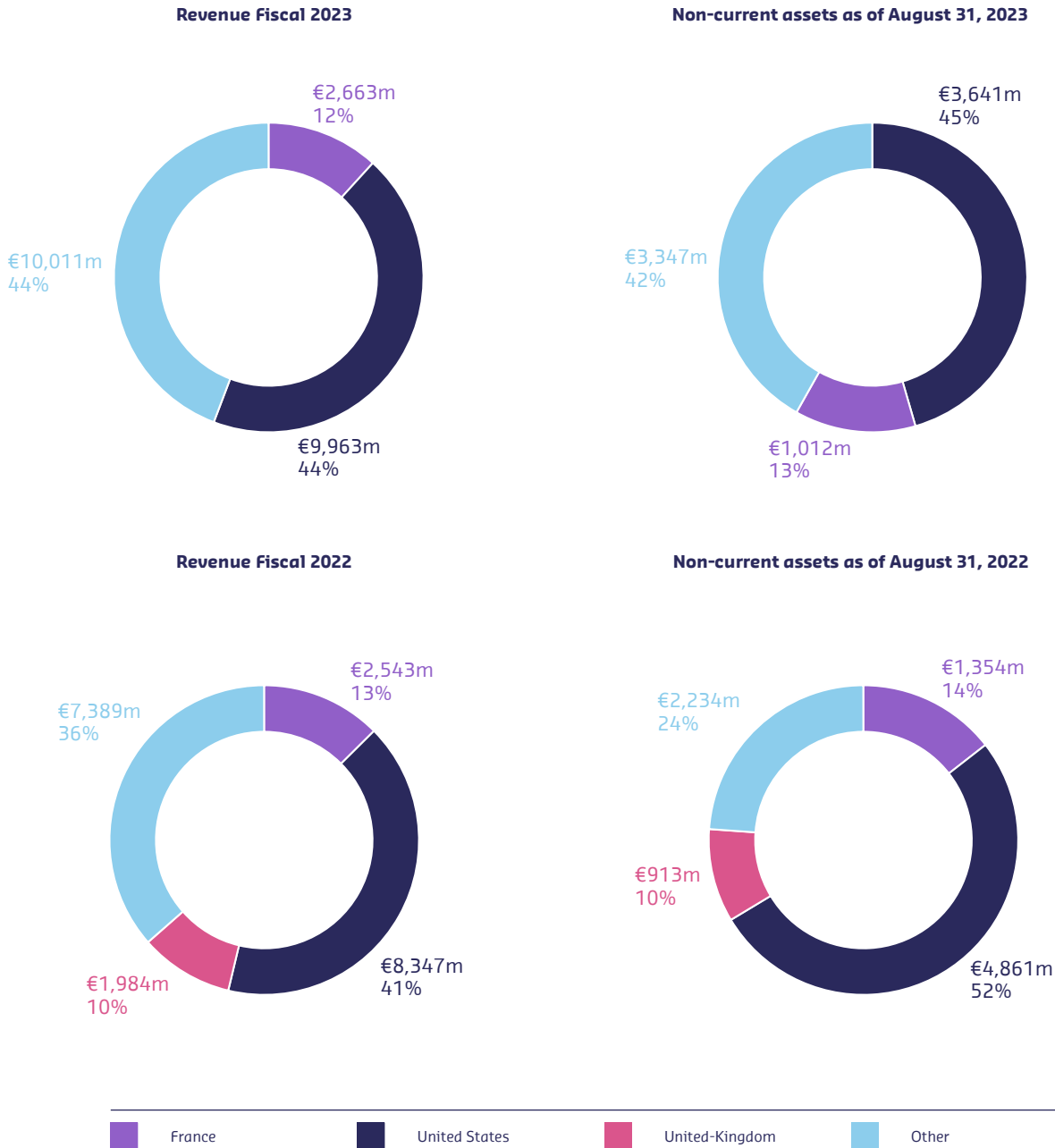
* Including Group’s share of profit of companies accounted for using the equity method that directly contribute to the Group’s business and excluding other operating income and expenses.

FISCAL 2022 (in million euros)	NORTH AMERICA	EUROPE	REST OF THE WORLD	CORPORATE EXPENSES	GROUP TOTAL IFRS 5 RESTATED
Revenues	8,828	7,774	3,661		20,263
Underlying operating profit*	472	300	156	(112)	815

* Including Group’s share of profit of companies accounted for using the equity method that directly contribute to the Group’s business and excluding other operating income and expenses.

4.1.2 Revenue and non-current assets by significant country

The Group's operations are spread across 52 countries, including two that each represent over 10% of consolidated revenues in Fiscal 2023: France (the Group's registration country) and the United States (United Kingdom also exceeded this threshold in Fiscal 2022). Revenues and non-current assets in these countries are as follows:



Non-current assets are composed of goodwill, other intangible assets, property, plant and equipment, client investments and right-of-use assets relating to lease.

4.1.3 Revenue by line of services

Revenues by line of services are as follows:

(in million euros)	FISCAL 2023	FISCAL 2022 IFRS 5 restated
Food services	14,495	12,236
Facilities Management services	8,142	8,027
TOTAL ON-SITE SERVICES REVENUES	22,637	20,263

4.2 Operating expenses by nature and other operating income and expense

4.2.1 Operating expenses by nature

(in million euros)	FISCAL 2023	FISCAL 2022 IFRS 5 restated
Employee costs	(10,924)	(10,134)
• Wages and salaries	(8,613)	(7,938)
• Other employee costs ⁽¹⁾	(2,311)	(2,196)
Purchases of consumables and change in inventory	(6,276)	(5,220)
Depreciation, amortization, and impairment losses ⁽²⁾	(458)	(457)
• Amortization of intangible assets and property, plant and equipment and right-of-use assets relating to leases	(460)	(462)
• Impairment of intangible assets and property, plant and equipment and right-of-use assets relating to leases	2	5
Rent and attached charges ⁽³⁾	(510)	(412)
Other operating expenses ⁽⁴⁾	(3,631)	(3,235)
TOTAL NET OPERATING EXPENSES	(21,799)	(19,458)

- (1) Primarily payroll taxes, but also including costs associated with defined benefit plans and defined contribution plans (see note 5.1) and restricted share plans (see note 5.2.1).
(2) Including the depreciation of right-of-use assets relating to lease contracts of 188 million euros recognized in Fiscal 2023 in accordance with IFRS 16 (197 million euros in Fiscal 2022).
(3) Corresponds to rent not included in the measurement of the lease liabilities, primarily variable lease payments (commissions based on performance indicators of locations operated under concession arrangements), as well as lease expenses relating to short-term lease contracts and lease contracts of low value assets. The increase observed over the year relates mainly to the variable part of commissions due under concession arrangements, explained by the increase in revenues of the sites concerned.
(4) Other expenses mainly include professional fees, other purchases used for operations, sub-contracting costs and travel expenses.

4.2.2 Other operating income and expenses

(in million euros)	FISCAL 2023	FISCAL 2022 IFRS 5 restated
Gains related to consolidation scope changes ⁽¹⁾	2	99
Gain on disposals of non-current assets	—	1
Gains on changes of post-employment benefits	—	2
Other ⁽²⁾	2	—
OTHER OPERATING INCOME	4	102
Restructuring and rationalization costs ⁽²⁾	(45)	(4)
Losses related to consolidation scope changes ⁽¹⁾	(9)	(47)
Amortization of purchased intangible assets	(36)	(36)
Impairment of goodwill and non-current assets	—	(1)
Acquisition-related costs	—	—
Losses on changes of post-employment benefits	(2)	(4)
Losses on disposals of non-current assets	—	—
Other ⁽³⁾	(41)	(13)
OTHER OPERATING EXPENSES	(133)	(105)
TOTAL OTHER OPERATING INCOME AND EXPENSES	(129)	(3)

- (1) Gains and losses relating to disposed activities during Fiscal 2022 mentioned in note 3.2.
(2) The costs recognized in Fiscal 2023 mainly correspond to rationalization costs following the reorganization of the Group (see notes 1.1 and 10).
(3) The costs recognized in Fiscal 2023 notably correspond to the costs related to the spin-off project of the Benefits Rewards & Services activity (Pluxee) and the costs related to the disposal of the Homecare services (see note 3.2).

4.3 Working capital

4.3.1 Trade and other current operating assets

ACCOUNTING PRINCIPLES

Trade are initially recognized at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services and are subsequently measured at amortized cost less impairment charges recognized in the income statement.

Trade and other receivables are impaired to reflect the expected credit losses, assessed using an impairment matrix (application of the simplified impairment model as provided for in IFRS 9 “Financial instruments”). This method consists of applying for each aging balance category a separate impairment rate based on historical credit losses adjusted, when necessary, to take into account prospective factors.

(in million euros)	AUGUST 31, 2023			AUGUST 31, 2022		
	GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT	GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT
Advances to suppliers	12	—	12	25	—	25
Trade receivables	3,108	(107)	3,001	4,454	(160)	4,294
Other operating receivables	349	(9)	340	538	(21)	517
Prepaid expenses	211	—	211	226	—	226
Other receivables	2	(4)	(2)	7	(1)	6
TOTAL TRADE AND OTHER CURRENT OPERATING ASSETS	3,682	(120)	3,562	5,250	(182)	5,068

The maturities of trade receivables as of August 31, 2023 and August 31, 2022 were as follows:

(in million euros)	AUGUST 31, 2023			AUGUST 31, 2022		
	GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT	GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT
Less than 3 months past due	362	(5)	357	487	(11)	476
More than 3 months and less than 6 months past due	62	(11)	51	89	(12)	77
More than 6 months and less than 12 months past due	45	(23)	22	39	(7)	32
More than 12 months past due	56	(50)	6	112	(104)	8
TOTAL TRADE RECEIVABLES DUE	525	(89)	436	727	(134)	593
Total trade receivables not yet due	2,583	(18)	2,565	3,727	(26)	3,701
TOTAL TRADE RECEIVABLES	3,108	(107)	3,001	4,454	(160)	4,294

During the fiscal years presented, the Group was not affected by any significant change resulting from proven client failures. In addition, given the geographic dispersion of the Group’s activities and the wide range of client industries, there is no material concentration of risk in individual receivables due but not written down.

4.3.2 Trade and other payables

ACCOUNTING PRINCIPLES

Trade payables are classified as financial liabilities measured at amortized cost, as defined in IFRS 9 “Financial instruments”. Financial liabilities are recognized at their nominal amount, which represents a reasonable estimate of fair value in light of their short maturities.

Sodexo’s group has set up several reverse factoring programs in its main operating countries, which give its suppliers the opportunity of being paid in advance. In practice, these programs involve sales of trade receivables to a factor, organized by Sodexo. Relations between the parties concerned are governed by two totally separate contracts:

- the Group signs a master agreement with the factor, pursuant to which it undertakes to pay on the scheduled due dates the invoices sold by its suppliers to the factor (which have been approved in advance). Each supplier is free to choose whether or not to sell each of its invoices;
- the Group’s suppliers can, if they wish, sign a master agreement with the factor enabling them to sell their invoices before their scheduled due date, on terms that benefit from the Group’s credit rating.

Employee-related liabilities mainly include short-term employee benefits (see note 5.1).

(in million euros)	AUGUST 31, 2023	AUGUST 31, 2022
Operating payables	123	158
Non-operating payables	51	39
OTHER NON-CURRENT LIABILITIES	174	197
Trade payables	2,502	2,707
Employee-related liabilities	1,200	1,473
Advances from clients	379	448
Tax liabilities	223	260
Other operating payables	95	182
Deferred revenues	105	124
Non-operating payables	36	36
TRADE AND OTHER CURRENT PAYABLES	4,540	5,230
TOTAL TRADE AND OTHER PAYABLES	4,714	5,427

As of August 31, 2023, the total amount of receivables transferred by Sodexo's suppliers through the reverse factoring programs is 253 million euros (373 million euros as of August 31, 2022).

Trade payables that have been financed through a reverse factoring program as of the fiscal year-end are still classified as trade payables and included in the total of trade payables.

MATURITIES OF TRADE AND OTHER PAYABLES AS OF AUGUST 31, 2023 (in million euros)	CARRYING AMOUNT	UNDISCOUNTED CONTRACTUAL VALUE
Less than 3 months	3,524	3,524
More than 3 months and less than 6 months	202	202
More than 6 months and less than 12 months	832	832
More than 1 year and less than 5 years	97	109
More than 5 years	59	77
TOTAL TRADE AND OTHER PAYABLES	4,714	4,744

MATURITIES OF TRADE AND OTHER PAYABLES AS OF AUGUST 31, 2022 (in million euros)	CARRYING AMOUNT	UNDISCOUNTED CONTRACTUAL VALUE
Less than 3 months	3,789	3,789
More than 3 months and less than 6 months	331	331
More than 6 months and less than 12 months	894	894
More than 1 year and less than 5 years	349	349
More than 5 years	64	64
TOTAL TRADE AND OTHER PAYABLES	5,427	5,427

4.4 Client investments

ACCOUNTING PRINCIPLES

Some client contracts provide for a financial contribution by Sodexo. For example, the Group may participate in financing the purchase of equipment or fixtures on the client site that are necessary to fulfill service obligations, or it may make a financial contribution that will be recovered over the life of the contract. They are recognized in accordance with the application of IFRS 15 "Revenue from contracts with customers" for consideration payable to the customer, as a reduction in the transaction price in the absence of a separate good or service provided by the customer. These contributions are recognized as an asset in "Client investments" and spread as a revenue deduction over the service duration. The amortization is recognized as a reduction to revenues over the life of the contract. The amortization period is in general less than 10 years, in line with the contract duration, but may be amortized over a longer period if the contract duration permits.

In the cash flow statement, changes in the value of these investments are presented as a component of investing cash flows.

Client investments are subject to an impairment test in the same way as other non-current assets directly linked to contracts concluded with clients showing an indication of loss in value (onerous or low profit contracts). The methodology applied for this impairment test is detailed in note 6.4.

(in million euros)	FISCAL 2023	FISCAL 2022
Client investments as of September 1	667	560
Increases during the year	205	133
Decreases during the year	(140)	(120)
Impairment	—	2
Change in scope of consolidation	—	—
Currency translation adjustment and other movements	(45)	92
CLIENT INVESTMENTS AS OF AUGUST 31	687	667

NOTE 5. GROUP HEADCOUNT, EMPLOYEE BENEFITS AND SHARE-BASED PAYMENT

5.1 Employee benefits

ACCOUNTING PRINCIPLES

Short-term benefits

Group employees receive short-term benefits such as vacation pay, sick pay, bonuses and other benefits (other than termination benefits), the payment of which is expected within 12 months of the related service period.

These benefits are reported as current liabilities.

Post-employment benefits

In accordance with IAS 19 "Employee Benefits", Sodexo measures and recognizes post-employment benefits as follows:

- contributions to defined-contribution plans are recognized as an expense; and
- defined benefit plans are measured using actuarial valuations.

(i) Defined contribution plans

Under a defined contribution plan, periodic contributions are made to an external entity that is responsible for the administrative and financial management of the plan. Under such a plan, the employer is relieved of any future obligation (the external entity is responsible for paying benefits to employees as they become due and the employer is not required to make additional payments related to prior or current years if the entity does not have sufficient funds).

Contributions made by the Group are expensed in the period to which they relate.

(ii) Defined benefit plans

Sodexo uses the projected unit credit method as the actuarial method for measuring its post-employment benefit obligations, on the basis of the national or Companywide collective agreements effective within each entity. Factors used in calculating the obligation include length of service, life expectancy, salary inflation, staff turnover, and macro-economic assumptions specific to countries in which Sodexo operates (such as inflation rate and discount rate).

Remeasurements of the net obligation under defined benefit plans – including actuarial gains and losses, differences between the return on plan assets and the corresponding interest income recognized in the income statement, as well as any changes in the effect of the asset ceiling – are recognized in other comprehensive income and have no impact on profit for the period.

Plan amendments or the establishment of new defined benefit plans result in past service costs that are recognized immediately in the income statement.

The accounting treatment applied to defined benefit plans is as follows:

- the obligation, net of plan assets, is recognized as a non-current liability in the consolidated statement of financial position if the obligation exceeds the plan assets;
- if the value of plan assets exceeds the obligation under the plan, the net amount is recognized as a non-current asset. Plan surpluses are recognized as assets only if they represent future economic benefits that will be available to Sodexo. Where the calculation of the net obligation results in an asset for Sodexo, the amount recognized for this asset may not exceed the present value of all future refunds and reductions in future contributions under the plan;
- the expense recognized in the income statement comprises:
 - current service cost, past service cost, if any, and the effect of plan settlements, all of which are recorded in operating income,
 - the interest expense (income) on the net defined benefit obligation (asset), calculated by multiplying the obligation (asset) by the discount rate used to measure the defined benefit obligation at the beginning of the period.

These post-employment benefits are reported as non-current liabilities.

The Group contributes to multi-employer plans, primarily in the United States. These plans are accounted for as defined contribution plans, as the information provided by the plan administrators is insufficient for them to be accounted for as defined benefit plans.

Other long-term employee benefits

Other long-term employee benefits are measured in accordance with IAS 19. The expected cost of such benefits is recognized as a non-current liability over the employee's period of service. Actuarial gains and losses and past service costs arising from plan amendments and the establishment of new plans are recognized immediately in the income statement. Other long-term employee benefits are reported as non-current liabilities.

5.1.1 Long-term employee benefits

(in million euros)	August 31, 2023	August 31, 2022
Post-employment benefits – Net defined benefit plan obligation	129	131
Other long-term employee benefits	136	151
Post-employment benefits – Net defined benefit plan assets ⁽¹⁾	(58)	(150)
Employee benefits	207	132

(1) Included in “Other non-current assets” in the consolidated statement of financial position.

5.1.1.1 POST-EMPLOYMENT BENEFITS

Defined contribution plans

Under a defined contribution plan, periodic contributions are made to an external entity that is responsible for the administrative and financial management of the plan. Under such a plan, the employer is relieved of any future obligation (the external entity is responsible for paying benefits to employees as they become due and the employer is not required to make additional payments related to prior or current years if the entity does not have sufficient funds).

Contributions to defined contribution plans – which were recognized in operating expenses – amount to 409 million euros for Fiscal 2023, compared to 390 million euros for Fiscal 2022.

Contributions made by the Group are expensed in the period to which they relate.

Defined benefit plans

The characteristics of Sodexo’s principal defined benefit plans are described below:

- in France, the obligation primarily represents lump-sum benefits payable on retirement if the employee is still with Sodexo at retirement age. These obligations are covered by specific provisions in the consolidated statement of financial position;
- in the United Kingdom, Sodexo’s obligation relates to a complementary retirement plan funded by externally held assets, and calculated on the basis of:
 - for managers working in the private sector, a percentage of final base salary,
 - for managers working on public sector contracts, benefits comparable to those offered in the public sector,
 - this plan was closed to new employees effective July 1, 2003 and the level of contributions was increased in order to cover the shortfall in the fund.

The United Kingdom plan is regularly evaluated by the plan’s actuary in compliance with UK law. A formal actuarial valuation by the plan’s actuary is required to be conducted every three years, and any shortfall identified at that time must be addressed through mutual

agreement between the plan’s Trustee and Sodexo UK. Following a consultation process with the members of the pension plan carried out with a view to freezing benefit accruals for certain members, an agreement was signed in October 2012 between the plan’s Trustee and Sodexo UK whereby from November 1, 2012 the plan would remain open only to employees who transferred to Sodexo UK from the public sector, as Sodexo UK has a legal obligation to pay them certain benefits. As part of the 12-year plan to address the funding shortfall, Sodexo UK also agreed to pay annual contributions of (i) 10 million pounds Sterling per year over the five years from January 1, 2013 and (ii) 7.5 million pounds Sterling per year over the following seven years. Lastly, in October 2012, Sodexo S.A. issued a Parent company guarantee to the Trustee in order to cover Sodexo UK’s obligations in connection with the plan. This guarantee initially fixed for an amount up to 100 million pounds Sterling for a duration of 12 years, has been changed to 40 million pounds Sterling after an employer contribution of 60 million pounds Sterling during Fiscal 2022. On completion of the most recent valuation of the fund in July 2016, Sodexo UK and the Trustee agreed to keep unchanged the amount of contributions and the terms and conditions of the Parent company guarantee as set in October 2012.

In Continental Europe other than France, the main defined benefit plans are as follows:

- in the Netherlands, certain employees are entitled to complementary retirement or early retirement benefits.

In Fiscal 2017, Sodexo negotiated an agreement to convert its pension plans in the Netherlands from defined benefit to defined contribution plans as from January 1, 2016. The entitlements accumulated up until that date under the plans in their previous defined benefit form have been frozen and the plans are still accounted for as defined benefit plans in view of the related indexation commitments given by Sodexo. These plans are fully funded;

- in Italy, there is a legal obligation to pay a lump-sum retirement benefit (“TFR”).

Changes in the present value of the defined benefit plan obligation and the fair value of plan assets are shown below:

(in million euros)	FISCAL 2023			FISCAL 2022		
	BENEFIT OBLIGATION	PLAN ASSETS	NET BENEFIT OBLIGATION	BENEFIT OBLIGATION	PLAN ASSETS	NET BENEFIT OBLIGATION
As of September 1	1,057	(1,076)	(19)	1,422	(1,275)	147
Expense/(income) recognized in the income statement	53	(40)	13	32	(19)	13
<i>Current service cost</i>	14	—	14	17	—	17
<i>Past service cost</i>	1	—	1	(6)	—	(6)
<i>Effect of settlements</i>	—	—	—	—	—	—
<i>Interest cost/(income)</i>	38	(40)	(2)	21	(19)	2
Remeasurement losses/(gains)	(115)	219	104	(391)	303	(88)
<i>Actuarial losses/(gains) arising from changes in demographic assumptions</i>	(8)	—	(8)	11	—	11
<i>Actuarial losses/(gains) arising from changes in financial assumptions</i>	(137)	219	82	(404)	303	(101)
<i>Experience adjustments</i>	30	—	30	2	—	2
Currency translation adjustment	(5)	2	(3)	13	(8)	5
Contributions made by plan members	2	(2)	—	2	(2)	—
Employer contributions ⁽¹⁾	—	(9)	(9)	—	(82)	(82)
Benefits paid from plan assets	(40)	42	2	(37)	40	3
Benefits paid other than from plan assets	(13)	—	(13)	(13)	—	(13)
Changes in scope of consolidation and other	(37)	33	(4)	29	(33)	(4)
AS OF AUGUST 31	902	(831)	71	1,057	(1,076)	(19)
Of which:						
Partially funded plans	792	(831)	(39)	932	(1,076)	(144)
Unfunded plans	110	—	110	125	—	125

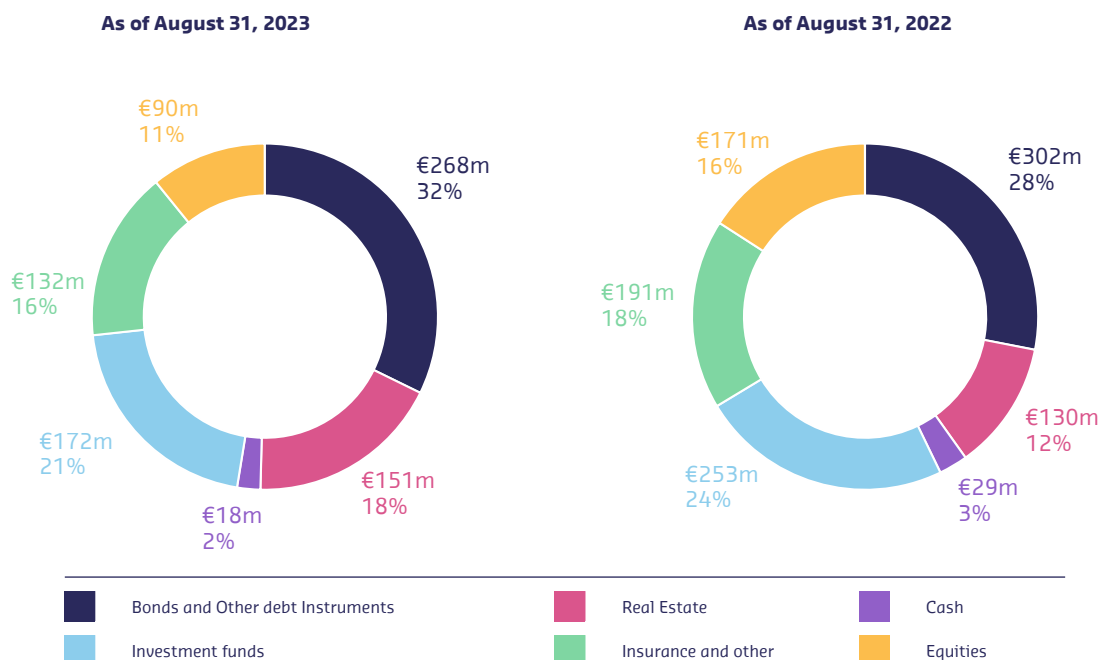
(1) Contributions made by the employer to different plan assets of which 4 million euros of contributions to the United Kingdom pension plan assets.

The amounts recorded in the income statement for defined benefit plans totaled 13 million euros in Fiscal 2023 (13 million euros in Fiscal 2022) and consist of:

- net expense of 11 million euros (net expense of 8 million euros in Fiscal 2022) in Cost of sales;

- net expense of 4 million euros (net expense of 5 million euros in Fiscal 2022) in Selling, General and Administrative costs;
- net income of 2 million euros in financial income (see note 12.1).

Defined benefit plan assets, which mainly relate to UK defined benefits plans, comprise:



Recognized net actuarial losses arising from changes in financial assumptions amounted to 82 million euros, of which 89 million euros in the United Kingdom diminished by 7 million euros of net actuarial gains from other countries. In the United Kingdom, these losses were mainly due to the updated discount rate.

The following assumptions were used for actuarial valuations for the principal countries as of August 31, 2023 and 2022:

AUGUST 31, 2023	FRANCE	NETHERLANDS	UNITED KINGDOM	ITALY
Discount rate ⁽¹⁾	3.95%	3.95%	5.40%	3.75%
Salary long-term inflation rate ⁽²⁾	2.50%	N/A	3.70%	N/A
General long-term inflation rate ⁽³⁾	2.00%	N/A	3.20%	2.00%
Net liability (in million euros)	70	—	(57)	11
Average term of the plans (in years)	9	13	15	7

(1) Discount rates in each country have been adjusted to reflect the term of the plans. For the euro zone and the United Kingdom, the Group uses discount rates based on yield curves for high quality corporate bonds drawn up by an external actuary.

(2) The salary inflation rate disclosed includes general inflation.

(3) United Kingdom: Retail Price Index (RPI): 3.20%; Consumer Price Index (CPI): 2.65% for Fiscal 2023.

AUGUST 31, 2022	FRANCE	NETHERLANDS	UNITED KINGDOM	ITALY
Discount rate ⁽¹⁾	2.60%	2.50%	4.30%	2.15%
Salary long-term inflation rate ⁽²⁾	2.50%	N/A	3.85%	N/A
General long-term inflation rate ⁽³⁾	2.00%	2.00%	3.35%	2.00%
Net liability (in million euros)	65	—	(150)	14
Average term of the plans (in years)	8	16	15	6

(1) Discount rates in each country have been adjusted to reflect the term of the plans. For the euro zone and the United Kingdom, the Group uses discount rates based on yield curves for high quality corporate bonds drawn up by an external actuary.

(2) The salary inflation rate disclosed includes general inflation.

(3) United Kingdom: Retail Price Index (RPI): 3.35%; Consumer Price Index (CPI): 2.70% for Fiscal 2022.

With respect to the assumptions provided in the above table, for Fiscal 2023, a reduction of 1% in the discount rate would increase the gross obligation to 1,056 million euros (compared with 902 million euros based on the assumptions used as of August 31, 2023), while a rise of 0.5% in the general long-term inflation rate would increase the gross obligation to 976 million euros.

Based on estimates derived from reasonable assumptions, the amount to be recorded in the income statement for defined benefit plans in Fiscal 2024 is 20 million euros.

Multi-employer plans

In the United States, as of August 31, 2023, Sodexo contributed to 47 multi-employer defined benefit pension plans under the terms of collective-bargaining agreements ("CBA") that cover its union-represented employees. The risks of participating in these multi-employer plans are different to those of single-employer plans in the following respects:

- assets contributed to the multi-employer plan are used to provide benefits to all beneficiaries of the plan, including beneficiaries of other participating employers;
- if a multi-employer plan is considered to be in "critical" status as defined by the U.S. Pension Protection Act of 2006, the plan will be required to adopt a rehabilitation plan which may require Sodexo to increase its required contributions to the plan;
- if a participating employer ceases to contribute to the plan, the unfunded obligations of the plan may have to be borne by Sodexo and the other remaining participating employers; and
- if Sodexo ceases to participate in a multi-employer plan, entirely or partially in excess of a threshold, or if substantially all of the

participating employers of a given plan cease to participate, Sodexo may be required to pay that plan an amount based on the value of unfunded vested benefits of the plan and the Sodexo's *pro-rata* share of total plan contributions, referred to as withdrawal liability.

The Group does not have the ability to account for these multi-employer plans as defined benefit plans because it does not have timely access to information about plan assets, plan obligations, actuarial gains and losses, service costs, and interest costs. As such, the multi-employer plans are accounted for as defined contribution plans.

The Group contributed 12 million euros to U.S. multi-employer defined benefit plans in Fiscal 2023 and 11 million euros in Fiscal 2022. Of the contributions made by Sodexo, 57% and 2% were made to plans considered to be in "critical" status or "endangered" status respectively, as defined by the U.S. Pension Protection Act of 2006 and per each plan's most-recent notice of plan funding status. Plans are generally considered to be in "critical" status when they are funded at less than 65%, among other factors, and are considered to be "endangered" when they are funded at 65% or more, but at less than 80%, among other factors.

5.1.1.2 OTHER EMPLOYEE BENEFITS

Other employee benefits, for an amount of 136 million euros as of August 31, 2023 (151 million euros as of August 31, 2022), mainly comprise a liability related to a deferred compensation program in the United States and obligations relating to long-service awards.

The total expense recognized with respect to these benefits in Fiscal 2023 was 8 million euros (8 million euros in Fiscal 2022).

5.2 Share-based payments

ACCOUNTING PRINCIPLES

Some Group employees receive compensation in the form of share-based payments, for which payment is made in equity instruments.

In accordance with IFRS 2 “Share-based Payments”, these plans are classified as equity-settled share-based payment transactions and, accordingly, the services compensated by these plans are recognized as an operating expense over the vesting period (*i.e.* the period in which the service and, where applicable, the performance conditions are fulfilled), with a corresponding entry recorded in shareholders’ equity.

The services compensated by these plans are recognized as an expense, with the offset recognized in shareholders’ equity, over the vesting period. The amount of expense recognized in each period is determined by reference to the fair value of the equity instruments granted, as of the grant date.

The fair value of restricted shares is estimated at the date of grant based on the share price at that date after deductions for dividends on the shares that will not be paid to beneficiaries during the vesting period. The fair value of restricted shares subject to a performance condition based on Total Shareholder Return is estimated using a binomial model that takes into account the vesting conditions.

Each year, Sodexo reassesses the number of shares that are likely to be delivered to beneficiaries of restricted shares based on the applicable vesting conditions. The impact of any change in estimates is recognized in the income statement, with the offset recognized in shareholders’ equity.

5.2.1 Restricted share plans

PRINCIPLE FEATURES OF RESTRICTED SHARE PLANS

Rules governing restricted share plans are as follows:

- shares vest only if the beneficiary is still working for the Group on the vesting date; in addition, some restricted share grants are subject to performance conditions;
- from 2020, the presence condition is 3 years from the grant date, which is consistent with the acquisition period and the performance conditions evaluation; This presence condition applies to all beneficiaries;
- the proportion of shares subject to a performance condition ranges from 10% to 100%, depending on the total number of shares awarded.

The performance criteria applied are directly linked to the Group’s strategic priorities and are intended to measure performance in a global manner:

- two criteria linked to the Group’s financial performance with the revenue and the underlying operating profit margin excluding currency effects from 2020 plans;
- two criteria are subject to the achievement of Corporate Responsibility objectives including diversity in top Group management as well as an internal objective of sustainable development for the shares granted since 2020;
- a performance criterion is related to stock market performance with the TSR (Total Shareholder Return) of Sodexo compared to that of one peer group. This one is made up of companies selected based on their size, the similarity of their operations to those of Sodexo and the fact that they all operate in the outsourcing and shared services industry. For 2023 and 2022 plans, 7 companies were included in the panel (Aramark, Compass, Edenred, Elior, ISS, Rentokil, Securitas).

MOVEMENTS IN FISCAL 2023 AND FISCAL 2022

The table below shows movements in restricted shares in Fiscal 2023 and Fiscal 2022:

	FISCAL 2023	FISCAL 2022
Outstanding at the beginning of the year	2,287,665	2,315,627
Granted during the year	852,820	834,629
Forfeited during the year	(478,279)	(423,329)
Delivered during the year	(337,578)	(439,262)
Outstanding at the end of the year	2,324,628	2,287,665

The weighted average fair value of the restricted shares granted in Fiscal 2023 is 80.68 euros per share (73.48 euros per share granted in fiscal 2022).

The table below shows the grant dates of restricted shares outstanding as of August 31, 2023, the assumptions used to estimate their fair value at the grant date and the number of restricted shares outstanding at the period end:

DATE OF GRANT		VESTING PERIOD (in years)	EXPECTED DIVIDEND YIELD (in %)	RISK-FREE INTEREST RATE (in %)	VOLATILITY* (in %)	NUMBER OF SHARES OUTSTANDING AS OF AUGUST 31, 2023
November 20, 2020	International	3	1.8%	0.0%	38.8%	727,730
February 1, 2022	International	3	3.0%	0.0%	39.0%	730,020
June 22, 2022	International	3	3.8%	1.4%	43.7%	25,089
January 31, 2023	International	3	3.3%	2.8%	37.9%	815,801
June 28, 2023	International	3	2.9%	3.0%	27.8%	25,988
TOTAL						2,324,628

* Applicable for the portion of the restricted share grants subject to the TSR performance condition. Volatility is determined by reference to the share’s historical weighted average volatility over a certain period prior to the grant date and the implicit volatility expected by the market.

5.2.2 Expense recognized during the fiscal year

The expense recognized in the Fiscal 2023 income statement for restricted shares (including those granted to employees of the Benefits & Rewards Services activity (Pluxee)) is 45 million euros (38 million euros in Fiscal 2022).

5.3 Group headcount

The following table shows the headcount of Group employees (including Pluxee):

	AUGUST 31, 2023	AUGUST 31, 2022
AVERAGE HEADCOUNT AS OF AUGUST 31	429,305	418,393
TOTAL HEADCOUNT AS OF AUGUST 31	435,159	421,991

5.4 Compensation, loans, post-employment benefits and other benefits granted to Board members and the Sodexo Leadership Team

The compensation, loans, post-employment benefits and other benefits granted to Board members and to the Sodexo Leadership Team, including the Chairwoman and Chief Executive Officer in office, as of August 31, 2023, respectively for Fiscal 2022 and Fiscal 2023 comprise the following:

(in million euros)	FISCAL 2023	FISCAL 2022
Short-term benefits*	14.3	12.9
Post-employment benefits	0.1	0.1
Fair value of free shares at the grant date	10.8	10.7

* Short-term benefits correspond to compensations paid by the Group to Board members and to the Executive Committee during Fiscal 2023 (including variable compensations of the prior financial year which were accrued during the latter).

These benefits include directors' compensation, and all forms of compensation and benefits paid (or earned during the period for offices held) by Sodexo S.A., other Sodexo Group companies or Bellon SA.

In addition, members of the Sodexo Leadership Team, holding an employment contract with one of its French subsidiaries, are beneficiaries of a defined benefit pension plan governed by article L.137-11-2 of the French Social Security Code. This pension plan was introduced in 2021 in line with the following rules: subject to one year of seniority within the Group, pension rights of up to 0.5% per year are granted for the first five years of the plan, and then up to 1% beyond five years, not exceeding a total of 10%. The rights are determined based on the fixed and variable compensation received during the calendar year. The rights vest subject to an achievement rate for annual variable compensation targets. The resulting pension will top up the pensions provided by the basic compulsory plans and will not generate any corresponding obligation on the Company's balance sheet.

As a reminder, Sophie Bellon, Chairwoman and Group Chief Executive Officer since October 1, 2021, is paid by Sodexo S.A. but does not have an employment contract with Sodexo S.A.

The Company has entered into non-compete clauses with a maximum term of 24 months with the Chairwoman and Chief Executive Officer and the Sodexo Leadership Team in order to protect the Group by restricting their freedom to hold a position as employee or director, or carry out any consulting work, for any of Sodexo's competitors, either directly or through another legal entity. This commitment applies to Sophie Bellon, without payment of any financial consideration.

No loans have been granted to the Board or the Sodexo Leadership Team members.

NOTE 6. GOODWILL, OTHER INTANGIBLE AND TANGIBLE ASSETS

6.1 Goodwill

ACCOUNTING PRINCIPLES

Any residual difference between the fair value of the consideration transferred (for example the amount paid), increased by the amount of the non-controlling interest in the acquired company (measured either at fair value or its share in the fair value of the identifiable net assets acquired) and the fair value as of the date of acquisition of the assets acquired and liabilities assumed, is recognized as goodwill in the statement of financial position.

Goodwill is analyzed per operating segment for On-site Services activity, as reflected in the new Group's organizational structure (see notes 1.1 and 4.1):

- North America;
- France;
- United Kingdom & Ireland;
- Continental Europe;
- Asia-Pacific/Middle East/Africa;
- Latin America (without Brazil);
- Brazil.

Principles applicable to the accounting of business combinations are described in the note 3.1 "Business combination".

Goodwill is not amortized but is subject to impairment tests immediately if there are indicators of impairment, and at least once per year. Impairment test procedures are described in note 6.4 "Impairment of non-current assets". Goodwill impairment charges recognized in the income statement are irreversible.

Changes in goodwill during the fiscal year were as follows:

(in million euros)	SEPTEMBER 1, 2022	INCREASES	DECREASE	IMPAIRMENT	RECLASSIFICATIONS ⁽¹⁾	CURRENCY TRANSLATION ADJUSTMENT AND OTHER	AUGUST 31, 2023
North America	2,662	—	—	—	(40)	(216)	2,406
France	505	10	—	—	—	—	515
United Kingdom & Ireland	671	8	—	—	(10)	2	670
Continental Europe	799	—	—	—	(13)	(33)	754
Europe	1,975	18	—	—	(23)	(31)	1,939
Asia-Pacific, Middle East & Africa	703	3	—	—	—	(77)	629
Latin America	379	—	—	—	—	(5)	374
Brazil	229	—	—	—	(2)	(7)	220
Rest of the World	1,311	3	—	—	(2)	(89)	1,223
ON-SITE SERVICES TOTAL	5,948	21	—	—	(65)	(336)	5,568
BENEFITS & REWARDS SERVICES (Pluxee)⁽¹⁾	663	—	—	—	(663)	—	—
TOTAL	6,611	21	—	—	(728)	(336)	5,568

(1) The reclassifications made during the financial year mainly correspond to the goodwill allocated to the Benefits & Rewards Services activity (Pluxee), classified as assets held for sale or for distribution (see note 3.2).

6.2 Other intangible assets

ACCOUNTING PRINCIPLES

Separately acquired intangible assets are initially measured at cost. Intangible assets acquired in connection with a business combination and which can be reliably measured, are controlled by the Group and are separable or arise from a legal or contractual right, are recognized at fair value separately from goodwill. Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortization and impairment charges.

Intangible assets other than certain trademarks having an indefinite useful life are considered to have finite useful lives, and are amortized by the straight-line method over their expected useful lives:

Integrated management software	3-7 years
Other software	3-4 years
Patents and licenses	2-10 years
Client relationships	3-20 years
Other intangible assets	3-20 years

Acquired trademarks with a finite useful life are generally amortized over a period of less than ten years. Trademarks that the Group considers as having an indefinite useful life (notably based on criteria relating to their durability and brand recognition) are not amortized. The amortization periods for client relationships recognized in connection with business combinations have been set by Management based on the estimated attrition rate for the contracts concerned (with a maximum of 20 years).

The cost of licenses and software recognized in the statement of financial position comprises the costs incurred in acquiring the software and bringing it into use and is amortized over the estimated useful life of the asset.

Subsequent expenditures on intangible assets are capitalized only if they increase the expected future economic benefits associated with the asset to which they relate. Other expenditures are expensed as incurred.

6.2.1 Gross value of other intangible assets

(in million euros)	LICENSES AND SOFTWARE	CLIENT RELATIONSHIPS, TRADEMARKS AND OTHER	TOTAL
Gross value as of September 1, 2021	665	838	1,503
Acquisitions	97	71	168
Disposals	(22)	(40)	(62)
Currency translation adjustment	30	97	127
Reclassifications	(2)	(5)	(7)
Change in scope of consolidation	(6)	7	1
Other	—	—	—
Gross value as of August 31, 2022	762	967	1,729
Acquisitions	62	34	96
Disposals	(26)	(22)	(48)
Currency translation adjustments	(12)	(38)	(50)
Reclassifications in assets held for sale or for distribution ⁽¹⁾	(321)	(200)	(521)
Change in scope of consolidation	(8)	1	(7)
Other reclassifications	(3)	(43)	(46)
Gross value as of August 31, 2023	453	700	1,153

(1) The reclassifications made during the period mainly correspond to the reclassification of Benefits & Rewards Services activity (Pluxee) other intangible assets in assets held for sale or for distribution (see note 3.2).

6.2.2 Amortization and impairment of other intangible assets

(in million euros)	LICENSES AND SOFTWARE	CLIENT RELATIONSHIPS, TRADEMARKS AND OTHER	TOTAL
Amortization and impairment as of September 1, 2021	(435)	(478)	(913)
Amortization	(75)	(69)	(144)
Disposals	19	37	56
Impairment	(1)	—	(1)
Currency translation adjustment	(20)	(46)	(66)
Reclassifications	1	3	4
Change in scope of consolidation	2	11	13
Other	—	—	—
Amortization and impairment as of August 31, 2022	(509)	(542)	(1,051)
Amortization	(40)	(55)	(95)
Disposals	21	12	33
Impairment	—	1	1
Currency translation adjustments	8	16	24
Reclassifications in assets held for sale or for distribution ⁽¹⁾	198	146	344
Change in scope of consolidation	7	—	7
Other reclassifications	1	31	32
Amortization and impairment as of August 31, 2023	(314)	(391)	(705)

(1) The reclassifications made during the period mainly correspond to the reclassification of Benefits & Rewards Services activity (Pluxee) other intangible assets in assets held for sale or for distribution (see note 3.2).

Amortization is reported under either Cost of sales or Administrative and Sales Department costs, except for amortization of intangibles assets acquired during a business combination transactions are recognized in "Other operating expenses".

6.2.3 Net value of other intangible assets

(in million euros)	LICENSES AND SOFTWARE	CLIENT RELATIONSHIPS, TRADEMARKS AND OTHER	TOTAL
Net carrying amount as of September 1, 2021	230	360	590
Net carrying amount as of August 31, 2022	253	425	678
Net carrying amount as of August 31, 2023	139	309	448

6.3 Property, plant and equipment

ACCOUNTING PRINCIPLES

Property, plant and equipment are measured at cost less accumulated depreciation and impairment charges, except for land, which is measured at cost less accumulated impairment charges. Cost includes expenditures directly incurred to acquire the asset, and in some cases may also include estimated unavoidable future dismantling, removal and site remediation costs.

Subsequent expenditures are included in the carrying amount of the asset, or recognized as a separate component, if it is probable that the future economic benefits of the expenditures will flow to Sodexo and the cost can be measured reliably. All other repair and maintenance costs are recognized as expenses during the period in which they are incurred, except costs incurred to improve productivity or extend the useful life of an asset, which are capitalized.

Items of property, plant and equipment are depreciated over their expected useful lives using the component-based approach, taking account of their residual value. The straight-line method of depreciation is regarded as the method that most closely reflects the expected pattern of consumption of the future economic benefits embodied in items of property, plant and equipment.

The useful lives generally used by the Group are:

Buildings	20-30 years
General fixtures and fittings	3-10 years
Plant and machinery	3-8 years
Motor vehicles	4 years
Boats and pontoons (depending on the component)	5-15 years

The residual values and useful lives of items of property, plant and equipment are reviewed at each period end and, if necessary, adjusted.

The carrying amounts of items of property, plant and equipment are tested for impairment if there is an indication that an item may be subject to impairment.

6.3.1 Gross value of property, plant and equipment

(in million euros)	LAND AND BUILDINGS	PLANT AND EQUIPMENT	CONSTRUCTION IN PROGRESS AND OTHER	TOTAL
Gross value as of August 31, 2021	73	1,730	217	2,020
Acquisitions	4	147	46	197
Disposals	(4)	(83)	(20)	(107)
Currency translation adjustment	2	90	12	104
Reclassifications	6	3	(19)	(10)
Change in scope of consolidation	(6)	(40)	2	(44)
Other	—	—	—	—
Gross value as of August 31, 2022	75	1,847	238	2,159
Acquisitions	3	188	50	241
Disposals	(1)	(164)	(17)	(182)
Currency translation adjustment	(3)	(72)	(7)	(81)
Reclassifications in assets held for sale or for distribution ⁽¹⁾	(6)	(60)	(1)	(67)
Change in scope of consolidation	—	—	1	1
Other reclassifications	—	(1)	(37)	(38)
Gross value as of August 31, 2023	68	1,738	227	2,033

(1) The reclassifications made during the period mainly correspond to the reclassification of Benefits & Rewards Services activity (Pluxee) property, plant and equipment in assets held for sale or for distribution (see note 3.2).

No item of property, plant and equipment is pledged as collateral for a liability.

6.3.2 Depreciation and impairment of property, plant and equipment

(in million euros)	LAND AND BUILDINGS	PLANT AND EQUIPMENT	CONSTRUCTION IN PROGRESS AND OTHER	TOTAL
Depreciation and impairment as of August 31, 2021	(54)	(1,356)	(149)	(1,559)
Amortization	(4)	(156)	(16)	(176)
Disposals	3	78	13	94
Impairment	—	(1)	1	—
Currency translation adjustment	(1)	(63)	(8)	(72)
Reclassifications	(1)	10	1	10
Change in scope of consolidation	2	50	1	53
Other	—	—	—	—
Depreciation and impairment as of August 31, 2022	(55)	(1,438)	(157)	(1,650)
Amortization	(4)	(152)	(21)	(177)
Disposals	1	147	12	160
Impairment	—	4	—	4
Currency translation adjustment	1	51	5	57
Reclassifications in assets held for sale or for distribution ⁽¹⁾	5	49	1	55
Change in scope of consolidation	—	—	—	—
Other reclassifications	—	27	1	28
Depreciation and impairment as of August 31, 2023	(52)	(1,312)	(159)	(1,523)

(1) The reclassifications made during the period mainly correspond to the reclassification of Benefits & Rewards Services activity (Pluxee) property, plant and equipment in assets held for sale or for distribution (see note 3.2).

Depreciation is reported under either Cost of sales or Selling, General and Administrative costs.

6.3.3 Net book value of property, plant and equipment

(in million euros)	BUILDINGS	PLANT AND EQUIPMENT	CONSTRUCTION IN PROGRESS AND OTHER	TOTAL
Net carrying amount as of August 31, 2021	19	374	68	461
Net carrying amount as of August 31, 2022	20	409	81	510
Net carrying amount as of August 31, 2023	16	426	68	510

6.4 Impairment of non-current assets

ACCOUNTING PRINCIPLES

Impairment of assets with finite useful lives

Property, plant and equipment and intangible assets with finite useful lives are tested for impairment if there is any indication of impairment. Impairment charges are recognized in the income statement and may be reversed subsequently.

Impairment of assets with indefinite useful lives

Goodwill and other intangible assets considered to have an indefinite useful life (such as certain trademarks) are tested for impairment whenever there is an indication of impairment, and at least annually, in the last quarter of the fiscal year. The results of the impairment tests are then confirmed using actual data as of August 31.

Cash Generating Units

Assets that do not generate cash inflows that are largely independent of those from other assets, and hence cannot be tested for impairment individually, are grouped together in Cash Generating Units (CGUs).

Impairment tests are performed at the level of the CGU or group of CGUs corresponding to the lowest level at which goodwill is monitored by the Group.

Goodwill is analyzed per operating segment for On-site Services activity, as reflected in the Group's organizational structure (see note 4.1):

- North America;
- France;
- United Kingdom & Ireland;
- Continental Europe;
- Asia-Pacific/Middle East/Africa;
- Latin America (without Brazil);
- Brazil.

Goodwill is not tested for impairment at a higher level than the operating segments before aggregation for segment reporting.

The assets allocated to each CGU or group of CGUs comprise:

- goodwill, which is allocated when the CGU or group of CGUs is likely to benefit from the business combination;
- other intangible assets, property, plant and equipment, client investments, right-of-use assets relating to leases and net working capital.

Indications of impairment

The main indicators that a CGU or group of CGUs may be impaired are a significant decrease in the CGU or group of CGUs revenues and underlying operating profit or material changes in market trends.

Methods used to determine the recoverable amount

An impairment charge is recognized in the income statement when the carrying amount of an asset or CGU or group of CGUs is greater than its recoverable amount.

Recoverable amount is the greater of:

- fair value less costs of disposal, *i.e.*, the amount obtainable from the sale of an asset (net of selling costs) in an orderly transaction between market participants at the measurement date; and
- value in use, which is the present value of the future cash flows expected to be derived from continuing use and ultimate disposal of the asset or CGU or group of CGUs.

The value in use of a CGU or group of CGUs is estimated using after-tax cash flow projections based on business plans and a terminal value calculated by extrapolating data for the final year of the business plan.

Business plans generally cover five years. These plans have been drawn up for each operating segment resulting from the Group's organizational structure as described in note 4.1.

Management, both at Group and subsidiary levels, prepare underlying profit forecasts on the basis of past performance and expected market trends.

The growth rate used beyond the initial period of the business plans reflects the growth rate of the operating segment concerned, taking into account the geographic regions in which the operating segment conducts business.

Expected future cash flows are discounted at the weighted average cost of capital calculated for the Group. For certain CGUs or groups of CGUs a premium is added to the weighted average cost of capital in order to reflect the greater risk factors affecting certain countries in which the operating segment concerned conducts business.

Recognition of impairment charges

An impairment charge recognized with respect to a CGU or group of CGUs is allocated initially to reducing the carrying amount of any goodwill allocated to that CGU, and then to reducing the carrying amount of the other assets of the CGU or group of CGUs in proportion to the carrying amount of each asset.

Reversal of impairment charges

Impairment charges recognized with respect to goodwill cannot be reversed.

Impairment charges recognized with respect to any other asset may only be reversed if there is an indication that the impairment charge is lower or no longer exists. The amount reversed is based on the new estimates of the recoverable amount.

The increased carrying amount of an asset resulting from the reversal of an impairment charge cannot exceed the carrying amount that would have been determined for that asset had no impairment charge been recognized.

Impairment charges, net of reversals, relating to property, plant and equipment and intangible assets (including goodwill) amounted to -5 million euros as of August 31, 2023 (1 million euros as of August 31, 2022) and taking into account a net amortization recognized in other operating expenses in Fiscal 2023 for 1 million euros (1 million euros in Fiscal 2022).

The following table indicates the main assumptions used for the main countries of each CGU group:

	FISCAL 2023		FISCAL 2022	
	DISCOUNT RATE	LONG-TERM GROWTH RATE	DISCOUNT RATE	LONG-TERM GROWTH RATE
North America				
Canada	9.1%	2.0%	8.4%	2.0%
United States	9.1%	2.1%	8.4%	2.0%
France	8.9%	1.6%	8.5%	1.6%
United Kingdom & Ireland				
United Kingdom	10.2%	2.0%	8.3%	2.0%
Continental Europe				
Belgium	9.1%	2.0%	8.6%	1.7%
Germany	8.9%	2.0%	8.5%	2.0%
Italy	11.8%	2.0%	10.2%	2.0%
Spain	10.8%	1.7%	9.6%	1.7%
Sweden	8.9%	2.0%	8.5%	2.0%
Asia-Pacific, Middle East & Africa				
Australia	8.9%	2.6%	8.5%	2.5%
China	9.3%	2.2%	8.7%	2.0%
India	11.8%	4.0%	10.2%	4.0%
Latin America				
Chile	9.5%	3.0%	8.7%	3.0%
Colombia	11.3%	3.0%	9.9%	3.0%
Mexico	11.3%	3.0%	9.6%	3.0%
Brazil	13.2%	3.0%	11.0%	3.0%

SENSITIVITY ANALYSIS

Sodexo has analyzed the sensitivity of goodwill impairment test results to different financial and operational scenarios:

- the results of the goodwill sensitivity analysis indicated no probable scenario where a change in the discount rate or long-term growth rate would result in the recoverable amount of segment assets becoming less than its carrying amount. In fact, the results of the impairment testing demonstrate that even an increase of 150 basis points in the discount rate or a reduction of 150 basis points in the long-term growth rate would not result in an impairment of the assets tested for any segment;
- the Group also performed a sensitivity analysis on the operational assumptions used in order to determine whether a 10% decrease in forecast net cash flows over the time period of the business plans prepared by management and in terminal value would result in the recognition of an impairment in the Group's consolidated financial statements as of August 31, 2023. The results of this analysis did not indicate any risk of impairment for any of the segments.

NOTE 7. LEASES

ACCOUNTING PRINCIPLES

The Group determines whether a contract is or contains a lease at inception of the contract. The Group classifies as a lease a contract that conveys to the Group the right to control the use of an identified asset for a given period of time.

Leases are recognized on the consolidated statement of financial position at the commencement date of the contract, except for leases covered by the exemptions allowed by IFRS 16 "Leases" (short-term leases and leases of low value assets), adopted by the Group.

Leases are reflected in the consolidated statement of financial position by recognizing an asset representing the right to use the leased asset and a related liability corresponding to the obligation to make future lease payments. In the consolidated income statement, a depreciation of the right-of-use assets is recorded in operating expenses, separately from the interest expense on lease liabilities. In the consolidated cash flow statement, cash outflows relating to interest on lease liabilities impact operating activities flows, while repayment of the lease liabilities impact financing activities flows.

Short-term leases (*i.e.* lease term of 12 months or less) and leases of low-value assets (such as IT equipment) are expensed directly in operating expenses on a straight-line basis over the lease term.

Particular rent concessions payments due until June 30, 2022 occurring as a direct consequence of the Covid pandemic are recorded in operating profit as if they were not lease modifications in accordance with the practical expedient permitted by amendments to IFRS 16 "Covid-19-Related Rent Concessions" and "Covid-19-Related Rent Concessions beyond June 30, 2021" published respectively in May 2020 and March 2021.

The leases contracted by the Group as a lessee mainly relate to the following categories of assets:

- real estate (land and buildings): the Group leases land and buildings for its offices. Terms and conditions are negotiated on an individual case basis and contain numerous different clauses, depending on the legal environment specific to each country. These leases are entered into for terms of 1 to 20 years and may contain extension options;
- sites and spaces operated as part of concession arrangements: the Group operates various sites (restaurants, retail spaces and kitchens) made available pursuant to concession agreements. The commissions paid in that respect are based on performance indicators of the location (variable payments, generally based on turnover) and may contain a minimum guarantee fee. Terms and conditions are negotiated on an individual case basis and contain numerous different clauses. These leases are entered into for terms of 1 to 18 years and may contain extension options;
- vehicles: the Group leases vehicles for some of its employees. These leases are entered into for terms of 1 to 5 years;
- equipment: the Group also leases some equipment necessary for its operations (kitchen equipment, vending machines...). Terms and conditions are negotiated on a case-by-case basis and contain numerous different clauses. These leases are entered into for terms of 1 to 5 years and may contain extension options.

The amount of lease concessions granted by lessors due to the Covid pandemic which was recognized in the income statement during Fiscal 2022 in application of the practical expedient provided for by the amendments to IFRS 16 is not significant.

7.1 Lease liabilities

ACCOUNTING PRINCIPLES

The Group recognizes a lease liability at the date on which the underlying asset is made available for use. The lease liability is measured at the net present value of lease payments to be made over the lease term.

Lease payments

The lease payments included in the measurement of the lease liability comprise:

- fixed rents (including minimum guarantee fee to be paid in accordance with concession agreements), less any lease incentive receivable from the lessor;
- variable rents that depend on an index or a rate;
- in-substance fixed payments.

Payments expected to be made to the lessor at the termination of the contract are also included (relatively rare in practice within the Group), such as:

- residual value guarantees;
- exercise price of a purchase option, when its exercise is reasonably certain; and
- termination penalties payable to the lessor, when the exercise of a termination option is reasonably certain.

Variable lease payments that do not depend on an index or a rate (notably, rents or commissions based on turnover) remain recognized in operating expenses when incurred. In addition, the Group elected to exclude, where applicable, non-lease components of the contract in the measurement of the lease liability (for example, vehicle maintenance services). Consequently, payments in relation to service components of the lease contracts are recorded in operating expenses, in the same way as variable lease payments.

Lease term

The lease term is assessed for each lease as the non-cancellable period of the contract, adjusted to reflect periods covered by an option to extend the lease that the Group is reasonably certain to exercise, and periods covered by an option to terminate the lease that the Group is reasonably certain not to exercise.

The legal environment and market practices specific to each country are also considered in assessing the lease term. This applies in particular to open-ended leases, for which an enforceable period is determined in light of circumstances specific to each situation. In assessing the enforceable period of each contract, the Group determines whether it would incur a penalty on termination that is more than insignificant, taking into account various relevant indicators (indemnities arising from contractual obligations and economic penalties based on operational criteria, in accordance with the clarifications provided by IFRS IC). In the specific case of French commercial property leases (also referred to as "3/6/9 leases"), the assessment is made on a case-by-case basis, that may lead to consider an enforceable period that is beyond the residual length of the initial 9-year term in some instances.

Discount rate

The discount rate used is generally the lessee incremental borrowing rate, as the rate implicit in the lease cannot be readily determined for most of the contracts. The incremental borrowing rate is calculated using the following parameters: risk-free rate of the relevant currency, duration of the lease, credit spread of the subsidiary concerned.

Subsequently, the lease liability is recognized at amortized cost using the effective interest method and is remeasured after the commencement date to reflect changes arising from:

- any modification of the lease term, reflecting a contractual modification or a reassessment of the probability of an extension or termination option being exercised;
- any changes in rent amount, resulting for example from a change in an index or a rate used to determine lease payments;
- any reassessment of the probability of a purchase option being exercised;
- any other contractual modification, such as the scope of the underlying asset.

As of August 31, 2023, the lease liabilities amount to 831 million euros, including 683 million euros of non-current lease liabilities and 148 million euros of current lease liabilities. The change in lease liabilities during Fiscal 2023 and Fiscal 2022 breaks down as follows:

(in million euros)	FISCAL 2023	FISCAL 2022
Lease liabilities as of September 1	943	939
Increase/(Decrease)	176	186
Repayment of the principal	(205)	(225)
Currency translation adjustment	(47)	75
Change in scope of consolidation	—	(33)
Other variation	(8)	1
Reclassifications in liabilities directly associated with assets held for sale or for distribution ⁽¹⁾	(28)	—
LEASE LIABILITIES AS OF AUGUST 31	831	943

(1) The reclassifications made during the period mainly correspond to the reclassification of Benefits & Rewards Services activity (Pluxee) lease liabilities in liabilities directly associated with assets held for sale or for distribution (see note 3.2).

Lease liabilities maturity breaks down as follows:

(in million euros)	AUGUST 31, 2023	AUGUST 31, 2022
< 1 year	148	184
1 to 3 years	239	260
3 to 5 years	162	185
> 5 years	282	314
LEASE LIABILITIES CARRYING VALUE	831	943

7.2 Right-of-use assets relating to leases

ACCOUNTING PRINCIPLES

A right-of-use asset is recognized for each lease contract (except for those covered by the exemptions), as a counterpart of the lease liability. This right-of-use asset is measured as the initial amount of the lease liability (assessed as specified above) plus, where applicable, the initial direct costs incurred in obtaining the contract (fees and administrative costs), the advance lease payments made to the lessor and the estimated costs to be incurred in restoring the underlying asset to the condition required by the terms and conditions of the contract.

The right-of-use asset is depreciated on a straight-line basis over the lease term used to measure the lease liability and, when necessary, is subject to impairment tests according to the same rules as those used for intangible assets and property, plant and equipment (see note 6.3). The carrying amount is subsequently adjusted to reflect the change in the lease liability arising from amendments to the lease provisions and other remeasurement events (see above).

Right-of-use assets break down as follows, by type of underlying asset:

(in million euros)	LAND AND BUILDINGS	SITES AND SPACES OPERATED UNDER CONCESSION AGREEMENTS	VEHICLES	EQUIPMENT	TOTAL
Gross value as of August 31, 2021	438	695	149	21	1,304
Increase	19	84	(3)	2	102
Translation Adjustments	23	70	5	3	101
Reclassifications	(3)	—	—	—	(3)
Change in scope of consolidation	(46)	(11)	(1)	—	(58)
Other movements	(2)	—	—	—	(2)
Gross value as of August 31, 2022	429	838	151	26	1,444
Increase	73	19	(1)	(1)	90
Currency translation adjustment	(17)	(46)	(8)	(1)	(72)
Reclassifications in assets held for sale or for distribution ⁽¹⁾	(41)	—	(7)	(9)	(57)
Change in scope of consolidation	—	—	—	—	—
Other reclassifications	(16)	—	(3)	—	(19)
Gross value as of August 31, 2023	428	811	132	15	1,386

(1) The reclassifications made during the period correspond to the reclassification of the Benefits & Rewards Services activity (Pluxee) right-of-use assets relating to leases in assets held for sale or for distribution (see note 3.2).

(in million euros)	LAND AND BUILDINGS	SITES AND SPACES OPERATED UNDER CONCESSION AGREEMENTS	VEHICLES	EQUIPMENT	TOTAL
Amortization and impairment as of August 31, 2021	(140)	(177)	(72)	(11)	(400)
Amortization	(71)	(91)	(45)	(4)	(211)
Reversals	25	13	28	4	70
Impairment	1	—	—	—	1
Currency translation adjustment	(9)	(18)	(2)	(2)	(31)
Reclassifications	3	—	—	—	3
Change in scope of consolidation	4	6	10	(1)	19
Other movements	—	—	—	—	—
Amortization and impairment as of August 31, 2022	(187)	(267)	(81)	(14)	(549)
Amortization	(56)	(91)	(37)	(4)	(188)
Reversals	13	20	32	5	70
Impairment	—	—	—	—	—
Currency translation adjustment	7	15	5	1	28
Reclassifications in assets held for sale or for distribution ⁽¹⁾	22	—	5	5	32
Change in scope of consolidation	—	—	—	—	—
Other reclassifications	5	1	2	—	8
Amortization and impairment as of August 31, 2023	(196)	(322)	(74)	(7)	(599)

(1) The reclassifications made during the period correspond to the reclassification of the Benefits & Rewards Services activities (Pluxee) the rights-of-use assets relating to leases in assets held for sale or for distribution (see note 3.2).

(in million euros)	LAND AND BUILDINGS	SITES AND SPACES OPERATED UNDER CONCESSION AGREEMENTS	VEHICLES	EQUIPMENT	TOTAL
Net carrying amount as of August 31, 2021	299	518	77	10	903
Net carrying amount as of August 31, 2022	242	571	69	12	895
Net carrying amount as of August 31, 2023	232	489	58	8	787

NOTE 8. INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

ACCOUNTING PRINCIPLES

Associates are companies in which Sodexo S.A. directly or indirectly exercises significant influence over financial and operating policy, without exercising exclusive or joint control. Joint ventures are joint arrangements in which Sodexo S.A. directly or indirectly exercises joint control and has rights to the net assets of the arrangement. Associates and joint ventures are accounted for using the equity method. Sodexo has a number of equity interests in project companies established in connection with Public-Private Partnership (PPP) contracts. These contracts enable governments to call upon the private sector for the design, construction, financing and management of public infrastructure (hospitals, schools, barracks, prisons), with detailed performance criteria. An analysis is performed for each of these equity interests, in order to determine whether they qualify as associates or joint ventures.

When Sodexo is legally or constructively obligated to make payments on behalf of companies accounted for using the equity method, a provision is made under liabilities in the consolidated statement of financial position for its share in the negative shareholders' equity of the said companies (see note 10.1).

Changes in the Group's share of the net assets of companies accounted for using the equity method in Fiscal 2022 and Fiscal 2023 are shown below:

(in million euros)	FISCAL 2023	FISCAL 2022
Carrying amount as of September 1	65	57
Of which Investments in companies accounted for using the equity method	73	63
Of which Provisions	(8)	(6)
Share of profit for the period	12	8
Other comprehensive income (loss)	—	—
Dividend paid for the period	(8)	(6)
Currency translation adjustment	(3)	6
Reclassifications of which reclassifications in assets held for sale or for distribution ⁽¹⁾	(7)	—
CARRYING AMOUNT AS OF AUGUST 31	59	65
Of which Investments in companies accounted for using the equity method	66	73
Of which Provisions	(7)	(8)

(1) The reclassifications made during the period correspond to the reclassification of the Benefits & Rewards Services activities, investments in companies accounted for using the equity method in assets held for sale or for distribution for 1 million euros (see note 3.2).

NOTE 9. INCOME TAX

ACCOUNTING PRINCIPLES

Income tax expense

Income tax expense for the year includes current taxes and deferred taxes. It includes the contribution on the added value of companies (*cotisation sur la valeur ajoutée des entreprises (CVAE)*), a business tax assessed on corporate value-added generated by French subsidiaries, which is reported under income tax expense as the Group considers that it meets the definition of a tax on income contained in IAS 12 "Income Tax".

Tax credits which do not affect taxable profit and are always refunded by tax authorities if they have not been deducted from corporate income tax are recognized as subsidies and therefore presented as a reduction to the expenses to which they relate.

Uncertain income tax positions are estimated in accordance with IFRIC 23 "Uncertainty over income tax treatments". The accounting for uncertain tax treatments requires an entity to make estimates and judgments about whether the relevant taxation authority will accept the position taken by the entity in its tax filings (most likely amount or expected value corresponding to the probability-weighted average of the possible outcomes). Uncertain tax positions balances are presented as current or deferred tax assets or liabilities in Income tax payable.

Deferred taxes

Deferred taxes are recognized on temporary differences between the carrying amount of an asset or liability and its tax base, using the tax rate that is expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantially enacted at the period end.

Deferred taxes are not recognized on the following items:

- initial recognition of goodwill;
- initial recognition of an asset in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit; and
- temporary differences on investments in subsidiaries that are not expected to reverse in the foreseeable future.

Taxes on items recognized directly in shareholders' equity or in other comprehensive income are recognized in shareholders' equity or in other comprehensive income, respectively, and not in the income statement (see note 11).

Deferred tax assets on temporary differences and tax loss carry-forwards are only recognized if their recoverability is considered probable, considering existing temporary differences giving rise to deferred tax liabilities expected to reverse and taxable profits that will be available in the foreseeable future and against which the temporary difference can be utilized. When assessing the probability of a taxable profit being available in the foreseeable future, account is taken, primarily, of prior years' results, forecasted future results based on a business plan performed at the level of each taxable entity, non-recurring items unlikely to occur in the future and the tax strategy.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets and liabilities and the deferred taxes relate to the same taxable entity and tax authority.

9.1 Components of income tax expense

(in million euros)	FISCAL 2023	FISCAL 2022 IFRS 5 restated
Current income tax (expenses)/income	(151)	(163)
Withholding taxes	(10)	(6)
Deferred income tax (expenses)/income	(20)	(38)
INCOME TAX EXPENSE	(181)	(206)

As of Fiscal 2023, the change in deferred income tax expense corresponds to the reversal of deferred tax assets and the non-recognition of deferred tax assets previously recognized in new countries impacted by losses.

Based on the preliminary work performed, the Group does not expect any significant impact from the Pillar 2 reform on its consolidated financial statements.

9.2 Income tax rate reconciliation

(in million euros)	FISCAL 2023	FISCAL 2022 IFRS 5 restated
Profit for the year before tax	749	726
Share of profit of companies accounted for using the equity method	(12)	(8)
Profit before tax excluding share of profit of companies accounted for using the equity method	737	718
Tax rate applicable to Sodexo S.A.	25.83%	28.40%
Theoretical income tax (expense)/income	(191)	(204)
Effect of jurisdictional tax rate differences	18	36
Permanently non-deductible expenses or non-taxable income*	(25)	(6)
Other tax repayments/(charges), net	15	6
Tax loss carry-forwards used or recognized during the period but not recognized as a deferred tax asset in prior periods	20	4
Tax loss carry-forwards and temporary differences arising during the period or prior years but not recognized as a deferred tax asset	(8)	(38)
Actual income tax expense	(171)	(201)
Withholding taxes	(10)	(6)
TOTAL INCOME TAX EXPENSE	(181)	(206)

* Including 17 million euros in France related to the operations prior to the spin-off project. This charge was offset by using of unrecognized tax losses and unrecognized tax credits.

The effective tax rate, calculated on profit for the period before tax and excluding the share of profit of companies accounted for using the equity method, went from 28.8% for Fiscal 2022 to 24.6% for Fiscal 2023. The decrease in the effective tax rate is mainly explained by the decrease in the CVAE rate in France and the improvement of

results in countries where the deferred taxes assets generated by tax losses are not recognized as in France, or they are partially recognized as in Germany.

9.3 Deferred tax assets and liabilities

Movements in deferred taxes were as follows in Fiscal 2023:

(in million euros)	AUGUST 31, 2022	DEFERRED TAX BENEFIT/ (EXPENSE)	DEFERRED TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENT AND OTHER	CLASSIFICATION AS ASSETS/ LIABILITIES HELD FOR SALE OR FOR DISTRIBUTION ⁽¹⁾	AUGUST 31, 2023
Employee-related liabilities	146	(19)	25	(10)	(6)	136
Fair value of financial instruments	3	—	—	—	—	3
Goodwill	(240)	7	—	15	(11)	(144)
Intangible assets	(22)	22	—	7	74	(4)
Other temporary differences	8	(34)	(1)	2	(11)	(36)
Tax loss carry-forwards	98	4	—	(2)	(15)	85
TOTAL NET DEFERRED TAX ASSETS/ (LIABILITIES)	(7)	(20)	24	12	31	40
Of which deferred tax assets	154	—	—	—	—	192
Of which deferred tax liabilities	(161)	—	—	—	—	(152)

(1) The reclassifications made during the period correspond to the reclassification of Benefits & Rewards Services activities (Pluxee) accruals in assets held for sale or for distribution and related liabilities (see note 3.2).

Movements in deferred taxes were as follows in Fiscal 2022:

(in million euros)	SEPTEMBER 1, 2021	DEFERRED TAX BENEFIT/ (EXPENSE)	DEFERRED TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENT AND OTHER	AUGUST 31, 2022
Employee-related liabilities	151	(4)	(22)	21	146
Fair value of financial instruments	16	(13)	(2)	2	3
Goodwill	(200)	(4)	—	(36)	(240)
Intangible assets	(12)	(6)	—	(4)	(22)
Other temporary differences	18	(9)	1	(2)	8
Tax loss carry-forwards	97	(9)	—	10	98
TOTAL NET DEFERRED TAX ASSETS/(LIABILITIES)	70	(45)	(23)	(9)	(7)
Of which deferred tax assets	176	—	—	—	154
Of which deferred tax liabilities	(106)	—	—	—	(161)

As of August 31, 2023, the deferred tax assets arising from tax loss carry-forwards amount to 85 million euros (98 million euros as of August 31, 2022). Brazil and Germany are the main countries with tax loss carry-forwards recognized (for those countries, the use of tax loss carry-forwards is unlimited). The recoverability of the deferred tax assets arising from tax loss carry-forwards is assessed based on a business plan performed at the level of each tax jurisdiction.

Unrecognized deferred tax assets arising from tax loss carry-forwards because their recovery is considered to be uncertain

amounted cumulatively to 194 million euros as of August 31, 2023 (215 million euros as of August 31, 2022). The main country with tax loss carryforwards that did not give rise to the recognition of deferred tax assets as of August 31, 2023, is France where the use of tax losses is unlimited over time. For the French tax group, the amount of unrecognized deferred tax assets arising from loss carryforwards and used in Fiscal 2023 amounts to 5 million euros.

Temporary differences in employee-related liabilities relate primarily to post-employment benefits.

NOTE 10. PROVISIONS, LITIGATION AND CONTINGENT LIABILITIES

ACCOUNTING PRINCIPLES

A provision is recognized if the Group has a legal or constructive obligation at the closing date and it is probable that settlement of the obligation will require an outflow of resources and the amount of the liability can be reliably measured.

Provisions primarily cover commercial, employee-related and tax-related risks and litigation (other than those related to income tax) arising during the course of operating activities, and are measured using assumptions that take account of the most likely outcomes.

Where the effect of the time value of money is material, the amount of the provision is determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and any risks specific to the liability.

A provision for onerous contracts is established where the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it.

10.1 Provisions

(in million euros)	AUGUST 31, 2022	INCREASES /CHARGES	REVERSALS WITH UTILIZATION	REVERSALS WITHOUT UTILIZATION	CURRENCY TRANSLATION ADJUSTMENT AND OTHER	RECLASSIFICATIONS IN LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE OR FOR DISTRIBUTION ⁽¹⁾	AUGUST 31, 2023
Employee claims and litigation	55	8	(14)	(11)	5	(1)	42
Tax and social security exposures	32	2	(4)	—	(1)	—	29
Contract termination and loss-making contracts	21	22	(5)	(8)	(5)	—	25
Client/supplier claims and litigation	37	7	(8)	(13)	—	—	23
Reorganization costs ⁽²⁾	17	17	(11)	(3)	(1)	—	19
Negative net assets of associates ⁽³⁾	8	—	—	—	(1)	—	7
Other provisions	44	15	(8)	(4)	5	(8)	44
TOTAL PROVISIONS	214	71	(50)	(39)	2	(9)	189

(1) The reclassifications made during the financial year correspond to the reclassification of the provisions of the Benefits & Rewards Services activities (Pluxee) as liabilities directly associated with assets held for sale or for distribution (see note 3.2).

(2) Provisions for reorganization mainly correspond to rationalization costs resulting from the reorganization of the Group.

(3) Investments in companies accounted for using the equity method that have negative net assets (see note 8).

(in million euros)	AUGUST 31, 2021	INCREASES/ CHARGES	REVERSALS WITH UTILIZATION	REVERSALS WITHOUT UTILIZATION	CURRENCY TRANSLATION ADJUSTMENT AND OTHER	CHANGES IN SCOPE OF CONSOLIDATION	AUGUST 31, 2022
Reorganization costs	67	9	(45)	(15)	2	(1)	17
Employee claims and litigation	56	17	(10)	(8)	1	(1)	55
Tax and social security exposures	30	5	(1)	(3)	1	—	32
Contract termination and loss-making contracts	27	6	(10)	(6)	4	—	21
Client/supplier claims and litigation	23	22	(10)	—	2	—	37
Negative net assets of associates ⁽¹⁾	6	—	—	—	2	—	8
Other provisions	45	11	(9)	(5)	—	2	44
TOTAL PROVISIONS	254	70	(85)	(37)	12	—	214

(1) Investments in companies accounted for using the equity method that have negative net assets (see note 8).

Provisions for exposures and litigation are determined on a case-by-case basis and rely on management's best estimate of the outflows deemed likely to satisfy legal or implicit obligations to which the Group is exposed as of the end of the fiscal year.

Current and non-current provisions are as follows:

(in million euros)	AUGUST 31, 2023		AUGUST 31, 2022	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Reorganization costs	19	—	17	—
Employee claims and litigation	19	23	21	34
Tax and social security exposures	13	16	14	18
Contract termination and loss-making contracts	3	22	13	8
Client/supplier claims and litigation	10	13	23	14
Negative net assets of associates*	—	7	—	8
Other provisions	15	29	11	33
TOTAL PROVISIONS	79	110	99	115

* Investments in companies accounted for using the equity method that have negative net assets (see note 8).

10.2 Litigation and contingent liabilities

DISPUTES WITH THE BRAZILIAN TAX AUTHORITIES

During Fiscal 2021, the subsidiary Sodexo do Brasil Comercial received a tax reassessment notice mainly linked to the tax deductibility of the amortization of goodwill recognized on the purchase of Puras. The reassessment covers the period from 2015 to 2017 and amounts to 215 million Brazilian real to date, *i.e.*, 40 million euros as of August 31, 2023 (of which 9 million euros in principal and 31 million euros in penalties and late payment interests). In August 2021, the competent administrative Court ruled in favor of Sodexo do Brasil Comercial but the Brazilian tax authorities appealed this first instance decision. However, the Group considers that the risks of a change in the decision are low, considering, on the one hand, that it has strong arguments to contest the tax reassessment and, on the other hand, the recent favorable decision of the CSRF ending the dispute between Sodexo Pass do Brasil and the Brazilian tax authorities on the same issue mentioned below.

The goodwill amount has been fully amortized. The tax saving generated by this tax depreciation were offset in the consolidated accounts of the group by a deferred tax expense of the same amount for each of the related periods, in accordance with IFRS rules. The deferred tax liability related to the reassessed periods amounts to 26 million euros as of August 31, 2023.

In addition, Sodexo and its main competitors have a different interpretation from that of the Brazilian tax administration on the deductibility of PIS/COFINS on certain purchases made at a zero rate. Several proceedings are underway, either at the initiative of the tax authorities, which have notified Sodexo do Brasil Comercial of an adjustment in respect of credits recognized in 2016 of 9 million euros (including penalties and interest for late payment), or at the initiative of the company, which has filed several claims in the courts. One of these proceedings initiated by Sodexo do Brasil Comercial was suspended, on the initiative of the judge, until the Supreme Court's decision on another company's case. In February 2023, the Supreme Court issued its decision, which was unfavorable to the Company concerned: the judges essentially ruled that ordinary law may provide for limitations on the use of PIS/COFINS credits, provided that such law respects all constitutional principles, in particular equality of treatment of taxpayers and free competition. This decision, which should not be considered automatically unfavorable for the individual cases of each taxpayer, does not affect the appeals filed by Sodexo, which will continue to follow their respective courses. Sodexo do Brasil Comercial believes that it has different and strong enough arguments to ultimately succeed in court on this issue. After consultation with its advisors, Sodexo considers that its chances of success in these proceedings are good and that to date the risk of an outflow of resources associated with the PIS/COFINS credits deducted since 2016 remains unlikely; therefore, no provision has been recorded in the consolidated financial statements as of August 31, 2023.

As a reminder, the subsidiary Sodexo Pass do Brasil was in dispute with the Brazilian tax authorities regarding the tax deductibility of the amortization of goodwill recognized on the acquisition of VR in March 2008.

In Fiscal 2017, Sodexo Pass do Brasil received a tax reassessment notice for fiscal years 2010 to 2012 challenging the deductibility for tax purposes of the goodwill amortization, with 150% penalties and late payment interest.

The Group firmly disputed this reassessment, which the Brazilian tax authorities originally envisaged during a previous tax audit covering the fiscal years 2008 and 2009 but then abandoned, as it considered that the tax amortization of goodwill was valid and that the procedure therefore had a strong chance of succeeding in its favor.

This dispute was decided on August 14, 2018 before the competent administrative court (CARF). The court ruled in favor of Sodexo Pass do Brasil, considering that the goodwill and corresponding tax amortization were legitimately recognized on the acquisition of VR. This ruling in favor of Sodexo Pass do Brasil was confirmed by the Superior Court of Appeal (CSRF) at a hearing on September 13, 2022 and notified in writing to the Group on October 27, 2022. The Federal Tax Administration has already taken note of the decision, without expressing any request for clarification, thus definitively ending the dispute in favor of Sodexo Pass do Brasil.

It is recalled that, the reassessment amounted to 573 million Brazilian reals, *i.e.*, 111 million euros as of August 31, 2022 (29 million euros in principal, 43 million euros in penalties and 40 million euros in late payment interest). The tax savings generated by this tax depreciation were offset in the consolidated accounts of the Group by a deferred tax expense of the same amount for each of the related financial periods, in accordance with the IFRS rules. The deferred tax liability related to the reassessed periods amounted to 29 million euros as of August 31, 2022 (24 million euros as of August 31, 2021).

DISPUTE WITH THE FRENCH COMPETITION AUTHORITY

On October 9, 2015, the company Octoplus filed a complaint with the French Competition Authority (*Autorité de la concurrence*) concerning several French meal voucher issuers, including Sodexo Pass France. Following the hearing of the parties concerned in April and July 2016, the Competition Authority decided on October 6, 2016 to continue the proceedings, without ordering interim measures against Sodexo Pass France.

On February 27, 2019, the prosecution services sent their final Investigation Report to Sodexo Pass France. In its response filed on April 29, 2019, the Group contested both of the grievances notified by the Authority (exchange of information and foreclosure of the meal voucher market through the *Centrale de Règlement des Titres*). On December 17, 2019, the French Competition Authority ruled against the meal voucher issuers and fined Sodexo Pass France, jointly and severally with Sodexo S.A., 126 million euros. This decision was formally notified to Sodexo Pass France and Sodexo S.A. on February 6, 2020. Sodexo vigorously contests this decision

considering that it demonstrates a flawed understanding of the practices in question and of the way in which the market operates. Sodexo has therefore lodged an appeal against the decision with the Paris Court of Appeal. The hearing was held on November 18, 2021, and the Court of Appeal is expected to render its decision on November 16, 2023.

Given the significant impact of the Covid pandemic on the Group's activities and performance, Sodexo obtained a decision from the State collection services allowing it to defer payment of the fine until December 15, 2021 without any penalty being due, subject to providing a bank guarantee, and from that date a monthly settlement plan until January 2023 (payments made by Sodexo Pass France). An asset was recognized as a counterpart of the sums paid (126 million euros as of August 31, 2023, and 81 million euros as of August 31, 2022) in "Other operating receivables", reclassified as of August 31, 2023 in "Assets held for sale or for distribution".

After consultation with its legal advisers, the Group considers that it has solid arguments capable of resulting in the reversal or revision of the decision of the Competition Authority. As a result, no provision has been made for this dispute.

DISPUTE IN HUNGARY

Following legislative and regulatory changes to the issuance of food and meal voucher market in Hungary, Sodexo made an application to the International Center for Settlement of Investment Disputes (ICSID) in July 2014 for arbitration proceedings against the Hungarian State.

The ICSID issued its decision on January 28, 2019, ordering the Hungarian State to pay compensation in an amount of 73 million euros to Sodexo, together with accrued interest from December 31, 2011. On May 27, 2019, the Hungarian State lodged an appeal against this decision which was rejected by the ICSID on May 7, 2021 thereby definitively confirming its decision of January 28, 2019 and the obligation of the Hungarian State to compensate Sodexo in accordance with international law.

The Hungarian State paid an indemnity in an amount of 33.5 million euros to Sodexo Pass International on December 31, 2021 in consideration of the prejudice caused as a result of the expropriation by the Hungarian State of Sodexo Pass International's investment in Hungary further to the legislative and regulatory changes implemented by the Hungarian State in the issuance of food and meal voucher market in Hungary. This payment definitively puts an end to the dispute with regard to the ICSID arbitration award.

An income of 33.5 million euros has been recognized accordingly in Net profit of the year from discontinued operations in Fiscal 2022 (see note 3.2 "Disposed and held for sale or distribution activities").

FRENCH TAX REASSESSMENT

Sodexo S.A. received in December 2021 a notification for a proposed tax reassessment concerning fiscal years 2016, 2017 and 2018. Another proposed adjustment notice was issued by the French tax authorities in December 2022 for fiscal years 2019, 2020 and 2021 in order to replicate certain adjustments it had initiated during the previous tax audit.

The Company has assessed the risk associated with these procedures and, after review with its tax advisors, considers that it has strong arguments to contest the proposed reassessments.

OTHER DISPUTES

Group subsidiaries can also be subject to tax audits certain of which may result in reassessments. Main dispute are described above. In each case, the risk is assessed by management and its advisors and any charges deemed probable are recorded as provisions or tax liabilities.

The Group is not aware of any other governmental, judicial or arbitral proceedings which are outstanding or threatened and which may have, or have had in the past 12 months, material effects on the Group's financial position or profitability.

Sodexo is also involved in other legal proceedings arising in the normal course of its business. The Group does not anticipate that any potential related liabilities will in the aggregate be material to its activities or to its consolidated financial position.

NOTE 11. EQUITY AND EARNINGS PER SHARE

ACCOUNTING PRINCIPLES AND POLICIES

Sodexo treasury shares

Sodexo shares held by Sodexo S.A. itself and/or by other Group companies are shown as a reduction in consolidated shareholders' equity at their acquisition cost.

Gains and losses on acquisitions and disposals of treasury shares are recognized directly in consolidated shareholders' equity and do not affect profit or loss for the year.

Transactions in non-controlling interests

Changes in non-controlling interests while retaining control are recognized in shareholders' equity. In particular, when additional shares in an entity already controlled by the Group are acquired, the difference between the acquisition cost of the shares and the share of net assets acquired is recognized in equity attributable to equity holders of the parent. The value of the assets and liabilities of the subsidiary (including goodwill) remains unchanged.

Commitments to purchase non-controlling interests

As required by IAS 32 "Financial instruments: Presentation", Sodexo recognizes commitments to purchase non-controlling interests as a liability within borrowings in the consolidated statement of financial position. Commitments to purchase non-controlling interests given in connection with business combinations are recognized as follows:

- the liability arising from the commitment is recognized in other borrowings at the present value of the purchase commitment;
- the corresponding non-controlling interests are cancelled; and
- additional goodwill is recognized for the balance.

Subsequently, the financial liability is remeasured at each year-end in accordance with the contractual arrangements (at fair value or at present value if fixed price) and, in the absence of any guidance provided by IFRS, with a counterparty in shareholders' equity.

Earnings per share

Earnings per share is calculated by dividing profit for the period by the weighted average number of ordinary shares outstanding during the period, net of treasury shares.

In the calculation of diluted earnings per share, the denominator is increased by the number of potentially dilutive shares, and the numerator is adjusted for all dividends and interest recognized in the period and any other change in income or expenses that would result from conversion of the potentially dilutive shares.

Potential ordinary shares are treated as dilutive if, and only if, their conversion to shares would decrease earnings per share or increase loss per share.

11.1 Equity

11.1.1 Statement of changes in shareholders' equity

Composition of share capital and treasury shares

(number of shares)	AUGUST 31, 2023	AUGUST 31, 2022
Share Capital ⁽¹⁾	147,454,887	147,454,887
Treasury shares ⁽²⁾	1,084,126	841,102
Outstanding shares	146,370,761	146,613,785

(1) With a par value of 4 euros each.

(2) Treasury shares value of 93 million euros as of August 31, 2023 (74 million euros as of August 31, 2022).

Dividends

	FISCAL 2023	FISCAL 2022
Dividends paid (in million euros)	352	294
Dividend per share paid (in euros)	2.40	2.00

Sodexo's bylaws confer double voting rights on shares held in registered form for more than four years.

Furthermore, since Fiscal 2013, shares held in registered form for at least four years and still held in that form when the dividend becomes payable, are entitled to a dividend premium equal to 10% of the dividend paid on the other shares. The number of shares

eligible for this dividend premium may not exceed 0.5% of the share capital for any single shareholder.

The Board of Directors meeting on October 25, 2023, has decided to propose on December 15, 2023, to the Annual Shareholders Meeting a dividend (before premium) of 3.10 euros per share for Fiscal 2023.

Other Comprehensive Income

Items recognized directly in Other Comprehensive Income (OCI) are shown below:

(in million euros)	FISCAL 2023			FISCAL 2022		
	INCREASE/ (DECREASE) DURING THE YEAR, PRE-TAX	INCOME TAX (EXPENSE)/ BENEFIT	INCREASE/ (DECREASE) DURING THE YEAR, NET OF TAX	INCREASE/ (DECREASE) DURING THE YEAR, PRE-TAX	INCOME TAX (EXPENSE)/ BENEFIT	INCREASE/ (DECREASE) DURING THE YEAR, NET OF TAX
Financial assets measured at fair value through other comprehensive income*	197	(7)	190	65	(2)	63
Share of other components of comprehensive income/ (loss) of companies accounted for using the equity method	—	—	—	—	—	—
Remeasurements of net defined benefit obligation	(104)	39	(65)	87	(21)	66
Currency translation adjustment	(398)	—	(398)	715	—	715
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)	(305)	32	(273)	867	(23)	844
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) from continued operations	(329)	34	(295)	796	(23)	773
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) from discontinued operations	24	(2)	22	71	—	71

* See note 12.3.

11.1.2 Policy for managing the Company's capital structure

Sodexo takes a long-term view in managing its capital structure, with the objective of ensuring the Group's liquidity, optimizing its financial structure and allowing shareholders to benefit from its strong cash flow generation.

Contributing to decisions made may be objectives for earnings per share or estimated future cash flows, or for balancing various components of the consolidated statement of financial position in order to meet the net debt criteria defined by Group management and communicated to the marketplace.

11.2 Earnings per share

The table below presents the calculation of basic and diluted earnings per share:

	FISCAL 2023	FISCAL 2022
Profit for the year attributable to equity holders of the parent (in million euros)	794	695
Profit for the year from continued operations attributable to equity holders of the parent (in million euros)	560	514
Profit for the year from discontinued operations attributable to equity holders of the parent (in million euros)	234	181
Basic weighted average number of shares	146,127,620	146,295,576
Basic earnings per share* (in euros)	5.44	4.75
Net profit of the year from continuing operations, Group share per share (in euros)	3.83	3.51
Net profit of the year from discontinued operations, Group share per share (in euros)	1.61	1.24
Average dilutive effect of free share plans	1,570,255	1,770,216
Diluted weighted average number of shares	147,697,874	148,065,793
Diluted earnings per share* (in euros)	5.38	4.69
Net profit of the year from continuing operations, Group share diluted per share (in euros)	3.80	3.47
Net profit of the year from discontinued operations, Group share diluted per share* (in euros)	1.58	1.22

* Basic and diluted earnings per share do not reflect the effect of the dividend premium to be paid on certain registered shares meeting the criteria described in note 11.1. Based on the number of registered shares as of August 31, 2023, such shares total 7,415,072 (8,891,925 as of August 31, 2022).

NOTE 12. CASH AND CASH EQUIVALENTS, FINANCIAL ASSETS AND LIABILITIES, AND FINANCIAL INCOME AND EXPENSE

ACCOUNTING PRINCIPLES

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying non-current asset are included in the cost of that asset. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying non-current asset are recognized as an expense using the effective interest method.

Financial instruments

Financial assets and liabilities are recognized in the statement of financial position on the transaction date, which is the date when Sodexo becomes a party to the contractual provisions of the instrument.

The fair values of financial assets and derivative instruments are generally determined on the basis of quoted market prices, of values resulting from recent transactions or of valuations carried out by the depositary bank.

FINANCIAL ASSETS

Financial assets are measured and recognized in three main categories:

- **financial assets measured at fair value through other comprehensive income** include investments in non-consolidated entities, which correspond to equity instruments that the Group has irrevocably elected to classify in this category. When an equity instrument is sold, the cumulative fair value adjustment recognized in other comprehensive income is not transferred to the income statement; only dividends are booked in the income statement. For securities listed on an active market, fair value is considered to equal the market value. If no active market exists, the fair value is generally determined based on an appropriate financial criteria for the specific security;
- **financial assets measured at amortized cost** represent debt instruments for which contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and that are held within a business model whose objective is to hold assets to collect contractual cash flows. They include financial and security deposits, and loans to non-consolidated entities. These financial assets are initially recognized at fair value in the statement of financial position and subsequently at amortized cost, using the effective interest rate method. They are impaired to cover the estimated expected credit losses;
- **financial assets at fair value through profit or loss** include marketable securities with maturities greater than three months and other financial assets held for trading and acquired for the purpose of resale in the near term (instruments that are not eligible to be classified as financial assets measured at amortized cost or at fair value through other comprehensive income). These assets are measured at fair value, with changes in fair value recognized in financial income or expense in the income statement.

DERIVATIVE FINANCIAL INSTRUMENTS

Sodexo's policy is to finance the majority of acquisition costs insofar as possible in the currency of the acquired entity, generally at fixed rates of interest.

Derivative financial instruments are initially recognized at fair value in the statement of financial position. Subsequent changes in the fair value of derivative instruments are recognized in the income statement, except in the case of instruments that qualify as cash flow hedges.

For cash flow hedges, the necessary documentation is prepared at inception and updated at each period end. Gains or losses arising on the effective portion of the hedge are recognized in other comprehensive income, and are not recognized in the income statement until the underlying asset or liability is realized. Gains or losses arising from the ineffective portion of the hedge are recognized in the income statement.

Interest-rate derivatives are also used as fair value hedges (fixed-rate bond swapped for a floating rate). In the case of fair value hedge relationships, the portion of financial liabilities hedged by the interest-rate derivatives are remeasured to the extent of risk hedged. Changes in the value of hedged items are recognized in profit and loss for the period and are offset by symmetrical adjustments in interest-rate derivatives.

The fair value of these derivative instruments is generally determined based on valuations provided by the bank counterparties.

BANK BORROWINGS AND BOND ISSUES

All borrowings, including bank credit facilities and overdrafts, are initially recognized at the fair value of the amount received less directly attributable transaction costs.

Subsequent to initial recognition, borrowings are measured at amortized cost using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of a financial liability to the net carrying amount of that liability. The calculation includes the effects of transaction costs, and of differences between the issue proceeds (net of transaction costs) and reimbursement value.

Amortized cost is equivalent to historical cost (nominal amount) insofar as no significant transaction costs are incurred.

Cash and cash equivalents

Cash and cash equivalents comprise current bank account balances, cash on hand and short-term cash investments in money-market instruments. These instruments mainly correspond to short-term notes and bonds admitted for trading on regulated markets and bank term deposits have an initial maturity of less than three months at the moment of purchase (or may be withdrawn at any time at a known cash value with no material risk of loss in value) are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and that are held for the purpose of meeting short-term cash commitments.

12.1 Financial income and expense

(in million euros)	FISCAL 2023	FISCAL 2022 IFRS 5 restated
Gross borrowing cost ⁽¹⁾	(140)	(92)
Interest income from cash and cash equivalents	72	15
NET BORROWING COST	(68)	(77)
Interests on lease liabilities ⁽²⁾	(19)	(16)
Net foreign exchange gains/(losses)	(7)	2
Net interest cost on net defined benefit plan obligation	2	(2)
Interest income from loans and receivables at amortized cost	11	5
Other financial income	7	14
Other financial expense	(27)	(13)
NET FINANCIAL EXPENSE	(101)	(87)
Of which Financial income	90	36
Of which Financial expense	(191)	(123)

(1) Gross borrowing cost represents interest expense on financial liabilities at amortized cost and interest expense on hedging instruments.

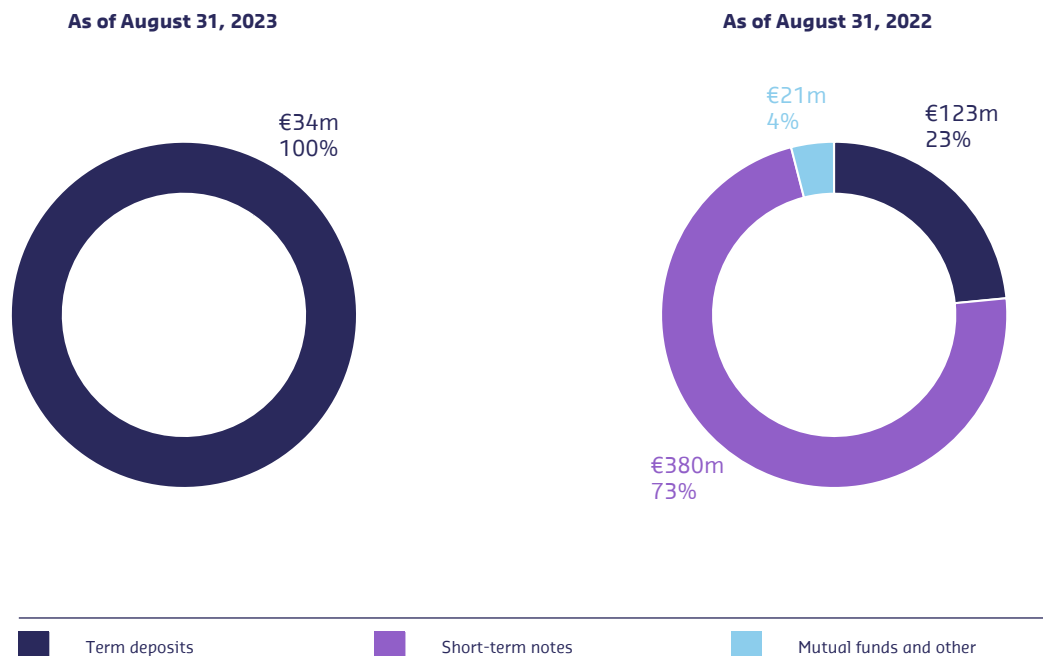
(2) Interests on lease liabilities recognized in accordance with IFRS 16.

12.2 Cash and cash equivalents

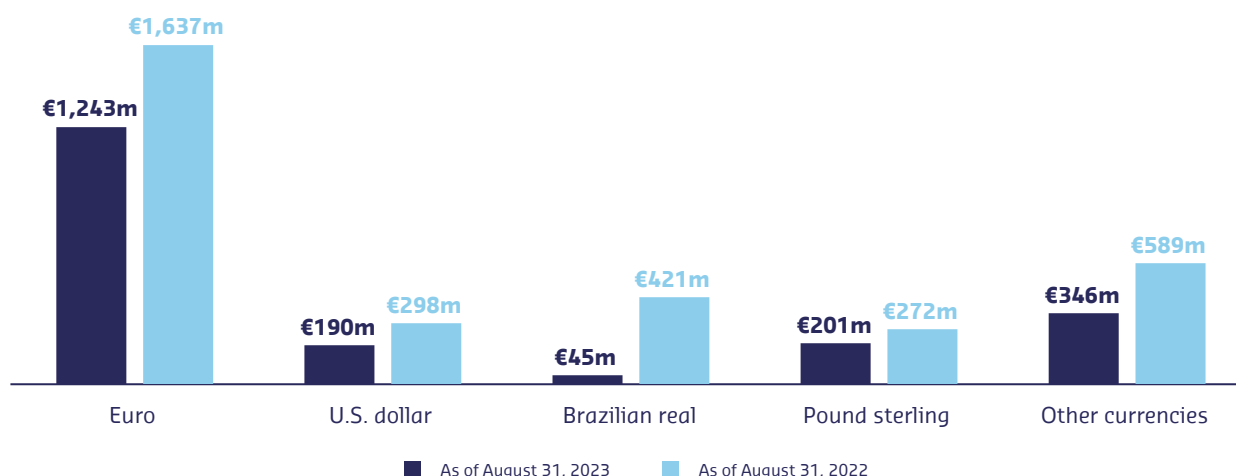
(in million euros)	AUGUST 31, 2023	AUGUST 31, 2022
Marketable securities	34	524
Cash*	1,991	2,701
CASH AND CASH EQUIVALENTS	2,025	3,225
Bank overdrafts	—	(8)
CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	2,025	3,217

* Including 16 million euros allocated to the liquidity contract signed with an investment services provider, which complies with the Code of conduct drawn up by the French financial markets association (Association française des marchés financiers – AMAFI) and approved by the French securities regulator (Autorité des marchés financiers – AMF), for the purpose of improving the liquidity of Sodexo shares and the regularity of the quotations.

Marketable securities comprise:



Cash, cash equivalents and overdraft break down as follows by currency:



This currency allocation is presented after clearing the positive and negative positions of the Group's two cash pools with an asset position of 2,014 million euros and a liability position of 11 million euros as of August 31, 2023.

More than 98% of the Group's cash and cash equivalents is held with A-1+, A-1 or A-2 rated financial institutions.

No significant amount of cash or cash equivalents was subject to any restrictions as of August 31, 2023.

12.3 Financial assets

12.3.1 Current and non-current financial assets

(in million euros)	AUGUST 31, 2023		AUGUST 31, 2022	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Investments in non-consolidated companies	—	925	—	863
Financial assets related to the Benefits & Rewards Services activity (Pluxee), including restricted cash⁽¹⁾	—	—	1,257	—
Cost ⁽²⁾	—	—	1,257	—
Impairment	—	—	—	—
Receivables from investees	—	66	—	79
Cost	—	66	—	79
Impairment	—	—	—	—
Loans and deposits	69	78	54	83
Cost	69	103	54	120
Impairment	—	(25)	—	(37)
Derivative financial instruments	5	2	3	—
FINANCIAL ASSETS	74	1,071	1,314	1,025
Cost	74	1,094	1,314	1,098
Impairment	—	(25)	—	(73)

(1) Current financial assets of the Benefits & Rewards Services activity (Pluxee) classified in assets held for sale or for distribution (see note 3.2).

(2) The split between financial assets at amortized cost and cash and cash equivalent is presented in note 12.6.

PRINCIPAL INVESTMENTS IN NON-CONSOLIDATED COMPANIES

The Group holds 19.61% of the shares in Bellon SA, the Parent company of Sodexo S.A., carried at a value of 722 million euros. In accordance with IFRS 9, this financial asset is, as from September 1, 2018, measured at fair value through other comprehensive income.

As part of the disposal of its global Childcare activities in France and Spain, on March 11, 2022, the Group acquired a minority stake of 19% in the capital of The Grandir Group (recognized as a non-consolidated investment) and convertible bonds into shares whose

book value is estimated at 147 million euros as of August 31, 2023 (156 million euros as of August 31, 2022). These financial assets are, in accordance with IFRS 9, measured at fair value respectively through other comprehensive income (non-recyclable) and through profit or loss (financial).

The method used for determining the fair value of this investment is described in note 12.6 "Financial instruments".

12.3.2 Changes in current and non-current financial assets excluding derivative financial instruments

CARRYING AMOUNT (in million euros)	AUGUST 31, 2022	INCREASE/ (DECREASE) DURING THE PERIOD	IMPAIRMENT	RECLASSIFICATIONS IN ASSETS HELD FOR SALE OR FOR DISTRIBUTION ⁽³⁾	CHANGE IN FAIR VALUE		CURRENCY TRANSLATION ADJUSTMENT AND OTHER	AUGUST 31, 2023
					INCOME	OCI ⁽¹⁾		
Investments in non-consolidated companies ⁽²⁾	863	1	—	(133)	—	197	(2)	925
Financial assets related to Benefits & Rewards Services activity (Pluxee), including restricted cash ⁽³⁾	1,257	—	—	(1,257)	—	—	—	—
Receivables from investees	79	1	—	—	—	—	(11)	69
Loans and deposits	137	31	(4)	(133)	49	—	(11)	70
FINANCIAL ASSETS EXCLUDING FINANCIAL DERIVATIVES INSTRUMENTS	2,336	33	(4)	(1,523)	49	197	(24)	1,064

(1) Other comprehensive income.

(2) Mainly due to the fair value revaluation of Bellon SA for 181 million euros.

(3) The reclassifications made during the period correspond to the reclassification of Benefits & Rewards Services activity (Pluxee) current and non-current financial assets excluding derivative financial instruments in assets held for sale or for distribution (see note 3.2).

CARRYING AMOUNT (in million euros)	August 31, 2021	INCREASE/ (DECREASE) DURING THE PERIOD	IMPAIRMENT	CHANGES IN SCOPE OF CONSOLIDATION	CHANGE IN FAIR VALUE		CURRENCY TRANSLATION ADJUSTMENT AND OTHER	AUGUST 31, 2022
					INCOME	OCI ⁽¹⁾		
Investments in non-consolidated companies ⁽²⁾	643	149	—	—	—	64	7	863
Financial assets related to the Benefits & Rewards Services activity (Pluxee), including restricted cash	1,062	145	—	—	—	1	49	1,257
Receivables from investees ⁽³⁾	17	62	—	—	—	—	—	79
Loans and deposits	113	5	(5)	3	—	—	21	137
FINANCIAL ASSETS EXCLUDING FINANCIAL DERIVATIVE INSTRUMENTS	1,835	361	(5)	3	—	65	77	2,336

(1) Other comprehensive income.

(2) Increase/decrease related to investments in non-consolidated companies include 93 million euros for The Grandir Group SAS.

(3) Increase/decrease related to receivables from investees include 62 million euros for The Grandir Group SAS's bonds convertible into shares.

12.4 Borrowings

Changes in borrowings during Fiscal 2023 and Fiscal 2022 were as follows:

(in million euros)	AUGUST 31, 2022	INCREASES	REPAYMENTS	DISCOUNTING EFFECTS AND OTHER	CURRENCY TRANSLATION ADJUSTMENT	CHANGES IN SCOPE OF CONSOLIDATION	RECLASSIFICATIONS IN LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE OR FOR DISTRIBUTION ⁽²⁾	AUGUST 31, 2023
Private Placements and bank borrowings ⁽¹⁾	1	477	(478)	—	—	—	—	—
Other borrowings	108	—	(5)	(2)	(5)	1	(46)	51
TOTAL BORROWINGS EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	5,709	547	(548)	(10)	(101)	1	(46)	5,552
Net fair value of derivative financial instruments ⁽³⁾	33	7	(2)	7	(9)	—	—	36
TOTAL BORROWINGS	5,742	554	(550)	(3)	(110)	1	(46)	5,588

(1) Commercial paper was drawn short term in Fiscal 2023 but all was fully repaid by August 31, 2023.

(2) The reclassification made during the period correspond to Benefits & Rewards Services activity (Pluxee) liabilities reclassified in liabilities directly associated with assets held for sale or for distribution (see note 3.2).

(3) Including derivative financial instruments of 41 million euros recorded in liabilities as of August 31, 2023 (14 million euros as of August 31, 2022).

(in million euros)	AUGUST 31, 2021	INCREASES	REPAYMENTS	DISCOUNTING EFFECTS AND OTHER	CURRENCY TRANSLATION ADJUSTMENT	CHANGES IN SCOPE OF CONSOLIDATION	AUGUST 31, 2022
Bond issues	6,053	81	(682)	(44)	192	—	5,600
Private Placements and bank borrowings	1	—	(2)	—	—	2	1
Other borrowings	30	25	(3)	—	—	56	108
TOTAL BORROWINGS EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	6,084	106	(687)	(44)	192	58	5,709
Net fair value of derivative financial instruments	(13)	—	(12)	53	5	—	33
TOTAL BORROWINGS	6,071	106	(699)	9	197	58	5,742

12.4.1 Borrowings by currency

(in million euros)	FISCAL 2023		FISCAL 2022	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Bond issues⁽¹⁾				
U.S. dollar (USD)	10	1,107	11	1,212
Euro	507	3,586	7	4,080
Sterling pound	1	290	1	289
TOTAL	518	4,983	19	5,581
Private Placements and bank borrowings				
Euro	—	—	1	—
Other borrowings⁽²⁾				
Euro	8	14	8	55
Sterling pound	6	1	—	8
Other currencies	1	21	6	31
TOTAL	15	36	14	94
BORROWINGS EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	533	5,019	34	5,675
Net fair value of derivative financial instruments ⁽³⁾	3	33	1	32
BORROWINGS	536	5,052	35	5,707

(1) Including, as of August 31, 2023, 4,385 million euros bonds issued by Sodexo S.A. and 1,116 million euros bonds issued by Sodexo, Inc.

(2) Of which 36 million euros as of August 31, 2023 (78 million euros as of August 31, 2022) corresponding to liabilities recognized in connection with written put options over non-controlling interests in certain subsidiaries.

(3) Described in note 12.5.

For borrowings other than bond issues, amortized cost is equivalent to historical cost (nominal amount) insofar as no significant transaction costs are incurred.

12.4.2 Bond issues

On April 16, 2021, Sodexo, Inc., U.S. a subsidiary of Sodexo S.A., completed a bond issue of 1.25 billion U.S. dollars structured in two tranches:

- 500 million U.S. dollars redeemable at par value in April 2026 and bearing interest at an annual rate of 1.634%, with interest payable semi-annually on April 16 and October 16;
- 750 million U.S. dollars redeemable at par value in April 2031 and bearing interest at an annual rate of 2.718%, with interest payable semi-annually on April 16 and October 16:
 - 375 million (or 50%) of the 750 million U.S. dollars bond due in April 2031 was converted at the time of issuance from fixed to floating rate using interest rate swaps. During Fiscal 2022, Sodexo terminated one of the swaps with a nominal value of 125 million U.S. dollars early and renegotiated the LIBOR-indexed swap, also with a nominal value of 125 million U.S. dollars. Therefore, as of August 31, 2023, 250 million (or 33%) out of the 750 million U.S. dollars obligation is floating rate,

hedged using interest rate swaps indexed to SOFR rates. The applicable interest rate on these floating interest rate swaps as of August 31, 2023, was 6.42%.

Accrued interest on these bonds amounted to 10 million euros as of August 31, 2023.

On July 17, 2020, Sodexo S.A. issued a bond structured in two tranches:

- 500 million euros tranche redeemable at par value on January 17, 2024, and bearing interest at an annual rate of 0.5%, with interest payable annually on January 17;
- 500 million euros tranche redeemable at par value on July 17, 2028, and bearing interest at an annual rate of 1.0%, with interest payable annually on July 17.

Accrued interest on these bonds amounted to 2 million euros as of August 31, 2023.

On April 27, 2020, Sodexo S.A. issued a bond structured in two tranches:

- 700 million euros tranche redeemable at par value on April 27, 2025, and bearing interest at an annual rate of 0.75%, with interest payable annually on April 27;
- 800 million euros tranche redeemable at par value on April 27, 2029, and bearing interest at an annual rate of 1%, with interest payable annually on April 27.

Accrued interest on these bonds amounted to 5 million euros as of August 31, 2023.

On June 26, 2019, Sodexo S.A. issued bonds for 250 million British pounds Sterling redeemable in June 2028 and bearing interest at an annual rate of 1.75%, with interest payable annually on June 26. Accrued interest on this bond amounted to 1 million euros as of August 31, 2023.

On May 22, 2018, Sodexo S.A. issued bonds for 300 million euros redeemable in May 2025 and bearing interest at an annual rate of 1.125%, with interest payable annually on May 22. Accrued interest on this bond amounted to 1 million euros as of August 31, 2023.

On October 14, 2016 Sodexo S.A. issued bonds for 600 million euros redeemable in April 2027 and bearing interest at an annual rate of 0.75%, with interest payable annually on April 14. On August 1, 2017, the Company increased this issue with an additional 200 million euros of bonds. Accrued interest on these bonds amounted to 2 million euros as of August 31, 2023.

On June 24, 2014, Sodexo S.A. completed a bond issue structured in two tranches:

- a 600 million euros tranche redeemable at par value on January 24, 2022 and bearing interest at an annual rate of 1.75%, with interest payable annually on January 24. On October 26, 2021, following the appropriate notice period and process, Sodexo decided to redeem this bond 3 months early at par. This bond is now repaid;
- a 500 million euros tranche redeemable at par value on June 24, 2026, and bearing interest at an annual rate of 2.50%, with interest payable annually on June 24.

Accrued interest on this bond amounted to 2 million euros as of August 31, 2023.

None of the above-described bonds are subject to financial covenant.

In July 2023 the Company launched a consent solicitation process relating to its 4.4 billion euros of outstanding EUR and GBP bonds, in order to seek certain approvals and waivers to proceed with the proposed spin-off of the Benefits & Rewards Services activity (Pluxee). The proposal was approved in relation to 7 out of the 8 bonds series. The consent solicitation in relation to the 300 million euros 1.125% bonds due May 22, 2025 (the "May 2025 Bonds") was terminated and, on October 25, 2023, the board decided to redeem the May 2025 Bonds and publish the make-whole redemption notice on October 26, 2023. Sodexo will redeem the total aggregate principal amount of the May 2025 Bonds outstanding on November 10, 2023.

12.4.3 Other borrowings

12.4.3.1 CREDIT FACILITIES

July 2011 multi-currency confirmed credit facility

On July 18, 2011, Sodexo S.A. contracted a multi-currency credit facility for a maximum of 600 million euros plus 800 million U.S. dollars, with an original maturity date of July 18, 2016. This facility has been amended on a number of occasions with the most recent amendment being in July 2019 with a new maturity date of July 2024, with two options to extend the maturity by one year each, up to July 2026. The first option to extend this facility was executed during Fiscal 2020 and the second was executed during Fiscal 2021. The facility maturity date is now July 2026. The maximum available limits under this facility now are 589 million euros plus 785 million U.S. dollars.

The most recent amendment also incorporates a sustainability clause that links the credit facility cost to Sodexo's ability to comply with its public commitment to reduce its food waste by 50% by 2025.

Amounts drawn on this facility carry floating interest indexed on the SOFR and EURIBOR rates. This credit facility is not subject to any covenant.

No amounts had been drawn down on the facility as of either August 31, 2023, nor as of August 31, 2022.

Bilateral confirmed credit facility

On December 18, 2019, the Group obtained two 150 million euros bilateral confirmed credit facility, both are due to expire in December 2023.

On February 13, 2020, the Group obtained a third 150 million euros bilateral confirmed credit facility expiring in February 2024.

No amounts had been drawn down on any of these facilities as of August 31, 2023.

12.4.3.2 COMMERCIAL PAPER

Borrowings under the Sodexo S.A. and Sodexo Finance commercial paper programs are nil either as of August 31, 2023 nor of August 31, 2022.

12.4.4 Interest rates

In order to comply with the Group's financing policy, substantially all borrowings are long term and at fixed interest rates.

As of August 31, 2023, 95% of the Group's borrowings were at a fixed rate. The average rate of interest as of the same date was 1.7%.

As of August 31, 2022, 96% of the Group's borrowings were at a fixed rate. The average rate of interest as of the same date was 1.6%.

The bond issues and borrowings from financial institutions described above include customary early redemption clauses. These clauses include cross-default and change-in-control clauses which apply to all of the borrowings.

12.4.5 Maturity of borrowings

Borrowings excluding derivative financial instruments as of August 31, 2023



Borrowings excluding derivative financial instruments as of August 31, 2022



For borrowings expressed in a foreign currency, amounts are translated at the year-end closing rate.

Maturities include interest accrued as of the period end. Credit facility renewal rights are taken into account to determine the maturities.

The undiscounted contractual maturities include payment of future interest not due yet.

12.5 Derivative financial instruments

The fair values of Sodexo's derivative financial instruments are as follows:

DERIVATIVE FINANCIAL INSTRUMENTS (in million euros)	IFRS CLASSIFICATION	AUGUST 31, 2023	AUGUST 31, 2022
Currency instruments		4	(4)
Assets	Trading	5	1
Liabilities	Trading	(1)	(5)
Interest instruments*		(40)	(29)
Assets	Fair value hedge	—	1
Liabilities	Fair value hedge	(40)	(30)
NET DERIVATIVE FINANCIAL INSTRUMENTS		(36)	(33)

* Correspond to the floating-rate swaps on fixed-rate bonds issued by Sodexo, Inc. described in note 12.4.2.

The face value and fair value of currency instruments and cross-currency swaps are as follows by maturity:

(in million euros)	AUGUST 31, 2023				AUGUST 31, 2022			
	LESS THAN 1 YEAR	5 YEARS	MORE THAN 5 YEARS	TOTAL	LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
Currency lender positions	—	5	55	60	176	18	8	202
Canadian Dollar/Euro	—	—	—	—	142	—	—	142
Czech crown/Euro	—	—	—	—	16	—	—	16
Polish zloty/Euro	—	—	—	—	14	—	—	14
Other	—	5	55	60	4	18	8	30
Currency borrower positions	(9)	(48)	(3)	(60)	(42)	(29)	(56)	(127)
Pound Sterling/Euro	—	—	—	—	—	(7)	(56)	(63)
Other	(9)	(48)	(3)	(60)	(42)	(22)	—	(64)
TOTAL FACE VALUE	(9)	(43)	52	—	134	(11)	(48)	75
Fair value	(3)	4	(37)	(36)	(1)	(1)	(31)	(33)

The face value represents the nominal value of currency hedging instruments, including amounts related to forward agreements. Foreign currency amounts are translated at year-end closing rates.

12.6 Financial instruments per category

The table below presents the categories of financial instruments, their carrying amount and their fair value, by item in the consolidated statement of financial position.

The fair value hierarchy used in classifying financial instruments is provided for in IFRS 13 "Fair value measurement" as defined in note 2.3.

FINANCIAL ASSETS (in million euros)	CATEGORY	NOTE	AUGUST 31, 2023		FAIR VALUE LEVEL			TOTAL
			CARRYING AMOUNT	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3	
Marketable securities	Cash equivalents	12.2	34	34	34	—	—	34
Restricted cash and financial assets related to the Benefits & Rewards Services activity (Pluxee) ⁽¹⁾	Financial assets at amortized cost	12.3	855	855	—	—	—	—
	Financial assets at fair value through profit or loss	12.3	465	465	465	—	—	465
Trade and other receivables	Financial assets at amortized cost	4.3	3,339	3,339	—	—	—	—
Other financial assets	Financial assets at fair value through other comprehensive income	12.3	925	925	—	—	925	925
	Financial assets at amortized cost	12.3	77	77	—	—	—	—
	Financial assets at fair value through profit or loss	12.3	62	62	—	—	62	62
Derivative financial instrument assets	Derivative financial instrument	12.5	5	5	—	5	—	5

(1) Assets from Benefits & Rewards Services activity (Pluxee) reclassified in Assets held for sale or for distribution (see note 3.2).

FINANCIAL LIABILITIES (in million euros)	CATEGORY	NOTE	AUGUST 31, 2023		FAIR VALUE LEVEL			TOTAL
			CARRYING AMOUNT	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3	
Bond issues ⁽¹⁾	Financial liabilities at amortized cost	12.4	5,501	5,018	—	—	—	—
Other borrowings	Financial liabilities at fair value (through equity) ⁽²⁾	12.4	36	36	36	—	—	36
	Financial liabilities at amortized cost	12.4	15	15	—	—	—	—
Trade and other payables	Financial liabilities at amortized cost	4.3	4,540	4,540	—	—	—	—
Vouchers payable ⁽³⁾	Financial liabilities at amortized cost	3.2	3,509	3,509	—	—	—	—
Derivative financial instrument liabilities	Derivative financial instrument	12.5	41	41	—	41	—	41

(1) Fair value is calculated on the basis of listed bond prices as of August 31, 2023.

(2) Put options over non-controlling interests.

(3) Liabilities from Benefits & Rewards Services activity (Pluxee) reclassified in Liabilities directly associated with assets held for sale or for distribution (see note 3.2).

FINANCIAL ASSETS (in million euros)	CATEGORY	NOTE	AUGUST 31, 2022		FAIR VALUE LEVEL			TOTAL
			CARRYING AMOUNT	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3	
Marketable securities	Cash equivalents	12.2	524	524	21	503	—	524
Restricted cash and financial assets related to the Pluxee (Benefits & Rewards Services activity)	Financial assets at amortized cost	12.3	960	960	—	—	—	—
	Financial assets at fair value through profit or loss	12.3	297	297	297	—	—	297
Trade and other receivables	Financial assets at amortized cost	4.3	5,068	5,068	—	—	—	—
Other financial assets	Financial assets at fair value through other comprehensive income	12.3	863	863	—	—	863	863
	Financial assets at amortized cost	12.3	154	154	—	—	—	—
	Financial assets at fair value through profit or loss	12.3	62	62	—	—	62	62
Derivative financial instrument assets	Derivative financial instrument	12.5	2	2	—	2	—	2

FINANCIAL LIABILITIES (in million euros)	CATEGORY	NOTE	AUGUST 31, 2022		FAIR VALUE LEVEL			TOTAL
			CARRYING AMOUNT	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3	
Bond issues ⁽¹⁾	Financial liabilities at amortized cost	12.4	5,600	5,113	5,113	—	—	5,113
Bank borrowings	Financial liabilities at amortized cost	12.4	1	1	—	—	—	—
Other borrowings	Financial liabilities at fair value (through equity) ⁽²⁾	12.4	79	79	79	—	—	79
	Financial liabilities at amortized cost	12.4	29	29	—	—	—	—
Trade and other payables	Financial liabilities at amortized cost	4.3	5,230	5,230	—	—	—	—
Vouchers payable	Financial liabilities at amortized cost	3.2	3,509	3,509	—	—	—	—
Derivative financial instrument liabilities	Derivative financial instrument	12.5	35	35	—	35	—	35

(1) Fair value is calculated on the basis of listed bond prices as of August 31, 2022.

(2) Put options over non-controlling interests.

There were no transfers between the various fair value hierarchy levels between Fiscal 2022 and Fiscal 2023.

FAIR VALUE LEVEL 3

• MEASUREMENT OF BELLON SA SECURITIES

The Group holds, through its wholly-owned subsidiary Sofinsod, a 19.61% stake in Bellon SA, a company that controls Sodexo S.A. with 42.75% of its shares and 57.93% of its voting rights exercisable on August 31, 2023. This shareholding does not give the Group significant influence over Bellon SA, as voting rights attached to Bellon SA shares cannot be exercised by Sofinsod, in accordance with the provisions of article L.233-31 of French *Code de commerce*.

In accordance with IFRS 9, the Group assessed this investment at its fair value, determined in accordance with IFRS 13. The valuation of the fair value of the investment depends, among other things, on the revalued Net Asset Value (NAV) of Bellon SA which has limited debt and holds no assets other than shares of Sodexo S.A. as of August 31, 2023. These shares are valued at their closing share price for the calculation of the NAV of Bellon SA.

The bylaws of Bellon SA include a clause which restricts the sale of Bellon SA shares to non-shareholder third parties, subject to the prior approval of its Supervisory Board. The Pierre and Danielle Bellon Family controls 72.6% of the family holding company Bellon SA. Mr. and Mrs. Pierre Bellon and their children entered into an agreement in June 2015 to prevent their direct descendants from freely disposing of their Bellon SA shares for 50 years. Bellon SA's only asset as of August 31, 2023, is its holding in Sodexo S.A.; Bellon SA has no intention of selling this holding to a third party.

These specific characteristics imply very limited liquidity for the shares that Sofinsod holds in Bellon SA. The valuation method used by management (Level 3 of the hierarchy defined by IFRS 13) incorporates this illiquidity on the one hand, as well as all of the characteristics of the holding's ownership structure, on the other hand. This method results in a discount to net asset value on Bellon SA estimated at 40% as of August 31, 2023, and August 31, 2022.

As of August 31, 2023, the fair value of the investment is assessed at 722 million euros, and its change since the opening of the year has been recorded in other non-recyclable items of comprehensive income. Its fair value was assessed to 541 million euros as of August 31, 2022.

MEASUREMENT OF OTHER INVESTMENTS IN NON-CONSOLIDATED COMPANIES AND CONVERTIBLE BOND INTO SHARES

The fair value of the capital investment held in the form of ordinary shares which are not listed on an active market (financial assets measured at fair value (level 3) through other comprehensive income) was estimated either based on the enterprise value assessed by applying a discounted cash flow method using available financial forecasts, either based on previous transaction prices or using the peer multiple method. The fair value of the convertible bonds into shares was determined by updating the financial flows with the market rate determined on August 31, 2023, and by adding the optional component estimated using a financial option valuation method based on Black-Scholes-Merton formula.

The Group has carried out sensitivity analysis of the fair value of significant investments and of the convertible bonds to main financial and operational assumptions used:

- the sensitivity of the fair value of the ordinary shares to a fluctuation of 50 basis points in the discounted rate is -14 million euros (increase in rate) and +15 million euros (decrease in rate);
- the sensitivity of the fair value of the ordinary shares to a fluctuation of 50 basis points in the long-term growth rate is -12 million euros (decrease in rate) and +13 million euros (increase in rate);
- the sensitivity of the fair value of the ordinary shares to a fluctuation of 50 basis points in EBITDA margin on the explicit forecast period and normative free cash flow the discounted rate is +/-10 million euros;
- the sensitivity of the fair value of the convertible bonds into shares to a fluctuation of 100 basis points in the interest market rate is +/-4 million euros.

NOTE 13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

The Group policies and procedures adopted by the Board of Directors, the Group Chairwoman and Chief Executive Officer, and the Group Chief Financial Officer are designed to prevent speculative positions. Furthermore, under them:

- substantially all borrowings must be at fixed rates of interest, or converted to fixed-rate using hedging instruments;
- in the context of financing policy, foreign exchange risk on loans to subsidiaries must be hedged;
- the maturity of hedging instruments must not exceed the maturity of the borrowings they hedge.

13.1 Analysis of sensitivity to interest rates

As of August 31, 2023, an increase or a decrease in interest rates would have had no material impact on profit before tax or on shareholders' equity as 95% of all liabilities at those dates were at a fixed rate of interest.

13.2 Analysis of sensitivity to foreign exchange rates and exchange rate exposures on principal currencies

Because Sodexo has operations in 52 countries, all components of the financial statements are influenced by foreign currency translation effects, and in particular by fluctuations in the U.S. dollar. However, exchange rate fluctuations do not generate any operational risk, because each of the Group's subsidiaries invoices its revenues and incurs its expenses in the same currency.

Sodexo S.A. uses derivative instruments to manage the Group's risk exposure resulting from the volatility of exchange rates.

SENSITIVITY TO EXCHANGE RATES

IMPACT OF A 10% APPRECIATION OF THE EXCHANGE RATE OF THE FOLLOWING CURRENCIES AGAINST THE EURO (in million euros)	AUGUST 31, 2023				AUGUST 31, 2022 IFRS 5 restated			
	IMPACT ON REVENUES	IMPACT ON OPERATING PROFIT	IMPACT ON PROFIT BEFORE TAX	IMPACT ON SHAREHOLDERS' EQUITY	IMPACT ON REVENUES	IMPACT ON OPERATING PROFIT	IMPACT ON PROFIT BEFORE TAX	IMPACT ON SHAREHOLDERS' EQUITY
U.S. dollar	997	58	38	219	836	46	32	316
Brazilian real	101	7	5	79	83	5	5	78
Pound Sterling	185	13	16	66	198	13	15	81

13.3 Exposure to liquidity risk

The nature of the Group's bank borrowings and bond issues as of August 31, 2023, is described in detail in note 12.4.

As of August 31, 2023, 100% of the Group's consolidated borrowings were raised on capital markets (98% as of August 31, 2022). The maturity dates of the main borrowings range between Fiscal 2024 and Fiscal 2031 (see note 12.4.5). The maturity date of the lease liabilities is detailed in note 7.1.

13.4 Exposure to counterparty risk

Exposure to counterparty risk is limited to the carrying amount of financial assets.

Group policies and procedures are to manage and spread counterparty risk. For derivative financial instruments, each transaction with a bank is required to be based on a master contract modelled on the standard contract issued by the French Bankers' Association (AFB) or the International Swaps and Derivatives Association (ISDA).

Counterparty risk relating to client accounts receivable is immaterial. Due to the Group's geographic and segment spread, there is no concentration of risk on past due individual receivables for which no provision has been recorded. Given the degradation in the economic environment resulting from the Covid-19 pandemic, the Group has reinforced its credit risk tracking.

Thus, the Group did not record any significant change in the impacts related to the proven financial failures of its customers during the year. The net carrying amount of overdue receivables amounts to 436 million euros, of which 28 million are beyond 6 months (1% of total net accounts receivable as of August 31, 2023, vs. 2.1% as of August 31, 2022).

The main counterparty risk is bank-related. The Group has limited its exposure to counterparty risk by diversifying its investments and

limiting the concentration of risk held by each of its counterparties. Transactions are conducted with highly creditworthy counterparties taking into consideration country risk. The Group has instituted a regular reporting of the risk spread between counterparties and of their quality.

To reduce this risk further, the Group has an international cash pooling mechanism between its main subsidiaries (with a netting facility), reducing the amount of liquidity held by third parties by concentrating it in the Group's financial holding companies.

The maximum counterparty represents approximately 23% of the Group's operating cash (excluding restricted cash and financial assets related to the Benefits & Rewards Services activity) and is with a banking group whose rating is A-1(19% as of August 31, 2022).

NOTE 14. OTHER INFORMATION

14.1 Subsequent events

In July 2023 the Company launched a consent solicitation process relating to its 4.4 billion euros of outstanding EUR and GBP bonds, in order to seek certain approvals and waivers to proceed with the proposed spin-off of the Benefits & Rewards Services activity (Pluxee). The proposal was approved in relation to 7 out of the 8 bonds series. The consent solicitation in relation to the 300 million euros 1.125% bonds due May 22, 2025 (the "May 2025 Bonds") was terminated and, on October 25, 2023, the Board of Directors decided to redeem the May 2025 Bonds and to publish the make-whole redemption notice on October 26, 2023. Sodexo will redeem the total aggregate principal amount of the May 2025 Bonds outstanding on November 10, 2023.

At the end of July 2023, Sodexo signed an agreement to acquire A.H. Management, independent convenience solutions, to further accelerate its food transformation model and its development in North America. A.H. Management, the premier convenience solutions operator in the Chicago region and Southeast Wisconsin, is one of the largest operators in the Mid-West. The closing of this operation in September 2023 will extend InReach's food offerings of the Group in the fast-growing convenience market.

14.2.2 Other commitments given

ACCOUNTING PRINCIPLES

The performance bonds given to clients relate to around fifteen sub-contracting contracts, where the Group considers that it may be exposed to indemnity payments if it is unable to fulfill the service obligation. These bonds are subject to regular review by the management of the business unit and a provision is recorded as soon as payment under a bond becomes probable. For all other contracts with a performance bond, Sodexo considers that it can deploy the additional resources needed to avoid paying compensation under the bond.

The Group also has performance obligations to clients but regards these as having the essential features of a performance guarantee rather than an insurance contract designed to compensate the client in the event of non-fulfillment of the service obligation (compensation is generally due only where Sodexo is unable to provide alternative or additional resources to fulfill the obligation to the client).

(in million euros)	AUGUST 31, 2023			AUGUST 31, 2022	
	LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL	TOTAL
Financial guarantees to third parties	—	8	72	80	85
Site management commitments	—	—	—	—	—
Performance bonds given to clients	—	28	140	168	137
Other commitments	16	42	46	104	92
TOTAL OTHER COMMITMENTS GIVEN	16	78	258	352	314

Given its size and geographical reach, Sodexo considers itself capable of providing the additional resources required to avoid paying compensation to clients protected by such clauses.

The “Other commitments” line mainly includes the 10-year guarantee given by Sodexo S.A. in December 2021 to the Trustee of the UK pension plan (*i.e.*, until December 2031), for a maximum of 40 million pounds Sterling as of August 31, 2022, in order to cover Sodexo UK’s obligations in connection with the plan.

14.3 Related parties

14.3.1 Principal shareholder

As of August 31, 2023, Bellon SA held 42.75% of the capital of Sodexo and 57.93% of the exercisable voting rights.

The expense recognized in Fiscal 2023 under an assistance and advisory services contract between Bellon SA and Sodexo S.A. amounts to 4.8 million euros (3.5 million euros in Fiscal 2022).

Sodexo S.A. paid a dividend of 151 million euros during Fiscal 2023.

The Group received dividends of 4 million euros from Bellon SA during Fiscal 2023.

14.3.2 Associates and Joint Ventures

Other transactions with related companies comprise advanced loans, commercial transactions, and off-balance sheet commitments involving associates.

(in million euros)	AUGUST 31, 2023			AUGUST 31 2022
	GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT	CARRYING AMOUNT
Loans	53	—	53	45
OFF-BALANCE SHEET COMMITMENTS				
			AUGUST 31, 2023	AUGUST 31 2022
Financial guarantees to third parties			80	85
Performance bonds given to clients			168	137
TRANSACTIONS				
			FISCAL 2023	FISCAL 2022
Revenues			324	284
Operating expenses			(5)	(5)
Financial income and expense, net			1	1

14.4 Scope of consolidation

The main companies consolidated as of August 31, 2023, and presented in the table below together represent over 80% of consolidated revenues, operating profit, profit for the period attributable to equity holders of the parent, and shareholders’ equity. The other entities individually represent less than 0.6% of each of these items.

The first column shows the percentage interest held by the Group, and the second column the percentage of voting rights held by the Group. Percentage interests and percentage of voting rights are only shown if less than 97%.

Companies newly consolidated during the year are indicated by the letter “N”.

	% INTEREST	% VOTING RIGHTS	PRINCIPAL ACTIVITY	COUNTRY
France				
Sodexo S.A.			Holding	France
Sodexo Entreprises			On-site	France
Sodexo Santé Médico Social			On-site	France
Société Française de Restauration et Services			On-site	France
Sogeres			On-site	France
Sodexo Sports et Loisirs			On-site	France
Sodexo Justice Services			On-site	France
Société d'Exploitation des Vedettes Paris Tour Eiffel (SEVPTE)			On-site	France
Sodexo Énergie et Maintenance			On-site	France
Pluxee International SAS			Holding	France
Sodexo Asset management 2			Holding	France
Pluxee France SA			Benefits & Rewards	France
Glady (formerly named Wedoogift)	85%	85%	Benefits & Rewards	France
Sofinsod SAS			Holding	France
Americas				
Sodexo do Brasil Comercial SA			On-site	Brazil
Sodexo Pass do Brasil Serviços E Comércio SA			Benefits & Rewards	Brazil
Sodexo Facilities Services Ltda			On-site	Brazil
Sodexo S.A.S.			On-site	Colombia
Sodexo Canada Ltd			On-site	Canada
Centerplate Canada			On-site	Canada
Sodexo Chile SpA			On-site	Chile
Sodexo, Inc.			On-site	United States
Centerplate Ultimate Holdings, Corp.			On-site	United States
Sodexo Global Services, LLC			Holding	United States
Pluxee Mexico SA de CV			Benefits & Rewards	Mexico
Sodexo Peru SAC			On-site	Peru
Europe				
Sodexo Services GmbH			On-site	Germany
GA-tec Gebäude und Anlagentechnik GmbH			On-site	Germany
Sodexo Services Solutions Austria GmbH			On-site	Austria
Sodexo Belgium SA			On-site	Belgium
Imagor SA			Benefits & Rewards	Belgium
Pluxee Belgium SA			Benefits & Rewards	Belgium
Sodexo Iberia SA			On-site	Spain
Sodexo Italia SpA			On-site	Italy
Sodexo Nederland BV			On-site	Netherlands
Sodexo Pass Česka Republika AS			Benefits & Rewards	Czech Republic
Sodexo Ltd			On-site	United Kingdom
Sodexo Global Services UK Ltd			Holding	United Kingdom
Pluxee UK Ltd			Benefits & Rewards	United Kingdom
Sodexo Luxembourg SA			On-site	Luxembourg
Sodexo Finances USD Ltd			Holding	United Kingdom
Sodexo Holdings Ltd			On-site	United Kingdom
Sodexo Finance Designated Activity Company			Holding	Ireland
Sodexo Ireland Ltd			On-site	Ireland
Pluxee Romania Srl			Benefits & Rewards	Romania
Sodexo Avantaj Ve Odullendirme Hizmetleri AS			Benefits & Rewards	Turkey
Sodexo AB			On-site	Sweden
Asia, Pacific, Middle East, Africa				
Sodexo Remote Sites Australia Pty Ltd			On-site	Australia
Sodexo India Services Private LTD			On-site	India
Sodexo (China) Enterprise Management Sces Co., Ltd			On-site	China
Beijing Sodexo Service Co., Ltd.			On-site	China
Sodexo Management Company Ltd Shanghai			On-site	China

14.5 Auditors' fees

(in million euros excluding VAT)	EY				KPMG			
	Ernst & Young		NETWORK		KPMG SA		NETWORK	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Audit of individual company financial statements and consolidated financial statements								
Issuer	0.9	75%	n/a	n/a	0.8	32%	n/a	n/a
Consolidated subsidiaries	0.1	12%	3.0	72%	1.1	44%	3.3	97%
TOTAL AUDIT SERVICES	1.0	87%	3.0	72%	1.9	76%	3.3	97%
Other services								
Issuer	0.1	12%	0.1	3%	0.5	20%	—	0%
Consolidated subsidiaries	0.0	2%	1.1	25%	0.1	4%	0.1	3%
TOTAL OTHER SERVICES	0.2	13%	1.2	28%	0.6	24%	0.1	3%
TOTAL FEES	1.2	100%	4.2	100%	2.5	100%	3.4	100%

Services other than the certification of accounts provided by Ernst & Young Audit and its network to the issuer and consolidated subsidiaries mainly consist of tax compliance services, outside France, and of professional services in the context of agreed upon procedures.

Services other than the certification of accounts provided by KPMG SA to the consolidating entity mainly consist of professional services in the context of the non-financial performance; services other than the certification of accounts provided by its network to the consolidated subsidiaries mainly consist of professional services in the context of agreed upon procedures, issuance of attestations and tax compliance services.

4.3 Supplemental information and condensed Group organization chart

4.3.1 Financial ratios

The key indicators below have been calculated on the basis of the published 2023 balance sheet, in which the assets and liabilities of the Benefits & Reward Services business (Pluxee) have been reclassified as assets held for sale or distribution and related liabilities in application of IFRS 5 "Non-current assets held for sale and discontinued operations", restated for intra-group loans and deposits between Sodexo and Pluxee (balances eliminated in the published 2023 balance sheet): presentation within operating cash assets of intra-group loans between Sodexo and Pluxee for 1,215 million euros as of August 31, 2023, and Pluxee's cash-pooling deposits, for -570 million euros as of August 31, 2023 (as a deduction from operating cash). This restated balance sheet corresponds to the adjusted balance sheet, as presented in note 3.2.2 of the fiscal year activity report.

To be comparable, the 2022 published balance sheet has also been restated : reclassification of assets and liabilities of the Benefits & Rewards Services business (Pluxee) as assets held for sale or distribution and related liabilities as if IFRS 5 had been applied on August 31, 2022, presentation within operating cash assets of internal loans with Pluxee for 478 million euros and Pluxee's deposits in the context of cash-pooling for -564 million euros as operating cash reduction as of August 31, 2022.

		FISCAL 2023	FISCAL 2022 adjusted
Gearing ratio	Borrowings (1) – operating cash (2)	64.1%	79.3%
	Shareholders' equity and non-controlling interests		
Net debt ratio	Borrowings (1) – operating cash (2)	2.4	3.4
	Underlying EBITDA (underlying operating profit before Interest, Taxes, Depreciation and Amortization) (3)		
Debt coverage	Borrowings	4,9 years	5,8 years
	Operating cash flow		
Financial independence	Long-term borrowings	111.0%	128.0%
	Shareholders' equity and non-controlling interests		
Return on equity	Profit attributable to equity holders of the parent	21.2%	18.7%
	Equity attributable to equity holders of the parent (before profit for the period)		
ROCE (Return on capital employed)	Underlying operating profit after tax (4)	11.3%	9.9%
	Average capital employed (5)		
Interest cover	Operating profit	11.5	10.2
	Net borrowing cost		

Financial ratios have been computed based on the following key indicators:

(in million euros)		FISCAL 2023	FISCAL 2022 adjusted
(1) Borrowings ⁽¹⁾	Long-term borrowings	5,056	5,665
	+ Short-term borrowings	537	34
	- Derivative financial instruments recognized as assets	(5)	(3)
	BORROWINGS	5,588	5,696
(2) Operating cash	Cash and cash equivalents	2,025	2,282
	Pluxee deposits	(570)	(564)
	Loans with Pluxee	1,215	478
	- Bank overdrafts	—	(8)
	OPERATING CASH	2,670	2,188
(3) Underlying EBITDA	Underlying operating profit	976	815
	+ Depreciation and amortization	422	420
	- Lease payments	203	213
	UNDERLYING EBITDA (UNDERLYING OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION)	1,195	1,022
(4) Underlying operating profit after tax	Underlying operating profit	976	815
	Underlying Effective tax rate ⁽⁴⁾	25.7%	27.5%
	UNDERLYING OPERATING PROFIT AFTER TAX	725	591
(5) Average capital employed ⁽²⁾	Property, plant and equipment	504	473
	+ Right-of-use assets relating to leases	829	865
	+ Leases liabilities	(873)	(905)
	+ Goodwill	5,758	5,589
	+ Other intangible assets	475	494
	+ Client investments	677	614
	+ Working capital excluding restricted cash and financial assets of the Benefits & Rewards Services activity	(1,031)	(1,234)
	+ Impact of assets held for sale net of liabilities ⁽³⁾	72	78
	AVERAGE CAPITAL EMPLOYED	6,410	5,974

(1) The Group does not believe the accounting treatment introduced by IFRS 16 modifies the operating nature of its lease transactions. Accordingly, to ensure the Group's performance measures continue to best reflect its operating performance, the Group considers repayments of lease liabilities as operating items impacting the Free cash flow, which integrates all lease payments (fixed or variable). Consistently, the lease liabilities are not included in Net debt.

(2) Average capital employed between the beginning and the end of the period.

(3) Reinstatement of the capital employed of Homecare services which gave rise to classification in assets held for sale and related liabilities as of August 31, 2023, and Childcare activity as of August 31, 2022.

(4) Below the underlying effective tax rate calculation:

(in million euros)	FISCAL 2023			FISCAL 2022		
	PROFIT BEFORE TAX EXCLUDING SHARE OF PROFIT OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	INCOME TAX	RATE	PROFIT BEFORE TAX EXCLUDING SHARE OF PROFIT OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	INCOME TAX	RATE
EFFECTIVE	737	(181)	24.6%	718	(206)	28.8%
<i>Adjustments:</i>						
Restructuring costs	47	(12)		8	(2)	
Impairment losses and amortization of intangible assets relating to client relationships and trademarks	36	(9)		36	(9)	
Non recognition of non-recurrent deferred taxes	—	(7)		—	1	
Others	60	(17)		(41)	19	
UNDERLYING	880	(226)	25.7%	722	(198)	27.5%

4.3.2 Two-year financial summary

(in million euros, unless otherwise indicated)	FISCAL 2023	FISCAL 2022 adjusted
Total shareholders' equity	4,554	4,425
Equity attributable to equity holders of the parent	4,542	4,415
Non-controlling interests	12	10
Borrowings⁽¹⁾	5,588	5,696
Non-current borrowings	5,053	5,665
Current borrowings	535	31
Cash and equivalent, net of bank overdrafts	1,455	1,710
Loans with Pluxee	1,215	478
Net borrowings⁽²⁾	2,918	3,508
Revenue	22,637	20,263
Underlying Operating profit	976	815
Operating profit	847	812
Net profit for the year	804	704
Net profit attributable to non-controlling interests	10	9
Net profit attributable to equity holders of the parent	794	695
Weighted average number of shares	146,127,620	146,295,576
Earnings per share (in euros)	5.44	4.75
Dividend per share paid during the fiscal year (in euros)	2.40	2.00
Share price at August 31 (in euros)	99.02	76.44
Highest share price in the fiscal year (in euros)	103.95	87.98
Lowest share price in the fiscal year (in euros)	75.12	62.40

(1) Including net financial instruments at fair value, excluding bank overdrafts.

(2) Cash and cash equivalents + restricted cash and financial assets of the Benefits & Rewards Services activity (Pluxee) – borrowings

4.3.3 Exchange rates

The exchange rates of non-member countries of the euro zone used to prepare the consolidated financial statements are mainly:

ISO CODES	COUNTRIES	CURRENCY	CLOSING EXCHANGE RATE AT AUGUST 31, 2023	AVERAGE EXCHANGE RATE FISCAL 2023
			1 EURO =	1 EURO =
USD	United States	U.S. dollar	1.086800	1.058650
GBP	United Kingdom	Pound Sterling	0.857180	0.870896
BRL	Brazil	Brazilian real	5.308200	5.402833
AUD	Australia	Australian dollar	1.678500	1.592150
CAD	Canada	Canadian dollar	1.472100	1.430142
CNY	China	Yuan Renminbi	7.919600	7.454221
SEK	Sweden	Swedish Krona	11.843000	11.272817
INR	India	Indian Rupee (thousands)	0.089929	0.086891

4.3.4 Investment policy

(in million euros)	FISCAL 2023	FISCAL 2022
Acquisitions of property, plant, equipment, intangible assets, and client investments	348	262
Acquisitions of equity interests	25	133

As of the date of this document Sodexo has not made any significant firm commitment to acquire equity interests.

Because of the nature of the Group's activities, net investments represent less than 2% of revenues and mainly relate to investments on the Group's sites, which are used to support operating activities and are financed by operating cash. None of these investments is individually significant in Fiscal 2023.

The main acquisitions made during Fiscal 2023 are indicated in notes 3.1 "Business combinations" and 6.1 "Goodwill" to the consolidated financial statements.

A detailed description of changes in investments is provided in notes 4.4, 6.2 and 6.3 of the consolidated financial statements.

4.3.5 Condensed Group organization chart

SODEXO SA

Holds directly
or indirectly 100%
of the subsidiaries
indicated

UNITED KINGDOM	SODEXO LTD SODEXO IRELAND LTD
NORTH AMERICA	SODEXO, INC CENTERPLATE ULTIMATE HOLDINGS, CORP. SODEXO CANADA LTD
FRANCE	SOGERES SA SODEXO ENTREPRISES SAS SODEXO SANTÉ MÉDICO SOCIAL SAS SOCIÉTÉ FRANÇAISE DE RESTAURATION ET SERVICES SODEXO ÉNERGIE ET MAINTENANCE SODEXO SPORTS ET LOISIRS SODEXO JUSTICE SERVICES
EUROPE	SODEXO SERVICE SOLUTIONS AUSTRIA GMBH SODEXO ITALIA SPA SODEXO BELGIUM SA SODEXO SERVICES GMBH (GERMANY) SODEXO IBERIA SA SODEXO AB (SWEDEN) SODEXO NEDERLAND BV SODEXO LUXEMBOURG SA
SOUTH AMERICA	SODEXO CHILE SPA SODEXO DO BRASIL COMERCIAL SA SODEXO FACILITIES SERVICES LTDA (BRASIL) SODEXO PEROU SAC SODEXO SAS (COLOMBIA)
ASIA AUSTRALIA	SODEXO (CHINA) ENTERPRISE MANAGEMENT SCES CO LTD BEIJING SODEXO SCES CO LTD SODEXO REMOTE SITES AUSTRALIA PTY LTD SODEXO INDIA SERVICES PRIVATE LTD
BENEFITS & REWARDS SERVICES	PLUXEE INTERNATIONAL SAS (FRANCE) PLUXEE FRANCE SA SODEXO PASS DO BRASIL SERV. E COMERCIO SA PLUXEE MEXICO SA DE CV PLUXEE ROMANIA SRL PLUXEE BELGIUM SA PLUXEE UK LTD

* Third party non-controlling interest.

NB: The operating subsidiaries indicated for each geographic area or activity are those with highest revenues for Fiscal 2023.

4.4 Statutory Auditors' Report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended August 31, 2023

SODEXO
255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9, France

To the Annual General Meeting of Sodexos,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Sodexo for the year ended August 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at August 31, 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from September 1st, 2022 to the date of our report, and in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of goodwill

Note 6.4 to the consolidated financial statements

Key Audit Matter

As at 31 August 2023, the goodwill balance amounted to € 5.568m, representing the largest item in the consolidated statement of financial position.

As stated in Note 1.1 to the consolidated financial statements, in accordance with the provisions of IAS 36 "Impairment of assets", the reorganization of On-site Services activity during the year 2023 led Sodexo Group to reassess the level at which goodwill impairment tests are carried out. Consequently, goodwill for the On-site Services activity was reassigned to each region, on the basis of their estimated relative value in use as at August 31, 2022.

As stated in Note 6.4 "Impairment of non-current assets" to the consolidated financial statements, an impairment loss is recognized if the recoverable amount of goodwill as determined during the annual impairment test or during a specific test carried out where there is an indication of impairment, is lower than its carrying amount.

The recoverable amount is the higher of fair value (less the selling costs corresponding to the amount for which the Group could sell the asset) and its value in use, is typically determined based on the calculation of discounted future cash flows and requires significant judgment from management, in particular as regards the preparation of business forecasts (generally for five years), as well as the discount and long-term growth rates used.

We deemed the measurement of the recoverable amount of goodwill to be a key audit matter, due to the importance of these assets in the consolidated statement of financial position and the inherent uncertainty of certain inputs, in particular the likelihood of achieving forecast results included in such measurement.

Our response

We performed a critical review of the methods applied by Management to determine the recoverable amount of goodwill. Our work consisted in:

- familiarizing ourselves with the methodology used to perform the impairment tests and assessing its compliance with IAS 36;
- assessing the methodology used to reallocate goodwill performed during the financial year ended August 31, 2023, with regard to the new organization of the On-site Services activity;
- verifying, via sampling, the arithmetic accuracy of the model used to calculate values in use;
- reconciling the elements comprising the net carrying amount of the assets used for the impairment test with the financial statements;
- assessing the Group's Management's assumptions underlying the projected cash flows via interviews with the management of the geographical areas concerned;
- assessing, with the support of our valuation experts, the reasonableness of the discount rates applied to projected future cash flows and the perpetual -term growth rate used for projected flows;
- assessing the sensitivity analyses of values in use to changes in the main assumptions used by the Group's Management;
- evaluating the appropriateness of the information disclosed in note 6.4 to the consolidated financial statements.

Tax risks

Note 10.2 to the consolidated financial statements

Key Audit Matter

The Group Sodexo has operations in numerous countries around the world and, in the normal course of its business, is subject to regular inspections by local tax authorities.

Such inspections may give rise to tax reassessments and disputes with tax authorities. As stated in Note 10 "Provisions, litigation and contingent liabilities" to the consolidated financial statements, a provision is recognized if the Group has a legal or constructive obligation at the closing date, if it is likely to have an outflow of resources and if the amount of the liability can be reliably estimated.

Estimates of the impacts of these tax risks and any related provisions involve significant judgment by Management, especially as regards the expected outcome of disputes in progress or the occurrence of possible identified risks. Accordingly, we deemed this subject to be a key audit matter.

Our response

We gained an understanding of the internal control procedures implemented to identify tax risks and uncertain tax positions and, when necessary, determine the necessary provisions.

With the support of our tax experts, we also:

- held meetings with the Group's tax department and the management of the companies concerned to assess the latest status of any inspections in progress and tax reassessments notified by the tax authorities, and to monitor developments in any dispute in progress;
- consulted the recent decisions and communication of the Group's companies with the tax authorities and with their tax advisors;
- analysed tax advisors' responses to our requests for information or their analyses of disputes in progress;
- conducted a critical review of the estimates and positions adopted by Management;
- verified that the latest developments had been factored into the risk analysis and the estimates of the provisions set aside in the statement of financial position.

Recognition and presentation of the Benefits and Rewards activity (Pluxee) in assets held for sale or for distribution and liabilities directly associated with assets held for sale or for distribution and in discontinued operation in accordance with IFRS 5

Note 3.2 to the consolidated financial statements

Key Audit Matter

As stated in Note 1.2 "Plan to Spin off the Benefits and Rewards Activity" to the consolidated financial statements, your Board of Directors unanimously approved the plan to spin off and list the Benefits and Rewards activity (renamed Pluxee) via a distribution of shares in this entity to Sodexo's shareholders.

Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations" and in the light of the status of the project as at August 31, 2023, the Pluxee activity is classified as a discontinued operation in the consolidated financial statements of the Sodexo Group as at August 31, 2023.

The assets of this activity as well as the related liabilities are presented in the consolidated statement of financial position separately from the Group's other assets and liabilities as at August 31, 2023: €5,108m in assets appears in "Assets held for sale or distribution" and €4,247m appear in "Liabilities relating to assets held for sale or distribution".

The net result for the discontinued activities is a profit amounting to €236m for the year ended August 31, 2023.

We deemed the recognition and presentation of the application pursuant to IFRS 5 to be a key audit matter, given:

- the significance of the transaction, which concerns the Group's entire operational sector;
- its significant impact on the presentation of the consolidated financial statements and the notes thereto.

Our response

Our work consisted in:

- evaluating the information justifying the classification of the assets and liabilities of this activity as assets held for the purpose of distribution and related liabilities in accordance with IFRS 5, by analysing the progress of the project, familiarizing ourselves with the minutes of the Board of Directors, holding interviews with the Group's governance and Finance Department, and analysing the assumptions on which this accounting classification is based in accordance with IFRS 5;
- evaluating the correct identification and valuation of the assets and liabilities held for the purpose of distribution of the Pluxee activity in the balance sheet as at August 31, 2023, as well as the transactions reclassified in the net result of discontinued activities for financial years 2023 and 2022;
- comparing the net assets to be transferred at fair value net of distribution costs;
- assessing the appropriateness of the information disclosed in Note 3.2 to the consolidated financial statements describing the disposal plan, its impact on the consolidated financial statements for financial year 2023, and the accounting rules and methods relating to the application of IFRS 5.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group's information given in the Board of Directors' management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the information relating to the Group's information given in the management report, it being specified that, in accordance with Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditor regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the Chairwoman's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of consolidated financial statements in the European single electronic format, it is possible that the contents of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Sodexo by the Annual General Meeting held on February 4, 2003 for KPMG S.A. and on December 19, 2022 for ERNST & YOUNG Audit.

As at August 31, 2023, KPMG S.A. was in its twenty-first year of uninterrupted engagement and ERNST & YOUNG Audit was in its first year.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, 26 October 2023

The Statutory Auditors
(*French original signed by*)

KPMG S.A.

ERNST & YOUNG Audit

Caroline Bruno-Diaz

Aymeric de La Morandière

Soraya Ghannem

4.5 Pro Forma consolidated financial statements (unaudited)

4.5.1 Context of preparation of the Pro Forma Financial Information

Pluxee (Sodexo's Benefits & Rewards Services activity) spin-off project ("the Transaction") was announced on April 5, 2023 by the Group, and unanimously approved on October 25, 2023 by the Board of Directors. It consists of the spin-off and listing of Pluxee via the distribution of shares of this entity to Sodexo shareholders.

The full spin-off project will be submitted to a shareholder vote during a dedicated General Meeting to be held in early 2024.

In view of the spin-off of Pluxee, the Group signed two new credit facilities for Pluxee, including a bridge loan of 1.5 billion euros with a duration of 12 months. This bridge loan will be used to refinance the debt to Sodexo existing as of August 31, 2023. Accordingly, the spin-off and repayment of pre-existing financial assets and liabilities between Sodexo and Pluxee (together, the "Transaction") is reflected in the Pro Forma Information.

The objective of Sodexo's unaudited consolidated pro forma financial information (hereinafter the "Pro Forma Financial Information") is intended to explain the impact of the Transaction described below would have had on the consolidated balance sheet as of August 31, 2023 and on the consolidated income statement for the period from September 1, 2022 to August 31, 2023, if the transaction had occurred on September 1, 2022 for the Pro Forma consolidated Income Statement and on August 31, 2023 for the Pro Forma consolidated balance sheet.

This Pro Forma Financial Information has a purely illustrative value and does not represent (i) the results of the operational activities or the financial situation of the Group which would have been recorded

if the Transaction had occurred on a date prior to that of its actual occurrence, nor (ii) the future operational results of the Group upon completion of the Transaction.

Choice of the accounting method for Pluxee deconsolidation:

In the Pro Forma consolidated financial statements, Sodexo has elected to account for the demerger using Pluxee's Net Book Value. Therefore, the deconsolidation does not generate any loss or gain in the Pro Forma consolidated income statement, except for the negative impact of the recycling of the currency translation adjustment reserves related to Pluxee, mainly from the Brazilian Real and Venezuelan Bolivar, amounting to 525 million euros as of August 31, 2023. This non-cash loss is purely technical, and will not have any impact on Sodexo's equity, cashflow or dividend distribution capacity.

If Sodexo had elected to account for the demerger using a Pluxee Fair Value, the impact on the Pro Forma consolidated income statement would have been a significant technical gain in net income, given the difference between the net book value of Pluxee in the accounts of Sodexo and its fair value.

The final accounting treatment will be reflected in the next consolidated accounts.

Whatever the choice of accounting for the demerger, the consequences on the Pro Forma consolidated financial statements are purely technical and do not affect Sodexo's equity, cashflow or distribution capacity.

4.5.2 Basis of preparation of the Pro Forma Financial Information

This unaudited Pro Forma Financial Information is presented in accordance with Annex 20 of Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129. The Pro Forma Financial Information applies the recommendations issued by the ESMA (ESMA32-382-1138 of March 4, 2021) and the provisions of the position-recommendation "Guide for establishing universal registration documents" of the AMF relating to Pro Forma Financial Information.

The Pro Forma Financial Information has been prepared in accordance with the accounting principles applied by Sodexo for the preparation of its consolidated financial statements, on the basis of:

- audited consolidated financial statements as of August 31, 2023 and for the financial year ended on that date, established in accordance with IFRS standards as adopted by the European Union, audited by KPMG and ERNST & YOUNG Audit. The latter's report contains no reservations or observations. These consolidated financial statements as of August 31, 2023 and the corresponding audit report are included in the Universal Registration Document, in chapter 4.1. and 4.4.

- the recognition of the distribution of shares in net book value with a technical non-cash impact on the income statement of the currency translation adjustments reserves recycling.
- a reimbursement of the financing granted by Sodexo to Pluxee and the transfer of cash placed by Pluxee with Sodexo.

The Pro Forma adjustments taken into account to establish this Pro Forma Financial Information are limited to those directly attributable to the Transaction, presented above, and which can be supported by facts. These adjustments do not generate a tax effect given the existence of tax loss carryforwards not activated by Sodexo S.A.. The Pro Forma Financial Information is based on assumptions deemed reasonable by Sodexo as of the date of this document, based on available information.

Pro Forma Financial Information is presented in millions of euros.

4.5.3 Consolidated Pro Forma financial statement for the twelve months ended August 31, 2023 (unaudited)

(in million euros)	FISCAL PUBLISHED 2023	PLUXEE DECONSOLIDATION	FINANCIAL INCOME FROM REPAYMENT OF INTERNAL TRANSACTIONS	COSTS RELATED TO THE TRANSACTION	PRO FORMA BEFORE CTA RECYCLING	CTA RECYCLING	PRO FORMA FISCAL 2023
Notes		Note 1	Note 2	Note 3		Note 4	
Revenue	22,637				22,637		22,637
Cost of sales	(19,917)				(19,917)		(19,917)
Gross Profit	2,720	0	0	0	2,720	0	2,720
Selling, General and Administrative costs	(1,753)	0		0	(1,753)	0	(1,753)
Share of profit of companies accounted for using the equity method that directly contribute to the Group's business	9				9		9
Underlying operating profit	976	0	0	0	976	0	976
Other operating income	4				4		4
Other operating expenses	(133)			(8)	(141)		(141)
Operating profit	847	0	0	(8)	839		839
Financial income	90		17		107		107
Financial expenses	(191)				(191)		(191)
Share of profit of other companies accounted for using the equity method	3				3		3
Profit for the year before tax	749	0	17	(8)	758		758
Income tax expense	(181)				(181)		(181)
Net profit of the year from continuing operations	568	0	17	(8)	577		577
Net profit of the year from discontinued operations	236	(236)	0	0	0	(525)	(525)
Net profit of the year	804	(236)	17	(8)	577	(525)	52
of which							
Profit attributable to non-controlling interests	10	(2)		0	8	0	8
Net profit of the year from continuing operations – Attributable to non-controlling interests	8				8		8
Net profit of the year from discontinued operations – Attributable to non-controlling interests	2	(2)		0	0	0	0
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	794	(234)	17	(8)	569	(525)	44
Net profit of the year from continuing operations – Attributable to equity holders of the parent	560		17	(8)	569		569
Net profit of the year from discontinued operations – Attributable to equity holders of the parent	234	(234)		0	0	(525)	(525)

Note 1 - Deconsolidation of Pluxee

This Pro Forma adjustment corresponds to the cancellation of Pluxee's contribution to the published consolidated net income. As a reminder, for Fiscal 2023, Pluxee's contribution to the consolidated net income amounted to 236 million euros (and 234 million euros for the Group's share) and was presented as "discontinued operations".

Note 2 - Recognition of financial income arising from the unwinding of reciprocal transactions

Taking into account the unwinding of reciprocal transactions in the balance sheet (see 4.5.4 note 3) and the Pro Forma cash flow increase (+645 million euros), financial income was calculated at 17 million euros and reintegrated into the Pro Forma financial result.

These financial products were calculated by applying the average interest rate on term deposits from which Sodexo benefited in Fiscal 2023, i.e. 2.57%, to the additional cash amount of 645 million euros considered in the Pro Forma balance sheet (see 4.5.4 note 3.).

Note 3 - Costs relating to the Transaction

For Fiscal 2024 (from September 1, 2023 to August 31, 2024), the costs of the Transaction incurred by the Group to enable the Pluxee spin-off project are estimated at 8 million euros.

In the Pro Forma income statement, they are added to other operating expenses recognized in Fiscal 2023 (which, as a reminder, amounted to 133 million euros, of which 12 millions euros related to the Transaction).

These costs are non-recurring and meet the definition of "other operating income and expenses" in the Group's consolidated accounts.

In the Pro Forma income statement, other operating expenses thus amount to 141 millions euros.

Note 4 - Recycling of currency translation adjustments reserves

This adjustment corresponds to the recycling of the currency translation adjustment reserves related to Pluxee, mainly from the Brazilian Real and Venezuelan Bolivar, amounting to 525 million euros as of August 31, 2023. This non-cash loss is purely technical, and will not have any impact on Sodexo's equity, cashflow or dividend distribution capacity.

4.5.4 Consolidated Pro Forma statement of financial position as of August 31, 2023 (unaudited)

(in million euros)	PUBLISHED AUGUST 31, 2023	INTER-COMPANY TRANSACTIONS RECLASSIFICATION	PLUXEE DECONSOLIDATION	INTER- COMPANY TRANSACTIONS PAYMENT	COSTS RELATED TO THE TRANSACTION	PRO FORMA AUGUST 31, 2023
Notes		Note 1	Note 2	Note 3	Note 4	
Goodwill	5,568					5,568
Other intangible assets	448					448
Property, plant and equipment	510					510
Right-of-use assets relating to leases	787					787
Client investments	687					687
Investments in companies accounted for using the equity method	66					66
Non-current financial assets	1,071					1,071
Other non-current assets	77					77
Deferred tax assets	192					192
NON-CURRENT ASSETS	9,406					9,406
Financial assets	74	1,215		(1,215)		74
Inventories	324					324
Income tax receivable	84					84
Trade and other current operating assets	3,562					3,562
Cash and cash equivalents	2,025	570	(570)	662	(8)	2,679
Assets held for sale or for distribution	5,319	0	(5,108)			211
CURRENT ASSETS	11,388	1,785	(5,678)	(553)	(8)	6,934
TOTAL ASSETS	20,794	1,785	(5,678)	(553)	(8)	16,340

(in million euros)	PUBLISHED AUGUST 31, 2023	INTER-COMPANY TRANSACTIONS RECLASSIFICATION	PLUXEE DECONSOLIDATION	INTER- COMPANY TRANSACTIONS PAYMENT	COSTS RELATED TO THE TRANSACTION	PRO FORMA AUGUST 31, 2023
Notes		Note 1	Note 2	Note 3	Note 4	
Share capital	590					590
Additional paid-in capital	248					248
Reserves and retained earnings	3,704		(195)	17	(8)	3,518
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	4,542		(195)	17	(8)	4,356
NON-CONTROLLING INTERESTS	12	0	(5)			7
SHAREHOLDERS' EQUITY	4,554	0	(200)	17	(8)	4,363
Long-term borrowings	5,056					5,056
Long-term lease liabilities	683					683
Employee benefits	265					265
Other non-current liabilities	174					174
Non-current provisions	110					110
Deferred tax liabilities	152					152
NON-CURRENT LIABILITIES	6,440	0	0	0	0	6,440
Bank overdrafts	0					0
Short-term borrowings	537	1,785	(1,215)	(570)		537
Short-term lease liabilities	148					148
Income tax payable	177					177
Current provisions	79					79
Trade and other payables	4,540		(16)			4,524
Liabilities directly associated with assets held for sale or for distribution	4,319		(4,247)			72
CURRENT LIABILITIES	9,800	1,785	(5,478)	(570)	0	5,537
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	20,794	1,785	(5,678)	(553)	(8)	16,340

Note 1 - Decompensation of inter-company transactions

In the audited consolidated balance sheet as of August 31, 2023 of Sodexo, in accordance with IFRS 5, the principle of elimination of intragroup transactions applies. Loans and borrowings between Sodexo and Pluxee are offset in the balance sheet item "borrowings and short-term financial debts".

In the pro forma balance sheet an adjustment is recorded to reverse the elimination of intragroup transactions: loans and borrowings between Sodexo and Pluxee were presented as financial assets or liabilities in the Pro forma accounts.

Note 2 - Deconsolidation of Pluxee

This Pro Forma adjustment corresponds to the cancellation of Pluxee's contribution to the consolidated balance sheet as of August 31, 2023 published, including :

- The restatement of the share relating to Pluxee within the assets and liabilities held for sale or distribution in the amount of 5,108 million euros and 4,247 million euros respectively,
- The restatement of the cash deposit for 570 million euros (the unwinding of this reciprocal transaction is detailed in the following point),
- The restatement of loans and supplier debts with the Group for 1,215 million euros and 16 million euros respectively (the unwinding of these reciprocal transactions is detailed in the following point), and
- The restatement of Pluxee's equity at net book value in consolidated equity for 200 million euros (including 195 million euros as Group share).

Currency translation adjustments reserves related to Pluxee were recycled to P&L (see section 4.5.3).

Note 3 - Unwinding of inter-company transactions

As noted in the press release dated October 26, 2023, the Group has signed two new credit facilities for Pluxee to ensure that Pluxee has a strong and flexible financing structure post-listing. This involves a revolving credit facility of 650 million euros with a term of 5 years and a bridging loan of 1,500 million euros with a term of 12 months. The bridge loan will be used to refinance existing intercompany debt and will be replaced in due course and subject to market conditions by an issue on the bond market.

The unwinding of reciprocal transactions therefore consists of settling loans and deposits between Pluxee and the rest of the Group, taking into account a net impact 645 million euros on the Group's cash flow in the Pro Forma vision as well as the financial income of 17 million euros which these deposits would have generated, or a total amount of 662 million.

Note 4 - Balance sheet consideration for costs relating to the Transaction

This Pro Forma adjustment corresponds to the consideration in the balance sheet, within the treasury, of the Pro Forma adjustments of the costs relating to the spin-off for 8 million euros – see section 4.5.3).

4.6 Statutory Auditors' Report on the Pro Forma Financial Information for the year ended August 31, 2023

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Chairwoman,

In our capacity as statutory auditors of your company and in accordance with Regulation (EU) 2017/1129 supplemented by the Commission Delegated Regulation (EU) 2019/980, we hereby report to you on the pro forma financial information of Sodexo (the "Company") for the year ended August 31, 2023 set out in section 4 of the universal registration document (document d'enregistrement universel) (the "Pro Forma Financial Information").

The Pro Forma Financial Information has been prepared for the sole purpose of illustrating the impact that Pluxee spin-off through the distribution of this entity's shares to Sodexo's shareholders might have had on the consolidated balance sheet at August 31, 2023 and the consolidated income statement of the Company for the year ended August 31, 2023 had it taken place with effect from August 31, 2023 for the consolidated balance sheet and from September 1st, 2022 for the consolidated income statement. By its very nature, this information is based on a hypothetical situation and does not represent the financial position or performance that would have been reported, had the operation or event taken place at an earlier date than the actual or contemplated date.

It is your responsibility to prepare the Pro Forma Financial Information in accordance with the provisions of Regulation (EU) 2017/1129 and ESMA's guidelines on pro forma financial information.

It is our responsibility to express a conclusion, based on our work, in accordance with Annex 20, section 3 of Commission Delegated Regulation (EU) 2019/980, as to the proper compilation of the Pro Forma Financial Information on the basis stated.

We performed those procedures that we deemed necessary in accordance with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagement. These procedures, which did not include an audit or a review of the financial information used as a basis to prepare the Pro Forma Financial Information, mainly consisted in ensuring that the information used to prepare the Pro Forma Financial Information was consistent with the underlying financial information, as described in the notes to the Pro Forma Financial Information, reviewing the evidence supporting the pro forma adjustments and conducting interviews with the management of the Company to obtain the information and explanations that we deemed necessary.

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated;
- that basis is consistent with the accounting policies of the issuer/company.

This report has been issued solely for the purposes of:

- the filing of the universal registration document with the French financial markets authority (Autorité des marchés financiers or "AMF").
- the admission to trading on a regulated market, and/or a public offer, of securities of the Company in France and in other EU member states in which the prospectus approved by the AMF is notified,

and cannot be used for any other purpose.

Paris-La Défense, November 3, 2023

The Statutory Auditors
(French original signed by)

KPMG S.A.

ERNST & YOUNG Audit

Caroline Bruno-Diaz

Aymeric de La Morandière

Soraya Ghannem

5

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5.1 Sodexo S.A. individual Company financial statements

5.1.1 Income statement

(in million euros)	NOTES	FISCAL 2023	FISCAL 2022
Revenues	3	224	202
Other operating income		302	277
Purchases		(3)	(2)
Employee costs		(118)	(100)
Other operating expenses		(328)	(310)
Taxes other than income taxes		(12)	(10)
Depreciation, amortization and change in provisions		(24)	(20)
Operating profit		41	37
Financial income/(expense), net	4	727	326
Exceptional income/(expense), net	5	530	(51)
Employee profit-sharing		—	—
Income taxes	6	10	9
Net income		1,308	321

5.1.2 Balance sheet

Assets

(in million euros)	NOTES	AUGUST 31, 2023	AUGUST 31, 2022
NON-CURRENT ASSETS, NET			
Intangible assets	7	68	60
Property, plant and equipment	7	7	5
Financial investments	7	7,497	7,676
TOTAL NON-CURRENT ASSETS	7	7,572	7,741
CURRENT AND OTHER ASSETS			
Accounts receivable	9	55	69
Prepaid expenses, other receivables and other assets	9	862	300
Marketable securities	11	93	74
Cash		327	532
TOTAL CURRENT AND OTHER ASSETS		1,337	975
TOTAL ASSETS		8,909	8,716

Liabilities and equity

(in million euros)	NOTES	AUGUST 31, 2023	AUGUST 31, 2022
SHAREHOLDERS' EQUITY			
Share capital		590	590
Additional paid-in capital		248	248
Reserves and retained earnings		2,925	1,969
Restricted provisions		16	15
TOTAL SHAREHOLDERS' EQUITY	13	3,779	2,822
Provisions for contingencies and losses	10	383	386
LIABILITIES			
Borrowings		4,393	4,988
Accounts payable		96	101
Other liabilities		258	419
TOTAL LIABILITIES AND PROVISIONS	14	5,130	5,894
TOTAL LIABILITIES AND EQUITY		8,909	8,716

5.2 Notes to the individual Company financial statements

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NOTE 1. SIGNIFICANT EVENTS

1.1 Capital transactions

During Fiscal 2023, Sodexo S.A. purchased 638,532 of its own shares for 57 million euros, to be used for restricted share grants.

1.2 Loans and borrowings

On February 7, 2023, Sodexo S.A. early redeemed in full its outstanding 580 million euros loan granted by Sodexo Finance Designated Activity Company in September 2017, bearing an annual interest rate of 2.66% and initially due to mature in 2034. This redemption, bearing penalties (see note 5) reduces the cost of debt and the low performing surplus cash deposits.

1.3 Equity investments

During Fiscal 2023, Sodexo S.A. recapitalized several of its subsidiaries, mainly in Belgium, France and Australia, for a total of 77 million euros. In addition, a capital reduction on Sodexo Participations & Assets was carried out in 2023 for a total amount of 152 million euros.

Investment in CSM was sold in Fiscal 2023.

On August 31, 2023 Sodexo S.A. also sold 11.95% of its shares in Pluxee International to its subsidiary Sodexo Asset Management 2 for 610 million euros in counterpart of a vendor credit. This is one of the preliminary stages of the project to separate the Benefits & Rewards Services (Pluxee) activity. The rest of the stages prior to the implementation of this project will take place during Fiscal 2024, including the contribution by Sodexo S.A. of 88.95% of the shares of Pluxee International to Sodexo Asset Management 2. The shares of Sodexo Asset Management 2 are intended to be allocated to shareholders of Sodexo S.A.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The individual Company financial statements have been prepared in accordance with the *plan comptable général* of 2014 and regulation no. 2014-03 issued by the *Autorité des normes comptables* (ANC), as amended by regulation no. 2016-07 dated November 4, 2016.

The accounting policies applied in preparing the individual Company financial statements for Fiscal 2023 are the same as those applied for Fiscal 2022.

In accordance with regulation no. 2015-06 issued by the ANC, merger deficits are included in "Other financial assets" (see note 7, "Non-current assets").

ANC regulation no. 2015-05 concerning forward financial instruments and hedging transactions has been effective for Sodexo S.A. since September 1, 2017 (see note 2.5 below for further details).

General accounting conventions were applied with respect to the principle of prudence and in accordance with basic assumptions as follows:

- going concern;
- consistency of accounting policies from one period to the next;
- proper cut-off between periods.

The basic method used to value the items recognized in the accounts is the historical cost method. Only significant information is disclosed.

The amounts presented in the tables in these notes are in million euros.

Exceptional items comprise items that do not relate to the Company's ordinary activities, and certain items that do relate to ordinary activities but are of an exceptional nature.

The balance sheet and income statement of Sodexo S.A. include amounts for branches in metropolitan France and in French overseas departments and territories.

2.1 Non-current assets

Non-current assets are valued at acquisition cost or historical cost. Acquisition cost comprises the amount paid plus all incidental costs directly related to the acquisition or to the installation of the asset, and incurred to enable the asset to function as intended.

Depreciation is calculated over the useful life of the asset using the straight-line method, which is considered to best reflect the underlying economic reality.

2.1.1 Intangible assets

Software is amortized over three to five years and integrated management software packages are amortized over three to seven years, depending on their expected useful lives.

The difference between the accounting and tax amortization of intangible assets is recognized as exceptional amortization.

2.1.2 Property, plant and equipment

The straight-line depreciation lives generally used are:

Buildings	20 years
General fixtures and fittings	3-10 years
Plant and machinery	4-10 years
Motor vehicles	4 years
Office and computer equipment	3-10 years
Other property, plant and equipment	5-10 years

2.1.3 Financial investments

Equity investments and other financial investments are carried on the balance sheet at historical cost. At each balance sheet date, a provision for impairment is recorded if the value in use of these assets is less than their net carrying amount including any merger deficits allocated to the assets for accounting purposes.

The value in use of equity investments is determined on the basis of net asset value, profitability and the future prospects of the investee.

When the carrying amount of an equity investment is higher than the net book value of the share of net assets of the subsidiary, the valuation is also supported by comparing the carrying amount of the investment to its value in use based on discounted future cash flows, using the following parameters:

- after-tax cash flows derived from business plans and a terminal value calculated by extrapolating the data for the final year of the business plan using a long-term growth rate specific to the business activity and geographic region. Business plans generally cover one to five years;
- the cash flows are discounted using a rate based on the weighted average cost of capital.

Based on the estimated value in use, an investment may be maintained at a carrying amount in excess of the share of book net assets held.

Costs incurred to acquire shares in companies recognized at cost are recognized for tax purposes as exceptional amortization over a five-year period.

Receivables related to equity investments are recognized at face value. A provision for impairment is recorded where the recoverable amount is less than the carrying amount.

When an equity investment is sold or liquidated, any provision for impairment previously recognized against that investment is released and recorded as exceptional income.

2.2 Accounts receivable

Accounts receivable are recognized at face value. An allowance for doubtful accounts is recorded where the recoverable amount is less than the carrying amount.

2.3 Marketable securities (excluding treasury shares)

Marketable securities are recognized at acquisition cost, with any unrealized losses at the balance sheet date covered by a provision for impairment.

2.4 Treasury shares - restricted share plans

A provision is recorded when it is probable that restricted share plans will give rise to an outflow of resources. The amount of the provision is based on the cost of the treasury shares acquired (or to be acquired) for allocation to each plan.

Depending on the plan terms, the provision is recognized over the period in which the services are rendered by the beneficiaries, as applicable.

The provision is released upon delivery of the shares and recognition of a capital loss in an amount equal to the average cost of the delivered shares.

When treasury shares are neither allocated to a plan nor held for the purpose of being cancelled, they are valued at the lower of the average purchase price and the average market price for the last month of the fiscal year.

Treasury shares acquired for cancellation purposes are recognized in other financial assets and no provision for impairment is recorded.

2.5 Foreign currency transactions

Foreign currency revenues and expenses are translated using the exchange rate as of the transaction date. Foreign currency liabilities and receivables are translated in the balance sheet at the exchange rate prevailing at the closing date. Any difference arising from the retranslation of foreign currency liabilities and receivables at the closing exchange rate is recorded in the balance sheet. Unrealized foreign exchange losses at the balance sheet date are recognized to the extent the underlying balance is not hedged.

In accordance with the ANC regulation no. 2015-05, for foreign currency transactions, a distinction is now made between commercial transactions and financial transactions, with the exchange gains and losses on these transactions recognized as follows:

- within operating profit, under "Other operating expenses" for commercial transactions;
- within "Financial income/(expense), net" for financial transactions, which includes the premiums on currency hedges recognized over the duration of the contracts.

2.6 Debt issuance costs

Debt issuance costs are recognized as a deferred charge asset in the balance sheet and amortized straight-line over the term of the debt.

2.7 Retirement benefits

Retirement benefit obligations due to active employees by law or under collective agreements are included in off-balance sheet commitments.

Commitments under supplementary retirement plans are estimated using the projected unit credit method based on final salary and are also included in off-balance sheet commitments, net of any plan assets. The commitment which remains carried by Sodexo S.A. only concerns rights acquired before the date of replacement of the plan.

The Board of Directors decided to replace this additional scheme with a plan provided for in article L.137-11-2 of the French Social Security Code. This new plan was put in place during Fiscal 2021. This contract is managed exclusively by an insurer which, in return for the insurance premium paid, is responsible for life annuity payments. It therefore does not generate social liabilities for the Company (refer to section 7.4.1 of the Universal Registration Document).

2.8 French tax consolidation

Sodexo S.A. is the lead company in the French tax consolidation, and has sole liability for income taxes for the entire French tax group. Each company included in the French tax consolidation recognizes the income tax for which it would have been liable had there been no French tax consolidation. Any income tax gains or losses arising from the French tax consolidation are recognized in the Sodexo S.A. financial statements.

Regarding the recognition of a provision by the parent company benefiting from the tax consolidation, Sodexo S.A. has opted for the following accounting treatment: for the tax losses of subsidiaries generated within the framework of tax consolidation and which will probably be returned to them in the event of a withdrawal, a provision for risks and charges has been booked in its accounts.

NOTE 3. ANALYSIS OF NET REVENUES

(in million euros)	FISCAL 2023	FISCAL 2022
Revenues by business activity		
On-site Services	—	—
Holding company services	224	202
TOTAL	224	202
Revenues by geographic region		
France	224	202
TOTAL	224	202

NOTE 4. FINANCIAL INCOME AND EXPENSE, NET

(in million euros)	FISCAL 2023	FISCAL 2022
Dividends received from subsidiaries and affiliates	821	424
Interest income	28	14
Interest expense and other financial costs	(77)	(74)
Net foreign exchange gain/(loss)	(24)	1
Net change in provisions for financial items	(21)	(39)
TOTAL	727	326

The net change in provisions for financial items primarily corresponds to the net total of increase and releases of provisions for impairment of equity investments for -46 million euros and the release of foreign exchange losses provisions for 29 million euros.

NOTE 5. EXCEPTIONAL ITEMS, NET

(in million euros)	FISCAL 2023	FISCAL 2022
Net change in provision for negative net assets of subsidiaries and equity investments	—	2
Net expense on treasury shares and commitments under stock option plans	(8)	(8)
Net change in provisions for tax losses reclaimable and other risks and charges	(3)	(8)
Net gain/(loss) on asset disposals	552	(27)
Other provision increase or decrease	11	(11)
Other	(22)	1
TOTAL	530	(51)

The net loss on asset disposals includes mainly the capital gain on the sale of 11.95% of Pluxee International shares and the capital loss on the sale of CSM shares.

The "Other" line item includes an indemnity of 21 million euros in Fiscal 2023 due as a result of Sodexo S.A.'s early redemption of 580 million euros loan from Sodexo Finance Designated Activity Company.

The 8 million euros net loss on treasury shares and commitments under restricted shares plans comprises:

- a 47 million euros loss on the sale of treasury shares in connection with the delivery of restricted shares;
- a 39 million euros net release of provisions for restricted share grants.

NOTE 6. ANALYSIS OF INCOME TAX EXPENSE

(in million euros)	PRE-TAX INCOME	INCOME TAXES	AFTER-TAX INCOME
Operating income	41	(15)	26
Financial income/(expense), net	727	4	731
Exceptional income/(expense), net*	530	21	551
Employee profit-sharing	—	—	—
TOTAL	1,298	10	1,308

* This amount includes the 14 million euros tax gain arising from the French tax consolidation. This benefit represents the difference between the aggregate of the tax income and expenses recognized by the French subsidiaries included in the French tax consolidation and the income tax of Sodexo S.A. as lead company in the French tax consolidation.

NOTE 7. NON-CURRENT ASSETS

(in million euros)	GROSS VALUE AT AUGUST 31, 2022	ADDITIONS DURING THE PERIOD	DECREASES DURING THE PERIOD	OTHER MOVEMENTS DURING THE PERIOD	GROSS VALUE AT AUGUST 31, 2023	NET VALUE AT AUGUST 31, 2023
Intangible assets	139	26	2	—	163	68
Property, plant and equipment	19	4	—	—	23	7
Financial investments						
• Equity investments	7,805	82	214	—	7,673	7,343
• Receivables related to equity investments	16	21	22	—	15	5
• Other financial assets	154	6	9	(2)	149	149
TOTAL FINANCIAL INVESTMENTS	7,975	109	245	(2)	7,837	7,497
TOTAL	8,133	139	247	(2)	8,023	7,572

In accordance with ANC regulation no. 2015-06, merger deficits are included in "Other financial assets" for 74 million euros as of August 31, 2023.

Investment in CSM and 11.95% of Pluxee International shares were sold during Fiscal 2023.

Sodexo S.A. participated in the recapitalization of its subsidiaries mainly in Belgium, France and Australia for a total of 77 million euros. In addition, a capital reduction on Sodexo Participations & Assets was carried out in 2023 for a total amount of 152 million euros.

NOTE 8. DEPRECIATION AND AMORTIZATION

(in million euros)	ACCUMULATED DEPRECIATION AND AMORTIZATION AUGUST 31, 2022	INCREASES DURING THE PERIOD	DECREASES DURING THE PERIOD	OTHER MOVEMENTS DURING THE PERIOD	ACCUMULATED DEPRECIATION AND AMORTIZATION AUGUST 31, 2023
Intangible assets	78	17	—	—	95
Property, plant and equipment	14	2	—	—	16
TOTAL	92	19	—	—	111

NOTE 9. AMOUNT AND MATURITY OF RECEIVABLES AND OTHER ASSETS

(in million euros)	GROSS VALUE	LESS THAN 1 YEAR	MORE THAN 1 YEAR	AMORTIZATION AND PROVISIONS	CARRYING AMOUNT
Equity investments	7,673		7,673	330	7,343
Receivables related to equity investments	15	15	—	10	5
Other financial assets	149	—	149	—	149
TOTAL FINANCIAL INVESTMENTS	7,837	15	7,822	340	7,497
Accounts receivable	56	56		1	55
Prepaid expenses, other receivables and other assets	862	699	163	—	862
TOTAL ACCOUNTS AND OTHER RECEIVABLES	918	755	163	1	917
TOTAL	8,755	770	7,985	341	8,414

There is no commercial paper included in accounts receivable.

NOTE 10. PROVISIONS AND IMPAIRMENT

(in million euros)	AUGUST 31, 2022	INCREASES AND CHARGES DURING THE PERIOD	DECREASES, RELEASES AND RECLASSIFICATIONS DURING THE PERIOD	OTHER MOVEMENTS DURING THE PERIOD	AUGUST 31, 2023
Provisions for contingencies and losses	386	87	90	—	383
Impairment					
• financial investments	299	62	21	—	340
• current assets	1	—	—	—	1
TOTAL IMPAIRMENT	300	62	21	—	341
TOTAL	686	149	111	—	724
Increases and decreases:					
• operating items		19	12		
• financial items		64	46		
• exceptional items		66	53		

As of August 31, 2023, the main provisions for contingencies and losses were for the following:

- restricted share grants for 184 million euros;
- losses reclaimable by subsidiaries included in the French tax consolidation and other risks and charges for 172 million euros;
- subsidiaries in negative net equity positions for 19 million euros;
- foreign exchange losses for 2 million euros;
- litigation for 5 million euros;
- restructuring for 1 million euros.

NOTE 11. MARKETABLE SECURITIES

(in million euros)	GROSS VALUE AUGUST 31, 2023	NET VALUE AUGUST 31, 2023	NET VALUE AUGUST 31, 2022
Treasury shares	93	93	69
Cash in the liquidity contract account	—	—	5
TOTAL	93	93	74

NOTE 12. TREASURY SHARES

MOVEMENTS IN TREASURY SHARES DURING THE FISCAL YEAR

	MARKETABLE SECURITIES	OTHER FINANCIAL ASSETS
Number of shares held		
September 1, 2022	841,102	—
Acquisitions	1,713,386	—
Disposals	(1,470,362)	—
Cancellation of treasury shares leading to a reduction in capital and additional paid-in capital		—
Allocation as treasury shares held for cancellation	—	—
August 31, 2023	1,084,126	—
Gross value of shares held (in million euros)		
September 1, 2022	74	—
Acquisitions	150	—
Disposals	(131)	—
Cancellation of treasury shares leading to a reduction in capital and additional paid-in capital		—
Allocation as treasury shares held for cancellation	—	—
August 31, 2023	93	—

Acquisitions and disposals include the implementation of the liquidity contract signed with an investment services provider, which complies with the decision 2021-01 of the French securities regulator (Autorité des marchés financiers – AMF), for the purpose of improving the liquidity of Sodexo shares and the regularity of the quotations.

Disposals of treasury shares also include those resulting from the delivery of restricted shares granted to employees in prior years.

NOTE 13. SHAREHOLDERS' EQUITY

13.1 Share capital

As of August 31, 2023, the Company's share capital totaled 589,819,548 euros and comprised 147,454,887 shares, including 70,217,797 with double voting rights.

Since Fiscal 2013, all shares held in registered form for at least four years and still held in that form when the dividend becomes payable for the related fiscal year, qualify for a 10% dividend premium, limited to 0.5% of the capital per shareholder.

13.2 Changes in shareholders' equity

(in million euros)	
Shareholders' equity at end of previous fiscal year	2,822
Dividends approved by Shareholders Meeting and paid	(356)
Dividends on treasury shares	4
Net income for the fiscal year	1,308
Restricted provisions	—
Cancellation of treasury shares leading to a reduction in capital and additional paid-in capital	—
Other – Premiums/discounts on currency forwards	1
SHAREHOLDERS' EQUITY AT END OF FISCAL YEAR	3,779

In accordance with article L.225-210 of the French Commercial Code, Sodexo has reserves in addition to the legal reserve at least equal to the value of treasury shares held.

NOTE 14. AMOUNT AND MATURITY OF LIABILITIES

LIABILITIES (in million euros)	GROSS AMOUNT	LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS
Bond issues	4,393	513	3,080	800
Borrowings from related companies	—	—	—	—
Other borrowings	—	—	—	—
SUB-TOTAL BORROWINGS	4,393	513	3,080	800
Accounts payable*	96	96	—	—
Other liabilities	258	255	3	—
TOTAL	4,747	864	3,083	800

* Only accounts payable and accrued expenses are included in this line item.

There is no commercial paper included in payables.

ACCOUNTS PAYABLE BY AMOUNT AND DUE DATE (in million euros)	TOTAL	Not Due	< 30 DAYS	31-44 DAYS	45-75 DAYS	76-90 DAYS	> 90 DAYS
Non-Group accounts payable*	76	62	13	—	2	—	—
Group accounts payable	20	7	12	—	—	—	—
TOTAL	96	69	25	—	2	—	—

* Only accounts payable and accrued expenses are included in this line item.

NOTE 15. BOND ISSUES AND OTHER BORROWINGS

15.1 Bond issues

On July 17, 2020, Sodexo S.A. completed a bond issue structured in two tranches:

- a 500 million euros tranche redeemable at par on January 17, 2024 and bearing interest at an annual rate of 0.5%, with interest payable annually on January 17;
- a 500 million euros tranche redeemable at par on July 17, 2028 and bearing interest at an annual rate of 1%, with interest payable annually on July 17.

Accrued interest on this bond amounted to 2 million euros as of August 31, 2023.

On April 27, 2020, Sodexo S.A. completed a bond issue structured in two tranches:

- a 700 million euros tranche redeemable at par on April 27, 2025 and bearing interest at an annual rate of 0.75%, with interest payable annually on April 27;
- a 800 million euros tranche redeemable at par on April 27, 2029 and bearing interest at an annual rate of 1%, with interest payable annually on April 27.

Accrued interest on this bond amounted to 5 million euros as of August 31, 2023.

On June 26, 2019, Sodexo S.A. issued bonds for 250 million pounds Sterling redeemable in June 2028 and bearing interest at an annual rate of 1.75%, with interest payable annually on June 26. Accrued interest on this bond was 1 million euros as of August 31, 2023.

On May 22, 2018, Sodexo S.A. issued bonds for 300 million euros redeemable in May 2025 and bearing interest at an annual rate of 1.125%, with interest payable annually on May 22. Accrued interest on this bond was 1 million euros as of August 31, 2023.

On October 14, 2016 Sodexo S.A. issued bonds for 600 million euros redeemable in April 2027 and bearing interest at an annual rate of 0.75%, with interest payable annually on April 14. On August 1, 2017, the Company increased this issue with an additional 200 million euros of bonds. Accrued interest on these bonds was 2 million euros as of August 31, 2023.

On June 24, 2014, Sodexo S.A. completed a bond issue structured in two tranches:

- a 600 million euros tranche redeemable at par on January 24, 2022 and bearing interest at an annual rate of 1.75%, with interest payable annually on January 24. This tranche was repaid early without penalties on October 26, 2021, thereby reducing the cost of debt and excess non-yielding cash;
- a 500 million euros tranche redeemable at par on June 24, 2026 and bearing interest at an annual rate of 2.50%, with interest payable annually on June 24.

Accrued interest on these bonds amounted to 2 million euros as of August 31, 2023.

None of the above-described bonds are subject to financial covenants.

In July 2023 the Company launched a consent solicitation process relating to its 4.4 billion euros of outstanding EUR and GBP bonds, in order to seek certain approvals and waivers to proceed with the proposed spin-off of the Benefits & Rewards Services activity (Pluxee). The proposal was approved in relation to 7 out of the 8 bonds series. The consent solicitation in relation to the 300 million euros 1.125% bonds due May 22, 2025 (the "May 2025 Bonds") was terminated and, on October 25, 2023, the Board of Directors decided to redeem the May 2025 Bonds and publish the make-whole redemption notice on October 26, 2023. Sodexo will redeem the total aggregate principal amount of the May 2025 Bonds outstanding on November 10, 2023.

15.2 Other borrowings

15.2.1 July 2011 multi-currency confirmed credit facility

On July 18, 2011, Sodexo S.A. contracted a multi-currency confirmed credit facility for a maximum of 600 million euros plus 800 million U.S. dollars, with an original maturity date of July 18, 2016. This facility has been amended on a number of occasions with the most recent amendment being in July 2019 with a new maturity date of July 2024, with two options to extend the maturity by one year each, up to July 2026. The first option to extend this facility was executed during Fiscal 2020 and the second was executed during Fiscal 2021. The maturing date is now July 2026. The maximum available limits

under this facility now are 589 million euros plus 785 million U.S. dollars.

The most recent amendment also incorporates a sustainability clause that links the credit facility cost to Sodexo's ability to comply with its public commitment to reduce its food waste by 50% by 2025.

Amounts drawn on this facility carry floating interest indexed on the LIBOR and EURIBOR rates. This credit facility is not subject to any covenants.

No amounts had been drawn down on the facility as of either August 31, 2023 or August 31, 2022.

15.2.2 Commercial paper

As of August 31, 2023, borrowings under the Sodexo S.A. commercial paper programs are nil, as on August 31, 2022.

The bonds and loans from financial institutions described above include customary early redemption clauses. These early redemption clauses include cross-default or change of control clauses that apply to all borrowings.

15.3 Borrowings from related companies

On February 7, 2023, Sodexo S.A. early redeemed in full its outstanding 580 million euros loan granted by Sodexo Finance Designated Activity Company on September 14, 2017, bearing an annual interest rate of 2.66% and initially due to mature in 2034. This redemption, bearing penalties (see note 5) reduces the cost of debt and the low performing surplus cash deposits.

NOTE 16. ACCRUED EXPENSES – DEFERRED REVENUES AND PREPAID EXPENSES

ACCRUED EXPENSES	
(in million euros)	
Borrowings	13
Accounts payable	44
Tax and employee-related liabilities	42
TOTAL	99
DEFERRED REVENUES AND PREPAID EXPENSES	
(in million euros)	
Deferred revenues	—
Prepaid expenses	1

NOTE 17. RELATED-PARTY INFORMATION

(in million euros)	RELATED PARTIES	ASSOCIATED COMPANIES	OTHER	TOTAL
Assets – Gross value				
Equity investments	7,578	94		7,673
Receivables related to equity investments	4	11		15
Other investment securities	—			—
Advances to suppliers	—			—
Accounts receivable	54	2		55
Other operating receivables	6			6
Due from related companies	620			620
Non-operating receivables	—			—
TOTAL	8,262	107		8,369
Liabilities				
Accounts payable	20			20
Due to related companies	175			175
TOTAL	195	—		195
Income statement				
Revenues	223			223
Other operating income	283			283
Other operating expenses	140			140
Financial income	848			850
Financial expenses	74	—		74
Exceptional income	639	1		640
Exceptional expenses	68			68

Related parties: fully consolidated companies.

Associated companies: companies accounted for using the equity method, and non-consolidated companies in which Sodexo S.A. has an equity interest of more than 10%.

Other: companies accounted for using the equity method, and non-consolidated companies in which Sodexo S.A. has an equity interest of less than 10%.

There has been no related-party transaction that is both material and falls outside the framework of normal business dealings concluded at conditions that are not arm's-length.

NOTE 18. FINANCIAL COMMITMENTS

18.1 Commitments made by Sodexo S.A.

(in million euros)	AUGUST 31, 2023	AUGUST 31, 2022
Performance bonds given to Sodexo Group clients	2,461	1,821
Financial guarantees to third parties	5,944	6,354
Retirement benefit commitments	4	5
Other commitments	55	59
TOTAL	8,464	8,239

Financial guarantees to third parties concern:

- guarantees for loans granted to Sodexo S.A. subsidiaries;
- guarantees related to reverse factoring programs set up by Sodexo S.A. subsidiaries, capped at 380 million euros (of which 101 million euros was guaranteed as of August 31, 2023);
- a 1.9 billion euros guarantee for a commercial paper program.

The leases for the Group's corporate headquarters in Issy-les-Moulineaux represent commitments for office leases for 11 million euros.

Other commitments notably include the guarantee issued by Sodexo S.A. in October 2012 to cover Sodexo UK's retirement plan obligation in the United Kingdom. This guarantee was issued to the plan trustee for a maximum 100 million pounds sterling with a 12-year term (i.e., until October 2024). This guarantee was reduced to 40 million pounds sterling in 2022 following a payment to the fund of 60 million pounds sterling.

18.2 Commitments received by Sodexo S.A.

(in million euros)	AUGUST 31, 2023	AUGUST 31, 2022
Commitments received	1,600	1,600

Commitments received correspond to counter-guarantees by Sodexo, Inc. of Sodexo S.A.'s financial borrowings.

18.3 Financial instrument commitments

The ongoing commitments as of the end of the year were as follows:

DESCRIPTION	INCEPTION DATE	EXPIRATION DATE	NOMINAL AMOUNT	MARKET VALUE AS OF AUGUST 31, 2023
Forward currency purchase	June 2019	June 2028	£250 million	€12 million

Sodexo S.A. may use derivative financial instruments in order to hedge its exposure to volatility in interest and currency exchange rates.

NOTE 19. MAIN ADJUSTMENTS TO THE FUTURE TAX BASIS

INCREASES (in million euros)		DECREASES (in million euros)	
Exceptional amortization	16	Employee profit-sharing	—
		Other non-deductible provisions	5

The future tax asset related to this unrealized tax difference was 3 million euros, calculated at a rate of 25.83%.

NOTE 20. RETIREMENT BENEFIT COMMITMENTS

20.1 Retirement benefits payable by law or under collective agreements

Sodexo S.A. is required to pay benefits to retiring employees on the terms stipulated in a Company-wide collective agreement. The amount of the commitment has been calculated on the basis of rights vested at the balance sheet date, taking into account assumptions about final salary, discount rates and employee turnover.

This commitment, which is not recognized as a liability in the balance sheet, was estimated at 4 million euros as of August 31, 2023, including impact of IFRIC decision from May 2021.

20.2 Commitments related to a supplemental pension plan

Commitments related to a supplemental pension plan were estimated using the projected unit credit method based on final salary and net of funding for the plan. These commitments, amounting to 1 million euros as of August 31, 2023, are not recognized in the financial statements.

The new retirement plan implemented in Fiscal 2021 is not subject to any provision in the balance sheet apart from the insurance premium to be paid and does not generate an off-balance sheet commitment, the pensions being paid directly by the insurer.

NOTE 21. DIRECTORS' FEES

Directors' fees paid to Board members during the fiscal year represented less than 1 million euros (refer to section 7.4.3 of the Universal Registration Document).

NOTE 22. CONTINGENT LIABILITIES

Sodexo S.A. received in December 2021 a notification for a proposed tax reassessment concerning fiscal years 2016, 2017 and 2018. Another proposed adjustment notice was issued by the French tax authorities in December 2022 for fiscal years 2019, 2020 and 2021 in order to replicate certain adjustments it had initiated during the previous tax audit.

The Company has assessed the risk associated with these procedures and, after review with its tax advisors, considers that it has strong arguments to contest the proposed reassessments.

NOTE 23. AVERAGE NUMBER OF EMPLOYEES

	AUGUST 31, 2023	AUGUST 31, 2022
Managers	482	455
Supervisors	12	15
Other	2	4
Apprentices	15	13
TOTAL	511	487

The average number of employees is an average of the number of employees present at the end of each quarter.

NOTE 24. CONSOLIDATION

Sodexo S.A. is consolidated in the financial statements of Bellon SA, which has its registered office at 17-19, place de la Résistance, Issy-les-Moulineaux, France. The consolidated financial statements of the Sodexo Group are presented in chapter 4 of this Universal Registration Document.

NOTE 25. SUBSEQUENT EVENTS

In July 2023 In July 2023 the Company launched a consent solicitation process relating to its 4.4 billion euros of outstanding EUR and GBP bonds, in order to seek certain approvals and waivers to proceed with the proposed spin-off of the Benefits & Rewards Services activity (Pluxee). The proposal was approved in relation to 7 out of the 8 bonds series. The consent solicitation in relation to the 300 million euros 1.125% bonds due May 22, 2025 (the "May 2025 Bonds") was terminated and, on October 25, 2023, the Board of Directors decided to redeem the May 2025 Bonds and publish the make-whole redemption notice on October 26, 2023. Sodexo will redeem the total

aggregate principal amount of the May 2025 Bonds outstanding on November 10, 2023.

On September 1st, 2023, Sodexo S.A. contributed to Sodexo Asset Management 2, by way of contribution in kind, 22,610,263 shares of Pluxee International representing 88.05% of its capital and voting rights. At the end of this operation, Sodexo Asset Management 2 therefore holds 100% of the capital and voting rights of Pluxee International.

NOTE 26. LIST OF SUBSIDIARIES AND OTHER EQUITY INVESTMENTS

(in thousands euro)	CAPITAL	OTHER SHAREHOLDERS' EQUITY	PERCENTAGE INTEREST IN CAPITAL	BOOK VALUE OF INVESTMENT		LOANS AND ADVANCES GRANTED, NET	GUARANTEES GIVEN	REVENUES FOR MOST RECENT FISCAL YEAR	INCOME FOR MOST RECENT FISCAL YEAR	DIVIDENDS RECEIVED DURING THE FISCAL YEAR
				GROSS	NET					
Detailed information										
French subsidiaries										
Pluxee International SAS (formerly Sodexo Pass International SAS)	410,858	123,937	88.1%	615,466	615,466	—	—	—	—	139,948
Sodexo Entreprises	51,697	(40,761)	100.0%	224,674	224,674	—	—	612,621	(4,674)	—
Sofinsod SAS	32,838	4,351	100.0%	88,551	88,551	—	85,300	—	4,985	—
Sogeres	2,153	(8,176)	92.3%	132,717	132,717	—	—	487,698	(8,464)	—
Sodexo GC	15,095	14,202	100.0%	72,218	72,218	—	—	—	4,310	4,580
SEVPTÉ	16,799	13,328	100.0%	51,619	51,619	—	—	77,819	13,579	—
ETIN	36,030	13,199	100.0%	22,213	22,213	—	370,000	—	29,817	—
Société Française de Restauration et Services	30,236	(40,981)	100.0%	107,139	56,139	—	2,140	251,084	(16,859)	—
Sodexo en France	1,041	(3,427)	100.0%	12,040	12,040	—	12,000	1,043	(4,337)	—
Sodexo Sports et Loisirs	10,144	(26,234)	100.0%	18,610	18,610	—	21,431	144,335	(9,218)	—
FoodChéri	293	(8,820)	100.0%	59,668	44,668	—	200	27,611	(6,139)	—
Quest Catering	516	(863)	100.0%	7,900	—	—	—	—	(197)	—
Lenôtre SA	2,606	(25,373)	100.0%	136,767	1,517	—	—	61,248	(7,359)	—
Sodexo Afrique SARL	1,624	(3,979)	100.0%	14,539	1	—	—	—	(38)	—
Sodexo Ventures France	4,139	253	100.0%	32,425	4,800	—	—	—	1,122	—
Sodexo Participations & Assets	162,186	619	100.0%	162,186	162,186	—	—	—	600	355
French equity investments										
The Grandir Group S.A.S	4,595	460,683	19.0%	93,380	93,380	—	—	474,568	(20,410)	—
Foreign subsidiaries										
Sodexo, Inc.	34,441	1,764,893	100.0%	2,120,843	2,120,843	—	1,441,995	8,837,665	268,232	247,112
Sodexo Canada	11,548	125,200	100.0%	338,164	338,164	—	15,495	439,860	5,504	33,977
Sodexo Finance Designated Activity Company	379,830	530,010	100.0%	807,830	807,830	—	3,329,000	—	56,356	106,000
Sodexo Holdings Ltd	442,902	(16,126)	100.0%	555,305	555,305	—	1,162	—	77,660	73,708
Sodexo do Brasil Comercial SA	103,183	225,933	98.6%	446,825	446,825	—	—	763,572	35,722	34,296
Sodexo Belgium SA	39,481	8,112	99.9%	97,062	97,062	—	3,957	348,209	(35,002)	19,399
Sodexo Beteiligungs BV & Co. KG	194	222,428	100.0%	225,455	225,455	—	—	16	3,308	—
Sodexo Food Solutions India Private Limited	25,212	22,642	100.0%	144,792	144,792	—	—	318,055	12,579	—
Sodexo Australia Pty Ltd	133,312	(101,130)	100.0%	149,331	149,331	—	3,598	27,023	(24,733)	—
Sodexo Nederland B.V.	45	62,401	100.0%	137,585	113,689	—	—	241,684	7,734	4,260
Novae Holding SA	261	5,238	100.0%	112,045	88,045	—	—	120,824	2,209	—
Sodexo AB	9,152	45,412	100.0%	101,264	101,264	—	—	328,979	16,719	13,504
Sodexo Services Asia	—	82,035	100.0%	89,462	89,462	—	30,000	—	2,990	19,262
Compagnie Financière Aurore International	58,010	13,457	100.0%	68,920	68,920	—	—	—	1,150	—
Sodexo SAS	102	8,604	100.0%	40,153	40,153	—	—	152,382	6,348	4,957
Sodexo Inversiones SA	22,429	26,309	100.0%	28,041	28,041	—	42,862	—	2,547	—
Prima Nordics SA	27,172	2,098	85.0%	27,764	27,764	—	—	—	3,930	1,841
Sodexo Iberia SA	3,467	4,086	100.0%	43,197	43,197	—	—	278,211	1,406	—
Sodexo Entegre Hizmet Yonetimi AS	2,068	—	100.0%	25,730	25,730	—	1,650	66,941	—	—
Sodexo Global Services UK Limited	26,249	102,585	100.0%	24,391	24,391	—	—	—	65,575	54,576
Sodexo Mexico SA de CV	7,112	13,182	100.0%	17,434	17,434	—	—	114,836	5,324	3,119
Sodexo On-Site Services Israel Ltd	88	7,583	100.0%	27,755	27,755	—	12,515	54,583	812	1,953
Sodexo Chile SpA	9,915	31,870	100.0%	10,999	10,999	—	39,579	621,756	7,588	—
Kalyx Limited	17	2,425	100.0%	9,430	2,438	—	—	—	—	—
Sodexo SRL	7,293	(5,601)	100.0%	8,872	1,709	—	—	5,408	46	—
Sodexo Singapore Pte Ltd	9,192	4,123	100.0%	8,614	8,614	—	—	79,307	4,149	2,310

(in thousands euro)	CAPITAL	OTHER SHAREHOLDERS' EQUITY	PERCENTAGE INTEREST IN CAPITAL	BOOK VALUE OF INVESTMENT		LOANS AND ADVANCES GRANTED, NET	GUARANTEES GIVEN	REVENUES FOR MOST RECENT FISCAL YEAR	INCOME FOR MOST RECENT FISCAL YEAR	DIVIDENDS RECEIVED DURING THE FISCAL YEAR
				GROSS	NET					
Sofinsod Insurance Designed Activity Company	9,618	3,805	100.0%	9,618	9,618		7,100	—	1,799	—
Sodexo OY	5,046	1,981	100.0%	7,054	7,054		—	108,733	3,340	—
Sodexo Italia SPA	1,898	38,674	100.0%	7,029	7,029		—	419,335	9,430	22,776
Foreign equity investments										
Sodexo GmbH	308	306,959	37.4%	38,702	38,702			—	8,920	—
Mentor Technical Group Corporation	3	55,085	45.0%	18,423	18,423			55,754	9,944	2,139
Socat LLC	606	(761)	49.0%	11,372	6,931			28,733	29	—
Aggregate information										
Other French subsidiaries				22,663	21,426		26,376			9,832
Other foreign subsidiaries				32,267	27,211		56,524			24,265
Other French equity investments				499	499		2,689			55
Other foreign equity investments				838	—	1,270	—			—
TOTAL				7,672,612	7,342,905	1,270	5,505,574			824,224

5.3 Supplemental information on the individual Company financial statements

5.3.1 Five-year financial summary

(in million euros)	FISCAL 2023 ⁽¹⁾	FISCAL 2022	FISCAL 2021	FISCAL 2020	FISCAL 2019
Capital at end of period					
Share capital	590	590	590	590	590
Number of ordinary shares outstanding	147,454,887	147,454,887	147,454,887	147,454,887	147,454,887
Maximum number of potential new shares issuable by conversion of bonds	—	—	—	—	—
Income statement data					
Revenues excluding taxes	224	202	168	135	128
Earnings before income tax, employee profit-sharing, depreciation, amortization and provisions	1,350	339	184	266	632
Income tax	10	9	15	14	23
Employee profit-sharing	—	—	—	—	—
Earnings after income tax, employee profit-sharing, depreciation, amortization and provisions	1,308	321	136	221	597
Dividend payout	459	356	294	—	430
Per share data					
Earnings after income tax and employee profit-sharing but before depreciation, amortization and provisions	9.22	2.36	1.35	1.90	4.44
Earnings after income tax, employee profit-sharing, depreciation, amortization and provisions	8.87	2.18	0.93	1.50	4.05
Net dividend per share ⁽²⁾	3.10	2.40	2.00	—	2.90
Dividend premium per eligible share ⁽²⁾	0.31	0.24	0.20	—	0.290

(1) Subject to approval by the Annual Shareholders Meeting to be held on December 15, 2023.

(2) The Board of Directors proposes at the Annual Shareholders Meeting on December 15, 2023, to pay a dividend of 3.10 euros per share for Fiscal 2023.

(in million euros)	FISCAL 2023	FISCAL 2022	FISCAL 2021	FISCAL 2020	FISCAL 2019
Employee data					
Average number of employees during the fiscal year	511	487	465	448	434
Salary expense for the fiscal year	83	65	73	43	55
Social security and other employee benefits paid during the fiscal year	35	35	31	22	22

5.3.2 Appropriation of earnings

(in million euros)	FISCAL 2023 ⁽¹⁾	FISCAL 2022	FISCAL 2021	FISCAL 2020	FISCAL 2019
Net income	1,308	321	136	221	597
Retained earnings	1,475	1,506	1,664	1,443	1,276
Retained earnings ⁽²⁾	28	28	28	28	23
Retained earnings ⁽³⁾	—	—	—	—	—
Transfer to legal reserve	—	—	—	—	—
Transfer from long-term capital gains reserve	—	—	—	—	—
Distributable earnings	2,811	1,855	1,828	1,692	1,896
Net dividend ⁽⁴⁾	454	350	292	—	427
Dividend premium ⁽⁴⁾	2	2	2	—	3
Reserves	—	—	—	—	—
Retained earnings	2,355	1,503	1,534	1,692	1,466
Number of shares outstanding	147,454,887	147,454,887	147,454,887	147,454,887	147,454,887
Number of shares entitled to a dividend	147,454,887	147,454,887	147,454,887	147,454,887	147,454,887
Earnings per share (in euros)	8.87	2.18	0.93	1.50	4.05

(1) Subject to approval by the Annual Shareholders Meeting to be held on December 15, 2023.

(2) Corresponding to dividends not paid on treasury shares.

(3) Corresponding to the 10% dividend premium not paid.

(4) The Board of Directors proposes at the Annual Shareholders Meeting on December 15, 2023, to pay a dividend of 3.10 euros per share for Fiscal year 2023.

5.3.3 Supplier and client past due invoices

INVOICES RECEIVED AND PAST DUE AS OF AUGUST 31, 2023

(in million euros)	0 DAY	1-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 91 DAYS	TOTAL (1 DAY AND OVER)
Classified as late payment						
Number of invoices	1,335	544	4	60	0	608
Amount (incl. VAT)	14	24	0	2	0	26
% of total purchases (net of VAT) for the fiscal year	5.5%	9.8%	—%	0.9%	—%	10.7%
Invoices related to disputed or unrecognized payables and not classified as late payment						
Number of invoices			—			
Amount (incl. VAT)			—			
Reference payment terms used						
						Contractual payment terms

INVOICES ISSUED AND PAST DUE AS OF AUGUST 31, 2023

(in million euros)	0 DAY	1-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 91 DAYS	TOTAL (1 DAY AND OVER)
Classified as late payment						
Number of invoices	1,048	348	135	143	2,169	2,795
Amount (incl. VAT)	46	(12)	2	1	14	5
% of total purchases (net of VAT) for the fiscal year	9.1%	(2.5%)	0.3%	0.3%	2.8%	0.9%
Invoices related to disputed or unrecognized receivables and not classified as late payment						
Number of invoices			15			
Amount (incl. VAT)			1			
Reference payment terms used						
						Contractual payment terms

5.4 Statutory Auditors' Report

5.4.1 Statutory Auditors' Report on the financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended August 31, 2023

SODEXO

255, quai de la Bataille-de-Stalingrad

92866 Issy-les-Moulineaux Cedex 9, France

To the shareholders,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Sodexo for the year ended August 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at August 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the *Statutory Auditors Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from September 1, 2022 to the date of our report and in particular, we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Valuation of equity investments

Description of risk

The balance of equity investments as at August 31, 2023 represented 7,343 million euros, the largest asset on the balance sheet. They are recognized at cost or contribution value. They are written down, where appropriate, when their value in use at the year-end is less than their carrying amount.

As described in note 2.1.3 to the financial statements, value in use is determined by management on the basis of net asset value, profitability and the future prospects of the investee.

When the carrying amount of an investment is higher than the net book value of the share of net assets of the subsidiary, value in use is determined based on discounted future cash flows, using business plans prepared by management generally covering one to five years, which requires the exercise of management judgment.

Accordingly, we deemed the valuation of equity investments to be a key audit matter, due to the inherent uncertainty of certain components of the valuation, in particular the likelihood of achieving forecast results used to calculate value in use.

How our audit addressed this risk

In order to assess the reasonableness of the estimate of the value in use of equity investments, based on the information provided to us, our audit work consisted mainly in verifying that the estimated values determined by management were based on an appropriate measurement method and underlying data.

In particular, for valuations based on forecasts, we:

- assessed the method used to prepare the cash flows of the investments concerned in relation to the business plans prepared by management;
- assessed the assumptions underlying the future cash flows by interviewing the Group's management;
- assessed, with the support of our valuation specialists, the reasonableness of the discount rates and growth rates used for projected cash flows;
- verified, on a test basis, the arithmetical accuracy of the model used to calculate values in use;
- assessed the appropriateness of the information provided in note 2.1.3 to the financial statements, describing the accounting rules and methods used for the valuation of equity investments.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in article D.441-6 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.22-10-9 of the French Commercial Code relating to compensation and benefits paid or awarded to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by the Company from controlled companies within its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of article L.22-10-11 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the financial statements to be included in the annual financial report

We have also verified, in accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chairwoman's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors by the Shareholders' Meetings held on February 4, 2003 for KPMG S.A. and on December 19, 2022 for ERNST & YOUNG Audit.

As at August 31, 2023, KPMG S.A. was in the twenty-first consecutive year of their engagement and ERNST & YOUNG Audit in the first year.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Paris La Défense, October 26, 2023

The Statutory Auditors

ERNST & YOUNG Audit

KPMG S.A.

Aymeric de La Morandière

Soraya Ghannem

Caroline Bruno-Diaz

5.4.2 Statutory Auditors' special report on related-party agreements

This is a free translation into English of the Statutory Auditors' special report on related-party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Shareholders' Meeting held to approve the financial statements for the year ended August 31, 2023

SODEXO

255, quai de la Bataille-de-Stalingrad

92866 Issy-les-Moulineaux Cedex 9, France

To the shareholders,

In our capacity as Statutory Auditors of Sodexo, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements submitted for the approval of the Annual General Meeting

We were not informed of any agreements authorized and entered into during the year to be submitted for the approval of the Shareholders' Meeting pursuant to the provisions of article L.225-38 of the French Commercial Code.

Agreements already approved by Shareholders' Meetings

Agreements which continued to apply during the financial year

In accordance with article R.225-30 of the French Commercial Code, we were informed of the following agreement, which was approved by the Shareholders' Meeting in previous years and continued to apply during the financial year.

Service agreement between Bellon SA and Sodexo

- Persons concerned:

Sophie Bellon, Nathalie Bellon-Szabo, and François-Xavier Bellon and Patrice de Talhouët, common corporate officers of Bellon S.A. and Sodexo S.A.

- Nature and purpose:

On June 23, 2021, the Board of Directors authorized the conclusion of a new service agreement, renewing under similar conditions the agreement previously entered into with effect from November 17, 2016 and expiring on November 17, 2021. The new agreement was entered into on October 26, 2021 and came into effect on November 17, 2021 for a period of five years.

Under this agreement, Bellon S.A. provides assistance and advisory services and assigns three of its employees to Sodexo to hold the positions of Group Chief Financial Officer, Group Chief People Officer and Group Chief Growth Officer, enabling Sodexo to benefit from their experience and skills in the implementation of its strategy.

- Terms and conditions:

Under this agreement, Bellon S.A. invoices Sodexo for the compensation of the Group Chief Financial Officer, Group Chief People Officer and Group Chief Growth Officer during the secondment period. This invoicing includes the compensation and associated benefits, as well as payroll and any other related taxes. The invoiced amount does not include a margin on the items invoiced.

The total fees billed under this agreement, and changes compared with the prior year, are reviewed annually by Sodexo's Audit Committee. In addition, and in compliance with the law, the agreement is reviewed every year by the Board of Directors.

The annual fees payable to Bellon S.A. are approved each year by the Board of Directors of your Company, with none of the directors who are Bellon family members taking part in the vote.

For the year ended August 31, 2023, the fees billed by Bellon S.A. under this agreement amounted to 4,769,212 euros excluding taxes.

Paris-La Défense, November 2, 2023

The Statutory Auditors

ERNST & YOUNG Audit

KPMG S.A.

Aymeric de La Morandière

Soraya Ghannem

Caroline Bruno-Diaz

6

Risk management

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6.1 Definition and objectives of risk management and internal control

The purpose of Sodexo's risk management and internal control systems are to:

- protect the Group's value, assets and reputation;
- identify and evaluate the risks that could prevent the Group from achieving its business objectives;
- anticipate changes in these risks;
- put in place mitigating actions and risk transfer measures.

Sodexo's risk management systems are designed to ensure that risks are:

- properly identified, evaluated and prioritized;

- efficiently mitigated;
- regularly reported and monitored.

Sodexo's internal control procedures are designed to give reasonable assurance that:

- laws and regulations are complied with;
- Group policies and guidelines are properly applied;
- internal processes are functioning correctly;
- financial reporting is reliable.

Internal control procedures also underpin the good and efficient management of Sodexo's operations.

Group Policies

As part of its risk governance and management framework, Sodexo has established a number of Group policies. These policies cover subjects such as human resources development, finance, procurement, responsible business conduct, corporate responsibility, fundamental human rights at work, health safety and environment, information security, data protection and internal audit. Policies are regularly updated and approved by the Board of Directors.

Human resources development policy

The Group's human resources priorities are:

- anticipate and adapt the staffing requirements of operations in terms of numbers, skills and competencies to enhance operational efficiency;
- continue to develop a performance-based culture based on shared priorities and indicators, by offering training and learning for individual development;
- promote an inclusive work environment and embrace diversity in all its dimensions.

The main human resources policies are focused on: the profile of a Sodexo leader and senior manager, succession planning for senior managers, senior managers' training and skills enhancement, employee engagement, and compensation.

Annual tracking of improvement metrics by the Sodexo Leadership Team and Board of Directors serves to validate action plans aimed at advancing these policies. These metrics include employee Net Promoter Score, employee engagement rate, employee retention, employee absenteeism, internal promotion, and the representation of women in senior management.

Sodexo continually strives to go further in the area of diversity, equity and inclusion. The Group focuses on promoting gender balance throughout the business, and providing job opportunities for people with disabilities. It seeks to foster an inclusive culture for employees irrespective of ethnicity and race, and create a welcoming environment for people of all sexual orientations and identifications. It is mindful of the generation gaps that may arise when employees of multiple generations work together, and has created generational networks to support better understanding.

Financial policies

Sodexo's financial objectives are twofold, namely:

TO PRESERVE ITS FINANCIAL INDEPENDENCE

Financial independence is a fundamental principle, because it enables the Group to hold firm to its values, pursue a long-term strategic vision, ensure management continuity and guarantee the business' lasting success.

Sodexo's financial independence is guaranteed by the family shareholding. As of August 31, 2023, Sodexo's family holding company, Bellon SA, held 42.8% of the shares and 57.9% of the exercisable voting rights. This financial independence is based on three simple principles:

- choosing low capital-intensive activities;
- continuously maintaining sufficient liquidity to fund growth, reimburse medium-term debt, and pay dividends to shareholders;
- preserving a strong balance sheet and sound financial ratios.

TO ENHANCE THE ATTRACTIVENESS OF ITS SHARES TO LOYAL, LONG-TERM SHAREHOLDERS

Financial policies establish rules applicable to areas such as investment approvals, and the management of working capital, cash and debt.

Sodexo's financial policies require all decisions involving external financing to be made by the Group Chief Financial Officer, the Chairwoman and Chief Executive Officer or the Board of Directors, depending on the amount and type of the transaction.

Financial policies are designed to prevent any speculative positions being taken and to avoid risk in connection with financing and cash management activities.

Procurement policy

The objectives of the Procurement function are documented in the Group's procurement policies and processes. The performance of Sodexo's procurement teams in the main countries where it does business is measured through savings metrics, which enable the Group to gauge the impacts of procurement initiatives and demonstrate the savings achieved.

Sodexo's priority is to ensure that suppliers and subcontractors that deliver Sodexo products and services have the right skills, capabilities and potential to carry out the tasks assigned to them. Our risk management guidelines set out the procurement procedures that our teams are required to follow in terms of working with and managing suppliers and subcontractors. The level of the initial evaluation and the management procedures for suppliers and subcontractors directly depend on the product supplied or service rendered. It includes verifying issues such as food safety and traceability, certification to conduct work, particularly in Facilities Management, along with financial due diligence checks.

In line with the procurement policy, suppliers and subcontractors must sign the Sodexo Supplier Code of conduct which sets out Sodexo's requirements for adopting responsible best practices concerning ethical, social and environmental issues.

Responsible Business Conduct

The Group's standards for responsible business conduct are set out in the Business Integrity Guide. Sodexo employees must never compromise adherence to these standards for financial or other business objectives or personal gain. Sodexo does not tolerate any practice that is not born of honesty, integrity and fairness, anywhere in the world where it does business.

Corporate Responsibility

Since its creation in 1966, Sodexo's purpose to improve the quality of life of our employees and those we serve, and contribute to the economic, social and environmental progress in the communities where we operate. We have formalized this commitment in our Corporate Responsibility roadmap, Better Tomorrow 2025.

Better Tomorrow 2025 focuses on Sodexo's role as an employer, as a service provider and as a corporate citizen as well as on the impacts that it has on individuals, on communities and on the environment. It has nine commitments to action by 2025 with interim targets.

Sodexo's commitment to the environment as a service provider is to source responsibly and provide energy management services that reduce carbon emissions. Since 2009, Sodexo has implemented a low carbon strategy. Our strategy considers the business opportunities, risks and their financial implications.

In particular, these commitments are demonstrated through the following actions:

- long-term technical partnership agreement with World Wildlife Fund (WWF) to work on Sodexo climate strategy and its different components;
- tackling food waste by engaging with Sodexo employees, clients and supply partners to provide innovative solutions like the program WasteWatch;
- partnering with the Future 50 Foods Initiative. The Future 50 Foods Report identifies under-utilized plant-based foods that optimize nutrient density and reduce environmental impact. Sodexo has rolled out plant-based recipes containing the Future 50 foods in kitchens throughout the Group;
- combined management focus on the achievement of the 34% carbon emissions reduction target, compared to 2017 baseline year.

In the area of nutrition considering the health and wellness of consumers, Sodexo is committed to food safety and encouraging our guests to develop good eating habits and healthy lifestyles. With the help of our nutritionists, we create balanced, nourishing meals adapted to the lifestyles and the diversity of the tastes of our consumers around the world.

In the area of social, economic and environmental development in the cities, regions or countries where Sodexo is present, we focus on the following actions:

- supporting the fight against hunger through Sodexo's unique philanthropic cause, Stop Hunger;
- working with local and small businesses and contributing to local economies through the Supplier Inclusion program which allows thousands of local businesses to integrate Sodexo's supply chain;
- promoting gender balance with a target of having at least 40% woman among Sodexo's senior executives by 2025 (during Fiscal 2023 we reached 41% for this indicator and we are committed to ensuring that the Group maintains its lead on the subject of gender diversity and does not fall below 40%) and 100% of employees working within entities having gender-balanced management teams.

For detailed information on our Corporate Responsibility strategy, please see Chapter 2.

Human Rights at Work

Sodexo is committed to respecting human rights wherever it does business. This commitment, is supported by core policies and procedures which are based on international texts such as the Universal Declaration of Human Rights, the International Labor Organization's Declaration of Fundamental Principles and Rights at Work; it is also based on the principles set forth in the OECD Guidelines for Multinational Enterprises and the United Nations' Guiding Principles on Business and Human Rights.

The Sodexo Statement of Respect for Human Rights sets out standards for fundamental human rights at work. It covers the workplace, but also business relationships, communities, reporting concerns, due diligence and transparency. It is also accompanied by a guide and training that provides best practices and examples.

Health and safety policy and food safety policy

At Sodexo, we believe that all incidents are preventable. It starts with nurturing a Zero Harm health and safety culture. Our ambition is to be the safest place to work and the safest company to do business with. Sodexo's Global Health and Safety and Food Safety Policies define our fundamentals and standard principles to guide our behaviors, responsibilities and commitments that include:

- complying with legal, regulatory and internal standards as a condition of employment;
- identifying, evaluating and managing risks;
- ensuring adequate resources, training and capability;
- personal accountability for people and food safety by speaking up to challenge unsafe behavior, stop unsafe work and promptly report incidents, near misses and unsafe conditions or behaviors;
- fostering a Zero Harm mindset culture for people safety and for food safety from farm to fork;
- protecting and promoting the safety of our food and the health of our consumers;
- striving for operational excellence at every step in our health and safety and food processes;
- monitoring and improving our health and safety and food safety performance.

Information systems policies

The Group Information Systems and Technologies Department has defined three core objectives:

- provide a first-class experience to our clients and consumers as well as to our own employees by making the best use of available technologies;
- continuously improve Sodexo's performance through productivity gains, extensive data analysis, respecting obligations of compliance and strong relationships with our partners (solution and cloud providers, integrators);
- protect Sodexo's digital assets in a context where cyber risk is increasingly pervasive and complex.

To meet these three core objectives, the Information Systems and Technologies Department has put in place numerous procedures, notably in the following areas:

- Group Information Systems Governance;
- Information and Systems Security;
- Mobile Terminal Allocation and Security;
- IS&T Capital Expenditure Programs;
- Third Party Security.

Data protection policy

Sodexo's Global Data Protection Policy describes how Sodexo entities collect, use, store, share, delete or otherwise process personal data and how data subjects can exercise their rights. This policy applies to the global organization of Sodexo entities when the European data protection law, namely, the General Data Protection Regulation (or "GDPR") is applicable. This policy applies to the processing of personal data collected by Sodexo, directly or indirectly, from all individuals including, but not limited to Sodexo's job applicants, our employees, clients, consumers, suppliers or subcontractors, our shareholders or any third parties (for further details of the compliance program relating to GDPR and other data protection laws, please refer to section 7.3.4).

Internal audit policy

Internal audit activities include reviewing and assessing the adequacy and effectiveness of governance, risk management and internal control systems and processes. This includes assessing:

- the reliability of financial and non-financial information;
- compliance with existing policies, procedures, laws and regulations;
- the methods used to safeguard assets;
- the effectiveness of governance, operations and the resources used.

The Internal Audit team is also responsible for alerting the Chairwoman of the Board and Chief Executive Officer, the Audit Committee and the Sodexo Leadership Team to any material risks and informing them of the causes of identified weaknesses.

The Internal Audit team has defined several procedures, primarily covering the identification of internal audit priorities for the coming fiscal year, the planning and execution of internal audits, the drafting of internal audit reports and the follow up of action plans to implement the team's recommendations.

A series of internal audit performance indicators has been developed. These include such issues as the follow-up of internal audit recommendations that have been implemented, the average time required to issue internal audit reports, the annual audit plan completion rate, internal auditor rotation rates, the satisfaction rate among audited units.

Delegations of authority

Principles and policies in this area are supplemented by job descriptions, annual targets and, for senior executives, clearly defined delegations, which are reviewed annually and formally communicated to each executive by his or her superior.

The Chairwoman and CEO delegates certain authority to the members of the Sodexo Leadership Team, who themselves delegate to members of their executive teams in regions and countries.

Delegations of authority cover business areas throughout the Group, and notably client contracts, procurement, investments and finance, strategy, people and organization, communications and brand.

Delegations of authority must comply with the Group's policies.

Improvement indicators

Sodexo uses a range of financial and non-financial indicators to measure progress in such areas as client retention and business development, profitability of contracts and business, human resources and corporate responsibility.

Group Finance coordinates the process and monitors operational improvement metrics for activities and entities using a Group dashboard.

Making progress in these areas is critical for future growth in underlying operating profit, operating cash flow and revenue.

The improvement metrics are presented each year to the Board of Directors and the Sodexo Leadership Team in order to track progress in the areas concerned.

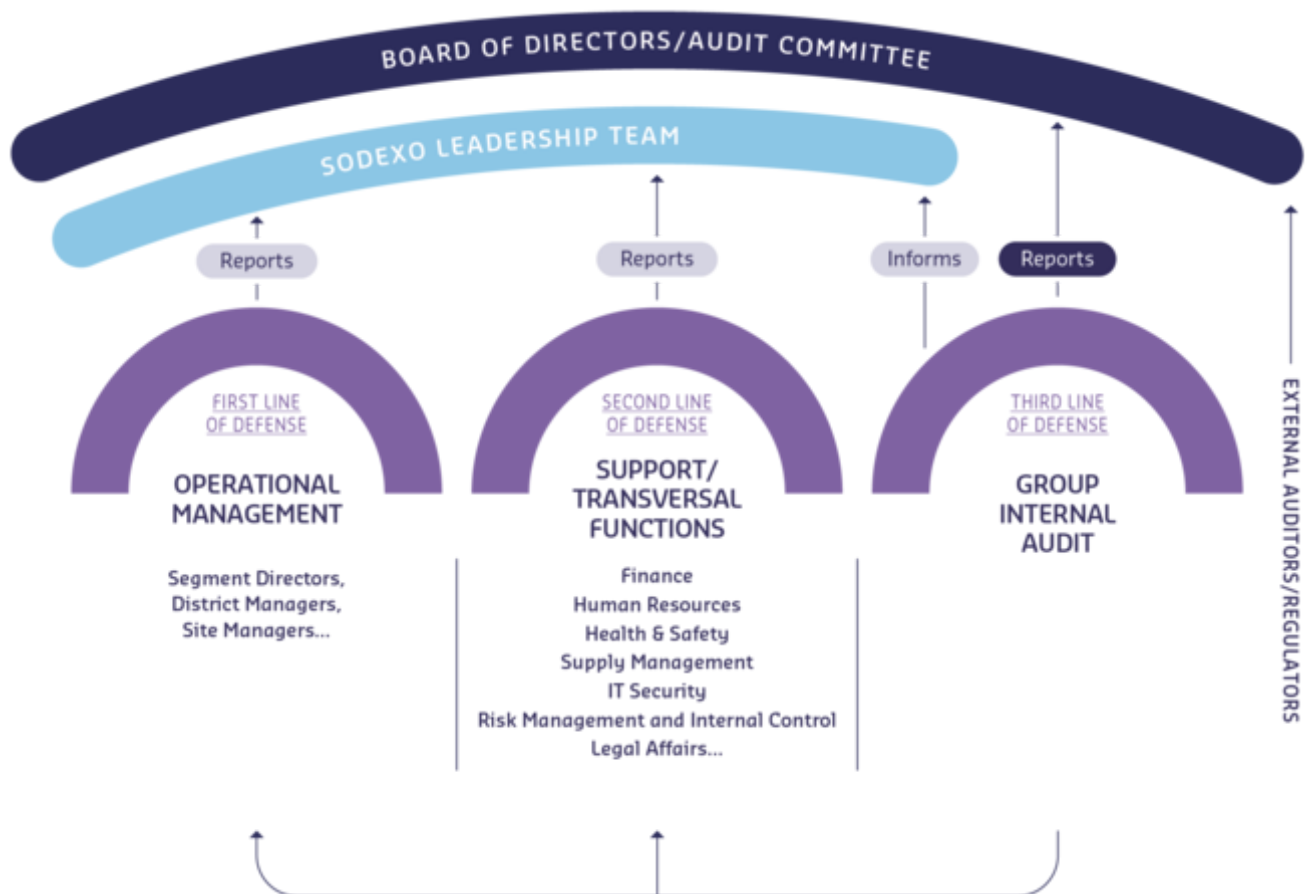
For further details of corporate responsibility metrics in particular, please refer to section 2.5. An independent firm was selected by Sodexo to audit a representative selection of these social, environmental and societal indicators. The conclusions of this audit are presented in section 2.8.4 of this document.

6.2 Risk management and internal control organization

6.2.1 Key participants and roles

The key participants in the risk management and internal control system are organized using the Three Lines of Defense model, as shown below:

SODEXO'S RISK MANAGEMENT AND INTERNAL CONTROL MODEL



Operational management

The first line of defense mainly consists of operational directors and managers who identify and manage risks within their activities. They put controls and action plans in place for the risks identified.

Support and transversal functions

The second line of defense consists of global support functions who are there to support operators with their risk management. They define the procedures and standards and provide standardized tools and processes to enable operational staff to put in place the appropriate controls.

Internal audit

The third line of defense is internal audit, which gives an independent evaluation of the risk management and internal control system to the Sodexo Leadership Team and Board of Directors. It makes recommendations to the first and second lines of defense for the improvement of risk management and internal control and monitors action plans (see 6.4.).

6.2.2 Risk Management Governing Bodies

Sodexo's Leadership Team

The Sodexo Leadership Team has overall responsibility for establishing procedures to manage risk. Its role includes designing and leading on the internal control system, with support from senior leaders and the second line of defense functions in their own area of expertise.

Board of Directors and Audit Committee

Sodexo's Board of Directors role is to provide oversight of the risk management and internal control system, and ensure that it is functioning effectively. As a specialized Board Committee, the Audit Committee follows up in detail on Sodexo's principal risks and the efficacy of the controls used to mitigate them (see 7.2.1.5) and reports back to the main Board.

Sodexo has put in place a robust procedure for the identification and assessment of major risks, designed to ensure that risks are evaluated and managed at the appropriate level within the organization. Measures to manage risks are implemented either at the site, country, regional or global level, depending on their nature.

The Group's internal control procedures rely on the fundamental principles defined by the Board of Directors.

6.2.3 Approach to Risk Assessment

Sodexo uses a hybrid risk assessment approach, both "bottom-up" from operators and "top-down" from senior management.

On an operational level, the leadership Committees of each of Sodexo's main entities carry out an annual risk assessment, facilitated by risk and internal control managers. The results of these assessments are recorded in a global risk management tool. Risks thus identified are owned and managed at the local level.

Additionally, a series of interviews with Sodexo's senior leaders across the world is carried out by Group Internal Audit on an annual basis to identify key risks impacting Sodexo's business and the achievement of its objectives.

The results of all the risk assessments and the senior leader interviews are evaluated in the development of the Group risk profile which comprises the principal risks that might impact Sodexo's strategic priorities. The profile is shared with the Sodexo Leadership Team for comment, before being submitted to the Audit Committee and the Board of Directors.

6.2.4 Risk Assessment Methodology

Sodexo assesses its risks in three stages using a standard global methodology:

- risk identification: the first step is the identification of risks that may impact Sodexo's ability to achieve its objectives, whether it be at site, country, regional or global level. Several risk identification methods are used, including surveys and risk registers, but the recommended and most widely used method for both bottom-up and top down assessments is by individual interview with key stakeholders;

- risk evaluation: risks identified in the previous step are then evaluated using three risk criteria:

- impact – the effect or consequence the risk will have,
- likelihood – the frequency or probability of the risk occurring,
- level of control – the level of control already in place to reduce the risk;

- risk prioritization: following evaluation, risks are then prioritized for further actions to treat them.

The main risk factors to which the Group is exposed are described in section 6.3.

6.2.5 Link between internal control and risk assessment

As described above, risk assessment is used to identify, evaluate and prioritize risks. Once they have been assessed, risks are treated to reduce their effect. Ways of treating risks include putting in place action plans and implementing controls. Controls therefore form an important part of the range of measures that can be used to mitigate risks, and Sodexo's internal control procedures are part of an ongoing process of managing the Group's risk exposure.

Sodexo's risk management and internal control system is based on the internal control reference framework recommended by the French securities regulator (Autorité des marchés financiers – AMF). The five components of the reference framework are the control environment (integrity, ethics, competencies, etc.), evaluation of risks (identification, analysis and management of risks), control activities (methods and procedures), information and communication (collection and sharing of information) and monitoring (follow-up and eventual updating of processes).

6.3 Risk factors

6.3.1 Principal Risks and Risk Management Measures

Summary of Sodexo's Principal Risk Factors

The summary table of Sodexo's principal risks shows a classification of the risks by reference to four categories, as well as risks from the external environment. As outlined in 6.2.4, each risk is assessed using impact and probability to give an evaluation of the inherent risk, and then a third criteria "level of control" is used to evaluate the

overall net risk. The table below shows the net risk assessment. The most significant risks are presented at the top of each category, and the materiality of each risk shown is using a two-level rating scale, as follows:

MAIN RISKS AND RISK MANAGEMENT



Description of Principal Risk Factors

The tables below describe Sodexo’s principal risk factors, their possible impact and give examples of measures implemented to reduce these risks.

CLIENT RETENTION

Risk of not keeping and renewing contracts with Sodexo’s existing clients.

Category: **Clients/Consumers**

Impact	Examples of Mitigating Activities
<p>With consumers working both at home and in the office on a regular basis, Sodexo’s food offer has to be flexible enough to be able to reach them in both places. Sodexo needs to be able to offer both traditional on-site dining, and also anywhere dining for companies that have hybrid working policies, or for example, companies that have no restaurants facilities on-site.</p> <p>Sodexo must work with its clients pro-actively as a partner to adapt to their circumstances and continue to meet evolving client needs. A lack of ability to adapt to the client’s circumstances, an inability to transform its services to remain attractive to meet client/consumer demand, or any changes in client outsourcing strategy could mean that the client is not retained, possibly leading to:</p> <ul style="list-style-type: none"> • less growth; • decrease in profitability; • reduction in employee satisfaction; • loss of credibility in the market place. 	<ul style="list-style-type: none"> • On-site teams continually listening to the client and the consumer; aggregated insights are then fed into operational, functional and strategic teams. • Strengthening of the client relationship management process to ensure alignment with client and Sodexo’s expectations on an on-going basis. • Broadening of the multi-channel food offer through targeted acquisitions. • Risk reviews carried out with key accounts every six months to review retention risks. • Utilization of common, global tools and reporting to ensure transparency and commitments to forecasting and reporting of both achievement and risk.

CHANGING CONSUMER EXPECTATIONS AND BEHAVIORS

Increased consumer expectations around personalized, innovative and digital services, and healthy food choices. Increased consumer expectations in relation to business conduct and environmental impact. Structural changes in the way consumers choose to consume food.

Category: **Clients/Consumers**

Impact	Examples of Mitigating Activities
<p>Consumers expect a personalized meal experience. They want to be able to consume food in different ways and at a time of their choosing. They expect more choice, more convenience, healthier options, all combined with the benefits of technology to make a smoother and more seamless dining experience.</p> <p>Over and above that, consumers also want to spend their money with companies that engage in socially responsible behavior. If Sodexo cannot adapt its consumer offer adequately or cannot anticipate and meet consumer expectations for innovation, personalization and in relation to environmental impact or business conduct, its revenues, as well as its reputation, could be affected.</p>	<ul style="list-style-type: none"> • Acceleration of the multi-channel delivery model which offers consumers greater flexibility for food consumption: click and collect, delivery, micro-markets, connected fridges. • Increased use of technology, for example robotic food delivery on-campus, 24/7 automated kiosks, digital ordering apps for collection or delivery. • Focus on expanding the provision of plant-based meals, offering consumers both a healthy option and one with a lower carbon footprint. • Supplier Inclusion program that proactively focuses on buying from small and medium-sized companies, suppliers owned or operated by women or people from minority groups and major suppliers who actively embrace diversity, equity and inclusion in their workforce.

BIDDING RISKS

Risks relating to the commercial and contractual model and the scope of services included in a client contract.

Category: **Clients/Consumers**

Impact	Examples of Mitigating Activities
<p>Some of Sodexo’s client contracts are long-term and may run between five and ten years. This is particularly relevant for the Business & Administrations segment.</p> <p>Factors such as:</p> <ul style="list-style-type: none"> • inaccurate pricing assumptions; • a lack of definition or detail in the scope of services; • underestimating the complexity of the scope of work; and • inadequate contractual clauses; <p>during a bid proposal can lead to low margins or even losses on the contract, either in the startup phase or at a later date.</p>	<ul style="list-style-type: none"> • Benchmark exercises, site visits, full due diligence and the use of technical expertise are all part of the process to establish costs, seasonality of services and base-line estimates (monitoring of cost and performance indicators to verify the relevance and competitiveness of our offer). • Identification of the main contractual risks (from the analysis) and the deployment of measures to compensate these risks. • Use of costing models and benchmarking to validate assumptions. • Robust, standardized and transparent costings. • Integration of different stakeholders in the review process to better anticipate possible issues. • Strict execution of Sodexo’s key processes for solution and contract design & solution mobilization.

COMPETITION

Sodexo faces both established competitors and new digital entrants at the local, national and international levels: risk of market share loss and loss of growth momentum.

Category: **Clients/Consumers**

Impact

Sodexo operates in a highly competitive environment. If it cannot meet client needs, then it may lose contracts to competitors, resulting in a lack of growth of revenues and lower profitability.

Examples of Mitigating Activities

- Creation of further multichannel offers to better respond to consumer expectations.
- Investment in digital technology including digital applications, innovative food solutions such as restaurant delivery and digital retail services, robotics to enhance cleaning and the use of artificial intelligence to improve services help Sodexo enhance the consumer experience and take advantage of the opportunities created.
- Strategic acquisitions to expand Sodexo's offers.
- Strengthening of commercial teams on the ground.
- Competitor benchmarking.
- Sector studies.

CLIENT CONTRACT EXECUTION, INCLUDING INFLATION MANAGEMENT

Risks relating to the execution of a client contract: poor service delivery, non-fulfilment of contractual and performance obligations, over delivery of additional services not defined in the contract, poor management of food and labor costs, inability to pass through inflation.

Category: **Operations**

Impact

Poor service delivery to clients or non-fulfilment of contract obligations could lead to client dissatisfaction, possible contractual penalties and ultimately the loss of the client.
Over-delivery of additional services not defined in the contracts and without related invoicing could lead to a shortfall in revenues and loss of profitability on the contract.
Poor management of food and labor costs could result in reduced profitability on the contract.
In Fiscal 2023, there has been a progressive slowdown in food inflation, but it still remains a constant focus. As such, if Sodexo is not able to pass inflation through to the client *via* indexation clauses, or is able to do it, but not quickly enough, then it could result in loss of profitability on contracts.

Examples of Mitigating Activities

- Definition of operational standards and best practices that are shared to improve performance (*e.g.* Innov'Challenge and the Innovhub).
- Tools such as the Site Management System to ensure proper training of employees and the execution of quality inspections.
- DRIVE: integrated food management process.
- Robust price revision process to manage contractual inflation with our clients.
- Active procurement management to limit cost inflation relative to market indices.
- Active operational mitigation plans in all countries: enhanced labor scheduling, reengineered menus, food waste reduction.
- Dynamic retail price reviews.
- Strict monitoring of under performing contracts.

TECHNOLOGY & INFORMATION SECURITY

Risks around managing the confidentiality, availability and integrity of Sodexo's information technology assets; managing cloud systems and third-party suppliers, managing Sodexo and client data; risks from external cyber threats.

Category: **Operations**

Impact

On a daily basis, Sodexo IT systems process the data of 430,000 Sodexo employees and 80 million consumers in the Foodservices business. In addition, Pluxee's employee benefit and engagement platforms process the data of 500,000 clients, and 1.7 million merchants.
The demand for new innovative and efficient services in both On-site Services and the benefits and engagement business creates a fast changing and highly interconnected architecture.
Sodexo is also a target for cyber criminals who want to exploit any weaknesses and gain access to the data of the thousands of clients, consumers, suppliers and merchants, to whom Sodexo is connected.
Within this challenging environment, information security issues such as poor data integrity, loss of data confidentiality and lack of availability of key systems, or collaboration services, could result in high cost and/or high-volume impacts such as:

- inaccurate financial reporting;
- contractual penalties;
- regulatory fines;
- reputational damage with shareholders, clients, consumers, suppliers and employees.

Examples of Mitigating Activities

- Group Information and Systems Security Policy aligned to ISO 27001 framework, with detailed security directives on key topics (*e.g.* security by design, cloud services, incident management).
- Investment in security infrastructure, tools and services such as multi-factor authentication, laptop encryption, anti-malware, global proxy deployment, email monitoring and endpoint detection and response.
- Events and incidents monitored through a Security Operations Centre.
- Vulnerability scanning deployed.
- Global cyber incident management and response process.
- Global cloud strategy focused on using trusted partners to provide secure and efficient services.
- Security awareness training for users using phishing simulation campaigns.
- Company-wide collaboration on security and compliance topics such as data privacy, cyber threats, new technologies and IT internal controls facilitated by formal governance Committees and cross entity network.

TALENT RETENTION AND DEVELOPMENT

An inability to retain and develop the right talent

Category: **People**

Impact

Sodexo is a company of people serving people. Growing, engaging and retaining our people is central to our strategic objectives and our ability to grow.

A lack of attention to employee engagement, retention and development could lead to:

- a decrease in service quality jeopardizing client satisfaction and retention, and therefore long-term profitable growth;
- loss of talented employees to other companies.

Examples of Mitigating Activities

- Targeted training programs to grow and develop Sodexo employees.
- Performance management and reward framework to help retain, develop and motivate people.
- Enhanced benefits program, Vita by Sodexo, for all employees.
- Dedicated talent managers by region and quarterly talent reviews to promote internal mobility.
- Succession planning by region for key roles.
- Global engagement survey every two years, with focused action plans based on survey results.
- Empathetic and Collective Leadership Program – supporting managers to engage authentically with their people.
- People retention tracked and monitored as a global KPI and included in bonus plans.
- Sodexo Supports Me: Employee Assistance Program that provides counseling and support to help employees across the world meet the challenges of everyday life, both at work and outside.

STAFF SHORTAGES AND RECRUITMENT

Staff shortages due to significant pressure on the labor market and non-availability of required skills resulting in possible inability to meet client needs in terms of both workforce and know-how

Category: **People**

Impact

On a global scale, Sodexo’s ability to recruit enough employees is influenced by:

- perceived attractiveness of the jobs available;
- the availability of the required skills (e.g. chefs);
- competition with other sectors for the same pool of people.

Post-pandemic, there is still intense competition to recruit staff across the Foodservices, hospitality and events sectors, resulting in a global staff shortage in the short-term.

An inability to recruit enough staff or to recruit staff with the right skill set could result in client contracts not being served properly. This could lead to:

- client dissatisfaction;
- possible contractual penalties;
- lower revenue and reduced profitability on-site.

Examples of Mitigating Activities

- Dedicated site-based employee attraction and retention strategies launched and tracked across all regions.
- Careful monitoring of pay and benefits to ensure competitiveness.
- Development and activation of a clear global employee value proposition.
- Incorporation of employee retention into annual objectives for all staff eligible for the Group bonus plan.
- Development of blended learning programs to incorporate both in-person and virtual training opportunities; certifications given for all training.
- Design of competency models and career paths to help employees develop within the Company.
- Employee referral programs.

FOODSERVICES AND WORKPLACE SAFETY

Consumer illness or injury caused by technical services, consumer illness caused by Foodservices, work-related Injury/illness of Sodexo employee or contractor.

Category: **Corporate Responsibility**

Impact	Examples of Mitigating Activities
<p>Ensuring the safety of consumers, clients and Sodexo employees is fundamental. Potential illness, injury or loss of life of consumers, clients or Sodexo employees could mean:</p> <ul style="list-style-type: none"> • harm to personal well-being and/or health; • loss of client confidence in Sodexo; • significant lost time due to injury and illness; • fines and potential litigation; • impact on Company reputation; • enforcement action from regulatory bodies. 	<p>Leadership:</p> <ul style="list-style-type: none"> • appropriate global and regional governance, including a health and safety committee chaired by Group Chairwoman and CEO and business review forums; • definition of clear roles and responsibilities, roadmaps and local improvement plans. <p>Capability & Competence:</p> <ul style="list-style-type: none"> • clearly defined competence, training and awareness requirements for each employee position; • development and retention of health and safety talent. <p>Compliance & Learning:</p> <ul style="list-style-type: none"> • implementation of a four-step Maturity Index to monitor the safety fundamentals and target improvements; • deployment of mandatory global HSE and Food Safety policies and standards. <p>Communication:</p> <ul style="list-style-type: none"> • encouragement of open communication including authority to stop work, if the environment is unsafe; • timely near miss and incident reporting and investigations; • safety alerts to share lessons learned.

SODEXO ENVIRONMENTAL IMPACT

Adverse environmental impact from Sodexo’s activities: ineffective actions to mitigate climate disruption, poor management of food waste and resources

Category: **Corporate Responsibility**

Impact	Examples of Mitigating Activities
<ul style="list-style-type: none"> • Ineffective climate disruption actions could result in Sodexo’s carbon emissions staying the same or even increasing. Given its large footprint, this could have a significant impact on global warming and biodiversity loss. In addition, this could impact our client retention, investors’ confidence and external trust and recognition. • Poor food waste and resource management could result in a loss of client and consumer confidence and a decreased ability to attract new clients. 	<ul style="list-style-type: none"> • Partnership with WWF since 2010 focused on reducing the Company’s environmental impact, achieving its carbon reduction target and managing its CSR strategy. • Measurement and tracking of Sodexo activities carbon footprint (upstream and downstream) at site level. • Member of the Climate Group’s RE100 initiative with a commitment to switching to 100% renewable electricity by 2025 at directly operated sites. • Developing and deploying a carbon trajectory tool with partner Traace to help Sodexo teams create their carbon reduction roadmap. • WasteWatch global program to reduce food waste. • Connecting financing costs of the Group to action on food waste performance. • Implementing a long-term incentive plan, including a sustainability index.

COMPLIANCE WITH LAWS AND REGULATIONS

Risk of non-compliance with a wide variety of laws, including labor law, antitrust law, anti-corruption law, data protection and privacy, and health, safety and environmental law.

Category: **External Environment**

Impact	Examples of Mitigating Activities
<p>The wide range of services that Sodexo proposes and its worldwide presence means that it is subject to very specific laws and regulations for its operations at both the global and local level. For example, as a food operator, Sodexo has a legal requirement to provide accurate allergen information about the food and drinks it serves. The issue of cards by Pluxee require compliance with anti-money-laundering and terrorism financing laws in some countries.</p> <p>Changing regulatory scenarios that may also have an impact on its business include anti-corruption (Sapin II Act on transparency, fight against corruption and the modernization of economic life), and duty of care and human rights regulations (e.g. France’s Duty of Vigilance law and the UK Modern Slavery Act).</p> <p>Any non-compliance of Sodexo with laws and regulations or a lack of knowledge and awareness of laws and regulations either at a country level or a global level could mean:</p> <ul style="list-style-type: none"> • harm to employees, clients and consumers; • damage to Sodexo’s reputation; • potential financial penalties; • criminal action being brought against the Company and its directors. 	<ul style="list-style-type: none"> • Legal teams deployed at the central and local levels, who provide advice to operational staff. • Legal teams specialized by area of expertise, having recourse to external experts. • Monitoring of the political, social and economic environments at global and country level to proactively identify proposed changes in laws that could impact Sodexo. • Group-wide mandatory training sessions for Sodexo managers in regulatory areas like anti-corruption and data protection. • Global Ethics and Compliance Committee ensures coordination and coherence of deployment of ethics and compliance programs amongst countries. Details of these programs are provided in section 7.3.3 “Ethics and Compliance” and 2.6 “Vigilance Plan”. • Sodexo Speak Up offers Sodexo employees and partners a confidential way to report activities or behaviors that are contrary to the Code of conduct or simply illegal.

CLIMATE DISRUPTION EXPOSURE

Risk of Sodexo’s business being adversely affected by climate disruption

Category: **External Environment**

Impact	Examples of Mitigating Activities
<p>The risk assessment carried out in Fiscal 2022 using the Task Force on Climate-Related Financial Disclosures (TCFD) framework identified that of all Sodexo’s activities, its Food business had the greatest exposure to climate disruption, driven by possible interruptions to its supply chain through physical risks. For example, the increased frequency and severity of drought could mean that the agricultural industry becomes less productive, reducing its ability to meet demand and increasing costs. This would mean that Sodexo might not be able to source the products needed for client and consumer offers, resulting in reputational damage, or the products can only be bought at a much higher price, leading to loss of profitability on contracts.</p> <p>In relation to transition risks, the risk assessment highlighted a risk from a shift in consumer demand – such as a move away from traditional menus and recipes to more plant-based options. If Sodexo is not able to adapt to this change, then it will lose client and consumer business, resulting in a loss of revenues and profitability.</p>	<ul style="list-style-type: none"> • Broad range of suppliers identified and utilized. • Adaption of menus to take account of the availability of products and their impacts. • Cost and inflation management through use of indexation clauses in client contracts. • Launch of the Future Food Collective; a collaborative initiative bringing Sodexo chefs together with industry experts and key suppliers to look at consumer habits. By partnering with NGOs such as the Food for Climate League, the Future Food Collective is gathering insights to develop new plant-based innovative solutions for consumers. • Launch of Modern Recipes, an offer that focuses on the development of sustainable and healthy recipes. • Roll-out of low carbon recipes in units using ingredients selected for their lower environmental impact and higher nutritional value, including plant-based and plant-forward recipes. • Deployment of Energy solutions to clients to increase energy savings and reduce their carbon footprint.

Effect of Pluxee spin-off

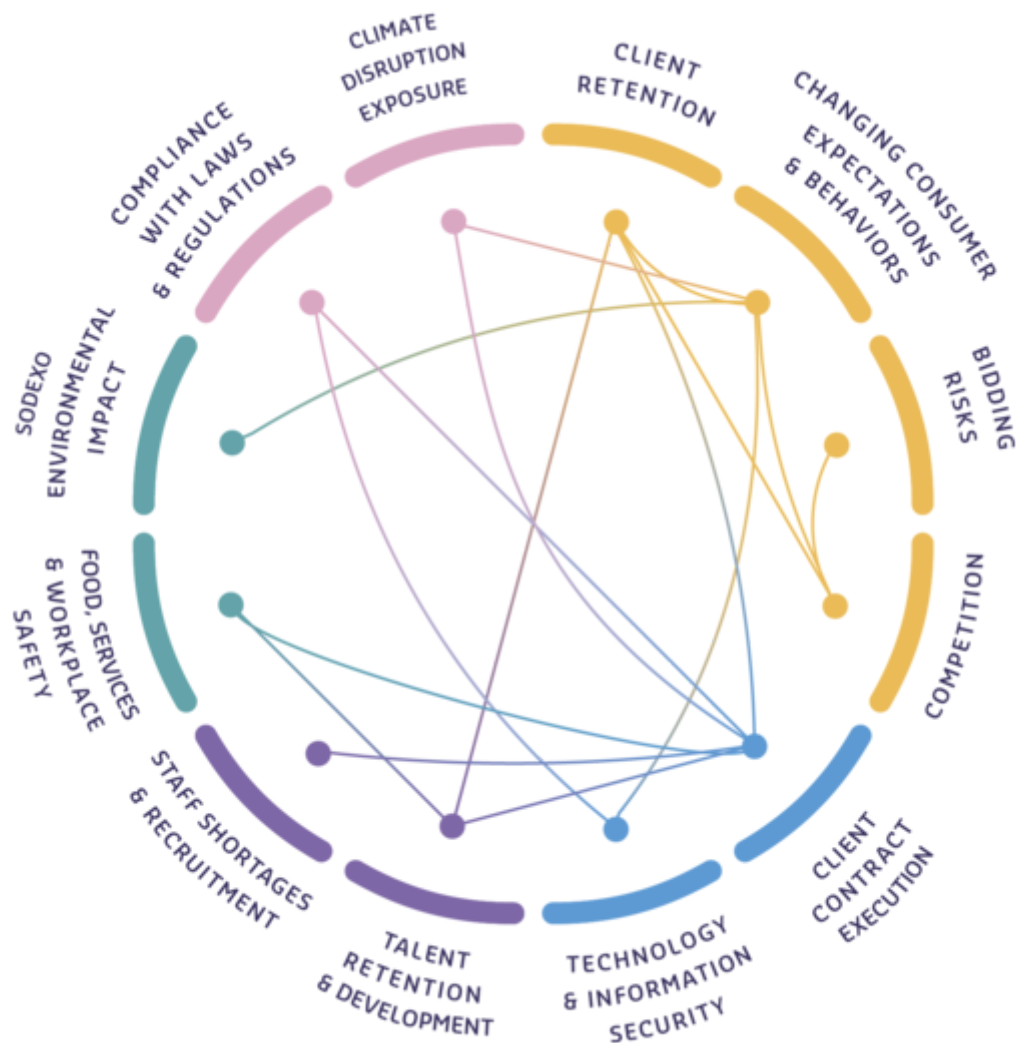
Of the Group’s principal risk factors, “Technology & Information Security” and “Compliance with Laws and Regulations” are the two that are impacted by Pluxee activity.

No specific risk to Sodexo itself has been identified with the spin-off of the Pluxee business.

Interconnectivity of Principal Risk Factors

Sodexo's risk factors may arise individually, but they can also have an effect on each other. In order to better understand the relationship between the risk factors, and to enhance overall risk resilience, a mapping of the interconnectivity of the risk factors was carried out. This mapping is shown below.

INTERCONNECTIVITY OF RISKS



6.3.2 Emerging Risks

In carrying out its risk assessment, Sodexo also considers risks arising from changes in the external environment. This includes consideration of emerging risks that are new external risks or existing external risks that have evolved with time, or have been triggered by changed circumstances. They may be perceived to be potentially significant, but might not yet be fully understood, and/or the consequences may be difficult to quantify.

In Fiscal 2023, in order to identify emerging risks at the earliest opportunity, a horizon scanning exercise was carried out, collating risk themes and trends from industry and professional bodies and peer networks. These themes and trends were then discussed and explored by a mixed team of operational directors and risk specialists to consider their potential impact on Sodexo, and the time horizon of the risk (medium/long-term). A first emerging risks mapping ("emerging risks radar") was established, which will be refined over the next fiscal year.

6.3.3 Risk coverage

Group Insurance works closely with the relevant executives in the entities to:

- implement global insurance programs, negotiated at the Group level, available for all entities and supported by insurance companies recognized within the Insurance Industry for their financial solidity;
- put in place insurance coverage to protect the interests of employees, clients, shareholders and the Group;
- identify and evaluate the key insurable risks faced by Sodexo, with particular attention to the emergence of new risk factors associated with changes in our activities;
- reduce contractual risk, in particular by means of limitation of liability clauses or hold-harmless agreements;
- achieve the appropriate balance between risk retention (self-insurance) and the insurance market in covering the potential financial consequences of Sodexo's risk exposure; and
- achieve optimization by financing some of the Group's risks through the use of captive insurance companies.

6.3.3.1 Insurance coverage

Sodexo's general policy is to transfer non-retained risks, especially volatile risks, to the insurance market. Insurance programs are contracted with world class insurers.

The main insurance programs are as follows:

- liability insurance, which covers personal injury, property damage or consequential loss caused to third parties. This category notably includes operational, product, after-delivery and professional liability insurance. Sodexo has implemented a worldwide liability insurance program benefiting all countries in which the Group operates, including the USA and Canada;
- property insurance, which mainly covers the risk of fire and explosion, water damage, natural disasters, business interruption or increased cost of work, and (in some countries) acts of terrorism. As a general rule, the sum insured is equal to the value of the amounts at risk; however, some insurance contracts cap the amount paid out under the policy;
- workers' compensation. In countries with no government-provided coverage (primarily the United States, Canada and Australia), Sodexo has contracted workers' compensation programs;
- crime insurance specifically for Pluxee, to partially transfer the risks of fraud, falsification and theft to the insurance market;

6.3.4 Internal control process

The risk management and internal control approach applied within the Group consists of:

- identifying and assessing risks;
- describing the control environment, both at Group and subsidiary levels;

- marine cargo insurance for covering loss or theft of goods during shipment;
- employment practices liability which provides coverage for wrongful termination, sexual harassment, discrimination and workplace torts;
- cyber risk insurance, which responds to cyber events such as intrusion, denial of service attacks, data breach. Insurance coverage includes forensics, privacy breach and data restoration costs as well as any business interruption arising out of a cyber event. In a very tough market, the cyber risk insurance is reviewed regularly and implemented according to the best possible conditions.

In addition, Sodexo maintains compulsory insurance as legally required in the countries where it operates.

6.3.3.2 Self-Insured Risks

Retained or self-insured risks correspond to the deductibles specified in the insurance programs contracted by Sodexo. They consist for the most part of frequency risks (*i.e.*, risks that occur regularly) but from time to time may also include severity risks (*i.e.*, risks representing substantial amounts). In some countries, these retained risks correspond to deductibles under employer's liability, workers compensation, third-party automobile and property insurance. Sodexo also self-insures frequency risks and low amplitude risks through two captive insurance companies. The American company, incorporated in the State of Hawaii, manages the deductibles of the Workers' Compensation, Automobile Liability and General Liability insurance program as well as reinsurance on the General Liability. The Irish company, based in Dublin, provides:

- direct insurance for motor own damage and motor third party liability risks, marine hull and cyber risks;
- reinsurance on property, marine cargo, general liability and automobile liability.

The maximum exposure of our captives on a single risk amounts to 10 million U.S. dollars per claim and in aggregate per year.

6.3.3.3 Placing of risk and total cost

On the occasion of its most recent policy renewals, Sodexo maintained the scope and level of its coverage, as regards in particular, general liability insurance and professional liability insurance, especially for risks associated with Facilities Management activities.

The total cost of the main insurance programs and self-insured risks (excluding workers' compensation) of fully-consolidated Group companies, represents around 0.26% of consolidated revenue.

- documenting and making a self-assessment of these controls, both at local and Group level;
- independent testing of the effectiveness of these controls, by independent persons.

The internal control process is supported by a network of local internal control managers and coordinators embedded in the business, supported by a small central internal control team. Their role is to:

- facilitate entity risk assessments by carrying out risk interviews;
- assist in the documentation of controls with control owners;
- support the implementation of new controls;
- carry out entity testing of strategic controls relating to the control environment and process controls;
- support Group Internal Audit in the follow-up of the implementation of its recommendations.

Self Assessment of Internal Control

The self assessment of internal control is a mature process within the Group.

A very large number of Group entities prepare a detailed report (Company Level Control Report) on their control environment based on the five components of the reference framework and which includes an evaluation of the subsidiary's principal risks, a description of risk management measures and an assessment of their effectiveness.

The most significant Group entities go beyond this initial phase, and evaluate the effectiveness of additional controls determined by their own risk assessment (Process Level Controls). Some of these controls are also subject to effectiveness tests performed by independent persons (Group Internal Auditors).

An executive summary of the status of internal controls and the progress achieved is submitted to the Audit Committee at the end of the fiscal year.

6.3.5 Internal controls relating to the preparation of accounting and financial disclosure

Group Finance is responsible for ensuring the reliability of financial and accounting information.

A process is in place to produce and analyze financial information at both operational sites and in the Group and local Finance teams.

Local Finance teams produce a monthly cumulative income statement starting at the beginning of the fiscal year, a balance sheet, and a statement of cash flows. On a quarterly basis, they also produce projections for the full year. Financial statements are consolidated on a monthly basis by Group Finance.

At the half-year, the external auditors conduct a limited review of the interim financial statements.

At the end of the fiscal year, the Region Chief Executive Officers and Chief Financial Officers certify the reliability of their financial statements, prepared in accordance with IFRS standards. The external auditors of the main entities express a view on these financial statements in accordance with their mandate from Sodexo's shareholders. Group Finance monitors changes to IFRS standards and interpretations and ensures that the accounting treatments applied by all entities are compliant with Group rules.

Twice a year, Group Finance identifies the events that may have led to one or several assets being impaired, notably goodwill and intangible assets (in accordance with IFRS). Where appropriate, the carrying amount of the asset concerned is written down in the financial statements.

Region Chief Executive Officers and their Leadership Teams, review operational and financial reporting (comprising improvement metrics for client retention, sales development and comparable unit revenue growth) before presenting it to the Sodexo Leadership Team. In addition, quarterly business reviews with each of the Group's activities and regions give the Group Chief Executive Officer and Group Chief Financial Officer insight into performance trends for the regions based on the financial reporting and operational information.

Procedures are in place to identify off-balance sheet commitments. This term covers all rights and obligations that may have an immediate or future impact on Sodexo's financial position but are not recognized (or are only partially recognized) in the balance sheet or income statement. These include items such as assets pledged as security; guarantees relating to operating contracts (for example bid bonds or performance bonds), to borrowings, or to claims and litigation; lease obligations not recognized in the balance sheet; commitments under call or put options. Off-balance sheet commitments are presented regularly to the Board of Directors.

The Sodexo Tax Department defines the Sodexo Group Tax Policy. The policy is designed to achieve tax consistency worldwide and to ensure that appropriate taxes are paid in line with local tax rules in the various geographic regions in which Sodexo operates. The local and regional tax teams ensure that significant changes in local, European & worldwide tax laws are anticipated and correctly applied at country level, by advising and assisting operational teams.

The Sodexo Legal Department (comprised of a Group team and regional and local teams) works pro-actively with business development and operational teams to ensure legal compliance and support contract negotiations, so that risks pertain solely to contractual obligations for services and are limited in value and duration.

Lastly, using the financial information reported and consolidated, the Chairwoman and Chief Executive Officer, assisted by the Group Financial Communications team, prepares the Group's financial communication. The Chairwoman and Chief Executive Officer also relies on the operating data required to prepare the Universal Registration Document. The interim and annual results press releases are submitted to the Board of Directors for approval.

To enable the Chairwoman and Chief Executive Officer to provide reliable information on the Group's financial situation, a Disclosure Committee comprising representatives from the Group's corporate functions reviews all financial information prior to publication. Members represent the following functions: Financial Control, Financial Communications, Legal, Internal Control Human Resources, Sustainable Development and Communications and the Board Secretary.

6.4 Group Internal Audit Department

The Senior Vice President Group Internal Audit reports to the Chief Impact Officer, and functionally to the Audit Committee. The Senior Vice President Group Internal Audit meets the Chairwoman and CEO on a quarterly basis and works closely with the Chairman of the Audit Committee, holding informal meetings as necessary.

The team, with an average of 27 staff, is organized in four different hubs for global coverage – Paris, London, Washington and Singapore. The team members come from diverse professional backgrounds and speak multiple languages.

Sodexo's Group internal audit activities are certified by the French Internal Audit and Internal Control Institute (IFACI). This internationally recognized certification attests to Sodexo's compliance with and application of 30 general requirements of the Professional Internal Audit Standards (independence, objectiveness, competence, methodology, communication, supervision and continuous assurance program).

IFACI certification is a high-level confirmation of quality and performance that:

- underlines Sodexo's rigorous approach to evaluating its risk management and internal control processes;
- benchmarks Sodexo's processes against best market practices;
- enables the Group to sustainably strengthen its internal audit practices.

The Internal Audit Department performs internal audits of Group entities based on an internal audit plan established annually.

The audit plan is based on the Group Risk Profile (which is established using the approach described under 6.2.3 Approach to Risk Assessment) and input from the Chairwoman and CEO, the Chief Financial Officer and other key Sodexo stakeholders. The Audit Committee reviews and approves this annual audit plan.

The responsibilities of the Internal Audit Department include:

- ensuring, with the related functional teams, that employees throughout the organization are aware of and diligently apply Group policies;
- assessing entities' internal controls, issuing action plans designed to remedy identified control weaknesses, and monitoring implementation of these action plans.

The Internal Audit Department may also conduct special assignments at the request of the Chairwoman and CEO, the Audit Committee, or the Sodexo Leadership Team.

During Fiscal 2023, the Group Internal Audit Department conducted 40 audits in 21 countries. In addition, the network of close to 90 internal control coordinators provides support for internal audit engagements and the remediation of weaknesses identified by the Internal Audit team.

The Internal Audit Department regularly tracks implementation of post-audit action plans by Group entities. An overall progress report is updated regularly and submitted on a quarterly basis to the Chairwoman and CEO, the Group Chief Financial Officer, and the Audit Committee. All action plans are followed up regularly.

In Fiscal 2023, the Internal Audit Department carried out a post-audit quality survey with all audited entities. 95% of these entities considered that the quality of audits was satisfactory.

Finally, the Internal Audit Department assesses the external auditors' independence and reviews the annual budgets for external auditors' fees (for both statutory audit work and other engagements) prior to their approval by the Audit Committee.

Risk management and the reinforcement of internal control are a permanent strategic priority for the Group.

Internal controls cannot provide an absolute guarantee that all risks have been eliminated. Sodexo nevertheless endeavors to ensure that the most effective internal control procedures feasible are in place in each of its entities.

In compliance with the July 2010 recommendation issued by the French securities regulator (Autorité des marchés financiers – AMF), this report is prepared on the basis notably of the "Reference Framework" produced by the French Market Advisory Group and published by the AMF.

7

Corporate governance

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This chapter includes the Board of Directors' Corporate Governance Report⁽¹⁾.

It provides information on:

- the composition of the Board of Directors;
- the preparation and organization of the Board's work;
- the terms and conditions for the exercise of executive management and any restrictions placed by the Board on the Chairwoman and Chief Executive Officer's powers;
- the related-party agreement authorized by the Board;
- the conditions governing shareholders' attendance at Shareholders Meetings;
- current valid authorizations for share capital increases; and
- information that could have an impact in the event of a public tender offer.

It also includes the components of:

- Corporate Officers' compensation packages;
- their compensation policies⁽²⁾.

The Board of Directors' Corporate Governance Report was approved at the October 25, 2023 Board meeting, and has been submitted in full to the Company's Statutory Auditors.

The Corporate Governance reference framework used by Sodexo is the AFEP-MEDEF Corporate Governance Code for listed companies in France (hereafter the "AFEP-MEDEF Code"). The Company's application of the recommendations contained in this Code is presented in section 7.2.2.

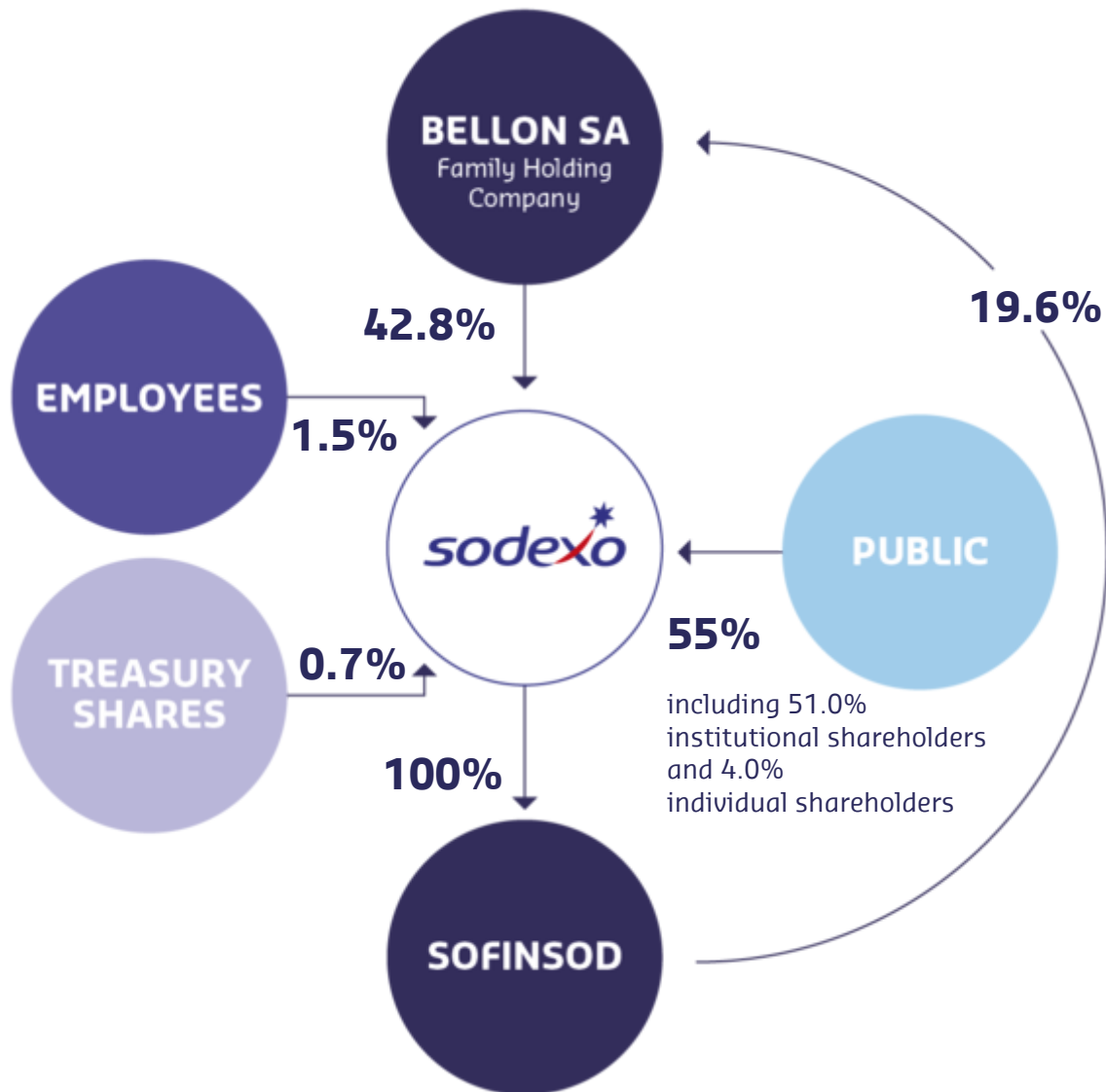
This chapter also provides information on:

- Sodexo's shareholding structure; and
- transactions in Sodexo shares disclosed by Corporate Officers.

⁽¹⁾ In accordance with article L.225-37 of the French Commercial Code.

⁽²⁾ In compliance with article L.22-10-8 (formerly article L.225-37-2) of the French Commercial Code.

7.1 Shareholding structure as of August 31, 2023⁽¹⁾



For further information about the Group's shareholding structure, see chapter 8 of this Universal Registration Document.

⁽¹⁾ Percentages have been rounded to the nearest tenth.

7.2 Board of Directors

7.2.1 Composition and operating procedures of the Board of Directors

Sodexo is a French public limited company (*société anonyme*) governed by a Board of Directors.

The rules and operating procedures of the Board of Directors are defined by the law, the Company's bylaws and the Internal Rules of its Board. In addition, three specialized Committees have been set up by the Board in order to enhance the Board's effectiveness and the Company's governance.


Directors hold office for a term of three years and may be reappointed. However, exceptionally, the Ordinary Shareholders Meeting may, on the recommendation of the Board of Directors, appoint or reappoint one or several directors for a period of one or two years, to stagger the reappointment of directors.

Sodexo is governed by a Board of Directors, which has been chaired by Sophie Bellon since January 26, 2016.

Since March 1, 2022, Sophie Bellon has been Chairwoman and Chief Executive Officer of Sodexo and Luc Messier is Lead Director. On the occasion of the expiry of Sophie Bellon's term as director, the Board of Directors decided to maintain this governance if Sophie Bellon is re-elected as director by the Shareholders Meeting of December 15, 2023. In this way, the Board of Directors aims to ensure that the definition and execution of the strategy are fully aligned, given that Sodexo's transformation accelerates, more particularly in the context of the proposed separation of the Benefits & Rewards activity (Pluxee), requires swift and agile decision-making processes within the Company while, at the same time, maintaining a strong governance with the existence of means implemented to ensure the balance of powers.

As reported previously, Sophie Bellon does not benefit from an employment contract.

7.2.1.1 Composition as of August 31, 2023

			NUMBER OF DIRECTOR/ OFFICER POSITIONS HELD IN OTHER LISTED COMPANIES	FIRST APPOINTMENT TO THE BOARD	TERM EXPIRES (AT THE ANNUAL SHAREHOLDERS MEETING CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR INDICATED)	SENIORITY (YEARS)	NUMBER OF SODEXO SHARES HELD	BOARD COMMITTEES
CHAIRWOMAN AND CEO								
	Sophie Bellon⁽²⁾ 08/19/1961		1	07/26/1989	2023	34	7,964	
INDEPENDENT DIRECTORS ⁽¹⁾								
	Françoise Brougher 09/02/1965		0	01/23/2012	2023	12	400	 
	Jean-Baptiste Chasseloup de Chatillon 03/19/1965		0	12/14/2021	2024	2	400	
	Federico J. González Tejera⁽²⁾ 04/12/1964		0	01/12/2021	2023	3	1,000	
	Véronique Laury 06/29/1965		2	01/21/2020	2025	4	400	
	Luc Messier 04/21/1964		1	01/21/2020	2025	4	400	 
	Cécile Tandeau de Marsac 04/17/1963		2	01/24/2017	2025	7	400	 
FAMILY DIRECTORS								
	François-Xavier Bellon 09/10/1965		0	07/26/1989	2024	34	36,383	 
	Nathalie Bellon-Szabo⁽²⁾ 01/26/1964		0	07/26/1989	2023	34	3,052	
NON INDEPENDENT DIRECTOR								
	Patrice de Talhouët 06/18/1966		0	12/19/2022	2025	1	400	
DIRECTORS REPRESENTING EMPLOYEES ⁽²⁾								
	Philippe Besson 09/21/1956		0	06/18/2014	2025	9	N/A	
	Cathy Martin⁽³⁾ 06/05/1972		0	09/10/2015	2023	8	N/A	

 Audit Committee member |  Nominating Committee member |  Compensation Committee member |  Chairman/Chairwoman

- (1) Independent directors based on the criteria set out in the AFEP-MEDEF Code to which the Company refers.
(2) The Board of Directors proposes that the Combined Annual Shareholders Meeting to be held on December 15, 2023 reappoints Sophie Bellon, Nathalie Bellon-Szabo and Federico J. González Tejera for a term of three years, *i.e.*, until the Annual Shareholders Meeting held to adopt the Fiscal 2026 financial statements. The term of office of Françoise Brougher, which is also expiring, will not be renewed.
(3) The term of office of Cathy Martin, who was appointed in 2015 and reappointed in 2018 and 2020 by the European Works Council, expires at the end of the Combined Annual Shareholders Meeting on December 15, 2023. This mandate will be renewed. In accordance with French law and the AFEP-MEDEF Code, directors representing employees are not included in the calculation of the representation of men and women on the Board or the percentage of independent directors.

60%

Independent directors
(excluding directors representing employees)

58.5

Average age of directors

50%

Female directors
(excluding directors representing employees)

7.2.1.2 Board members as of August 31, 2023

SOPHIE BELLON – CHAIRWOMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER



Born August 19, 1961
 French nationality
 Graduate of the *École des hautes études commerciales du Nord (EDHEC)*
 First appointed: July 26, 1989
 Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements (*recommended for reappointment*)
 Competencies

Business address:
 Sodexo
 255, quai de la Bataille-de-Stalingrad
 92130 Issy-les-Moulineaux (France)



Number of Sodexo shares held: 7,964
 Main role: Chairwoman and Chief Executive Officer of Sodexo*

Background

Sophie Bellon began her career in 1985 with *Crédit Lyonnais* in the United States as a mergers and acquisitions advisor for the bank's French clientele in New York.

She joined Sodexo in 1994 as a senior analyst in the Group Finance Department. In 2001, she was appointed Project Manager – Strategic Financial Planning within the Group Strategic Planning Department to develop and implement key performance indicators for the Group. In September 2005, she was named Group Vice President of Client Retention and was responsible for the worldwide deployment of the initiative on client retention.

In September 2008, she was appointed Chief Executive Officer of Corporate Services for Sodexo France. In that capacity, she also took over responsibility for Facilities Management activities in France in September 2010.

In November 2013, Sophie Bellon was appointed Vice Chairwoman of the Sodexo Board of Directors (replacing Robert Baconnier), and was also entrusted with specific responsibility for increasing, within Sodexo, the pace of Research, Development and Innovation, particularly in Quality of Life services.

On January 26, 2016, Sophie Bellon became Chairwoman of the Board of Directors of Sodexo S.A.

Following the departure of Denis Machuel on September 30, 2021, she first took on the position of interim Chief Executive Officer of Sodexo from October 1, 2021, before being appointed Chairwoman and Chief Executive Officer by the Board of Directors on February 15, 2022.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

- **Member of the Management Board:** Bellon SA

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

- **Chairwoman:** PB Holding SAS
- **Member of the Board of Directors:** L'Oréal*, and also Chairwoman of the Human Resources and Remuneration Committee and member of the Nominations and Governance Committee
- **Member of the Board of Directors:** *Association nationale des sociétés par actions (ANSA)*; *Association française des entreprises privées (AFEP)*; *Association Comité France Chine (CPC)*

FOREIGN COMPANIES

None

Other positions and corporate offices held within the past five years but no longer held

- **Chairwoman of the Nominations and Governance Committee:** L'Oréal* (*Term ended: April 2023*)
- **Member of the Audit Committee:** L'Oréal* (*Term ended: April 2022*)
- **Founding member:** Pierre Bellon Foundation (*Term ended: September 2018*)
- **Co-Chair:** Sodexo Women's international Forum for Talent (SWIFT) (*Term ended: June 2018*)

* Listed company.

DIRECTORS' COMPETENCIES



FRANÇOIS-XAVIER BELLON



Born September 10, 1965

French nationality

Graduate of the European Business School

First appointed: July 26, 1989

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2024 financial statements

Member of the Audit Committee and the Nominating Committee

Competencies



Business address:

Sodexo

255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 36,383

Main role: Chairman of the Management Board, Bellon SA

Background

François-Xavier Bellon began his career in 1990 with the Adecco group, working first in France and then in Spain.

In 1995, he joined the Sodexo Group, taking up an operational role in the Healthcare segment in France. In 1999, he was appointed Regional Director in Mexico DF and subsequently became Chief Executive Officer of Sodexo Mexico.

In 2004, he was appointed Chief Executive Officer of Sodexo UK & Ireland. He resigned from his post a few months later for health reasons.

He rejoined the Adecco group in September 2004 and headed up the Sales and Marketing Department of the Global Staffing Division as well as managing the Group's key international accounts, based between Zurich and London. Through this experience he gained a deep knowledge of human resources management.

In May 2007, François-Xavier Bellon took over a company based in the United Kingdom that provides Homecare services to dependent people, of which he became Chief Executive Officer before founding Lifecarers. He then left Lifecarers in November 2019 to focus on his various roles within Bellon SA (Chairman of the Management Board) and Sodexo (director).

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

- **Chairman of the Management Board:** Bellon SA

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

- **Chief Executive Officer:** PB Holding SAS

FOREIGN COMPANIES

None

Other positions and corporate offices held within the past five years but no longer held

- **Chief Executive Officer and member of the Board of Directors:** Lifecarers Ltd. (UK) (*Term ended: October 2019*)
- **Member of the Board of Directors:** U1st Sports SA (Spain) (*Term ended: January 2019*); House of HR (Belgium) (*Term ended: January 2019*)
- **Advisor:** French Foreign Trade Commission (*Term ended: December 2018*)

DIRECTORS' COMPETENCIES



NATHALIE BELLON-SZABO



Born January 26, 1964
French nationality
Graduate of the European Business School
First appointed: July 26, 1989
Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements (*recommended for reappointment*)
 Member of the Nominating Committee
 Competencies



Business address:
 Sodexo
 255, quai de la Bataille-de-Stalingrad
 92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 3,052
 Main role: Chief Executive Officer, Sodexo Live!

Background

Nathalie Bellon-Szabo began her career in the Foodservices industry in 1987. In 1989, she became an account manager for Scott Traiteur, and then Sales Manager of Le Pavillon Royal.

She joined Sodexo in March 1996 as Sales Director for Sodexo Prestige in France, becoming a Regional Manager in 1999. In September 2003, she was appointed Managing Director of Sodexo Prestige, and Managing Director of L’Affiche in January 2006. She was named Chairwoman of the Management Board of the Lido in 2009. She became Chief Executive Officer of Sodexo Prestige Sports and Leisure in France on September 1, 2010 and Chairwoman of the Management Board of Lenôtre in 2012.

On September 1, 2015, Nathalie Bellon-Szabo was appointed Chief Executive Officer Sports and Leisure France, On-site Services and Chief Operating Officer Sports and Leisure Worldwide, On-site Services.

On June 19, 2018, she was appointed Chief Executive Officer Sports and Leisure (now Sodexo Live!) Worldwide and joined the Group Executive Committee. In September 2021, Sodexo unveiled Sodexo Live!, its brand dedicated to hospitality, events, sports and leisure. Nathalie is the Chief Executive Officer with the ambition of making it the world reference for catering and hospitality experiences in the worlds of sport, tourism, leisure and events where she develops offerings encouraging socially responsible and environmental friendly to meet ever increasing sustainability requirements.

She is Chairwoman of Pierre Bellon Foundation.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

- **Member of the Management Board:** Bellon SA
- **Chairwoman:** Gedex SAS; Lenôtre SAS; Umanis SAS; Pierre Bellon Foundation

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Other positions and corporate offices held within the past five years but no longer held

- **Chairwoman of the Management Board:** Société du Lido (SEGSMI), (France) (*Term ended: February 2022*)
- **Chairwoman of the Board of Directors:** Lenôtre SA (France) (*Term ended: July 2021*); Millenia SA (France) (*Term ended: December 2018*)
- **Member of the Board of Directors:** Altima SA (France) (*Term ended: December 2018*)
- **Chairwoman:** Yachts de Paris SAS (France) (*Term ended: November 2018*); Société d’exploitation des vedettes Paris Tour Eiffel SAS (France) (*Term ended: November 2018*); Sodexo Sports et Loisirs SAS (France) (*Term ended: November 2018*); Compagnie d’armateur fluvial et maritime SAS (France) (*Term ended: November 2018*)

DIRECTORS' COMPETENCIES

Executive management of international companies	Finance	Sustainable development - Societal commitment and human resources	Innovation - Digital	Marketing and sales	Strategy - Mergers and Acquisitions	Knowledge of the service sector
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PHILIPPE BESSON – DIRECTOR REPRESENTING EMPLOYEES



Born September 21, 1956
French nationality
First appointed: June 18, 2014
Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2025 financial statements
 Member of the Compensation Committee



Business address:
 Sodexo
 255, quai de la Bataille-de-Stalingrad
 92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: N/A

Main role: Head of Projects for Sponsorship, Sodexo France

Background

Philippe Besson joined the Sodexo Healthcare Division in 1981 as Foodservices manager for the Paris Île-de-France region. He notably took part in the World Youth Days in Paris, Rome and Cologne, was responsible for the Tour de France departure villages for Sodexo and managed athlete Foodservices for the Pacific Games.

He has been Head of Projects for Sponsorship since 2014.

Philippe Besson is extremely familiar with the Group's businesses and offerings. His professional and union experience has allowed him to acquire robust human resources skills.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES
 None
 FOREIGN COMPANIES
 None

Companies not linked to Sodexo

FRENCH COMPANIES
 None
 FOREIGN COMPANIES
 None

Other positions and corporate offices held within the past five years but no longer held

None

DIRECTORS' COMPETENCIES

Executive management of international companies	Finance	Sustainable development – Societal commitment and human resources	Innovation – Digital	Marketing and sales	Strategy – Mergers and Acquisitions	Knowledge of the service sector
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FRANÇOISE BROUGHER



Born September 2, 1965

Dual French and American nationality

Graduate of ICAM-Lille (Institut catholique d'arts et métiers) (France) and Harvard University (United States)

First appointed: January 23, 2012

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements

Member of the Nominating Committee and the Compensation Committee

Competencies



Business address:

Sodexo

255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 400

Main role: Director of Sodexo

Background

Françoise Brougher began her career in 1989 in a production unit of L'Oréal in Japan.

After receiving her MBA in 1994, she joined the strategy consulting firm Booz Allen & Hamilton, dividing her time between Europe and the United States.

In 1998, she joined the San Francisco-based Ocean Gem Pearl Corporation, an importer of black Tahitian pearls.

From 2000 to 2005, she was Vice President of Strategy at California-based brokerage firm Charles Schwab Corporation.

In March 2005, she joined Google, where she managed Business Operations for four years, becoming Vice President, Global SME Sales & Operations in 2009, a client segment she knows particularly well.

In April 2013, she joined San Francisco-based Square as Business Lead.

In February 2018, she was appointed Chief Operating Officer of Pinterest and stepped down from this role in April 2020.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

- **Member of the Board of Directors:** Too Good To Go (Danemark)
- **Member of the Board of Directors:** Velocity Global (USA) and Chairwoman of the Compensation Committee
- **Senior Advisor:** Ontario Teachers' Pension Plan (Canada)
- **Executive Advisor:** Inovia Capital (Canada)

Other positions and corporate offices held within the past five years but no longer held

- **Member of the Board of Directors:** Blackbird Air (USA) (Term ended: November 2020)
- **Executive Officer:** Pinterest* (USA) (Term ended: April 2020)

* Listed company.

DIRECTORS' COMPETENCIES



JEAN-BAPTISTE CHASSELOUP DE CHATILLON



Born March 19, 1965

French nationality

Graduate in Finance of the Paris Dauphine University and Lancaster University (UK)

First appointed: December 14, 2021

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2024 financial statements

Chairman of the Audit Committee

Competencies



Business address:

Sodexo

255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 400

Main role: Chief Financial Officer of Sanofi

Background

Jean-Baptiste Chasseloup de Chatillon began his career with the PSA Peugeot Citroën group in 1989, as internal consultant within the shared services for Europe, before being appointed Management Controller and then Treasurer for Spain.

In 1999, he became Chief Financial Officer of the group's British subsidiaries in the UK and joined Automobiles Citroën in 2001 as Director of Imports for Europe.

In 2003, he was appointed Managing Director of Citroën Benelux. Then, in 2007, he became Financial Controller of the Peugeot SA group before being promoted to Chief Financial Officer in 2012 and joining the Management Board and the Executive Committee. Chairman of Banque PSA Finance from 2012 to 2016, he was also in charge of the commercial divisions Spare parts, After sales, PSA Retail (PSA dealers network) and used vehicles, as well as of the Group IT Department.

In 2018, he was appointed Chief Financial Officer of the Sanofi group.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Other positions and corporate offices held within the past five years but no longer held

- **Member of the Board of Directors:** GEFCO (company controlled by Russian Railways) (*Term ended: September 2018*); Dong Feng Peugeot Citroën Automobiles (DPCA) (*Term ended: September 2018*); Changan PSA (CAPSA) (*Term ended: September 2018*)

DIRECTORS' COMPETENCIES



FEDERICO J. GONZÁLEZ TEJERA



Born April 12, 1964
Spanish nationality
Graduate of the University Complutense de Madrid and the École Supérieure de Commerce de Paris (ESCP)
First appointed: January 12, 2021
Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements (*recommended for reappointment*)
 Member of the Compensation Committee
 Competencies

Business address:
 Sodexo
 255, quai de la Bataille-de-Stalingrad
 92130 Issy-les-Moulineaux (France)



Number of Sodexo shares held: 1,000
 Main role: Chairman and Chief Executive Officer of Louvre Hotels Group

Background

After receiving degrees in Economics, International Trade and Finance in Spain in 1988, Federico J. González Tejera joined Procter & Gamble where he held various marketing positions in Spain. He later assumed additional responsibilities in Europe (based in Belgium) and the Nordic countries (based in Sweden) prior to being appointed country head of Portugal.

After 16 years at Procter & Gamble, he joined Eurodisney in 2004 as Vice President of Marketing and later, Chief Executive Officer of Eurodisney Vacations and Senior Vice President of Marketing and Sales, Paris and EMEA.

In 2012, he joined the Spanish group NH Hotel Group as Chief Executive Officer, in a sector similar to the business of the Sodexo Group and facing the same ESG challenges.

Since 2017, Federico J. González Tejera has been Chief Executive Officer of Radisson Hotel Group.

In 2023, he becomes Executive Vice President of Radisson Hotel Group and Chairman and Chief Executive Officer of Louvre Hotels Group.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES
 None
 FOREIGN COMPANIES
 None

Companies not linked to Sodexo

FRENCH COMPANIES
 • **Chairman and Chief Executive Officer:** Louvre Hotels Group
 FOREIGN COMPANIES
 • **Executive Vice President:** Radisson Hotel Group

Other positions and corporate offices held within the past five years but no longer held

- Chief Executive Officer: Radisson Hotel Group (*Term ended: May 2023*)

DIRECTORS' COMPETENCIES

Executive management of international companies	Finance	Sustainable development - Societal commitment and human resources	Innovation - Digital	Marketing and sales	Strategy - Mergers and Acquisitions	Knowledge of the service sector
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VÉRONIQUE LAURY



Born June 29, 1965

French nationality

Graduate of the Institut d'études politiques (Sciences Po) of Paris

First appointed: January 21, 2020

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2025 financial statements

Member of the Audit Committee

Competencies



Business address:

Sodexo

255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 400

Main role: Director of Sodexo

Background

After graduating from Sciences Po in 1988, Véronique Laury joined Leroy Merlin and took over various functions in the marketing and sales field for about 15 years.

In 2003, she joined Kingfisher, the European giant DIY retailer, parent company of B&Q, Brico Dépôt, Castorama and Screwfix. She was in charge of the Sales and Marketing Department of Castorama (France) and later of B&Q (UK) before being named Head of Group Sales and Marketing Strategy, taking over the responsibility of Group purchasing and brand development.

In 2013, Véronique Laury became Chief Executive Officer of Castorama France.

From September 2014 to September 2019, she was Chief Executive Officer of Kingfisher plc, listed in the FTSE100 (UK).

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

- **Member of the Supervisory Board:** Bic (France)*

FOREIGN COMPANIES

- **Member of the Board of Directors:** IKEA Holding B.V. (Netherlands), British American Tobacco (UK)*
- **Member of the Supervisory Board:** Eczacıbasi Holding (Turkey)

Other positions and corporate offices held within the past five years but no longer held

- **Member of the Board of Directors:** WeWork Inc. (USA)* (*Term ended: August 2023*)
- **Member of the Supervisory Board:** Tarkett (France)* (*Term ended: January 2023*)
- **Chief Executive Officer:** Kingfisher plc* (UK) (*Term ended: September 2019*)

* Listed company.

DIRECTORS' COMPETENCIES



CATHY MARTIN - DIRECTOR REPRESENTING EMPLOYEES



Born June 5, 1972
Canadian nationality
First appointed: September 10, 2015
Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2023 financial statements
 Member of the Audit Committee.
 Competencies



Business address:
 Sodexo
 255, quai de la Bataille-de-Stalingrad
 92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: N/A

Main role: Regional Manager, On-site Services, Energy & Resources segment – East Canada, Sodexo Canada

Background

After completing her studies in nutrition in 1998, Cathy Martin began her career in the Foodservices industry.

In January 2000, she joined Sodexo as an on-site Foodservices manager. Over the past 20 years, she has held various operating and project management positions. In December 2014, she was named Regional Manager, On-site Services in the Education segment in Quebec, Canada. In 2017, she became Regional Manager – East Canada for the Energy & Resources segment.

Cathy Martin is extremely familiar with the Group's businesses and offerings combined with robust financial skills.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES
 None
 FOREIGN COMPANIES
 None

Companies not linked to Sodexo

FRENCH COMPANIES
 None
 FOREIGN COMPANIES
 None

Other positions and corporate offices held within the past five years but no longer held

None

DIRECTORS' COMPETENCIES



LUC MESSIER – LEAD INDEPENDENT DIRECTOR



Born April 21, 1964

Dual Canadian and American nationality

Graduate of the University of Sherbrooke (civil engineering) and of UC Davis (viticulture and oenology)

First appointed: January 21, 2020

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2025 financial statements

Lead Independent Director

Member of the Nominating Committee and the Audit Committee

Competencies



Business address:

Sodexo

255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 400

Main role: President, Reus Technologies LLC (USA)

Background

Luc Messier began his career in engineering and project management at Pomerleau. He joined the Bouygues group in 1993 as an engineer, project manager in Hong Kong and in South Africa and was later appointed Chief Executive Officer of the Bouygues subsidiary handling construction work in Hong Kong.

In 2003, he joined Technip as Chief Operating Officer and was then named President and Chief Executive Officer of Technip Offshore Inc. before being appointed President and Chief Executive Officer of Technip USA.

Between 2007 and 2015, he served as Senior Vice President for ConocoPhillips, where he was responsible for projects, aviation and procurement.

Since 2015, he has been President of Reus Technologies LLC (on a part time basis), a technology development company that acts primarily as a business angel in new technology, focused ventures. He is also Chairman of Messier Wine Holdings LLC (part time), a company that owns a vineyard in Carmel, California.

Thanks to his professional experience, he knows particularly well the challenges related to environment and climate change.

Since March 1, 2022, he has been Lead Independent Director of Sodexo S.A.

Since June 6, 2022, he has also been Chief Operating Officer of Enerkem Inc., a startup specializing in carbon recycling.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

- **Chairman:** Reus Technologies LLC (USA); Messier Wine Holdings (USA)
- **Member of the Board of Directors:** Greenfield Holdings LLC (USA), Bird Construction Inc.* (Canada), and also member of the Human Resources and Governance Committee, Chairman of the Environment and Health & Safety Committee and Lead Independent Director of Bird Construction Inc.

Other positions and corporate offices held within the past five years but no longer held

- **Member of the Board of Directors:** IGP Methanol (USA) (Term ended: April 2019); Ocean Installer (Norway) (Term ended: March 2020)

* Listed company.

DIRECTORS' COMPETENCIES



Patrice de TALHOUËT



Born June 18, 1966
French nationality
Graduate of Diplôme d'Études Comptables et Financières (DECF) and a Bachelor in Economic Sciences
First appointed: December 19, 2022
Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2025 financial statements

Competencies

Business address:
 Sodexo
 255, quai de la Bataille-de-Stalingrad
 92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 400
 Main rôle: Managing Director and Member of the Supervisory Board of Bellon SA

Background

Patrice de Talhouët has more than 20 years of international experience (U.S., UK, Belgium...) in large groups, mainly family owned (Mars, Coty, JAB). Most recently, he was Group Chief Financial Officer of Coty, a cosmetics group listed on the New York Stock Exchange (S&P 500). He has then been head of the JAB Consumer Fund in Europe within the family holding company that controls Coty. Patrice also worked for 7 years for the Mars family group where, after having held the position of CFO Europe, he worked in the U.S. directly with the Mars family (100% owner). He previously held financial responsibility positions within the Alcatel-Lucent group for 12 years.

Patrice de Talhouët joined Bellon SA as Managing Director, a newly created position to enable Bellon SA to fully ensure its missions, notably the control and joint management of the Sodexo Group as well as the support of its development over the long term.

Through his Board membership of the *Café Joyeux* and *Fondation des Amis de l'Arche*, he also contributes to the development of new models of social and inclusive economy.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES
 None
 FOREIGN COMPANIES
 None

Companies not linked to Sodexo

FRENCH COMPANIES
 • **Member of the Board of Directors:** Café Joyeux, Fondation des Amis de l'Arche
 FOREIGN COMPANIES
 • **Member of the Board of Director:** Prêt à Manger, and also Chairman of the Audit and Finance Committee of Prêt à Manger
 • **Member of the Board of Directors:** Espresso House, and also Chairman of the Audit and Finance Committee of Espresso House

Other positions and corporate offices held within the past five years but no longer held

None

DIRECTORS' COMPETENCIES

Direction générale d'entreprises internationales	Finance	Développement durable - Engagement sociétal et ressources humaines	Innovation - Digital	Marketing and sales	Strategy - Mergers and Acquisitions	Knowledge of the service sector
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CÉCILE TANDEAU DE MARSAC



Born April 17, 1963

French nationality

Graduate of the NEOMA Business School

First appointed: January 24, 2017

Expiration of current term: at the Annual Shareholders Meeting held to adopt the Fiscal 2025 financial statements

Chair of the Compensation Committee and the Nominating Committee
Competencies



Business address:

Sodexo

255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Number of Sodexo shares held: 400

Main role: Director of Sodexo

Background

Cécile Tandeau de Marsac began her career with Nestlé in 1987, holding various positions in Marketing and Communications before joining the Human Resources Department in 2002, where she was in charge of career development in France. In 2005, she became Human Resources Director for certain businesses and for corporate functions at Nestlé France.

In 2007, she joined Rhodia as HR Director of a business unit and responsible for talent development for the Group. She subsequently took part in two major projects, the transformation of Rhodia's organizational structure and the subsequent integration of Rhodia's teams following its acquisition by Solvay.

From September 2012 to June 2019 she served as Chief Human Resources Officer, Solvay group.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

- **Member of the Board of Directors:** Daher, and also member of the Governance Committee of Daher; Verallia*, and also Chairwoman of the Compensation Committee and Chairwoman of the Nominations Committee of Verallia
- **Member of the Supervisory Board:** Unibel*, and also member of the Nomination and Compensation Committee of Unibel

FOREIGN COMPANIES

None

Other positions and corporate offices held within the past five years but no longer held

- **Chief Human Resources Officer:** Solvay group (France) (Term ended: June 2019)
- **Member (non-director) of the Nominating and Compensation Committee:** Bel (France) (Term ended: 2022)

* Listed company.

DIRECTORS' COMPETENCIES



7.2.1.3 Changes in the composition of the Board of Directors and its Committees during Fiscal 2022 and changes planned for Fiscal 2023

Changes during Fiscal 2023

	DEPARTURE	APPOINTMENT	REAPPOINTMENT
Board of Directors	December 19, 2022: Sophie Stabile	December 19, 2022: Patrice de Talhouët	December 19, 2022: Véronique Laury, Luc Messier and Cécile Tandeau de Marsac
Audit Committee	December 19, 2022: Sophie Stabile	December 19, 2022: Jean-Baptiste Chasseloup de Chatillon as Chairman of the Audit Committee and Luc Messier as member of the Committee	December 19, 2022: Véronique Laury
Compensation Committee	December 19, 2022: Sophie Stabile	December 19, 2022: Federico J. González Tejera	December 19, 2022: Cécile Tandeau de Marsac
Nominating Committee	-	-	December 19, 2022: Cécile Tandeau de Marsac and Luc Messier

Changes planned for Fiscal 2024

The following changes will be proposed at the Combined Annual Shareholders Meeting on December 15, 2023:

- reappoint Sophie Bellon as director for a three-year term.

Non-independent director on the Board of Directors of Sodexo S.A. since July 26, 1989, Chairwoman of the Board of Directors since January 26, 2016 and Chairwoman and Chief Executive Officer since March 1, 2022, Sophie Bellon brings to the Board of Directors and the Group her deep knowledge of Sodexo.

If the reappointment of Sophie Bellon's is approved by the Shareholders Meeting on December 15, 2023, she will continue to chair the Board and the executive management of Sodexo.

- reappoint Nathalie Bellon-Szabo as director for a three-year term.

Non-independent director on the Board of Directors of Sodexo S.A. since July 26, 1989, member of the Sodexo Leadership Team and Chief Executive Officer of Sodexo Live!, Nathalie Bellon-Szabo brings to the Board her deep knowledge of Sodexo and its operations as well as her experience and contribution in the Quality of Life services. She develops within Sodexo Live! offerings encouraging socially responsible and environmental friendly that meet ever increasing sustainability requirements.

If the reappointment of Nathalie Bellon-Szabo is approved by the Shareholders Meeting on December 15, 2023, she will continue to be a member of the Nomination Committee.

- reappoint Federico J. González Tejera as director for a three-year term.

Independent director since January 12, 2021, Federico J. González Tejera is Chairman and Chief Executive Officer of Louvre Hotels Group. Having held various marketing and general management positions in several multinational companies, notably

in the consumer goods, media, entertainment and hospitality sectors. Federico J. González Tejera brings to the Board his strategic vision as well as his strong consumer culture.

If the reappointment of Federico J. González Tejera is approved by the Shareholders Meeting on December 15, 2023, he will continue to be a member of the Compensation Committee.

- appoint Gilles Pélisson as a new director for a three-year term.

Since 2016 and until recently, Gilles Pélisson was Chairman of the Board and Chief Executive Officer of the commercial television network and production group, TF1. Before joining TF1, Gilles Pélisson was Chairman and CEO of several international, listed companies such as Accor, Euro Disney and Bouygues Telecom. Gilles Pélisson was also a Board member for Bic, Groupe Lucien Barrière, NH Hoteles and Sun Resort International. He is currently the Lead Independent Director of Accenture PLC (United States) and Chairman of the Lyfe Institute (ex-Paul Bocuse Institute), a management school in hospitality and culinary arts.

Gilles Pélisson will bring 40 years of extensive operational experience in international environments in the services industry, as well as a thorough understanding of corporate governance.

If the appointment of Gilles Pélisson is approved by the Shareholders Meeting on December 15, 2023, he will join the Nominating Committee and succeed Cécile Tandeau de Marsac as Chair.

Françoise Brougher, whose term of office expires at the close of the December 15, 2023 Annual Shareholders Meeting, will not be renewed.

On October 25, 2023, the Board of Directors also decided that François-Xavier Bellon and Jean-Baptiste Chasseloup de Chatillon will be members of the Compensation Committee.

GILLES PÉLISSON



Born May 26, 1957
French nationality
Graduate of ESSEC and MBA from Harvard Business School

Business address:
Sodexo
255, quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Competencies



Number of Sodexo shares held: 750

Mainrole: Director

Carrière

Gilles Péliссon began his career in 1983 with the Accor group, first in the United States and then in the Asia-Pacific region. He served as Chief Executive Officer of the Courtepaille restaurant chain and co-Chairman of the Novotel hotel chain. He was appointed Chief Executive Officer of Euro Disney in 1995 and Chairman and Chief Executive Officer in 1997. He moved to the Suez group in 2000 and then to Bouygues Telecom in June 2001, where he served as Chief Executive Officer, and then Chairman and Chief Executive Officer from February 2004. He was appointed Chief Executive Officer of Accor in January 2006, then Chairman and Chief Executive Officer until January 2011.

From 2011 to 2015 he was an independent director of Bic, Barrière (hotels and casinos in France), NH Hoteles (Spain) and Sun Resorts International (Mauritius), and Senior Advisor to the Jefferies investment bank (New York).

Director of TF1 since 2009, Gilles Péliссon was Chairman of the Board and Chief Executive Officer of TF1 group from 2016 until February 2023.

He is the Lead Director of Accenture PLC (United States), Chairman of the Lyfe Institute (previously Paul Bocuse Institute) and of Unifrance (France).

Gilles Péliссon will bring 40 years of extensive operational experience in international environments, a strong Board experience as well as a thorough understanding of Corporate Governance.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

NONE

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

- **Chairman:** Institut Lyfe (previously Institut Paul Bocuse), and Unifrance (France)
- Director of Peugeot Frères Industries (France)

FOREIGN COMPANIES

- **Lead Director:** Accenture PLC (United States)*

Other positions and corporate offices held within the past five years but no longer held

- **Chairman and Chief Executive Officer:** TF1 (France)* (*Term ended: February 2023*)

* Listed company.


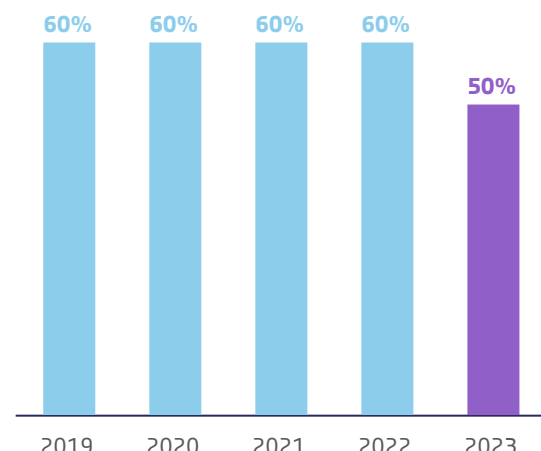
DIRECTORS' COMPETENCIES



7.2.1.4 Principles governing the composition of the Board of Directors

The Board of Directors regularly assesses whether the composition of the Board and of its specialized Committees is well balanced, particularly in terms of diversity (gender mix, nationality, age, competencies, etc.).








Diversity policy of the Board of Directors

CRITERIA	OBJECTIVES	IMPLEMENTATION AND RESULTS ACHIEVED IN FISCAL 2023
Director independence*	Have at least one third of the Board's members considered independent in accordance with the recommendations for controlled companies in the AFEP-MEDEF Code.	<p>Since December 19, 2022, 60% of the directors are deemed to be independent.</p>  <p>■ Independent ■ Non-independent</p>
Gender balance*	Maintain an optimal gender mix on the Board of Directors.	<p>As of August 31, 2023, the Board of Directors had twelve members (including two directors representing employees), comprising six women (including one female director representing employees) and six men (including one male director representing employees). This 50%/50% ratio of women to men (excluding directors representing employees) gives the Board a gender balance that complies with the French legal requirements, according to which the proportion of women and men on Boards of Directors must be at least 40% for each gender.</p> 
Directors' ages	No more than one third of the directors to be over 70 years old, in accordance with the applicable legal requirements.	Since January 21, 2020, all directors are under 70 years old. The average age of directors is 58.5 years.
Director nationality	The composition of the Board of Directors is intended to reflect as closely as possible the geographic mix of the Group's business and to incorporate a wide range of nationalities.	The Board currently includes members from France, the United States, Canada and Spain. In addition, Sodexo's directors have significant international experience and/or exposure, as they hold, or have held, positions or directorships in international companies or exercise key roles outside France.
Directors representing employees	Appointment of directors representing employees.	Since 2015, the Company has had two directors representing employees. Philippe Besson is on the Compensation Committee and Cathy Martin is on the Audit Committee.

* In accordance with French law and the AFEP-MEDEF Code, directors representing employees are not included in the calculation of the representation of men and women on the Board or the percentage of independent directors.

COMPETENCIES MATRIX

The diagram below shows the number of directors who have the competencies considered to be important for the Board:

							
	EXECUTIVE MANAGEMENT OF INTERNATIONAL COMPANIES	FINANCE	SUSTAINABLE DEVELOPMENT, SOCIETAL COMMITMENT AND HUMAN RESOURCES	INNOVATION - DIGITAL	MARKETING AND SALES	STRATEGY - MERGERS AND ACQUISITIONS	KNOWLEDGE OF THE SERVICE SECTOR
TOTAL	9	11	9	6	10	10	9



Executive management of international companies

Experience as a Chief Executive Officer, Executive Committee member or other executive management position in a large international company or a group with a global operating presence.



Innovation - Digital

Expertise or recent experience in developing and implementing technological and/or digital strategies; experience in companies with a strong technological and/or digital focus.



Finance

Experience in business finance and financial reporting processes, risk management, accounting, cash management, tax, mergers and acquisitions, and the financial markets.



Marketing and Sales

Experience in marketing, sales, distribution, and BtoC brand management.



Sustainable development - Societal commitment and human resources

Experience in managing Environmental, Social and Governance (ESG) issues, as well as human resources management.



Strategy - Mergers and Acquisitions

Experience in defining strategies and managing strategic issues; experience in mergers and acquisitions.



Knowledge of the service sector

Experience in the service sector, knowledge of the Group's business areas and competitive environment.

COMPETENCIES

The Board of Directors takes particular care in the selection of its members. Directors are chosen for their ability to act in the interest of all shareholders and for their expertise, experience and understanding of the strategic challenges in markets where the Group operates. The composition of the Board of Directors is

intended to adhere closely to the principles of diversity and to reflect the geographic mix of the business (insofar as possible), to provide a range of technical skills, and to include individuals with in-depth knowledge of Sodexo's activities.

INDEPENDENCE

ANALYSIS BY THE BOARD OF DIRECTORS OF EACH DIRECTOR'S STATUS AS OF AUGUST 31, 2023 BASED ON THE INDEPENDENCE CRITERIA DEFINED IN §10 OF THE AFEP-MEDEF CODE

	AFEP-MEDEF CODE INDEPENDENCE CRITERIA							
	EMPLOYEE/ CORPORATE OFFICER IN THE PAST 5 YEARS	CROSS- DIRECTORSHIPS	SIGNIFICANT BUSINESS RELATIONSHIPS	CLOSE FAMILY TIES	AUDITOR IN THE PAST 5 YEARS	PERIOD OF OFFICE EXCEEDING 12 YEARS	STATUS OF NON- EXECUTIVE CORPORATE OFFICER	STATUS OF MAJOR SHAREHOLDER
Sophie Bellon		✓	✓		✓		✓	
François-Xavier Bellon		✓	✓		✓		N/A	
Nathalie Bellon-Szabo		✓	✓		✓		N/A	
Françoise Brougher	✓	✓	✓	✓	✓	✓	N/A	✓
Jean-Baptiste Chasseloup de Chatillon	✓	✓	✓	✓	✓	✓	N/A	✓
Federico J. González Tejera	✓	✓	✓	✓	✓	✓	N/A	✓
Véronique Laury	✓	✓	✓	✓	✓	✓	N/A	✓
Luc Messier	✓	✓	✓	✓	✓	✓	N/A	✓
Patrice de Talhouët		✓	✓	✓	✓	✓	N/A	
Cécile Tandeau de Marsac	✓	✓	✓	✓	✓	✓	N/A	✓

In this table, ✓ indicates an independence criterion that is met.

SELECTION PROCEDURE FOR INDEPENDENT DIRECTORS

In the event of a vacancy in a director's post or when the decision was made to strengthen certain competencies within the Board of Directors, and in particular when appointing or co-opting an independent director, a procedure for selecting a new director is monitored by the Nominating Committee.

The Committee first identifies the specific needs of the Board of Directors while ensuring compliance with the diversity policy established by the Board (see above).

With the support of internal resources and a firm specializing in the recruitment of directors, it draws up a list of potential candidates.

The Committee examines the situation of each of the potential candidates and makes an initial selection, then organizes interviews with some of the directors in place before retaining the candidate or candidates who seem to best meet the selection criteria that were identified.

Finally, the Nominating Committee makes a recommendation to the Board of Directors, which analyzes the profiles presented and, after having deliberated on the relevance of each candidate, proposes an appointment, if applicable, at the Shareholders Meeting.

Moreover, the same process is also followed for the appointment and/or reappointment of non-independent directors.

Business relationships

During Fiscal 2023, six⁽¹⁾ Board members were deemed independent directors. No independent director, nor the Group or entity of which he or she is a member and in which he or she exercises executive powers, has any significant business ties with the Company, its group or its management.

When examining the independent status of its members, the Board of Directors paid particular attention to any business relations existing between the Sodexo Group and the entity or group of which each independent director is a member or director.

For Fiscal 2023, the Board carried out a quantitative and qualitative analysis of each directors' situation and the business relations that their respective groups or entities have with Sodexo. The Board of Directors determined that agreements are negotiated between the parties at arm's length. The Board also determined that the business flows between these groups (all activities combined and at the global level) are significantly lower than the 1% materiality threshold set by the Board of Directors. Altogether, business conducted between Sodexo and each of the relevant groups represents around 0.6% of Sodexo's consolidated revenue.

Management of conflicts of interest

In compliance with the AFEP-MEDEF Code, the Board of Directors' Internal Rules state that each director is required to disclose to the Board any actual or potential conflicts of interest and must abstain from discussing and voting on any matters associated with such conflicts of interest.

Jean-Baptiste Chasseloup de Chatillon has been Chief Financial Officer of Sanofi since 2018 and a director of Sodexo since December 14, 2021. Before recommending his appointment, the Board of Directors conducted an assessment of the existence and extent of the business relationships between Sodexo and Sanofi and concluded that they are not significant in terms of activity.

In accordance with the Internal Rules, however, specific measures have been adopted to ensure, where necessary, that Jean-Baptiste Chasseloup de Chatillon does not take part in any discussions that could be relevant to Sanofi, nor vote in the corresponding deliberations.

Accordingly, the Board of Directors considers that Jean-Baptiste Chasseloup de Chatillon situation complies with applicable regulations.

⁽¹⁾In accordance with the AFEP-MEDEF Code, directors representing employees are not included in the calculation of the percentage of independent directors on the Board.

Directors representing employees

On January 21, 2014, the Shareholders Meeting decided on the conditions of appointment to the Board of Directors of one or more directors representing employees. Directors representing employees are appointed for a period of three years. Subject to the specific legal provisions applicable to them, for instance the obligation to hold shares, directors representing employees are bound by the same legal and corporate rules and regulations (including the Company's bylaws and the Board of Directors' Internal Rules) and have the same rights and are subject to the same obligations as those applicable to the other Company's directors.

Initially, one director representing employees, Philippe Besson, was appointed by the trade union that obtained the most votes in the first round of the most recent elections in France of union representatives and joined the Board at its meeting on June 18, 2014. He was then reappointed in 2017, in 2020 and again in 2022 for an additional three-year term effective from the Annual Shareholders Meeting held on December 19, 2022.

A second director representing employees, Cathy Martin, was appointed by the European Works Council and became a member of the Board at its meeting on September 10, 2015. She was reappointed in 2018, in 2020 and again in 2023 for a further three-year term starting from the Annual Shareholders Meeting held on December 15, 2023.

In addition, in accordance with the applicable law, a member of the Social and Economic Committee (*Comité Social et Economique*) sits on the Board of Directors in an advisory capacity.

The Board does not have any directors representing employee shareholders, as the amount of the Company's capital held by employees does not exceed the 3% threshold that triggers the requirement for such a director, as set in article L.22-10-5 of the French Commercial Code.

7.2.1.5 Organization, operating procedures and preparation of the work of the Board of Directors

Sodexo is governed by a Board of Directors, which has been chaired by Sophie Bellon since January 26, 2016.

Combination of the positions of Chairwoman of the Board of Directors and Chief Executive Officer

At its meeting of February 15, 2022, the Board of Directors unanimously decided to appoint its Chairwoman, Sophie Bellon, as Chief Executive Officer of Sodexo with effect from March 1, 2022, a position she had already occupied on an interim basis since October 1, 2021 following the termination of the office of Denis Machuel as Chief Executive Officer on September 30, 2021.

Noting the excellent momentum surrounding the priorities set by Sophie Bellon in order to strengthen Sodexo's competitiveness and accelerate its transformation, and thanks to her in-depth knowledge of the Group's activities, which Sophie Bellon joined in 1994, the Board considered that she is best placed to lead the Group into a new stage in its history and that recruiting an external personality would necessarily slow down this dynamic.

On the occasion of the proposal to renew her mandate as director which will be submitted to the Shareholders Meeting of December 15, 2023, the Board of Directors once again questioned the company's mode of governance. Considering, more particularly, the context of the Group, the measures in place to ensure a balance of powers and the proper functioning of current governance, it decided on October 25, 2023 in accordance with the

recommendation of the Nominating Committee to confirm Sophie Bellon in her functions as Chairwoman and Chief Executive Officer if her office as director is renewed following the Shareholders Meeting of December 15, 2023.

The Board of Directors considers that the current unified mode of governance, the effectiveness and proper functioning of which it has observed over the last two years, remains the most adapted to the Group's current challenges.

In the context of the ongoing project to separate the Benefits & Rewards services activity, which is at the heart of the Group's continued transformation, the Board of Directors considered it important to maintain a perfect alignment between the definition of the strategy and its execution, and to have a governance guaranteeing responsiveness and agility in decision-making processes within the company.

The Board of Directors also took into account the mechanisms and means implemented to ensure the balance of powers and promoting the proper functioning of governance in place, in particular:

- a high proportion of independent directors within the Board of Directors, beyond the recommendations of the AFEP-MEDEF Code (60%) (Section 7.2.1.1);
- the appointment of Luc Messier, director of Sodexo since January 2020, as independent lead director with the main mission of ensuring the proper functioning of the Company's governance bodies, and who has specific prerogatives, including in particular regarding the convening of the Board of Directors, the agenda of its meetings, the conflicts of interests and the dialogue with shareholders (see below);
- the existence of three committees of the Board of Directors all chaired by an independent director and composed of a large majority of independent directors, it being specified that Sophie Bellon is not a member of any of these committees (see below);
- limitations on the powers of the Chairwoman and Chief Executive Officer who must obtain prior authorization from the Board of Directors to engage the Company for certain important operations (see below).

The strong involvement of the Board of Directors, illustrated by the attendance rate, the quality of interactions within the Board and with members of the management teams, the organization of executive sessions (excluding participation of management and employees) as well as that of regular information to the Board also promote this balanced and effective governance in the specific context of the Group.

Role of the Chairwoman and Chief Executive Officer

The Chairwoman and Chief Executive Officer organizes and directs the work of the Board of Directors, and reports to the shareholders at the Shareholders Meeting. She represents the Board in matters concerning third parties such as employee representatives, Statutory Auditors or shareholders.

The Chairwoman and Chief Executive Officer oversees the functioning of the Company's Corporate Governance structures and, in particular, ensures that the Board members are able to fulfill their duties.

The Chairwoman and Chief Executive Officer has the broadest powers to act on behalf of the Company in all circumstances and exercises those powers within the scope of the corporate purpose and subject to the powers granted expressly by the law to Shareholders Meetings and to the Board of Directors. As such, the Group's operational and functional teams report to her.

The Chairwoman and Chief Executive Officer represents the Company in its dealings with third parties.

Limitations on the powers of the Chairwoman and Chief Executive Officer

The limitations on the powers of the Chairwoman and Chief Executive Officer are provided for in the appendix to the Internal Rules of the Board of Directors.

The Chairwoman and Chief Executive Officer is required to obtain the prior consent of the Board to grant any guarantee insofar as they meet the following conditions:

- term greater than 15 years, regardless of the amount;
- term between 10 and 15 years and amount greater than 15 million euros;
- term between 5 and 10 years and amount greater than 30 million euros;
- term less than 5 years and amount greater than 50 million euros.

However, the prior consent of the Board is not required where the amount is less than or equal to 100 million euros and the term less than 25 years, provided it has been pre-approved by the Chairperson of the Audit Committee.

The total amount for which the Chairwoman and Chief Executive Officer may grant any guarantee between Board meetings is limited to 150 million euros.

The Chairwoman and Chief Executive Officer must also obtain prior consent from the Board of Directors to commit the Company beyond certain amounts as follows:

- for acquisitions of interests in companies for more than 100 million euros per transaction (enterprise value);
- for disposals of shares in companies for more than 20 million euros (enterprise value) per transaction;
- for setting up new financing for additional medium and long-term financial debt of more than 100 million euros.

Role and resources of the Lead Director

The powers entrusted to the Lead Director and the resources made available to him are provided for in article 9.2 of the Internal Rules of the Board of Directors. The main elements are described below.

The main duty of the Lead Director is to ensure that the Company's governance bodies function effectively, and more specifically:

- he is consulted by the Chairwoman regarding the agenda for each meeting of the Board of Directors and regarding the schedule of meetings, and may call a meeting of the Board of Directors on a specific agenda;
- he oversees the communication between the independent directors and the other members of the Board of Directors, and the quality of the information provided to the directors;
- at least once per year, he convenes the members of the Board of Directors without the executive directors and directors representing employees ("executive session"). He chairs these meetings, organizes and moderates the deliberations and reports on them to the Chairwoman;
- he brings to the attention of the Chairwoman and the Board of Directors any conflicts of interest that he would have identified;
- he, in coordination with the Chairwoman, is the Board's spokesperson on matters of governance to investors and shareholders. He raises queries from shareholders on governance matters to the Board;
- he reports to the Board of Directors on the performance of his duties once per year;
- during Shareholders Meetings, he may be invited by the Chairwoman to report on his activities.

In order to perform the duties assigned to him, the Lead Director:

- has access to all documents and information that he deems necessary for the performance of his duties. In the course of exercising his powers, he may ask for external technical studies to be carried out at the expense of the Company;
- is kept regularly informed of the Company's activities. He may also, at his own request and after having informed the Chairwoman, meet with the operational and functional executives;
- may ask to attend the meetings of the Committees of which he is not a member, by agreement with the Chairperson of the Committee in question;
- is associated with the work of the Nominating Committee and/or the Compensation Committee even though he has not been appointed by the Board of Directors as a member of these Committees. As such, he oversees the process of assessment of the Board of Directors and reports on this assessment to the Board of Directors.

Lead Director's activity report

Prior to the convening of meetings of the Board of Directors, Luc Messier has been consulted on agendas at his regular meetings with the Chairwoman and Chief Executive Officer.

Luc Messier is a member of the Audit Committee and the Nominating Committee. He has also attended the meetings of the Compensation Committee, the sole committee of which he is not a member.

He has organized an executive session following a Board meeting in order to hold discussions in the absence of the management and directors representing employees.

He has coordinated the external formalized assessment of the work of the Board of Directors and its Committees (see Assessment of the Board's operating procedures below).

Luc Messier has been consulted for the development of the training plan for directors in terms of both governance and corporate responsibility (see Induction and training of directors below) with a session dedicated to climate topics.

He also monitored the actions resulting from the evaluation of the Board of Directors and the committees.

Lastly, he maintained a dialogue between the directors and, as appropriate, transmitted any request or question that might arise from these discussions.

Operating procedures of the Board of Directors - Internal Rules

In addition to the Company's bylaws, the Board of Directors is governed by the Board's Internal Rules, which notably set out the Board's mission, the minimum and maximum number of Board members, the rules of the Directors' charter, the minimum number of Board meetings and the rules for allocating directors' compensation. The Internal Rules also set the criteria for assessing the performance of the Board, set the limits to the powers of the Chief Executive Officer, and define the policy for issuing guarantees.

The Internal Rules are regularly reviewed by the Board of Directors and comply with the AFEP-MEDEF Code as revised in December 2022.

They are available in full on the Group's website (www.sodexo.com). A summary of their principal components is provided below.

The Directors' charter

The main components of the Directors' charter are described below.

Each director should be mindful of the Company's corporate interest, exercise good judgment (particularly of situations, strategies and people), and look to the future in order to identify the risks and strategic challenges that lie ahead. Directors should also maintain their independence, be focused, active and engaged, and act with integrity.

Each director must personally own at least 400 Sodexo shares by the end of their first year of office (except for directors representing employees to whom no such requirement applies in accordance with French law).

To the extent possible, all Sodexo directors should attend Shareholders Meetings.

Any director of Sodexo who obtains undisclosed information during the course of his or her duties is subject to insider trading legislation. In accordance with the European Market Abuse Regulation, the Company may prepare specific insider lists if insider information has been identified and a decision has been made to postpone the publication of the relevant information.

Directors are prohibited from trading in Sodexo securities as follows:

- during the period commencing 30 calendar days prior to the date of publication of the half-year and annual consolidated financial statements and up to and including the date of their publication;
- during the period commencing 15 calendar days prior to the date of publication of the consolidated financial information for the first and third quarters up to and including the date of their publication.

Transactions in the Company's securities carried out by directors must be disclosed to the French securities regulator (Autorité des marchés financiers - AMF) within three trading days of the transaction date. Directors are required to inform the Group Legal Department of all transactions in Sodexo securities.

Induction and training of directors

Upon joining the Board, all directors receive training adapted to their specific needs. They meet the Chairwoman and Chief Executive Officer as well as Group executives. Meetings are also organized with certain executives and external advisors. Site visits are arranged to provide an overview of the Group's businesses and a better understanding of each activity. In addition, each director may also receive additional training, particularly on corporate responsibility issues. Board members training continues beyond their appointment and is a continuous process.

A training session on best governance practices has been organized, led by both external speakers and representatives of the Group's expert functions. Aimed at new directors and directors who have recently joined a Committee, the training was open to all the directors. Based on the legal framework, this day gave rise to numerous discussions on governance practices and question-and-answer sessions.

In addition, the Board ensures that directors representing employees are given the necessary time to prepare their participation in each Board meeting and that they receive the number of training hours required under the applicable legal provisions. Since joining Sodexo's Board of Directors, Philippe Besson and Cathy Martin have participated in several training seminars organized by the French Institute of Directors (IFA) as well as in-house training courses delivered by several of the Company's corporate functions, which are open to all of Sodexo's directors. In addition, both Philippe Besson and Cathy Martin have undergone training that leads to certification as Board directors which includes modules on ethics and corporate responsibility. They began this training in Fiscal 2019 and were both certified during Fiscal 2020. During the 2023 financial year, they began a training adapted to the needs they had identified, the one in English and the other in management.

Furthermore, a CSR training cycle has been developed during the 2023 financial year. It materialized at the start of the 2024 financial year with a first session on climate issues. This training was provided both by external and internal experts and has been followed by a site visit.

Furthermore, site visits during the 2023 financial year illustrated the new healthy and sustainable food models which are at the heart of the Group's strategy and in particular the offer of low-carbon meals. These visits also allow directors to meet site managers and their teams.

This training cycle supports the current reflection concerning the treatment of social responsibility and environmental topics by one of the Board's committees. Indeed, these topics are currently managed by the Board of Directors similar to those on strategy.

Likewise, and in compliance with the AFEP-MEDEF Code, the Group's climate topics will be the subject of a presentation at the Shareholders Meeting of December 15, 2023.

Mission of the Board of Directors

The Board of Directors is a collegial body that acts in the Company's best interests, in line with the Group's corporate mission and purpose, and in the best interests of all of the Company's shareholders.

The Board defines the Group's strategy, long-term objectives and overall policies, taking into consideration of the social and environmental issues related to its activities, and ensures that they are properly implemented.

It regularly carries out the controls and verifications that it deems appropriate and particularly concerning progress made on the performance metrics set by the Board.

It appoints the Corporate Officers responsible for managing the Group's general policies.

The Board of Directors ensures the existence and effectiveness of the management of the Group's commitments, risks and internal control procedures, and oversees the quality of the information provided to shareholders and the financial markets in the financial statements and in connection with major financial transactions.

It ensures the implementation of a mechanism for the prevention and detection of corruption and influence peddling and receives all the information necessary for this purpose.

The Board of Directors also ensures that the Chief Executive Officer implements non-discrimination and diversity policies and a vigilance plan.

As required by law, the Board of Directors approves the financial statements for publication, decides on appropriation of net income, proposes dividends, and makes decisions on significant investments and the Group's financial policy.

At least five days ahead of Board meetings, each director is given briefing documents so that he or she can review and/or investigate the issues to be discussed.

The Group's senior executives make regular presentations to the Board of Directors, in particular at the meeting during which the budget is discussed:

- the Chief Executive Officer and the other operational executives, each in their area of responsibility, discuss the potential for growth, competitive positions, the ambition and the strategy for achieving it, and the principal components of their action plans;
- Group executives in each functional area (Human Resources, Finance and Group Strategy) present their recommendations regarding strategy and policy developments, progress achieved and to be achieved and action plans for implementation within the Group.

The Board of Directors performs periodic in-depth reviews of the financial statements at meetings attended as necessary by members of the Group's operational and functional management teams as well as by the external auditors.

The Board of Directors meets at least once a year without the presence of executive management and directors representing employees (executive sessions).

The Board of Directors is also kept regularly informed of questions, comments or criticism from shareholders, whether at meetings with shareholders or by mail, e-mail or conference call. The Lead Director, in coordination with the Chairwoman, is the Board's spokesperson on matters of governance to investors and shareholders. He raises queries from shareholders on matters of governance with the Board.

Board meetings during the fiscal year

BOARD MEETINGS

The Board of Directors met nine times during Fiscal 2023 (including by videoconference and audioconference), in compliance with the Board of Directors' Internal Rules stating a minimum requirement of six meetings per year.

In addition, one executive session was held following a Board meeting, convening the directors and, in part, only the independent directors in the absence of management.

The work of the Board of Directors focused in particular on:

Corporate Governance

- approving the Management Report of the Board of Directors and the Corporate Governance Report for Fiscal 2022;
- reviewing the Fiscal 2022 Universal Registration Document;
- evaluation of the operating procedures and membership structure of the Board of Directors and the Committees;
- the report of the work of the Lead Director;
- proposing the reappointment of several directors and the non-renewal of a term of office due to expire;
- proposing the appointment of a new director;
- the renewal of the office of a director representing employees;
- assessing directors' independence;
- reviewing the charters of the specialized Committees;
- the annual review of related-party agreements, and more specifically the renewal of the service agreement between the Company and Bellon SA;

- calling the Annual Shareholders Meeting, preparing the Board of Directors' Report to the Annual Shareholders Meeting, and reviewing the resolutions to be put to the shareholders' vote;
- two discussions on the Group's ethics and compliance programs;
- examining the work carried out and recommendations made by the Nominating Committee;
- reviewing the succession plans for the Sodexo Leadership Team members;
- reviewing the succession plan for the Chairwoman and Chief Executive Officer;
- reviewing the composition of the Committees.

Compensation

- reviewing and modifying the compensation policy for the Chairwoman and Chief Executive Officer;
- reviewing the compensation of the Board members and of the Lead Director;
- defining the compensation policy of the executive officer, as well as the compensation policy for directors to be submitted to the Annual Shareholders Meeting;
- reviewing 2022 gender pay equity;
- adopting the restricted and performance share plans;
- determining the achievement levels of the performance conditions for the 2019 performance share plan;
- more generally, examining the work carried out and recommendations made by the Compensation Committee.

When presenting the report on the work of the Compensation Committee concerning the remuneration of the Chairwoman and Chief Executive Officer, the Board of Directors deliberates without her presence.

Financial statements and financial management

- reviewing and approving the financial statements of the Company and the Group for Fiscal 2022;
- appropriating net income for Fiscal 2022;
- examining the Group budget for Fiscal 2023;
- reviewing the preparation of the Capital Markets Day;
- examining Sodexo's share performance and feedback from investors and analysts;
- regularly renewing the authorizations granted to the Chairwoman and Chief Executive Officer for issuing guarantees up to a certain threshold;
- approving the share buyback program;
- proposing the auditors for appointment;
- reviewing and approving the consolidated financial statements for the first half of Fiscal 2023 and the Interim Financial Report;
- examining business trends for the end of Fiscal 2023;
- approving forecast documents;
- regularly discussing the management of the impact of inflation;
- more generally, examining the Statutory Auditors' Reports and analyzing the work of the Audit Committee and approving its recommendations.

Group business and strategy

- regularly reviewing the Group's various business activities, as well as their growth outlook and competitive environment;
- reviewing the portfolio;
- reviewing/update on client development and retention, new food models, brands and offers;
- the proposed Pluxee spin-off;
- update on multi-year strategic orientations in terms of social and environmental responsibility;
- review of the CSR plan, in particular the climate strategy, and progress update on its implementation;
- regularly reviewing strategic opportunities, especially in terms of external growth and divestments.

Each year, a whole day is devoted to strategy presentations by operational and support teams, in addition to the plans that are regularly presented during the year at other Board meetings. This annual session is the occasion for high-quality discussions between the directors and the Company's senior management team and are extremely appreciated by everyone involved.

ASSESSMENT OF THE BOARD'S OPERATING PROCEDURES

At least once a year, the Board of Directors devotes an agenda item to discussing its operating procedures, and every three years it organizes a formal external assessment of these procedures.

In 2022, the previous assessment covered the following six topics:

- the structure of the Board of Directors;
- the allocation of roles and Board dynamics;
- the operating procedures of the Board of Directors;
- the integration and training of Board members and succession plans;
- strategy and performance; and
- a focus on the committees.

A new formal assessment took place in 2023. The assessment was performed by an external consulting firm and consisted of a questionnaire and individual meetings with all Board members.

A method consisting of comparing the Company's practices to the best practices of comparable companies in terms of the functioning of the Board of Directors was applied.

This evaluation focused in particular on the analysis of the individual participation of each director.

The feedback will be presented to the Board of Directors before the end of 2023. It will be followed by individualized personal and confidential feedback meetings aimed at discussing with each of the directors their effective contribution to the work of the Board of Directors.

Identified areas for improvement during the previous assessment in terms of Board's composition included adding international profiles and executive officers with in-depth business transition/transformation experience, including in digital, and increasing the representation of the service sector on the Board are systematically considered during the selection process.

In accordance with the expectations expressed by the directors during the previous internal evaluation, contacts between members of the Management, local teams and directors have intensified thanks in particular to site visits or meetings on the sidelines of Board meetings. Furthermore, information concerning the activities of competitors was exchanged and studied and the risks were the aim of a prospective approach.

The Board's membership structure continued to be strengthened with the arrival of new independent directors with solid competencies in finance, purchasing and operations. Similarly, there has been a renewal of skills within the Board Committees.

Concerning strategy, the Board sessions dedicated to strategy were very much appreciated and reinforced the choice to continue involving the whole Board rather than creating a dedicated Strategy Committee.

Similarly, Corporate Social Responsibility issues are currently addressed directly by the Board as a whole instead of by a dedicated Committee. In addition to the yearly overall presentation, these issues are systematically raised when discussing other items on the Board's agenda. Benchmarking and reflection work has been launched concerning the treatment of social responsibility and environmental topics by one of the Board's committees.

Specialized Committees

To support in its decision-making process, the Board of Directors has created three specialized Committees: the Audit Committee, the Nominating Committee and the Compensation Committee. Each of these Committees has a charter, approved by the Board of Directors, setting out their roles and operating procedures. These charters are reviewed on a regular basis.

Broadly, the role of these specialized Committees is to examine specific issues ahead of Board meetings and to submit opinions, proposals and recommendations to the Board of Directors.

AUDIT COMMITTEE

COMPOSITION AS OF AUGUST 31, 2023

Jean-Baptiste Chasseloup de Chatillon⁽¹⁾	Chairman, independent director
François-Xavier Bellon	Director
Véronique Laury	Independent director
Cathy Martin	Director representing employees
Luc Messier⁽²⁾	Independent director

(1) On December 19, 2022, Jean-Baptiste Chasseloup de Chatillon took the chair of the Audit Committee. Deemed a "financial expert" as defined in article L.823-19 of the French Commercial Code.

(2) On December 19, 2022, Luc Messier joined the Audit Committee.



75%

independent directors*



93%

attendance rate



6

meetings

* Excluding directors representing employees.

All Audit Committee members have recognized competencies in finance and accounting, as confirmed by their professional background (see Section 7.2.1.2). When Cathy Martin was appointed as a member of the Audit Committee, she was given specific in-house training on the Company's accounting, financial and operating procedures.

The Audit Committee is responsible for ensuring that the Group's accounting policies are appropriate and consistently applied, particularly with respect to material transactions. It also verifies that the procedures used for preparing and processing accounting information (both financial and non-financial) are effective and it issues recommendations for ensuring the integrity of such information.

It examines the Company's fraud detection procedures and its whistleblowing system. It is notably in charge of ensuring that a procedure is in place for dealing with complaints from third parties or employees (which may be anonymous) about any irregularities concerning accounting or internal control practices or any other area.

It issues observations and recommendations to the Company's senior management team about risks, particularly the structure, scope and organization of risk management. Accordingly, it periodically reviews senior Management Reports on risk exposure (including social and environmental risks) and prevention and ensures that effective internal controls are applied. It also regularly reviews the internal audit reports and is informed of the internal audit plan.

The Audit Committee performs an annual review of the fees paid to the Statutory Auditors of Sodexo and its subsidiaries, assesses auditor independence and pre-approves certain non-audit services. When necessary, it carries out the process for appointing and re-appointing the Statutory Auditors.

The Audit Committee also issues recommendations to the Board of Directors about the regular assessment of the conditions for entering into related-party agreements and other agreements within the Group. As part of its work in this area, it reviews the annual payment due under the service agreement signed between Sodexo and Bellon SA (described in Section 7.3.2 of this Universal Registration Document), as well as any changes in its amount from one year to the next.

Lastly, the Audit Committee reviews and issues recommendations on requests made to the Board for guarantees.

To perform its role, the Audit Committee is assisted by the Chief Executive Officer, the Chief Financial Officer, the Senior Vice President Group Internal Audit, the Group Internal Control Director and the Statutory Auditors, who present their work to the Committee and answer any questions that it may have. The Committee may also make inquiries of any Group employee, without any Company executives being present, and seek advice from outside experts. It meets at least once a year with the Statutory Auditors without the management.

The Audit Committee met six times in Fiscal 2023 and the attendance rate was 93%.

In addition to the above matters, the Committee's work during the year concerned the following:

- reviewing the internal control process;
- reviewing the risk matrix, the audit plan and monitoring audit engagements;
- reviewing the Fiscal 2023 audit plan;
- reviewing the Audit Committee's charter;
- monitoring the Group's cash position and financing;
- monitoring the guarantees issued by the Company and the related authorizations granted to the Chairwoman and Chief Executive Officer by the Board of Directors, and, more generally, monitoring the Group's off balance-sheet commitments;
- reviewing the non-audit services performed by the Statutory Auditors;
- reviewing the amount paid to Bellon SA under the service agreement with the Company;
- appointing an auditor;
- reviewing the main disputes;
- reviewing the financial information systems;
- the proposed Pluxee spin-off;
- the presentation on non-financial reporting obligations;
- reviewing the compliance program for the fight against corruption.

The Audit Committee also reviewed the annual consolidated financial statements for Fiscal 2022 and the interim consolidated financial statements for the first half of Fiscal 2023. In addition, it examined the sections of the Fiscal 2022 Universal Registration Document relating to risk management and internal control procedures, as well as the content of the Half Year Financial Report, and reviewed the draft financial press releases before they were submitted to the Board of Directors.

Part of the meetings dedicated to reviewing the Group's annual and half-year results took place with the Statutory Auditors and without the management.

In addition to formal Committee meetings, the Chairman of the Audit Committee also had meetings during the fiscal year with the Chairwoman and Chief Executive Officer, the Senior Vice President Group Internal Audit, the Chief Financial Officer and the Statutory Auditors.

NOMINATING COMMITTEE

COMPOSITION AS OF AUGUST 31, 2023

Cécile Tandeau de Marsac	Chairwoman, independent director
François-Xavier Bellon	Director
Nathalie Bellon-Szabo	Director
Françoise Brougher	Independent director
Luc Messier	Lead Independent Director



60%
Independent



100%
attendance rate



7
meetings

This Committee regularly assesses the competencies and experience that the Board of Directors needs, and more generally, the situation of directors in relation to the criteria concerning the composition of the Board of Directors specified in the relevant legislation, the AFEP-MEDEF Code and the Board's Internal Rules.

It examines candidates and proposals made by the Chairwoman of the Board of Directors in relation to director nominations. For this purpose, it may retain the services of external executive search firms to identify candidates, while ensuring that the backgrounds of short-listed candidates are adapted to its current needs.

It provides an opinion to the Board of Directors on the appointment of the Chief Executive Officer and, as appropriate, one or more Deputy Chief Executive Officers.

The Nominating Committee is also responsible for preparing a succession plan for the Group's key Corporate Officers and members of the Sodexo Leadership Team. This plan is regularly reviewed to ensure that the Committee is always in a position to propose succession solutions in the event that a position falls vacant unexpectedly.

Since her appointment as Chairwoman and Chief Executive Officer, Sophie Bellon is no longer a member of the Nominating Committee but is associated to the works of the Committee for the selection and the appointment of new directors and also the preparation and review of the succession plans.

The Committee regularly reviews the training plans for directors, as well as the welcome and induction process for new directors.

As part of its work, the Nominating Committee may use external specialists.

The Nominating Committee met seven times in Fiscal 2023 and the attendance rate was 100%.

In addition to the above matters, the Committee's work during the year included the following:

- reviewing the Nominating Committee's charter;
- reviewing the resolutions under its competencies submitted to the Annual Shareholders Meeting;
- reviewing the relevant sections of the Corporate Governance Report published in the Fiscal 2022 Universal Registration Document;
- reviewing the succession plans for the members of the Sodexo Leadership Team;
- reviewing the succession plan for the Chairwoman and Chief Executive Officer;
- reappointing directors;
- renewal of the office of a director representing the employees;
- the composition of the Committees;
- regularly discussing the recruitment of new directors;
- assessing directors' independence;
- Pluxee's governance;
- preparing the external evaluation of the Board and its Committees;
- directors training.

COMPENSATION COMMITTEE

COMPOSITION AS OF AUGUST 31, 2023

Cécile Tandeau de Marsac	Chairwoman, independent director
Philippe Besson	Director representing employees
Françoise Brougher	Independent director
Federico J. González Tejera⁽¹⁾	Independent director

(1) On December 19, Federico J. González Tejera joined the Compensation Committee.



100%

Independent directors*



96%

attendance rate



7

meetings

* Excluding directors representing employees.

The Compensation Committee is responsible for making proposals to the Board of Directors relating to the compensation policy for the Company's Corporate Officers, and recommendations about the components of compensation paid during or awarded for the previous fiscal year to Corporate Officers.

It also examines the compensation policy proposed by the Chief Executive Officer for the key executives of the Company and the Group, notably the members of the Sodexo Leadership Team (including long-term compensation plans).

The Compensation Committee validates the Group's general policies relating to compensation, including long-term compensation (restricted share plans), and post-employment benefits undertaken by the Company (termination benefits, non-compete agreement, supplemental pension plan, etc.).

The principles and rules applied by the Board of Directors in determining the compensation and benefits in kind provided to the Corporate Officers and members of the Sodexo Leadership Team are described in section 7.2.1.6 of this Universal Registration Document.

The Chairwoman and Chief Executive Officer is associated to the works of the Compensation Committee regarding the compensation policy of the Sodexo Leadership Team members.

In connection with its work, the Compensation Committee may use external specialists.

The Compensation Committee met seven times in Fiscal 2023 and the attendance rate was 96%.

The work carried out during the year included different topics such as:

- reviewing the compensation of the Chairwoman and Chief Executive Officer;
- reviewing the compensation of the Lead Independent Director;
- reviewing the Compensation Committee's charter;
- reviewing the compensation packages of the Chairwoman of the Board and the Chief Executive Officer (ex post and ex ante say-on-pay votes), including the pay equity ratio;
- reviewing compensation policies for members of the Sodexo Leadership Team;
- reviewing the maximum authorized amount for directors' compensation, the compensation policy for directors;
- reviewing the resolutions under its competencies submitted to the Annual Shareholders Meeting;
- reviewing the relevant sections of the Corporate Governance Report published in the Fiscal 2022 Universal Registration Document;
- the Group's restricted and performance share plans;
- vesting of the Group's 2019 restricted and performance share plans;
- professional equality between women and men;
- the presentation of the *Vita by Sodexo* program;
- the compensation aspects of the Benefits & Rewards activities proposed separation;
- more generally, making recommendations to the Board of Directors on Corporate Officers' compensation and the Group's long-term incentive plans.

DIRECTORS' ATTENDANCE RATES AT BOARD AND COMMITTEE MEETINGS DURING FISCAL 2023

	BOARD	AUDIT COMMITTEE	COMPENSATION COMMITTEE	NOMINATING COMMITTEE
<i>Number of meetings</i>	9	6	7	7
Sophie Bellon	100%			
François-Xavier Bellon	100%	100%		100%
Nathalie Bellon-Szabo	100%			100%
Philippe Besson	100%		100%	
Françoise Brougher	90%		100%	100%
Jean-Baptiste Chasseloup de Chatillon	100%	83%		
Federico J. González Tejera ⁽¹⁾	90%		100%	
Véronique Laury	80%	100%		
Cathy Martin	80%	83%		
Luc Messier ⁽²⁾	100%			100%
Sophie Stabile ⁽³⁾	100%	100%	67%	
Cécile Tandeau de Marsac	100%		100%	100%
Patrice de Talhouët ⁽⁴⁾	100%			
<i>Average rate</i>	95%	93%	96%	100%

(1) Member of the Compensation Committee from December 19, 2022.

(2) Member of the Audit Committee from December 19, 2022.

(3) From September 1, 2022 to December 19, 2022, the date on which the Combined Annual Shareholders Meeting acknowledged that Sophie Stabile's term of office was due to expire. She was also Chairwoman of the Audit Committee. Between these two dates, Sophie Stabile participated at all the Audit Committee meetings and to two out of three Compensation Committee meetings.

(4) Director from December 19, 2022.

7.2.1.6 Sodexo Leadership Team as of August 31, 2023

The Chairwoman and Chief Executive Officer has the authority to manage the operations and functions of the Group.

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

- For On-site Services:
 - end-to-end P&L management has been transferred to countries and regions, consolidated into three geographic zones: North America, Europe and the Rest of the World, which includes Asia-Pacific, Middle East, Africa ("APMEA"), Brazil, and Latin America. This brings empowerment, decision-making and quicker response times to a local level;
 - a Growth and Commercial role has been created to accelerate our profitable growth and further develop the value of our segmentation;
 - a Strategy, Services & Innovation role has been created to provide expertise and technical and operational support. This role is bringing together strategy planning, innovation and R&D teams, in addition to expertise in food and Facilities

Management. This function provides real support to operational teams in order to make possible the deployment of strategic priorities and at the local level, to contribute to the growth of turnover, and to improve efficiency by relying on standards and processes;

- a "Tech" function has been created bringing together IT, Data and Digital. Technologies, Data and Digital play an increasingly central role in the way the Group carries out its activities. These areas are absolutely essential to meeting customer and consumer needs.
- For Pluxee:
 - a dedicated governance is in place.
- For Group:
 - a Group Chief Impact Officer has been appointed to ensure that Sodexo's purpose, mission and values are constantly reflected in our operations and continue to provide a competitive advantage;

As of August 31, 2023, Sodexo's Leadership Team was comprised of 12 members (including Sophie Bellon), amongst which 50% of women and four different nationalities. It comprises the following persons:

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

The Senior Management is supported by a Group Investment Committee whose members comprise the Chairwoman and Chief Executive Officer, the Chief Financial Officer and one or more CEOs, depending on the investment projects concerned. This Committee considers and approves:

- significant new contracts for the Group;
- any plan to invest in property, plant and equipment or intangible assets as well as cumulative overruns of any investment budget approved at the beginning of the fiscal year;
- any plan to invest in or acquire companies;
- disposals of shareholdings.

DIVERSITY POLICY WITHIN THE GOVERNING BODIES

With a ratio of women of 50% as at August 31, 2023, the gender diversity within the Sodexo Leadership Team complies with best market practices.

In early Fiscal 2023, the Board of Directors examined gender diversity within the Group's governing bodies, current objectives related thereto and the action plan followed by the management. The

Board noted that the targets set in 2021 – 40% of women to top management positions and 38% of women among Global Senior Leaders (GSL – top 1,600) – had been achieved, with respectively 46% and 42% of women in each group.

The Board also set two new objectives for the coming period:

- promoting women to top management positions, *i.e.*, positions reporting directly to a member of the Sodexo Leadership Team, with a goal of maintaining 45% women in this group by August 31, 2025;
- promoting women to Global Senior Leaders, with a target of 45% women by August 31, 2025.

In line with this, performance shares granted to Sodexo Leadership Team members and Global Senior Executives (top 200) are subject, among other criteria, to these specific diversity and inclusion vesting conditions.

Gender diversity within the governing bodies is described in detail in the Non-Financial Performance Declaration, Section 2.3.1 of this Registration Document.

7.2.2 Compliance with the AFEP-MEDEF Code

Sodexo adopted the AFEP-MEDEF Code as its Corporate Governance framework. The latest version of this Code, as revised in December 2022, is available on the websites of the AFEP (www.afep.com) and the MEDEF (www.medef.com). It is also available on the Group's website at www.sodexo.com.

The Company has not opted not to apply certain provisions of this Code.

7.2.3 Attendance of shareholders at the Annual Shareholders Meeting

Specific procedures pertaining to the participation of shareholders at the Shareholders Meeting are indicated in article 15 of Sodexo's bylaws (see Section 8.4.12 of this Universal Registration Document).

7.2.4 Factors that could have an impact in the event of a public tender offer

In accordance with article L.22-10-11 (formerly article L.225-37-5) of the French Commercial Code – which lists the factors that require disclosure if they could have an impact in the event of a public tender offer – the only relevant factor for Sodexo is Bellon SA's control over the Company's capital and voting rights. For further information about the Group's shareholding structure and voting rights, see chapter 7, section 8.3 of this Universal Registration Document.

7.3 Other information

7.3.1 Other information concerning Corporate Officers and senior management of the Company

Family relationships within the Board of Directors are as follows:

- Nathalie Bellon-Szabo and François-Xavier Bellon (directors) are the sister and brother of Sophie Bellon, Chairwoman and Chief Executive Officer of the Company;
- Nathalie Bellon-Szabo (director) is a member of the Sodexo Leadership Team.

No loans or guarantees is issued made or given to any members of the Board of Directors or senior management by Sodexo or by any Group company.

No assets necessary for the Group's operations are owned by any members of the Board of Directors or senior management or by their families.

There are no potential conflicts of interest between the duties to Sodexo of members of the Board of Directors or senior management and their private interests. In particular the Pierre and Danielle Bellon Family controls 74.1% of the family holding company Bellon SA, which in turn holds 42.8% of the share capital of Sodexo and 57.9% of the exercisable voting rights as of August 31, 2023. Mr. and Mrs. Pierre Bellon and their children entered into an agreement in June 2015 to prevent their direct descendants from freely disposing of their Bellon SA shares for 50 years. Bellon SA's only asset is its holding in Sodexo; Bellon SA has no intention of selling its holding in Sodexo to a third party.

As far as the Company is aware, no member of the Board of Directors or of the senior management has during the past five years been:

- convicted of fraud;
- associated with a bankruptcy, receivership or liquidation;
- officially incriminated and/or subject to any official public sanction issued by a statutory or regulatory authority;
- prohibited by a court from acting as a Board member, a Supervisory Board member, or a member of senior management of an issuer, or from participating in the management or business affairs of an issuer.

Transactions in Sodexo shares carried out by Corporate Officers, Board members, members of their family and related persons

Under article 223-26 of the French securities regulator's (Autorité des marchés financiers – AMF) General Regulation, one transaction in Company shares by Corporate Officers, directors and persons closely related to these officers and directors has been declared to the AMF pursuant to article L.621-18-2 of the French Monetary and Financial Code during Fiscal 2023.

Patrice de Talhouët, director of Sodexo, acquired 400 Sodexo shares at a unit price of 100 euros on July 3, 2023.

Measures to prevent control being exercised in an abusive manner

Sodexo has put in place a series of measures in order to ensure that the control over the Company is not exercised in an abusive manner. Examples of these measures include:

- (a) the presence of six independent directors among the twelve members of the Board of Directors (including two directors representing employees) as of August 31, 2023;
- (b) the fact that the Company has put in place three specialized Committees, which are all chaired by independent directors and which all have a majority of independent directors among their members, as recommended by the AFEP-MEDEF Code;
- (c) following the combination of the roles of Chairwoman of the Board of Directors and Chief Executive Officer, a Lead Independent Director, Luc Messier, was appointed from March 1, 2022. His duties, the resources available to him and his activity report for Fiscal 2023 are described in Section 7.2.1.5;
- (d) the disclosures within this document of the relationship between Sodexo and Bellon SA:
 - these include the ownership interest of Bellon SA in Sodexo (disclosed in section 7.3.2 of this document),
 - since 1991, a service agreement between Bellon SA and Sodexo has been in operation (described below in the paragraph concerning related-party agreements). The fees payable under this agreement and changes in these fees are reviewed annually by the Audit Committee.

7.3.2 Related-party agreement

The agreement between Bellon SA and Sodexo is the only related-party agreement in force. No other related-party agreements were entered into during Fiscal 2023.

Bellon SA is the animation holding company of the Bellon family which, with 42.8% of the shares and 57.9% of the voting rights, controls Sodexo within the meaning of article L.233-3 of the French Commercial Code. Sophie Bellon, Nathalie Bellon-Szabo, François-Xavier Bellon as well as Patrice de Talhouët are members of the Management Board of Bellon SA and directors of Sodexo.

History of the agreement

In 1991, Bellon SA and Sodexo entered into a service agreement, the terms of which (in particular the duration of the agreement) were revised for the first time in April 2013. Subsequently, during its meetings of November 15, 2016 and July 10, 2017, the Board of Directors, on the recommendation of the Audit Committee, decided to amend this agreement in order to:

- replace the Chief Executive Officer with the Group Chief Growth Officer as one of the three managers made available by Bellon SA; and
- remove the 5% margin.

This amended agreement took effect on November 17, 2016 and was approved by the Shareholders Meeting of January 23, 2018 by a large majority (approval rate of 93%, excluding the vote of Bellon SA).

As this agreement ended on November 17, 2021, on June 23, 2021, on the recommendation of the Audit Committee, the Board of Directors unanimously decided to renew it. Sophie Bellon, Nathalie Bellon-Szabo and François-Xavier Bellon did not participate in the debate or vote on this agreement.

The agreement was signed on October 26, 2021 and took effect upon November 17, 2021 for another five-year period; it was approved by the Shareholders Meeting on December 14, 2021 with 61% of the votes, voted only by individual and institutional shareholders in accordance with legal requirements. Bellon SA and the Bellon family members did not vote on the concerned resolution.

Purpose of the agreement

Under this agreement, Bellon SA provides Sodexo with assistance and consulting services in various areas: strategic planning, finance and human resources.

In this context, Bellon SA provides Sodexo with three of its managers who hold the positions of Group Chief Financial Officer, Group Chief People Officer and Group Chief Growth Officer respectively.

Thus, Sodexo benefits from the experience and competence of three Bellon SA managers who hold key functional positions in the implementation of Sodexo's strategy, ensuring that the values, culture and ambitions initially defined by Mr. Pierre Bellon are shared throughout Sodexo.

Each of these three managers has indisputable skills and strong experience in his/her field, as evidenced by their detailed biographies, available on the Sodexo website.

Although these three managers are employees of Bellon SA, they are part of Sodexo's Leadership Team and are subject to the same conditions as the other members.

These three managers do not receive any other form of compensation from Bellon SA.

Financial conditions attached to the agreement

- As in the previous agreement, this agreement provides for the invoicing by Bellon SA to Sodexo of the compensation of the Group Chief Financial Officer, the Group Chief People Officer and the Group Chief Growth Officer, for the duration of their tenure. This invoicing includes fixed and variable compensation and benefits in kind as well as all related social security contributions and payroll taxes.
- As there is no margin in invoicing, this agreement does not generate any additional cost for Sodexo.
- Bonus performance criteria are based on demanding performance criteria related to Sodexo's results and strategy, as for all members of the Sodexo Leadership Team.
- Total amounts due under this agreement, as well as its evolution, are reviewed annually by Sodexo's Audit Committee (composed of 75% independent directors and chaired by an independent director).
- In addition, and in accordance with legal requirements, the agreement is reviewed annually by Sodexo's Board of Directors.
- In accordance with the AFEP-MEDEF Code, Sophie Bellon and Nathalie Bellon-Szabo as well as François-Xavier Bellon and Patrice de Talhouët, common Corporate Officers of Bellon SA and Sodexo, refrain from attending the debates and participating in the vote of the corresponding deliberations.

The amount invoiced for Fiscal 2023 is 4.77 million euros, compared to 3.47 million euros the previous year. The increase of this compensation is mainly linked to salaries and social charges, taking into account the full-year effect of the provision of the three positions covered by the Agreement over the period.

Interest of the agreement for Sodexo and its stakeholders

The Board considers that this agreement is in line with the interests of all shareholders given:

- the strategic advantage for Sodexo of a business model based on the strong values inherent in family controlled companies;
- the quality of the profiles of the managers with in-depth knowledge of the Group and significant experience in similar functions;
- the existence of governance mechanisms that guarantee a good balance of power and avoid abusive control;
- the absence of any additional cost ensuring that the agreement is financially neutral for the Company.

Indeed, this agreement guarantees that the values, culture and ambitions initially defined by the founder, Pierre Bellon, are shared throughout Sodexo. From its creation more than fifty years ago, Pierre Bellon wanted Sodexo to be the community of its customers, consumers, employees and shareholders. This conception of the Company, a precursor to the current rise of social and environmental concerns, is one of the fundamental principles of Sodexo's development and guarantees a business model that creates value for all stakeholders. It is through these three key managers that Sodexo ensures that this business model remains the foundation of all decisions.

This agreement is fully aligned with the interests of all Sodexo shareholders and stakeholders due to:

- the presence of a very long-term family shareholder, embodied by a commitment by Mr. and Mrs. Pierre Bellon and their children not to sell their shares to third parties for 50 years;
- Bellon SA has no intention of selling its participation in Sodexo to third parties;

- the independence provided by Bellon SA's holding in the Group's capital guarantees the values, dual mission and long-term strategy of sustainable and profitable growth;

This independence has largely contributed to the Group's growth and is crucial in the current context of unprecedented crisis. Sodexo is able to seize development opportunities, accelerate its transformation and focus on its objective of returning to sustainable and profitable growth, without being influenced by short-term pressures.

Finally, the Board of Directors is committed to ensuring that the rights of all shareholders are effectively protected, through various governance mechanisms:

- a high rate of independence within the Board (far beyond the recommendation of the AFEP-MEDEF Code for a controlled company);
- majority independent Committees, each chaired by an independent director;
- the appointment of an Independent Lead Director;
- Internal Rules and a policy for managing conflicts of interest.

The Statutory Auditors' Special Report on related-party agreements is provided in section 5.4.2 of this Universal Registration Document.

7.3.3 Ethics and Compliance

Conducting all aspects of Sodexo's business with the highest standards of ethics and integrity is essential to Sodexo's purpose to create a better everyday for everyone to build a better life for

7.3.3.1 Ethics and Compliance governance

The Group Ethics and Compliance Committee ensures that business is conducted responsibly. This Committee is co-chaired by the Group Chief Ethics Officer and the Group Chief Compliance Officer. Its composition was revised in 2023. Permanent members are: the Group Chief Impact Officer, the Group Chief Human Resources Officer, the Group General Counsel, the Group Chief Ethics Officer and the Group Chief Compliance Officer. The Chairwoman and CEO is present at every other meeting. The Committee invites to its meetings and involves in its work representatives of key functions such as Internal Control, Purchasing, Social and Environmental Responsibility (CSR), Communication and members of the Sodexo Leadership Team.

Assessment procedure for related-party agreements and other agreements

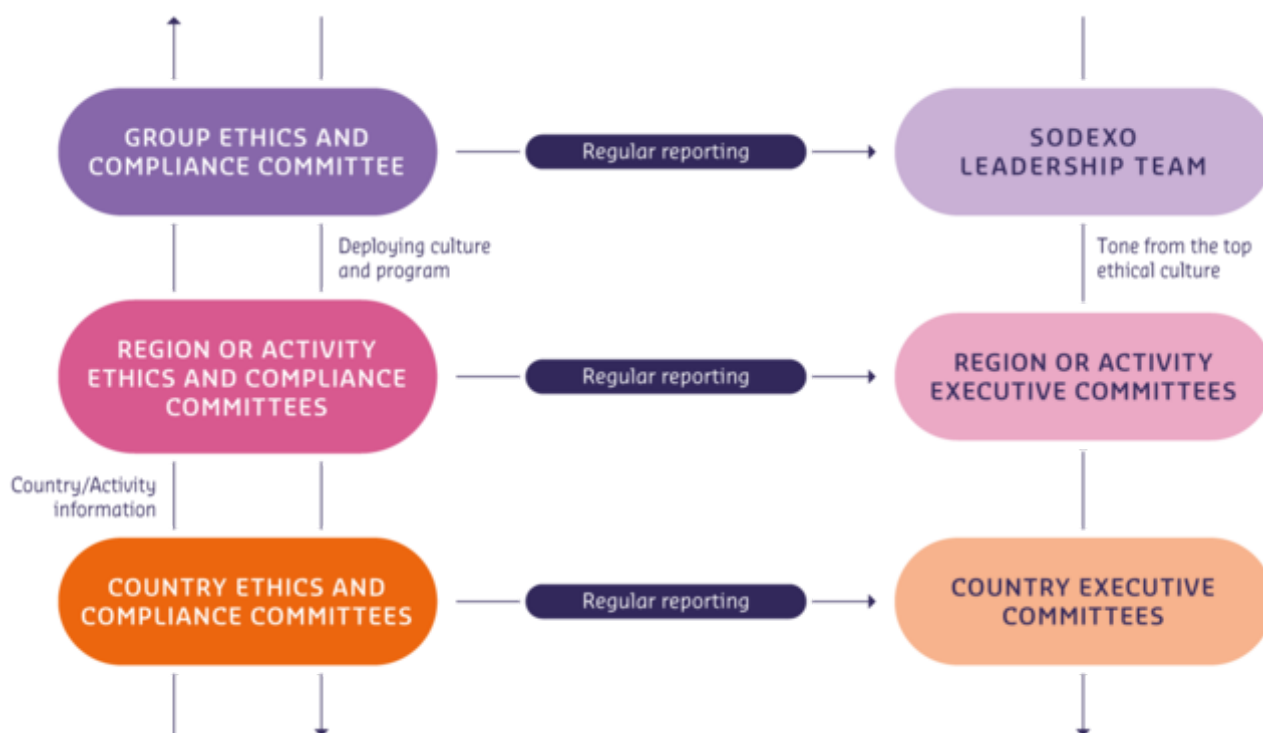
On November 6, 2019, on the recommendation of the Audit Committee, the Board of Directors adopted an internal charter for the Group to be used for identifying agreements that are subject to the procedure for related-party agreements, and distinguishing them from other agreements entered into in the ordinary course of business. This charter helps ensure that Sodexo complies with French legislation on these agreements, which requires companies to regularly assess the conditions under which such agreements are entered into and to analyze their classification.

In addition to describing the regulatory framework applicable to the various types of agreements that may be entered into by the Group, the charter provides for a regular assessment to be carried out by the Audit Committee of the conditions under which agreements are entered into in the ordinary course of business, with any parties that have a direct or indirect interest in an agreement being prohibited from taking part in the corresponding assessment.

A summary of how the charter has been applied is presented once a year to the Audit Committee, which then reports to the Board of Directors on the work it has carried out.

all and constitutes a fundamental pillar of the Group's Responsible Business Conduct commitments.

A local network dedicated to Ethics and Compliance issues has also been deployed throughout the Group. This network draws up local risk mapping, adapts the Group's overall program, reports to the Group all information linked to local deployment and assists operations teams on a daily basis.



7.3.3.2 Ethics and Compliance program

In order to make its strategy tangible as well as meeting the applicable legal requirements, Sodexo has structured its Ethics and Compliance program around the following pillars:

1. a committed management team: Sodexo's management team embodies the Group's culture of integrity and has a zero-tolerance policy for any form of unethical practice, such as bribery, corruption, harassment, or breaches of human rights. This commitment is shown, for example, by the regular briefings made by Sodexo management and during specific regional events such as "integrity week" and "anti-corruption day". In addition, dedicated awareness-raising actions have been introduced for senior leaders, as well as for regional and country directors. A reflection question on ethical behavior has been embedded in the manager year-end performance review. It is completed by employees and managers to support reflection on alignment with the Responsible Business Conduct culture in the overall individual performance;
2. risk assessment: Risks specific to Responsible Business Conduct have been assessed for each country and aggregated within the global risk mapping. These risks cover major issues such as bribery, corruption, breaches of human rights, antitrust practices and environmental damages. Following the renewal of the human rights risk matrix during the 2022 financial year, the 2023 financial year focused on the update of the corruption risk scenario matrix. Each Sodexo entity then carried out a risk assessment. The assessments of the main entities have been aggregated to build a global Sodexo corruption risks scenario matrix.

3. **policies and procedures:** Sodexo put in place its first Group wide ethics charter in 2007 and subsequently drew up its Code of Conduct called Business Integrity Guide. This document – which sets out the Group’s ethical principles – is reviewed each year. The Code of Conduct provides practical examples showing employees how to do the right thing when facing a dilemma. It is available in 30 languages and can be consulted on Sodexo.com. It is supported by policies and procedures, which give employees practical tools for guiding them in their daily work and projects, notably in relation to gifts, invitations, donations, corporate sponsorship, public affairs (a “Public Affairs Guide” has also been published for stakeholders on the Group’s website), international sanctions and high-risk third parties;
4. **training and awareness-raising:** Specific training courses on Responsible Business Conduct are developed and delivered within the Group to the staff categories with the highest level of exposure. E-learning modules on Responsible Business Conduct (combating sexual harassment, data protection, public affairs, human rights in the workplace, and preventing corruption and conflicts of interest) have been put in place for all of the Group’s leaders and managers. At August 31, 2023, over 424,000 sessions of these modules had been recorded. These training modules are the subject of regular in-house communication campaigns. In addition, face-to-face training is provided to managers and some other categories of employees who are particularly exposed to the different corruption risks. 100% of the Senior Leaders have been trained on corruption prevention;



5. **third-party assessment:** Since 2008, Sodexo has had a Supplier Code of Conduct, which is translated into 23 languages. All suppliers are required to respect this Code and also to pass on its terms and conditions to all of the participants in their own supply chains. Sodexo is continuing the deployment of its online registration tool in order to centralize information about its suppliers. This tool incorporates all of Sodexo’s requirements related to capacity, certification, geographical coverage, and regulation. It is also used to collect data on social responsibility. Suppliers benefit from a simple interface, which enables them to provide all the required information easily. The advantage for Sodexo is that the tool provides a “gateway” for the collection of information adapted to the Group’s social responsibility requirements. Suppliers are invited to respond to various questions linked to the Group’s social responsibility commitments and are required to update them throughout their

relationship with Sodexo. On more specific CSR issues, Sodexo is working with an external partner, an expert in CSR performance assessment, to overhaul the management of its high-risk suppliers. The first step will identify and prioritize the risk categories, based on CSR and purchasing criteria. Subsequently, the methodology will be progressively rolled out to the suppliers included in these categories. Suppliers in purchasing categories that have historically been identified as being high-risk will also be invited to participate in a detailed document audit. A specific policy “How to work with high-risk third parties” indicates the guidelines to be followed regarding procedures for evaluating, contracting and monitoring relationships with third parties presenting a high level of corruption risk. The Group also extended its due diligence procedures for mergers and acquisitions to include specific ethics and compliance issues;

6. whistleblowing system: Sodexo's "Speak Up" Ethics Line, available in over 30 languages, online or by phone in each country, enables (subject to local legislation) all Sodexo employees and partners (in particular suppliers, clients and consumers) to report anything that they suspect to be unethical, particularly harassment, theft, fraud, corruption, conflicts of interest, environmental damages, document forgery or insider trading. According to the last engagement survey (Voice) 84% of

employees feel comfortable reporting unethical conduct if necessary. In alignment with local laws and regulations, this system is hosted by a third-party company. In addition, a case management procedure and responsible investigation procedure have been communicated to all case managers, including through online training sessions. More than 92% of case managers have completed the online training.



3,303

received cases
via Speak Up
Ethics Line

84%

of employees feel
comfortable to report
unethical conduct

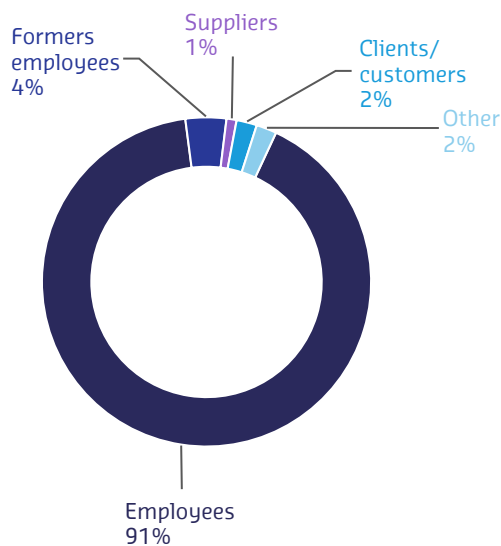
0.8

case by
100 employees

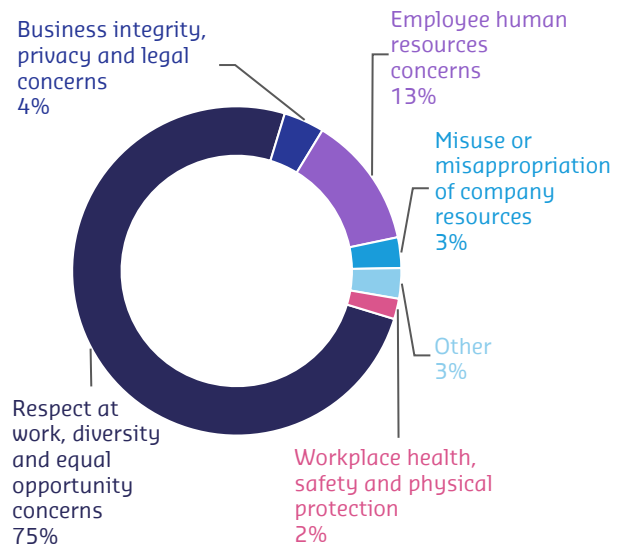
56%

confirmed
cases reported via
Speak Up resulted
in a corrective action
and/or sanction

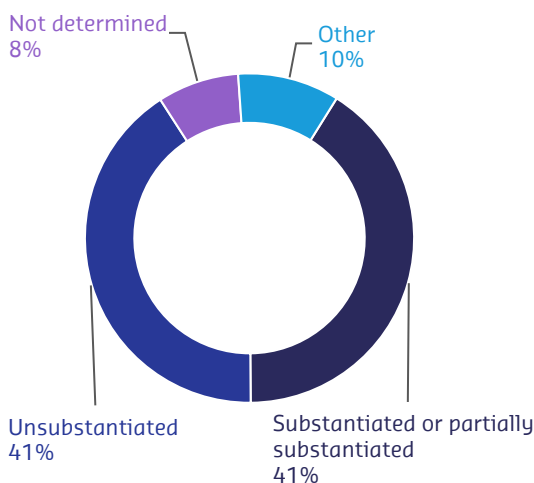
BREAKDOWN OF SPEAK UP CASES BY SOURCE



BREAKDOWN OF SPEAK UP CASES BY CATEGORY



BREAKDOWN OF SPEAK-UP CASES BY RESOLUTION



7. **controls:** The internal control and risk management procedures related to the preparation and processing of financial and accounting information form an integral part of the Group's anti-corruption measures. Specific controls related to Ethics, Anti-Corruption and Speak-Up are part of the annual Company Level Controls assessment, which is carried out by the majority of Sodexo's entities (refer to section 6.4.3.4). If an entity fails these controls, then a compulsory action plan is put in place to remedy the control deficiency. These plans are monitored by the local and regional internal control managers. Internal and external

audits are performed on a regular basis, notably covering the following topics: anti-corruption, anti-money laundering, environmental protection, respect of human rights and fundamental labor rights, and occupational health and safety. In Fiscal 2023, the Group Internal Audit continued its audit of entities using a risk-based approach, resulting in recommendations related to improvements in Sodexo's Ethics & Compliance program.

7.3.3.3 Sodexo Group tax policy

The Sodexo Group has established a tax policy that has been published on its website. The main principle of the policy is that the Sodexo Group undertakes to respect local tax laws and regulations that apply and pay its fair share of taxes in all countries where it operates, in line with the substance of the economic activity of the business locally. Sodexo does not use intended tax structures for tax avoidance nor invest in tax structures located in so-called "tax havens" in order to avoid taxes. The policy is based on the economic reality of the transactions and excludes fraud and tax evasion as well as hybrid mismatch arrangements from a tax standpoint. Therefore, the Group considers that it complies with the requirements of the new article L.225-102-1 of the French Commercial Code on fighting tax evasion.

Sodexo will always:

- perform risk management assessments before adopting a tax position;
- ensure that each controlled entity has a sound commercial, business or financial justification and has the sufficient level of substance;
- establish and document a transfer pricing policy for intra-Group exchanges of goods and services on an arm's length basis, in line with international standards (*e.g.* OECD Guidelines);
- monitor tax compliance in jurisdictions where Sodexo operates.

Sodexo Group has developed a framework to manage uncertain tax positions. All significant tax positions are regularly reported to the Audit Committee.

7.3.4 Data Protection

Innovation, new technology and data, including personal data, are essential at Sodexo. Wherever we serve our clients and consumers and wherever our employees are located, we make responsible use of data while respecting privacy and the applicable data protection rules.

On May 25, 2023, the Sodexo Group celebrated five years of the EU General Data Protection Regulation (GDPR⁽¹⁾). Over the past five years, we have rolled out a Global Data Protection Program based on common standards worldwide.

The table below summarizes the key actions implemented as part of this program.

Pillars of the Global Data Protection Program	Description of key actions implemented
Data protection governance mechanisms	<ul style="list-style-type: none"> The appointment of a Data Protection Officer and the implementation of a hybrid governance <p>The Sodexo Group set up a team dedicated to data protection in Fiscal 2017 and a Data Protection Officer reporting directly to the Group General Counsel was appointed in Fiscal 2018.</p> <p>The Group's Data Protection Officer, who is in charge of ensuring compliance with the applicable laws and the Group's data protection policies and procedures, has a team of experts at the central level. Together, they make up the Global Data Protection Office. She also relies on a network of around one hundred data protection single points of contact at country level. These points of contact are responsible, with the support of local governance bodies, for executing and, if necessary, adapting the compliance program to their specific challenges and issues relative to their respective scopes.</p> <p>In order to ensure better integration of these points of contact and strengthen their expertise, the Global Data Protection Office has created a "Data Protection Academy" which consists of a two-day theoretical and practical training session. Since the GDPR became effective, eight academy training sessions have been held for data protection contact points. Additionally, with a view to ensuring that the personal data protection network stays ahead of the learning curve, that best practices are harmonized and the Group's data protection policies and procedures are consistently implemented, the network is continuously monitored by the Data Protection Officer and her central team.</p> <ul style="list-style-type: none"> Integrated governance with the teams in charge of information security <p>The Group Data Protection Officer and her team work closely with other Group Departments, such as the Chief Information Security Officer and the Chief Data Officer. This collaboration has been structured at the Group level from Fiscal 2019 in the form of a Global Cyber-Security and Privacy Review Committee, also comprising the Group General Counsel, the Group Chief Information Security Officer, the Group Internal Control Officer and several members of the Sodexo Leadership Team. This collaboration has also resulted in the implementation, on the one hand, of integrated processes for project review from the design stage and for supplier review, prior to the contractual phase and, on the other hand, protocols for joint response, especially regarding the management of security incidents and personal data breaches.</p> <ul style="list-style-type: none"> Integrated governance with teams responsible for data and technology <p>The Sodexo Group is interested in technological advances, such as generative artificial intelligence, which could potentially improve the daily life of its employees and the consumers that the Group serves. At the same time, in order to maintain discipline regarding our values and responsible business conduct, the Sodexo Group has set up a multidisciplinary Committee to facilitate operational initiatives and answer questions efficiently and in compliance with a set of rules of good conduct which is adapted and updated empirically.</p>

⁽¹⁾ Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

Pillars of the Global Data Protection Program

Description of key actions implemented

Actions related to accountability

- Framework for the Global Data Protection Program

In a global regulatory context where GDPR principles are widely included in most data protection laws outside the European Union, the Sodexo Group has decided to apply the same level of protection to personal data across the Group, based on GDPR requirements, while at the same time incorporating specific local legal obligations.

This choice led to Sodexo submitting a Binding Corporate Rules (BCR) application to the CNIL, the French data protection authority and the Group's competent lead authority. This is a legal framework proposed in the GDPR that allows multinational companies to adopt a binding Code of conduct to effectively apply common data protection compliance management rules and provides a framework for the transfer of personal data within a same group. After several years of discussion with the CNIL as well as other European Union supervisory authorities, such as the European Data Protection Board (EDPB), the Sodexo Group's application has now been formally approved.

- A tool for managing compliance with data protection rules

The Sodexo Group has been using a tool for managing compliance since Fiscal 2018.

This tool supports the Global Data Protection Program by implementing automated processes to ensure:

- upkeep and maintenance of data processing records;
- management and tracking of requests to exercise the rights of data subjects;
- assessment of the risks to the rights and freedoms of data subjects, from the design stage of projects that involve processing personal data; and
- risk assessment prior to any contracts being signed with suppliers.

Data sharing

- Intra-Group data sharing

Pending formal approval of its BCR by the CNIL, the Sodexo Group rolled out an Intra-Group Data Processing Agreement (IGDPA). This document includes the Standard Contractual Clauses (SCC) published by the European Commission on June 4, 2021. It imposes a contractual requirement upon Group entities to comply with the main principles and obligations for protecting personal data as provided for by the GDPR.

In advance of the rollout of the Sodexo Group's BCR, the applicable personal data protection laws were mapped in Fiscal 2020 in order to have a clear view of the formalities to be completed. In addition, this map, as well as an inventory of the data localization obligations applicable in certain countries, was updated in Fiscal 2022.

- Data sharing with third parties

A best practice Code for data sharing with third parties was drawn up by the Group's Data Protection Officer in Fiscal 2018 in order to apply the same practices where data processing operations are either fully or partially outsourced to third parties.

More recently, following the European Court of Justice's decision in the "Schrems II" case⁽¹⁾, Sodexo has developed an automated method of assessing the impact of data transfers on the protection of personal data (Transfer Impact Assessment – TIA) in terms of the rights and freedoms of the individuals concerned. This assessment is performed on the basis of the recommendations published by the EDPB⁽²⁾.

⁽¹⁾ Judgment of the Court (Grand Chamber) of July 16, 2020 – Data Protection Commissioner v Facebook Ireland Ltd and Maximilian Schrems – C-311/2018, annulling the Privacy Shield adequacy decision (Commission Decision of July 26, 2000 pursuant to Directive 95/46/EC of the European Parliament and of the Council on the adequacy of the protection provided by the safe harbor privacy principles and related frequently asked questions issued by the U.S. Department of Commerce).

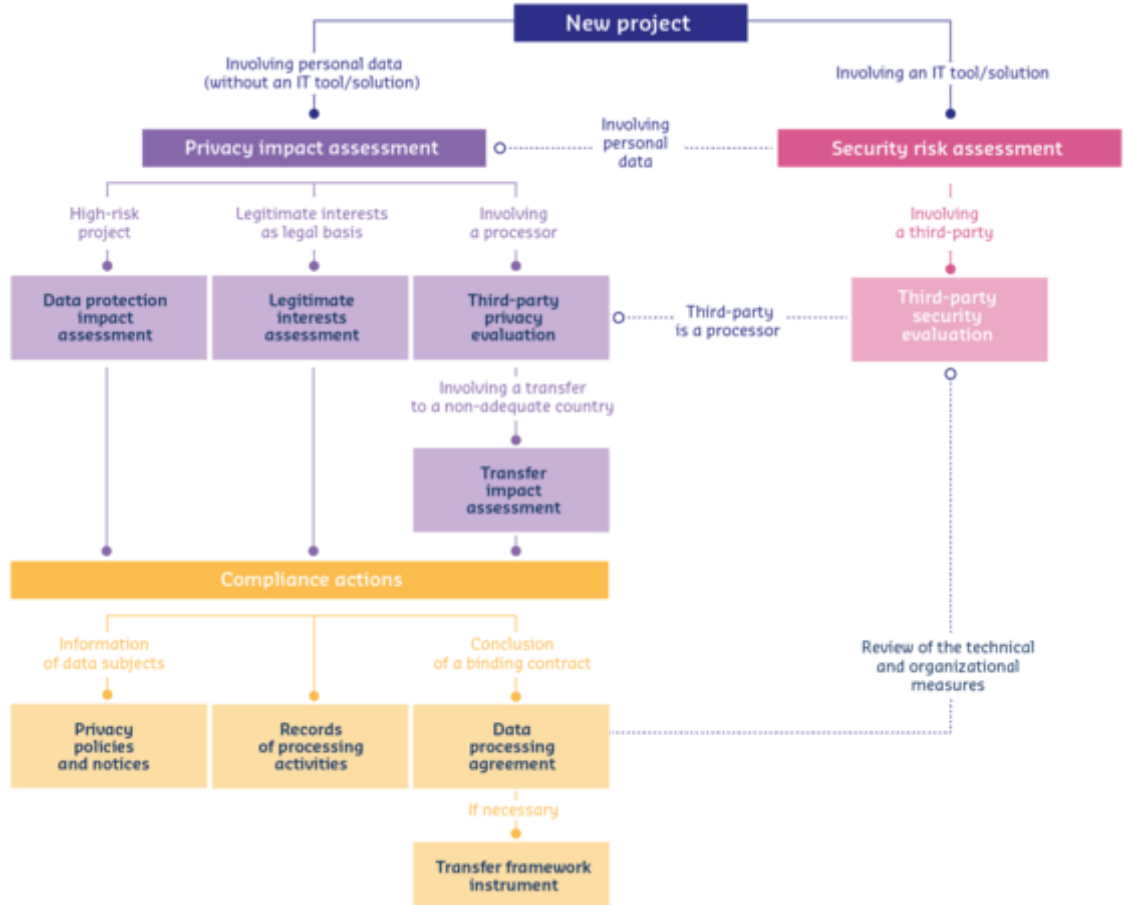
⁽²⁾ Recommendations 01/2020 on measures that supplement transfer tools to ensure compliance with the EU level of protection of personal data adopted on June 18, 2021.

Pillars of the Global Data Protection Program

Description of key actions implemented

- Privacy by design

An End2End Privacy Compliance Process, which comprises various questionnaires for risk assessment and impact analysis, was put in place during Fiscal 2022. This process is summarized in the diagram below:



The processes and tools ensure better risk management and personal data protection from the project design phase (“privacy by design”)

The starting point for this process continues to be the questionnaire that must be completed for any IT or digital project to identify the risks associated with information security. If internal stakeholders indicate that the project involves the processing of personal data, the data protection teams automatically remain involved in reviewing the project and are able to carry out systematic assessments from the project design stage, an assessment of the impact of personal data processing on the rights and freedoms of the data subjects and, if a high risk is identified, they conduct an impact analysis to evaluate the origin, nature, specific features and severity of this risk. Consequently, the data protection teams remain able to determine, from the project design stage, the initial measures to be put in place to ensure that this data processing complies with Sodexo’s overall compliance program and the applicable data protection regulations.

However, the new process gives internal stakeholders greater accountability, and allows other compliance assessments, such as a risk assessment when a supplier is used, an impact analysis of an international data transfer or an analysis of the Sodexo’s legitimate interest, to be conducted automatically.

A guide on using the various automated risk assessment and impact analysis questionnaires was rolled out to local data protection single points of contact and also to internal stakeholders in Fiscal 2022.

Pillars of the Global Data Protection Program

Description of key actions implemented

- Privacy by default

A risk assessment is carried out prior to any contracts being signed with suppliers.

This assessment of the risks associated with the processing of personal data by Sodexo's suppliers has been automated and work to integrate the process within the global information system security teams means that a common score can be used for supplier compliance in terms of both the protection of personal data and information security.

- Continuous risk management and regular, targeted controls

Continuous risk management relies on a questionnaire to verify the proper application of the Sodexo Group's BCR. On an annual basis since Fiscal 2022, local data protection contact points have used this questionnaire to carry out a self-assessment of the compliance with personal data processing procedures implemented by the Group entities within their scope. This self-assessment is then verified by internal control teams.

In addition, internal control teams conduct targeted controls of some of the Group entities as necessary. Furthermore, as part of Sodexo's regulated activities, specific audits have been implemented by the competent authorities in order to confirm proper compliance of the Group entities concerned.

Internal control and audit teams receive extra training on the key elements involved in personal data protection, on an annual basis, in order to monitor the effectiveness of the Group's compliance program and formulate relevant recommendations as effectively as possible.

- Response to requests concerning rights regarding data protection

The Group's data protection teams adopt an ongoing process of continuous improvement as regards the procedures for managing requests relating to personal data protection rights (rights of access, rectification or deletion of data, for example). To do this, they rely on recommendations issued by the relevant supervisory authorities and best practices shared by Sodexo's data protection network. They are required to handle an increasing number of requests from the Group's consumers and employees in Europe and worldwide, which goes hand in hand with data subjects' growing awareness of their rights and freedoms under personal data protection regulations.

Thanks to the implementation of procedures, and forms, and dedicated teams that have undergone extra training on the topics, all of the requests received have been properly managed.

- Response to security incidents and personal data breaches

To ensure that any security incidents resulting from personal data breaches are properly managed, the Group's Data Protection Officer and the Group's Chief Information Security Officer have jointly drafted a Group directive to be adapted locally by all Sodexo entities. The directive sets out the people to contact and the measures to take when a personal data breach is suspected or detected.

A dedicated system has also been deployed to deal with any such security incidents even more efficiently and to enable a register of the incidents to be kept. In addition, local data single protection points of contact are provided with regular training in assessing risk on behalf of data subjects. Such training is based on the recommendations of the EDPB, in particular. All Sodexo Group employees have also undergone training to identify potential breaches and incidents that should be reported to incident management teams.

The Group Data Protection Officer keeps an overall register of personal data breaches, into which incidents can be entered by the local data protection single points of contact, thanks to a simplified, automated reporting system.

During Fiscal 2022 and 2023, the Group organized crisis management exercises involving hypothetical security incidents. The Group's Data Protection Officer took part in these exercises, which were designed to improve the internal structure of internal crisis cells, their responsiveness, and therefore the effectiveness of the protocol for responding to security incidents and personal data breaches.

- Cooperation with the data protection authorities

Through its hybrid data protection governance, the Sodexo Group maintains relationships of trust and cooperation with other European supervisory authorities, particularly in the context of its management of complaints and requests to exercise rights.

Response protocols in the event of requests by data subjects or personal data breaches

Pillars of the Global Data Protection Program	Description of key actions implemented
Transparency with regard to data subjects and raising awareness among employees	<ul style="list-style-type: none"> • Transparency <p>Data protection teams regularly update information notices, privacy policies and other documents to ensure transparency regarding data processing. In particular, in recent years they have endeavored to specify the purposes and legal bases for this processing.</p> <p>Additionally, a user platform to give consent and manage cookies and other trackers on their web browsers or cell phones has been in place since Fiscal 2020.</p> • Awareness-raising <p>As an extension of the global training program for Sodexo employees on GDPR principles initiated during Fiscal 2019, a new training module was rolled out in Fiscal 2023 to remind all Group employees working on our sites and beyond of the principles of personal data protection and to prepare them, raise their awareness and have them take responsibility for the Sodexo Group's BCR.</p> <p>Other awareness-raising campaigns were held in previous fiscal years, on simple good conduct rules and the visual "We believe in Privacy" identity, which are consistent with other BCR programs.</p> <p>During Fiscal 2023, the Sodexo Group also established simple rules and guidelines relating to the use of generative artificial intelligence systems. Specifically, a simple best practice "Dos and Don'ts" guide was distributed internally.</p>

7.4 Compensation

The disclosure provided in this section complies with:

- the requirements concerning Corporate Officers' compensation introduced by *ordonnance* 2019-1234 of November 27, 2019 issued pursuant to France's Business Growth and Transformation Act dated May 22, 2019 (the "PACTE Act");
- the recommendations contained in the AFEP-MEDEF Code as revised in December 2022; and
- the recommendation DOC-2012-02 issued by the French securities regulator (AMF) concerning Corporate Governance and executive compensation in listed companies.

Established by the Board of Directors on the basis of recommendations made by the Compensation Committee, this section describes:

- the compensation policy for Corporate Officers;
- the components of the compensation paid or awarded to the Corporate Officers;
- the compensation policy applicable to members of the Sodexo Leadership Team; and
- the Group's long-term incentive plan.

7.4.1 Compensation policy for Corporate Officers

The compensation policy applicable to Corporate Officers (Chairman or Chairwoman, Chief Executive Officer and members of the Board of Directors) sets out the principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of the total compensation and benefits payable for the duties performed under the terms of their corporate office.

This policy is reviewed annually by the Board of Directors, on the basis of recommendations made by the Compensation Committee. The policy is in Sodexo's best interests, contributes to its long-term performance and is fully in line with Group strategy. Consequently, the principles and criteria used to determine the Chief Executive Officer's variable compensation align his/her interests with those of the Company's shareholders and other stakeholders by factoring in performance targets based on economic, financial, social and environmental indicators such as employee health & safety, talent management and corporate responsibility performance.

The principles and criteria in the compensation policy for Corporate Officers will apply in Fiscal 2024 to all persons who hold a Corporate Officer position within the Company.

The Compensation Committee is entirely comprised of independent directors, except for one director representing employees in accordance with the recommendations of the AFEP-MEDEF Code. It may use the services of external advisors specialized in Corporate Officer compensation and also takes into account feedbacks from discussions with institutional shareholders.

Besides, in accordance with article L.22-10-8 III of the French Commercial Code, the Board of Directors, based on the recommendations of the Compensation Committee, may, under exceptional circumstances, waive the application of the compensation policy during the fiscal year, until an amended compensation policy is approved by the next Annual Shareholders Meeting, provided the waiver is temporary, in the Company's best interests and necessary to securing the Company's sustainability or viability. Examples of exceptional circumstances include a significant change in the Corporate Officers' scope of responsibility, a major event impacting Sodexo's markets and/or main competitors (market downturn, pandemic, etc.), a major change in the Group's scope of consolidation following a merger, acquisition or disposal, or the creation or termination of a significant business activity or a change in accounting principles. If such a specific situation were to occur, the adjustments made to the compensation policy for Corporate Officers would be publicly disclosed.

Pursuant to article L.22-10-8 II of the French Commercial Code, the compensation policies for Sodexo's Corporate Officers will be submitted for approval at the Ordinary Annual Shareholders Meeting to be held on December 15, 2023.

7.4.1.1 General principles for Corporate Officers' compensation

The Board of Directors ensures that the compensation policy for Corporate Officers is adapted to the Company's strategy and operating context and that its purpose is to enhance Sodexo's medium and long-term performance and competitiveness by attracting and retaining the best talents. The policy is based on the following principles:

COMPLIANCE	The compensation policy for the Company's Corporate Officers is determined in accordance with the recommendations of the AFEP-MEDEF Code.
COMPETITIVENESS	Market studies are regularly conducted – including with the assistance of external consulting firms – in order to benchmark the Company's compensation packages against its peers (comparable companies in size and geographic scope), to form an overall vision of the challenges surrounding competitive compensation. The Compensation Committee uses two benchmark panels to review and analyze its compensation practices, considering that it is important to examine those of large companies in the French market as well as those of large companies operating in the Company's sector in international markets. The first panel therefore comprises the companies in the CAC 40 excluding banks and insurance firms. The second panel comprises the following seven companies: Aramark, Compass, Edenred, Elior, ISS, Rentokil and Securitas.
COMPLETENESS – BALANCE	A comprehensive analysis of all of the components of Corporate Officers' compensation and benefits is conducted using a component-by-component approach. An overall consistency analysis is also performed to ensure that the best balance is achieved between fixed and variable, individual and collective, short and long-term compensation.
ALIGNMENT OF INTERESTS	Aligning interests means both ensuring that the Company has the ability to attract, motivate and retain the talent that it needs, and at the same time, meeting the expectations of the Company's shareholders and other stakeholders, particularly in terms of Corporate Social Responsibility, transparency, and associating compensation with performance.
PERFORMANCE	The performance conditions applicable to Corporate Officers' compensation are stringent and are based on the key factors that contribute to the Company's profitable and sustainable growth. They are also in line with the Company's published targets. Performance is assessed based on three factors, which are set out in the short and long-term variable compensation plans applicable to the Group's senior executives: (i) core financial performance, (ii) performance relative to Group peers and (iii) sustainable and responsible performance.
TRANSPARENCY	The compensation policy is governed by clear, straightforward and transparent rules. The Compensation Committee ensures that all of these principles are appropriately applied both in the work it performs and the recommendations it issues to the Board of Directors, as much in terms of determining the compensation policy as well as its implementation and the actual amounts of the compensation and benefits.

7.4.1.2 Shareholder engagement

Sodexo actively engages with its institutional shareholders and proxy advisors via regular meetings held to discuss the specific characteristics of the Group's governance as well as best practices and developments concerning governance and compensation.

The approval rate of the resolutions at the Annual Shareholders Meeting was therefore particularly high in 2022, including with regard to compensation.

During Fiscal 2023 the shareholder engagement focused more on the project of spin-off of the Employee Rewards & Benefits activity as well as on improving the Group's performance.

In addition, the Investor Relations team engages frequently with the ESG and proxy analysis teams of institutional shareholders and proxy advisors through individual meetings, governance roadshows and dedicated ESG investor conferences.

Individual shareholders who are members of the Shareholders Club are also invited to share their areas of interest so that the Company can more effectively prepare for the Annual Shareholders Meeting and answer any questions they may have.

Voting results in the Fiscal 2022 Annual Shareholders Meeting were:

98.9%	99.3%	99.1%	99.0%	94.4%
of shareholders voted in favor of the global envelope for directors compensation	of shareholders voted in favor of the directors' compensation policy for Fiscal 2023	of shareholders approved the compensation policy applicable to the Chairwoman of the Board of Directors and Chief Executive Officer from March 1, 2022 to August 31, 2022	of shareholders approved the components of the compensation paid or awarded to Sophie Bellon, Chairwoman of the Board of Directors, then Chairwoman and Chief Executive Officer for Fiscal 2022	of shareholders voted in favor of the compensation policy applicable to the Chairwoman and Chief Executive Officer for Fiscal 2023

7.4.1.3 Compensation policy for the executive officer for Fiscal 2024

Structure of the compensation

The executive officer’s compensation includes annual, fixed and variable compensation and long-term compensation. He/She also receives other benefits, such as a supplemental pension plan, collective health and benefit plans, a termination benefit and/or a non-compete indemnity, as well as benefits in kind.

The aim of the compensation policy for the executive officer is to achieve a balance between short and long-term performance in order to promote the Group’s development for the benefit of all of its stakeholders, in line with a sound risk management strategy.

To this end, and with a view to protecting stakeholders' interests, the Company strives to ensure consistency between the executive officer’s compensation package and Sodexo’s performance.

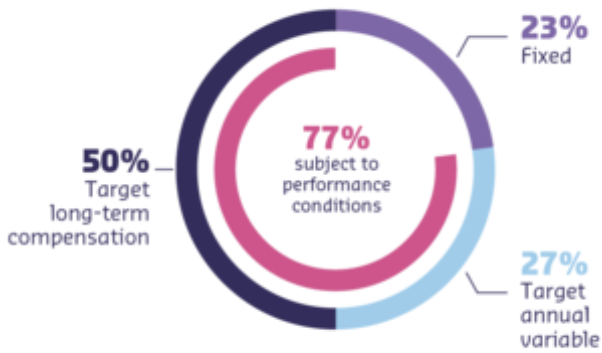
In the context of the renewal of the term of office of Sophie Bellon, Chairwoman and Chief Executive Officer, an in-depth benchmark of practices among our reference panel was carried out with the assistance of a specialized independent consulting firm, in order to assess the positioning of the compensation of the Group’s executive officer.

In this context, Board of Directors, on the recommendation of the Compensation Committee, has decided to increase the variable component of the executive officer’s compensation to make it more competitive, as described in the paragraphs below.

It is also specified that the Chairwoman and Chief Executive Officer does not receive compensation for her directorship of Sodexo S.A.

STRUCTURE OF THE CHIEF EXECUTIVE OFFICER’S COMPENSATION

COMPENSATION STRUCTURE AT TARGET



COMPENSATION STRUCTURE AT MAXIMUM



The weights of target and maximum structures are detailed element by element in the paragraphs below.

Fixed compensation

The fixed compensation of the Chief Executive Officer is awarded as payment for the duties and responsibilities inherent to such a position.

The following factors are considered:

- the level and complexity of the roles and responsibilities attributed to the Chief Executive Officer, who has the broadest powers to act on behalf of the Company in all circumstances and to represent the Company in its dealings with third parties;
- the skills, experience, expertise and professional profile of the holder of the position;
- market analysis and benchmarks on the compensation awarded for comparable positions in peer companies and their market reference.

The Chief Executive Officer's annual fixed compensation is the basis for determining his/her annual variable compensation and long-term compensation. The amount of this fixed compensation is not systematically reviewed each year.

It is based mainly on financial criteria, defined as follows:

	CRITERIA	WEIGHTING	MAXIMUM IN % OF TARGET
70% based on financial targets	Organic growth	24%	172%
	Client retention	12%	100%
	Underlying operating profit margin (excluding exchange rate impacts)	24%	172%
	Group net income	12%	165%
	Free cash flow	12%	165%
	Total financial targets	84%	134%
30% based on quantitative non-financial targets	CSR criteria		
	Health and Safety	12%	100%
	Sustainability - Food waste	12%	100%
	Talent management		
	Diversity, retention and promotion of our management teams	12%	100%
	Total non-financial targets	36%	100%
TOTAL ANNUAL VARIABLE FOR FISCAL 2024		120%	170%

The annual variable compensation is calculated and set by the Board of Directors following the close of the fiscal year to which it applies.

In the first quarter of each fiscal year, based on the Compensation Committee's recommendations, the Board of Directors reviews the various targets, their weightings, and the expected performance levels. It then sets:

- the trigger threshold below which no variable compensation is paid;
- the variable compensation target level, corresponding to the amount due when each target is reached; and
- the quantitative performance measure.

The financial performance targets that are based on financial indicators are determined in a specific manner by reference to the budget pre-approved by the Board of Directors and are subject to the above-mentioned performance thresholds. For confidentiality reasons, these targets are not disclosed when they are set.

Non-financial performance targets include only quantitative indicators. The non-financial targets set for Fiscal 2024 are presented in the table above.

The Health & Safety criterion is now being measured by two equally weighted indicators: the Lost-Time Injury Rate (LTIR) and the Near Miss to Accident Ratio. This approach aims to reinforce the teams' immediate and ongoing attention to risk prevention.

The annual gross fixed compensation for Sophie Bellon, Chairwoman and Chief Executive Officer will be kept unchanged for Fiscal 2024, at 900,000 euros.

Annual variable compensation

CALCULATION METHODS

The Chief Executive Officer's annual variable compensation is intended to encourage the achievement of the annual performance targets determined by the Board of Directors in line with Sodexo's strategy.

The Board of Directors, on the recommendation of the Compensation Committee, has decided to increase the variable component of the executive officer's compensation. It now amounts to 120% of the annual fixed compensation, on full achievement of the targets and can reach 170% if these targets are exceeded.

The Sustainability criterion has been replaced by an internal indicator, directly linked to the Group's commitments in terms of climate and environmental performance. The Board of Directors has selected the WasteWatch deployment indicator, expressed as a percentage of the cost of raw materials. The WasteWatch program was developed to reduce food waste and position Sodexo as a major player in this field. The deployment of this program is an essential step in raising awareness of food waste and measuring progress.

PAYMENT CONDITION

In accordance with French law, payment of the annual variable compensation is subject to shareholder approval during the Annual Shareholders Meeting.

Furthermore, no clawback clause has been put in place for the variable compensation.

APPOINTMENT OR TERMINATION OF OFFICE

If a new Chief Executive Officer is appointed or the existing Chief Executive Officer's term of office is terminated during the course of a fiscal year, the same principles as described above will apply, on a *pro rata* basis by reference to the period during which he or she holds office.

If a Chief Executive Officer is appointed during the second half of the fiscal year, the performance appraisal will be carried out on a discretionary basis by the Board of Directors, taking into account the recommendations of the Compensation Committee.

Long-term compensation

OBJECTIVE

The Board of Directors considers that the long-term variable compensation plan – which also applies to other key positions within the Company – is particularly suited to the position of Chief Executive Officer in view of the direct contribution that he/she is expected to make to Sodexo's long-term performance. This plan – which is based on performance share grants subject to criteria selected by the Board of Directors – is in direct alignment with the Company's strategic priorities. The system therefore helps to increase the executive officer's motivation and loyalty while aligning his/her interests with those of the Company and its shareholders. The applicable performance conditions are based on (i) organic revenue growth and underlying operating profit margin over a period of several years, in line with market guidance (ii) Sodexo's share performance compared with a peer group, and (iii) corporate responsibility criteria.

COMPENSATION PROGRAM

Sodexo's long-term compensation program currently consists solely of performance share grants.

Performance share grants are decided by the Board of Directors, acting on the recommendations issued by the Compensation Committee, during the first half of each fiscal year, after the publication of the financial statements for the previous fiscal year.

The vesting period is three years, in line with the period over which performance conditions are measured and in line with market practices.

The Board of Directors has capped the value of the performance shares granted to the Chief Executive Officer at 150% of his/her total annual compensation (comprising fixed compensation and annual variable compensation, assuming targets achieved).

In addition, the percentage of performance shares granted to him/her which was limited to 5% of the total shares granted annually by the Board, has been raised to 8% as a result of the review of the annual variable compensation target.

PERFORMANCE CONDITIONS

The proportion of the performance shares that will vest depends on the achievement of both internal and external performance conditions, as measured over a three-year period. The achievement rates will be disclosed on a criterion-by-criterion basis once the Board of Directors has assessed whether the performance targets have been reached.

The performance conditions reflect a good balance between operating performance, investor confidence and the Group's corporate responsibility performance. They are fully in line with Sodexo's value creation model aimed at achieving sustainable and profitable growth and meet the expectations of all of the Company's stakeholders.

The criteria used are intended to measure overall performance and are directly related to the Group's main strategic objectives, with the following weightings:

- financial performance: 50%, assessed based on targets such as the organic growth in revenue and underlying operating profit margin (excluding currency effects);
- stock market performance: 30%, measured by the total shareholder return (TSR) achieved by Sodexo as compared with a panel of international companies of comparable sector and size. It is reminded that no shares are vested for performance below the median;
- corporate responsibility performance, including gender diversity targets for the Group's management bodies and an internal Corporate Responsibility indicator, as presented below: 20%.

As the Group's medium-term objectives are not publicly disclosed, the organic growth for revenue and underlying operating margin targets will remain confidential.

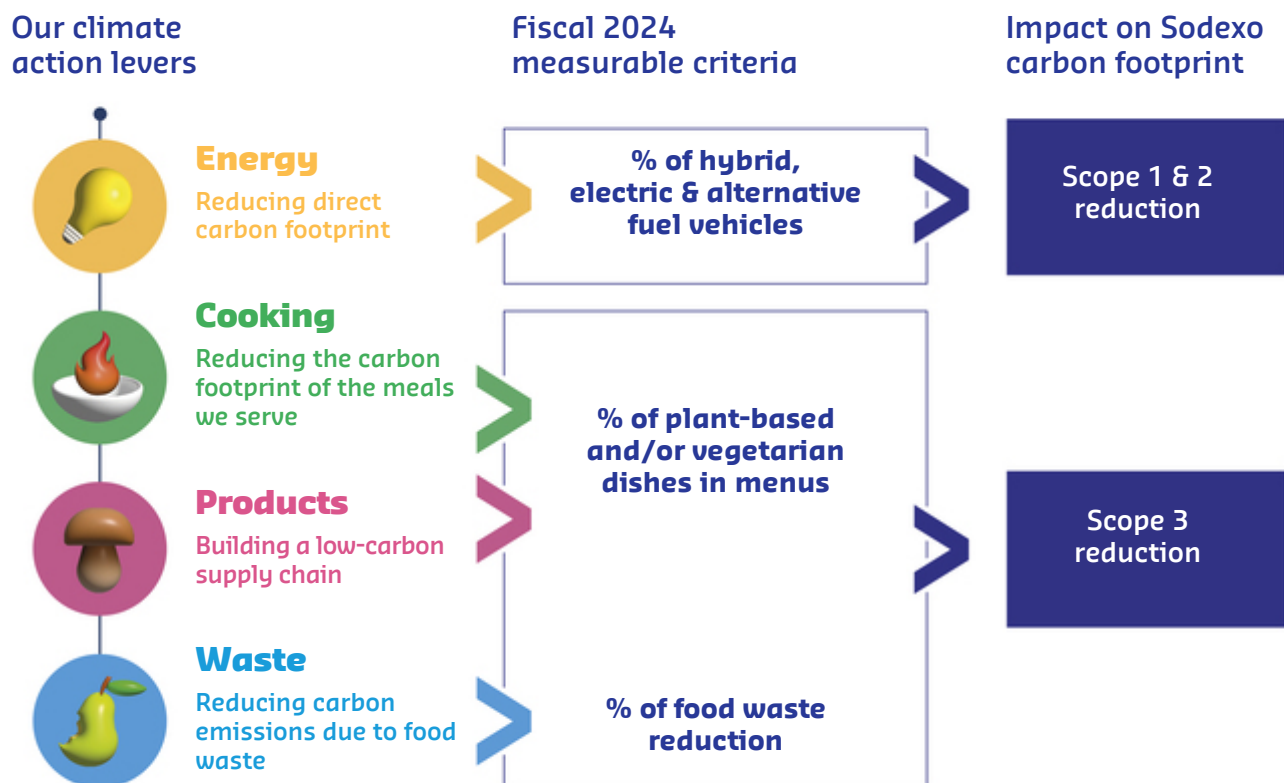
A revised Sustainable Development index is introduced for the Fiscal 2024 LTI plan. This indicator, which is aligned with the Group's Net-Zero 2040 ambition, is a continuation of the Better Tomorrow 2025 commitments:

- 3 measurable, ambitious operational criteria representing important levers for achieving the Group's ambition;
- 3 externally audited KPIs which will be disclosed every year in the Universal Registration Document.

More information is available in chapter 2 of the present document.

Sodexo Corporate Responsibility indicator

The Corporate Responsibility indicator has been changed as from the Fiscal 2024 plan.



If it became necessary to change the related criteria, the Board of Directors would ensure consistent and stringent criteria over the long-term.

CONTINUED PRESENCE CONDITION

In order for his/her performance shares to be delivered, the Chief Executive Officer must be present within the Group at the vesting date.

SHAREHOLDING AND WITHHOLDING OBLIGATIONS

In accordance with article L.225-197-1 of the French Commercial Code, the Chief Executive Officer is required to hold in registered form, for the duration of his/her term of office, a number of vested shares. The value has been set by the Board of Directors at 30% of his/her annual fixed compensation at the date the shares are delivered.

In addition, the Chief Executive Officer is required to hold shares for a value equivalent to 200% of his/her gross annual fixed compensation, and this portfolio must be built up over a maximum period of three years.

As part of the external recruitment process for a new Chief Executive Officer from a company outside the Sodexo Group, compliance will be required as from the vesting date of the first share award, *i.e.*, three years following the initial grant by the Company.

In addition, as long as he/she remains in office, the Chief Executive Officer may not use hedging instruments on any granted performance shares.

Multi-year compensation

The Board of Directors has decided not to create a multi-year compensation system, preferring instead to apply a share-based long-term compensation program, which it considers to be more closely aligned with the interests of the Company's shareholders.

However, the Board may envisage putting in place such a system if any regulatory changes or other changes in circumstances were to render share award not appropriate or impossible. If a multi-year compensation plan were to be set up, it would be based on the same principles and criteria as those used for determining and allocating performance shares and the same grant cap would apply.

Exceptional compensation

The compensation policy does not permit the granting of exceptional compensation to the Chief Executive Officer.

Supplemental pension plan

The Chief Executive Officer is a beneficiary of a defined benefit pension plan governed by article L.137-11-2 of the French Social Security Code. This plan is also available to the Group's most senior executives holding an employment contract with one of its French subsidiaries.

This pension plan was introduced in 2021 in line with the following rules: subject to one year of seniority within the Group, pension rights of up to 0.5% per year are granted for the first five years of the plan, and then up to 1% beyond five years, not exceeding a total of 10%. The rights are determined based on the fixed and variable compensation received during the calendar year by virtue of the role of Chief Executive Officer. The rights vest subject to an achievement

rate for his/her annual variable compensation targets of at least 80%. The resulting pension tops up the pensions provided by the basic compulsory plans and does not generate any corresponding obligation on the Company's balance sheet.

Other benefits

COMPANY CAR

The Chief Executive Officer has the use of a company car. The insurance, maintenance and fuel costs (related to professional use) are covered by Sodexo.

COLLECTIVE HEALTH AND BENEFIT PLANS

The Chief Executive Officer is a member of the Company's collective health and benefit plans, subject to the same terms and conditions as those applicable to all employees of the Group's French entities.

UNEMPLOYMENT INSURANCE

As the Chief Executive Officer does not have a French employment contract, the Company reserves the right to subscribe to a private unemployment insurance policy with the French Association of Unemployment Insurance for Corporate Officers (*Association pour la garantie sociale des chefs et dirigeants d'entreprises* — GSC). Under this policy, if the Chief Executive Officer were to lose his/her office, he/she would receive benefits for a maximum period of 24 months.

Sophie Bellon has requested not to benefit from this coverage.

Post-term benefits

INDEMNITY IN THE EVENT OF TERMINATION OF OFFICE

The compensation policy for the Chief Executive Officer provides that, if he/she is forced to leave the Group, he/she is entitled to an indemnity representing up to twice the amount of his/her annual gross compensation (fixed and variable) received over the twelve months preceding the termination.

This indemnity is not applicable in cases of voluntary resignation, retirement, or removal from office for gross or willful misconduct.

This indemnity will be paid subject to an achievement rate for the Chief Executive Officer's annual variable compensation targets of at least 80% for each of the two fiscal years ended prior to the termination of office.

In the event that the term of office is terminated in its first year, the indemnity will be calculated *pro rata temporis* on the basis of a maximum amount equivalent to six months of total gross compensation (annual target fixed and variable), subject to the performance conditions relating to Sodexo's financial and operating performance, which will be assessed by the Board of Directors based on the period considered.

In addition, in the event that the term of office is terminated in its second year, the indemnity will be calculated *pro rata temporis* on the basis of a maximum amount equivalent to twelve months of total gross compensation (annual fixed and variable effectively paid) in respect of the previous year, subject to an achievement rate for the Chief Executive Officer's annual variable compensation targets of at least 80% for the first full year of his/her term of office.

Under no circumstances can the maximum overall indemnity payable to the Chief Executive Officer in respect of the non-compete agreement and/or his/her indemnity on termination of office exceed 24 months of his/her fixed and variable compensation.

Sophie Bellon has waived eligibility for this indemnity.

NON-COMPETE AGREEMENT

In the event of the termination of the Chief Executive Officer's term of office, he/she will be subject to a non-compete obligation for a term of 24 months, restricting his/her freedom to hold any position as an employee or Corporate Officer, or carry out any consulting work, either directly or through another legal entity, for any of Sodexo's competitors. As consideration for these restrictions, an indemnity is paid on a staggered basis, the amount of which is capped at 24 months of his/her fixed and variable compensation awarded for the fiscal year preceding the termination.

The maximum aggregate amount paid to the Chief Executive Officer for (i) his/her non-compete agreement, and/or (ii) his/her indemnity on termination of office, may not exceed 24 months of his/her fixed and annual variable compensation.

The Board of Directors has the option to decide to waive the Company's right to enforce this non-compete agreement when the Chief Executive Officer leaves the Group.

This non-compete indemnity is excluded if the Chief Executive Officer is leaving for retirement, and in any event once he/she reaches the age of 65.

This non-compete obligation applies to Sophie Bellon, without her being eligible for any financial compensation.

MAINTAINING RIGHTS TO PERFORMANCE SHARES IN THE PROCESS OF VESTING

Rights to performance shares granted under the Group's long-term incentive plans are retained in their entirety in the event of retirement.

Moreover, in accordance with the AFEP-MEDEF Code and the plan rules applicable to all beneficiaries of the Group's performance share plans, the Board of Directors, on the recommendation of the Compensation Committee, may in exceptional circumstances authorize the retention of rights to any shares in the event of a forced departure from the Company.

In such a case, the number of shares that vest would necessarily be adjusted on a *pro rata* basis by reference to the actual time the Chief Executive Officer spent within the Group during the vesting period. The original vesting period would continue to run and the performance conditions would still apply.

Potential change of governance

RECRUITMENT OR APPOINTMENT POLICY

In the event of a change of governance and the appointment of a new Chief Executive Officer during the fiscal year, the compensation structure and principles set out in the compensation policy approved by the Annual Shareholders Meeting will be applicable to the new Chief Executive Officer for the current fiscal year.

If the roles of Chairman/Chairwomen of the Board of Directors and Chief Executive Officer are separated, the compensation of the new Chief Executive Officer would then be determined in accordance with the principles of this compensation policy which take into account the duties and responsibilities of the position, the skills and the experience of the holder of the position and the market practice.

The compensation of the new Chairman/Chairwoman of the Board of Directors would be fixed in line with his/her non-executive role and market practice. It would comprise fixed compensation, collective health and benefit plans and company car. He/she would not be eligible for variable compensation or for the long-term compensation program.

If one or more Deputy Chief Executive Officers were appointed, the principles and criteria for determining, allocating and awarding the compensation components provided for in the executive officer's compensation policy would also apply to them.

The Board of Directors, on the recommendation of the Compensation Committee, would determine the level and structure of the compensation by adjusting them to the situation of the person(s) concerned.

If the Chief Executive Officer or the Deputy Chief Executive Officer were to become a member of the Company's Board of Directors, they would not receive any directors' compensation.

SIGNING BONUS

Pursuant to the recommendations of the AFEP-MEDEF Code, if a new Executive Corporate Officer were to be recruited from outside the Sodexo Group, the Board of Directors may decide to grant him or her an indemnity (in cash and/or shares) in order to compensate for any loss of previous compensation or benefits (excluding pension benefits).

This indemnity would be tailored so as to reflect the type, risk profile and the vesting horizon of the lost benefits.

In accordance with article L.22-10-8 of the French Commercial Code, the payment or implementation of any such compensation would be subject to shareholder approval.

RELOCATION

The Board of Directors may be required to grant exceptional benefits on a temporary basis to allow the new Chief Executive Officer to move to the place of performance of his/her duties.

Specific provisions related to the spin-off of the Benefits & Rewards Services activities (Pluxee)

The Compensation Committee has studied the impacts of the spin-off on the compensation policy for the Chief Executive Officer and has defined the adjustments that will have to be implemented on the effective date thereof:

- the international sector peer group defined for the analysis of the Chief Executive Officer's competitiveness will be revised, removing Edenred, whose activity will no longer be similar to that of the Group;
- the financial targets for the annual variable compensation will be adjusted to ensure a *pro forma* analysis at the end of the fiscal year;
- the targets of the performance conditions for the performance share plans not yet vested will also be recalculated on the adjusted perimeter, and the number of shares may be adjusted to reflect the effect of the spin-off in the same way as for Sodexo employee beneficiaries.

7.4.1.4 Compensation policy for directors for Fiscal 2024

Structure of the compensation

The compensation awarded to directors includes fixed and variable compensation components and a travel allowance for directors coming from the United States.

Directors are not eligible for any long-term compensation, supplemental pension plan or compensation or benefits that may result from any change in their duties, new duties, or the end of their directorship.

As stated above, the Chairwoman and Chief Executive Officer does not receive any directors' compensation.

The compensation policy for Sodexo's directors is intended to remunerate the work they perform at Board and Committee meetings, without however encouraging an excessive number of meetings.

Sodexo's policy has always been to regularly review the overall envelope for directors' compensation. It was increased by 20% in 2022.

The total compensation allocated annually to the directors of Sodexo is 1.2 million euros.

The amount paid for Fiscal 2023 was 83% of the maximum authorized.

For Fiscal 2024, in view of the upcoming changes in the number and composition of Board Committees and the appointment of new directors, the Board of Directors will submit to the Annual Shareholders Meeting of December 15, 2023 a proposal to increase the maximum amount authorized by 8% to 1.3 million euros.

The procedures for allocating directors' fixed and variable compensation have been decided by the Board of Directors for Fiscal 2024 and are unchanged from Fiscal 2023. However, these procedures may be reviewed by the Board of Directors in the event of a change in the Board of Directors' composition or a change to take into account an increase in its workload or responsibilities.

Fixed compensation

The procedures for allocating the overall amount of compensation among the individual directors are set by the Board of Directors, based on the recommendation of the Compensation Committee.

Each director receives annual fixed compensation of 20,000 euros; this compensation is increased by 30,000 euros for the Lead Director. Members of the Audit Committee also receive 8,000 euros, and members of the Compensation and Nominating Committees receive 6,000 euros.

A further annual fixed amount of 22,500 euros is allocated to the Chair of each of the specialized Committees, with the exception of the Chair of the Audit Committee, who receives 25,000 euros.

The fixed portion of directors' compensation is calculated proportionately to the time served on the Board by each director during a given fiscal year.

Variable compensation

The directors' variable compensation is 4,500 euros for attending each Board meeting, and 3,000 euros for attending each meeting of a specialized Committee of which they are a member, with the exception of the Audit Committee for which the amount is 3,500 euros.

This variable compensation is not, however, awarded for Board meetings that take place by way of written consultation in accordance with the conditions set in the applicable regulations, or for any *ad hoc* meetings.

Travel allowance

A travel allowance of 1,500 euros per effective presence at a Board meeting will be paid to directors traveling from the United States.

SUMMARY OF DIRECTORS' FIXED AND VARIABLE COMPENSATION

(in euros)	ANNUAL FIXED COMPENSATION	ADDITIONAL ANNUAL FIXED COMPENSATION FOR THE LEAD DIRECTOR	ADDITIONAL ANNUAL FIXED COMPENSATION FOR CHAIRING A COMMITTEE	VARIABLE COMPENSATION PER MEETING ATTENDANCE
Board of Directors	20,000	30,000		4,500
Audit Committee	8,000		25,000	3,500
Nominating Committee	6,000		22,500	3,000
Compensation Committee	6,000		22,500	3,000

7.4.2 Information on the components of compensation paid or awarded to Corporate Officers (say on pay ex-post)

7.4.2.1 Compensation of Sophie Bellon, Chairwoman and Chief Executive Officer

The following tables show a breakdown of the various components of Sophie Bellon's compensation.

The components of the compensation for the role of Chairwoman and Chief Executive Officer were established in line with the compensation policy for the Chief Executive Officer approved by the shareholders at the Combined Annual Shareholders Meeting of December 19, 2022 (tenth resolution). This policy provides for fixed, variable and long-term compensation, a supplemental pension plan,

collective health and benefit plans as well as benefits in kind. It does not include any multi-year variable compensation, exceptional compensation or any other post-term benefit.

At the Ordinary Annual Shareholders Meeting of December 15, 2023, shareholders will be given a "say-on-pay" vote on the total compensation and benefits paid during or awarded for Fiscal 2023 to Sophie Bellon for her duties performed during the fiscal year.

Summary of compensation, stock options and performance shares awarded to the Chairwoman of the Board and Chief Executive Officer

TABLE 1, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2021-02

SOPHIE BELLON CHAIRWOMAN AND CHIEF EXECUTIVE OFFICER (in euros)	FISCAL 2023	FISCAL 2022
Compensation awarded for the fiscal year (gross, before tax)	1,866,195	1,469,652
Value of stock options granted	N/A	N/A
Value of performance shares granted	1,784,516	N/A
TOTAL	3,650,711	1,469,652

Summary of the Chairwoman of the Board of Directors and Chief Executive Officer's compensation

TABLE 2, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2021-02

(in euros)	FISCAL 2023		FISCAL 2022	
	GROSS AMOUNTS AWARDED (BEFORE TAX)	GROSS AMOUNTS PAID (BEFORE TAX)	GROSS AMOUNTS AWARDED (BEFORE TAX)	GROSS AMOUNTS PAID (BEFORE TAX)
SOPHIE BELLON CHAIRWOMAN AND CHIEF EXECUTIVE OFFICER				
Fixed compensation ⁽¹⁾	900,000	900,000	881,250	881,250
Variable compensation ^{(2) (3)}	966,195	587,250	587,250	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation	N/A	N/A	N/A	N/A
Benefits in kind ⁽⁴⁾	1,123	1,123	1,152	1,152
TOTAL	1,867,318	1,488,373	1,469,652	882,402

The following amounts were paid by Bellon SA to Sophie Bellon for her duties as a member of the Management Board of Bellon SA

Fixed compensation	210,018	210,018	210,015	210,015
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(1) For Fiscal 2022, fixed compensation for her role as Chairwoman of the Board of Directors until September 30, 2021, as Chairwoman of the Board of Directors and interim Chief Executive Officer from October 1, 2021 to February 28, 2022, and then as Chairwoman and Chief Executive Officer from March 1, 2022.

(2) Variable compensation for Fiscal 2022 for her role as Chairwoman and Chief Executive Officer for the period in question (paid during Fiscal 2023).

(3) Variable compensation for Fiscal 2023 (paid during Fiscal 2024) subject to approval at the Annual Shareholders Meeting.

(4) Sophie Bellon has the use of a company car.

Details regarding the variable compensation granted to the Chairwoman and Chief Executive Officer for Fiscal 2023

If the targets are achieved, the variable compensation is equal to 100% of the fixed compensation; this can be increased up to a limit of 150% if the targets are exceeded.

The precise targets set at the beginning of the fiscal year are predominantly based on financial parameters, as presented below.

As of Fiscal 2023, the criterion of client retention rate has been added to the existing financial targets. The Board of Directors believes this constitutes a key lever in the model in the Company's sustainable and profitable growth model.

	TARGETS	WEIGHTING	MAXIMUM IN% OF TARGET	ACHIEVEMENT RATE	CORRESPONDING AMOUNT (in euros)
70% based on financial targets	Organic growth	20%	185%	185%	333,000
	Client retention	10%	100%	0%	0
	Underlying operating profit margin (excluding exchange rate impacts)	20%	185%	123%	222,075
	Growth in Group net income	10%	180%	144%	129,600
	Free cash flow	10%	180%	113%	101,520
30% based on non financial targets	Health and safety target	10%	100%	0%	0
	Talent management	10%	100%	100%	90,000
	Dow Jones Sustainability Index, in the top three for the industry	10%	100%	100%	90,000
TOTAL ANNUAL VARIABLE COMPENSATION AWARDED FOR FISCAL 2023		100%	150%	107%	966,195

In Fiscal 2023, the Group's strong financial performance has resulted in the outperformance of the organic revenue growth, underlying profit margin, net income (Group share) and free cash flow targets. The client retention rate criteria, introduced in the annual variable compensation for Fiscal 2023 as a key lever for sustainable and profitable growth, reached a record 95.2%, +70 bps higher than the previous year. However, this excellent result was not enough to reach the very ambitious target set at the start of the year.

With regard to the achievement of non-financial targets, two criteria were fully met for Fiscal 2023. Talent management criteria, comprising three indicators aimed at promoting women to operational executive roles, increasing retention rate and internal promotions versus external executive recruitments, was achieved. Sodexo was ranked second in the latest DJSI sector ranking, above the defined target. On the other hand, despite the 15.4% reduction in the Lost Time Injury Rate (LTIR) to 0.55 for Fiscal 2023, the Health and Safety target set for Fiscal 2023 was not achieved.

Performance shares granted to the Chairwoman and Chief Executive Officer for Fiscal 2023

In accordance with the compensation policy for the Chief Executive Officer approved by the Shareholders Meeting of December 19, 2022 and the authorization of the Shareholders Meeting of December 14, 2021 (twentieth resolution), on January 31, 2023, the Board of Directors decided to grant Sophie Bellon 24,500 performance shares (i.e., 0.02% of the share capital and 2.9% of the total number of shares granted in the fiscal year).

The value of the grant amounts to 1,784,516 euros, i.e., approximately 100% of her target annual fixed and variable compensation.

The shares will vest after a vesting period of three years, subject to achieving the performance conditions related to the Group's main strategic objectives as follows:

- 20% based on an average of the Group's organic revenue growth for Fiscal 2023, 2024 and 2025;
- 30% based on achievement of the Group's underlying operating profit margin targets for each of Fiscal 2023, 2024 and 2025;
- 30% based on achievement of a total shareholder return (TSR) target measured over three (3) years and compared with a panel of seven (7) companies (Aramark, Compass, Edenred, Elior, ISS, Rentokil and Securitas), depending on the TSR ranking of Sodexo within the panel, as follows:

SODEXO TSR RANK	PERCENTAGE OF SHARES THAT VEST *
1 st Quartile	100%
2 nd Quartile	50-100%
Median	50%
Below the median	0%

* Between the two targets, the percentage of shares vested will be linearly proportional and rounded down to the nearest whole number.

- 10% based on the achievement of a diversity target geared toward the promotion of women to top management positions, including managers reporting to a member of the Sodexo Leadership Team and among operational executives at the end of Fiscal 2025;
- 10% based on the achievement of a sustainable development target established in line with the Better Tomorrow 2025 CSR roadmap made up of four equally weighted criteria: responsible procurement with an increase in purchasing from SMEs, energy management with the goal of 100% renewable electricity at sites operated directly by the Group, a 50% reduction in food waste at sites that have implemented the anti-food-waste program, and healthy and sustainable food offerings with an increase in the proportion of plant-based meals in the menus proposed.

OBJECTIVE		WEIGHTING	TARGET	MAXIMUM
50% Financial performance	Organic revenue growth for Fiscal 2023, 2024 and 2025	20%	100%	100%
	Underlying operating profit margin (excluding currency effects) for each of Fiscal 2023, 2024 and 2025	30%	100%	100%
30% Stock market performance	Sodexo's TSR ranking as compared with a panel of peers (Aramark, Compass, Edenred, Elixor, ISS, Rentokil and Securitas), measured over 3 years	30%	100%	100%
20% CSR performance	Corporate Responsibility indicator	10%	100%	100%
	Gender diversity	10%	100%	100%
TOTAL FOR FISCAL 2023		100%	100%	100%

TABLE 6, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2021-02

	PLAN DATE	NUMBER OF SHARES GRANTED DURING THE FISCAL YEAR	VALUATION OF SHARES ⁽¹⁾ (in euros)	VESTING DATE	AVAILABILITY DATE	PERFORMANCE CONDITION
SOPHIE BELLON CHAIRWOMAN AND CHIEF EXECUTIVE OFFICER	01/31/2023	24,500	1,784,516⁽²⁾	01/30/2026	01/31/2026	100%

(1) Valuation corresponding to the fair value on the grant date estimated taking into account the terms and conditions over the three-year vesting period (see note 5 of the appendix to the consolidated financial statements). The expense related to these shares is being recognized over a period of three years.

(2) Representing 0.02% of the Company's share capital at August 31, 2022 and 2.9% of all the performance shares granted during the fiscal year by the Board of Directors (in compliance with the limits set by the Shareholder's Meeting of December 14, 2021, twentieth resolution). This performance share grant will have no dilutive effect on the Company's share capital, since the corresponding plan provides for the performance shares which will vest will be exclusively treasury shares held by the Company.

Performance shares that became available during Fiscal 2023

No performance shares vested for Sophie Bellon, Chairwoman and Chief Executive Officer, during Fiscal 2023. As a reminder, no performance shares were attributed to Sophie Bellon before Fiscal 2023.

A description of the main terms of the plan for the granting of performance shares that became available during Fiscal 2023 is provided in Section 7.4.5.

History of performance share granted to the Chairwoman and Chief Executive Officer

No performance shares were granted to Sophie Bellon, Chairwoman and Chief Executive Officer prior to Fiscal 2023. A description of the performance shares granted for Fiscal 2023 is provided in Section 7.4.5 (table 9).

It should be remembered that Sodexo's long-term compensation program currently consists solely of performance share grants.

The tables relating to stock options referred to in the AFEP-MEDEF Code are not applicable and have accordingly not been provided.

Summary of benefits - Chairwoman and Chief Executive Officer

TABLE 11, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2021-02

	EMPLOYMENT CONTRACT		SUPPLEMENTAL PENSION PLAN		COMPENSATION OR ENTITLEMENTS DUE OR LIKELY TO BECOME DUE AS A RESULT OF A CHANGE IN DUTIES OR LOSS OF OFFICE		INDEMNITY RELATING TO A NON-COMPETE CLAUSE	
	YES	NO	YES	NO	YES	NO	YES	NO
Sophie Bellon Chairwoman and Chief Executive Officer								
Appointment date: January 26, 2016		X	X*			X		X
Expiration of current term: Annual Shareholders Meeting held to approve the financial statements for Fiscal 2023								

* Since her appointment on March 1, 2022 as Chairwoman and Chief Executive Officer, Sophie Bellon has been eligible for the supplemental pension plan described in Section 7.4.1.3.

7.4.2.2 Compensation and benefits paid during or awarded for Fiscal 2023 to Sophie Bellon (ex post vote at the Annual Shareholders Meeting of December 15, 2023)

Compensation and benefits paid during or awarded for Fiscal 2023 to Sophie Bellon, Chairwoman and Chief Executive Officer

The fixed and variable components of the total compensation and benefits paid during or awarded for Fiscal 2023 to Sophie Bellon comply with the Fiscal 2023 compensation policy for the Chief Executive Officer detailed in the 2022 Universal Registration Document (Chapter 6, Section 6.5.1.3) and approved by the Shareholders Meeting of December 19, 2022 (fourteenth resolution, approved by 94.4% of the votes).

The compensation components paid during or awarded for Fiscal 2023 as presented below will be submitted for approval at the Annual Shareholders Meeting of December 15, 2023.

TYPE OF COMPENSATION OR BENEFITS	AMOUNTS PAID DURING FISCAL 2023	AMOUNTS AWARDED FOR FISCAL 2023 OR ACCOUNTING VALUE	COMMENTS
Fixed compensation	€900,000	€900,000	Pre-tax gross amount due for the fiscal year. The fixed compensation includes compensation payable and paid for her role as Chairwoman and Chief Executive Officer.
Variable compensation	€587,250	€966,195	Amount awarded consisting of the variable bonus due to the Chairwoman and Chief Executive Officer for Fiscal 2023 in application of the Fiscal 2023 compensation policy for the Chief Executive Officer, and payable in Fiscal 2024. Amount corresponding to 107.4% of the fixed compensation received in Fiscal 2023 As her role as Chairwoman and Chief Executive Officer began on March 1, 2022, the amount paid for Fiscal 2022 was calculated on a <i>pro rata temporis</i> basis.
Stock options and performance shares	N/A	€1,784,516	On January 31, 2023, the Chairwoman and Chief Executive Officer was granted 24,500 shares valued for accounting purposes at 1,784,516 euros. All of the shares granted are subject to performance conditions. The vesting period is 3 years.
Directors' compensation	N/A	N/A	The Chairwoman and Chief Executive Officer does not receive any directors' compensation.
Supplemental pension plan	No amounts paid	No amounts awarded	Since her appointment on March 1, 2022, the Chairwoman and Chief Executive Officer has been a beneficiary of a defined benefit pension plan governed by article 39 of the French General Tax Code and article L.137-11-2 of the French Social Security Code, set up in 2021 for the Group's senior executives holding an employment contract with one of its French companies. This plan grants annual rights amounting to 0.5% of fixed and variable compensation for her role as Chairwoman and Chief Executive Officer for the first five years and then 1% per year beyond five years, up to a total of 10%. The rights vest subject to an achievement rate for the Chairwoman and Chief Executive Officer's annual variable compensation targets of at least 80%. As this condition was met for Fiscal 2023, the Chairwoman and Chief Executive Officer has acquired the right to a lifetime annuity of 9,330 euros gross per year.
Benefits in kind	€1,123	€1,123	Sophie Bellon has the use of a company car.

Sophie Bellon is not eligible for any of the following types of compensation or benefits: multi-year variable compensation, exceptional compensation, non-compete indemnity or termination benefit.

7.4.2.3 Pay equity ratio between the compensation paid to the Company's executive officers and the average and median compensation received by Sodexo employees

In accordance with article L.22-10-9 of the French Commercial Code, the table below shows the ratios between the level of compensation of the Company's Chief Executive Officer and the average and median compensation received by Sodexo employees on a full-time equivalent basis over Fiscal 2019 to 2023.

These ratios were established by referring to the AFEP guidelines on compensation multiples published on January 28, 2021.

Compensation in the form of performance shares has been taken into account at its grant-date value calculated in accordance with IFRS as at the grant date.

Scopes

The ratios below are disclosed for two scopes: the listed company Sodexo S.A. comprising around 500 employees, and an extended scope including other Sodexo companies in France, comprising around 24,700 employees, *i.e.*, 84% of the total workforce in France.

Compensation components

The compensation of the Executive Officers and employees retained includes all fixed and variable compensation components, and benefits of all kinds paid over the last five fiscal years. The method for determining and valuing the components of compensation for executive officers and employees is therefore harmonized.

	FISCAL 2019	FISCAL 2020	FISCAL 2021	FISCAL 2022	FISCAL 2023
Company performance					
Group revenue (in million euros)	21,954	19,321	17,428	21,125	23,419
<i>(year on year variance)</i>	+7.6 %	-12.0 %	-9.8 %	+21.2 %	+10.9 %
Group UOP (in million euros)	1,200	569	578	1,059	1,314
<i>(year on year variance)</i>	+6.4 %	-52.6 %	+1.6 %	+83.2 %	+24.1 %
Information on extended scope					
Employee compensation (in euros)					
Employee average compensation (full time equivalent)	31,714	31,556	33,047	35,382	36,704
<i>(year on year variance)</i>	+2.8 %	-0.5 %	+4.7 %	+7.1 %	+3.7 %
Employee median compensation (full time equivalent)	24,626	24,809	25,192	26,763	27,924
<i>(year on year variance)</i>	+2.5 %	+0.7 %	+1.5 %	+6.2 %	+4.3 %
Group Chief Executive Officer					
Annual compensation (in euros)	2,996,778	1,581,263	2,594,682	882,402	3,482,906
<i>(year on year variance)</i>	-17.2 %	-47.2 %	+64.1 %	-66.0 %	+294.7 %
Ratio versus employee average compensation	94	50	79	25	95
<i>(year on year variance)</i>	-19.5 %	-47.0 %	+56.7 %	-68.2 %	+280.5 %
Ratio versus employee median compensation	122	64	103	33	125
<i>(year on year variance)</i>	-19.3 %	-47.6 %	+61.6 %	-68.0 %	+278.3 %
Information on Sodexo S.A.					
Employee compensation - Sodexo S.A. (in euros)					
Employee average compensation (full time equivalent)	130,041	117,802	148,412	138,278	157,372
<i>(year on year variance)</i>	-4.1 %	-9.4 %	+26.0 %	-6.8 %	+13.8 %
Employee median compensation (full time equivalent)	75,763	89,800	103,519	92,494	96,588
<i>(year on year variance)</i>	-6.0 %	+18.5 %	+15.3 %	-10.7 %	+4.4 %
Group Chief Executive Officer					
Ratio versus employee average compensation	23	13	17	6	22
<i>(year on year variance)</i>	-13.6 %	-41.8 %	+30.2 %	-63.5 %	+246.8 %
Ratio versus employee median compensation	40	18	25	10	36
<i>(year on year variance)</i>	-11.9 %	-55.5 %	+42.3 %	-61.9 %	+278.0 %

- Fiscal 2019

The compensation indicated for the Chief Executive Officer is that of Denis Machuel for a full year.

- Fiscal 2020

The compensation indicated for the Chief Executive Officer is that of Denis Machuel for a full year. During this fiscal year, the fixed compensation was reduced by 50% in the second half and no performance shares were granted.

- Fiscal 2021

The compensation indicated for the Chief Executive Officer is that of Denis Machuel for a full year. His fixed compensation was reestablished and paid at the target level. The variable compensation for Fiscal 2020 was not paid following the cancellation decided by the Board of Directors given the health crisis linked to the Covid-19 pandemic. He received a grant of performance shares.

Sodexo employees did not receive variable compensation for Fiscal 2020 since the targets were not reached due to the health crisis. During Fiscal 2021, eligible Sodexo employees received variable compensation for the first half of the fiscal year in advance.

- Fiscal 2022

The compensation indicated for the Chief Executive Officer is that of the Chairwoman and Chief Executive Officer (Sophie Bellon). It includes the compensation she received in September 2021 in her role as Chairwoman of the Board of Directors, then that received from October 2022 for her roles as Chairwoman of the Board of Directors and interim Chief Executive Officer, and then as Chairwoman and Chief Executive Officer. The Chairwoman and Chief Executive Officer did not receive any variable compensation in Fiscal 2021 due to the fact that she was not eligible in her role as Chairwoman of the Board of Directors. She did not receive any performance share grants.

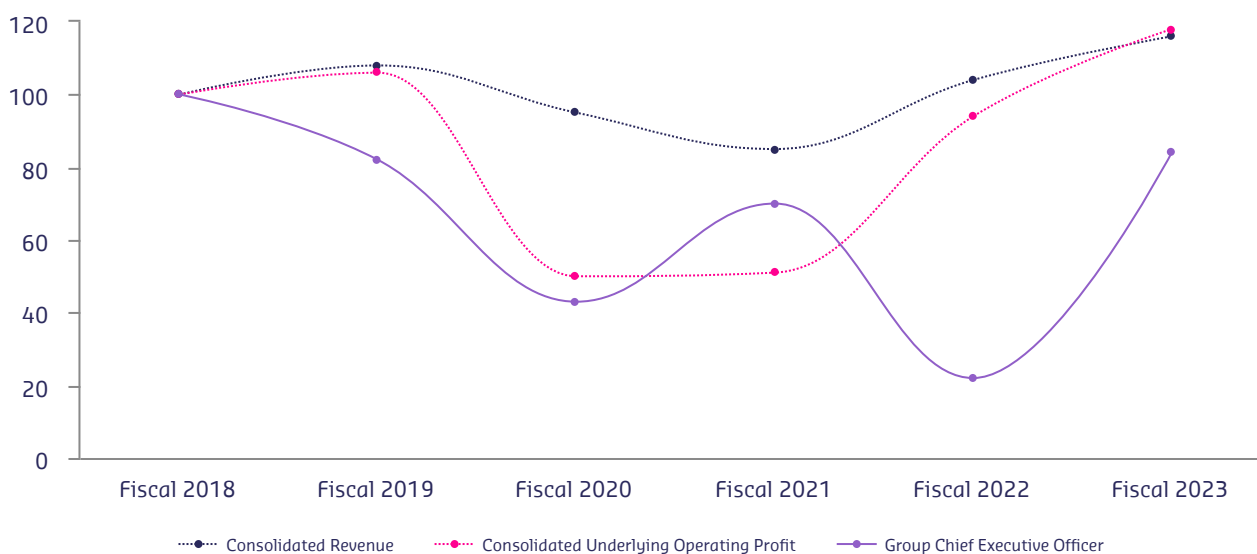
- Fiscal 2023

The compensation indicated for the Chief Executive Officer is that of the Chairwoman and Chief Executive Officer (Sophie Bellon). It includes her fixed compensation, the variable compensation paid for the previous fiscal year and the grant of performance shares as of January 31, 2023 (for further details, refer to Section 7.4.2.1 of this document).

The chart below shows the change in the ratios between (i) the compensation of the Chairwoman and Chief Executive Officer for Fiscal 2022 and Fiscal 2023 and the Chief Executive Officer for previous years and (ii) the median compensation of employees in the extended scope, compared with the change in the Group's revenue and underlying operating profit.

For ease of reading, the value of the different items is expressed with Fiscal 2018 as the Base 100.

Median pay equity ratio compared to financial results - Base 100 in Fiscal 2018



7.4.3 Information on the components of compensation paid or awarded to the directors

The total annual amount of compensation available for payment to the directors of Sodexo was set at 1,200,000 euros at the Combined Annual Shareholders Meeting of December 19, 2022 (twelfth resolution). The total amount actually paid to all directors (other than to the Chairwoman of the Board) during Fiscal 2023 was 994,513 euros (compared to 928,692 euros during Fiscal 2022), representing 83% of the total budget approved at the Annual Shareholders Meeting.

These amounts were calculated and paid in accordance with the Board of Directors' Internal Rules, based on the following criteria established for Fiscal 2023:

(in euros)	ANNUAL FIXED COMPENSATION	ADDITIONAL ANNUAL FIXED COMPENSATION FOR THE LEAD DIRECTOR	ADDITIONAL ANNUAL FIXED COMPENSATION FOR CHAIRING A COMMITTEE	VARIABLE COMPENSATION PER ATTENDANCE AT EACH MEETING
Board of Directors	20,000	30,000		4,500
Audit Committee	8,000		25,000	3,500
Nominating Committee	6,000		22,500	3,000
Compensation Committee	6,000		22,500	3,000

A travel allowance of 1,500 euros per Board meeting attended was paid to directors travelling from the United States.

Directors are not eligible for any long-term compensation, supplemental pension plan or compensation or benefits that may result from any change in their duties, new duties, or the end of their directorship.

As stated above, the Chairwoman and Chief Executive Officer does not receive any directors' compensation.

The two directors representing employees both hold an employment contract with the Group and therefore receive compensation that has no connection with their office as director. The amounts of their salaries are not disclosed for confidentiality reasons.

The compensation paid to the directors during Fiscal 2023 and Fiscal 2022 (both fixed and variable), calculated based on their attendance at Board and Committee meetings as indicated above, was as follows:

TABLE 3, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2021-02

DIRECTORS (in euros)		FISCAL 2023		FISCAL 2022	
		AMOUNT AWARDED	AMOUNT PAID	AMOUNT AWARDED	AMOUNT PAID
Sophie Bellon ⁽¹⁾	Directors' compensation	N/A	N/A	N/A	N/A
	Other compensation	3,861,849	1,698,391	1,679,667	1,092,417
Emmanuel Babeau ⁽²⁾	Directors' compensation	N/A	N/A	29,500	29,500
	Directors' compensation	98,000	98,000	81,516	81,516
François-Xavier Bellon ⁽³⁾	Bellon SA compensation	450,018	450,018	450,015	450,015
	Directors' compensation	72,500	72,500	68,000	68,000
Nathalie Bellon-Szabo ⁽⁴⁾	Other compensation	1,695,393	995,426	597,510	597,510
	Directors' compensation	75,500	75,500	71,000	71,000
Françoise Brougher	Directors' compensation	107,000	107,000	101,000	101,000
Jean-Baptiste Chasseloup de Chatillon	Directors' compensation	91,000	91,000	39,500	39,500
Federico J. González Tejera	Directors' compensation	60,208	60,208	47,000	47,000
Véronique Laury	Directors' compensation	77,000	77,000	76,000	76,000
Cathy Martin ⁽⁵⁾	Directors' compensation	64,500	64,500	68,000	68,000
Luc Messier	Directors' compensation	129,111	129,111	85,176	85,176
Sophie Stabile ⁽⁶⁾	Directors' compensation	50,667	50,667	125,000	125,000
	Directors' compensation	27,527	27,527	N/A	N/A
Patrice de Talhouët ⁽⁷⁾	Bellon SA compensation	340,965	340,965	N/A	N/A
	Directors' compensation	141,500	141,500	137,000	137,000

(1) Sophie Bellon, in her capacity as Chairwoman and Chief Executive Officer of the Sodexo Group, received the compensation described in Section 7.4.2.1 above). She received other compensation during the fiscal year for her duties as a member of Bellon SA's Management Board (210,018 euros for Fiscal 2023 and 210,015 euros for Fiscal 2022).

(2) Emmanuel Babeau's term expired on December 14, 2021.

(3) François-Xavier Bellon received other compensation during the fiscal year for his duties as a Chairman of Bellon SA's Management Board (450,018 euros for Fiscal 2023 and 450,015 euros for Fiscal 2022).

(4) Nathalie Bellon-Szabo received other compensation during the fiscal year for her duties as a member of Bellon SA's Management Board (210,000 euros for Fiscal 2023 and 210,000 euros for Fiscal 2022) as well as for her duties as Chief Executive Officer of Sodexo Live! (for Fiscal 2023, 785,426 euros and performance shares with a grant date value equivalent to 699,967 euros and, for Fiscal 2022, 387,510 euros).

(5) Philippe Besson and Cathy Martin are directors representing employees. The salaries they receive under their employment contract are not disclosed for confidentiality reasons. At Philippe Besson's request, part of the compensation due to him for his role as director representing employees is paid to the trade union that appointed him (25,714 euros paid to Philippe Besson and 49,786 euros paid to his trade union during Fiscal 2022).

(6) Sophie Stabile's term expired on December 19, 2022.

(7) Patrice de Talhouët was appointed as new director at the Combined Annual Shareholders Meeting of December 19, 2022. He received other compensation during Fiscal 2023 for his duties as Chief Executive Officer of Bellon SA (340,965 euros on a *pro rata temporis* basis for Fiscal 2023).

7.4.4 Compensation policy for the Sodexo Leadership Team

The compensation policy applicable to members of the Sodexo Leadership Team is reviewed each year by the Compensation Committee and the Board of Directors. It is fully aligned with that of the Chief Executive Officer.

The compensation of Sodexo Leadership Team members is made up of the following:

- a fixed salary;
- annual variable compensation.

The annual variable compensation represents between 60% and 90% of the fixed salary.

The bonus is calculated and paid following the close of the fiscal year to which it applies and after the Board of Directors has approved the financial statements;

- a long-term incentive plan, consisting of restricted share grants. Shares are subject to continued presence and performance conditions.

The applicable performance conditions are equivalent to those set for the Chief Executive Officer and described in Section 7.4.1.3. of this Universal Registration Document.

In addition to this compensation, Sodexo Leadership Team members may receive benefits in kind (primarily a car and a travel allowance) and pension plan contributions (under defined contribution and, where applicable, defined benefit plans).

Total compensation paid during Fiscal 2023 by the Group to members of the Sodexo Leadership Team in office as of August 31, 2023 (including the Chairwoman and Chief Executive Officer, details of whose compensation are provided in Section 7.4.2.1 of this document), amounted to 12,143,106 euros.

This amount comprises:

- a fixed portion of 6,758,224 euros;
- a variable portion of 5,384,881 euros made up of the variable compensation due for Fiscal 2022.

7.4.5 Description of the long-term incentive plan – Restricted share plans

Sodexo's long-term incentive policy has two objectives:

- to incentivize the Group's executives, managers and other employees by aligning their financial interests with those of Sodexo's shareholders;
- to attract and retain the *intra-entrepreneurs* needed to expand and strengthen Sodexo's market leadership.

Since Fiscal 2013, long-term incentive plans have consisted exclusively of restricted share plans.

In the 20th resolution adopted at the Combined Annual Shareholders Meeting on December 14, 2021, the Company's shareholders renewed the authorization given to the Board of Directors to grant, on one or more occasions, existing and/or newly issued restricted shares of the Company to employees and Corporate Officers of the Group.

The terms and conditions of the restricted share plans (including the related continued presence and performance conditions) and the list of beneficiaries are determined by the Board of Directors based on recommendations issued by the Compensation Committee.

As from the 2021 plans, the terms and conditions of the restricted share plans granted within the Group are as follows:

- the restricted share grants take place annually and are decided primarily during the first half of each fiscal year, after the publication of the financial statements for the previous fiscal year. It could be decided to make an additional grant during the second half, mainly for recently recruited beneficiaries for whom the share grant was decisive in recruitment;
- vesting of the shares is subject to a three-year continued presence condition for each beneficiary and, for part of the shares granted, to performance conditions assessed over a three-year period.

The restricted share grants have no dilutive impact for shareholders as the shares concerned are treasury shares held by the Company.

Vesting of shares under restricted share plans in Fiscal 2023

During Fiscal 2023, the vesting periods of the restricted share plans set up by the Board of Directors on June 19, 2019 and November 6, 2019 ended on June 19, 2023. These plans provided for the following performance conditions:

- average increase in organic growth of +3% to 4% a year over the four fiscal years 2019 to 2022;
- average rate in the underlying operating profit margin of +5.6% to 6.0% a year over the four fiscal years 2019 to 2022;
- the following ranking for total shareholder return (TSR) for Sodexo on May 19, 2023 as compared with an internal industry peer group made up of the following groups: ABM, Aramark, CBRE, Compass, Edenred, Elix, G4S, ISS, ILL, Rentokil and Securitas. It should be noted that as the G4S group is no longer a listed company, it has been excluded from the peer group;

SODEXO TSR RANK	PERCENTAGE OF SHARES THAT VEST*
1 st quartile	100%
2 nd quartile	50-100%
Median	50%
Below the median	0%

* Between the two targets, the percentage of shares vested will be linearly proportional and rounded down to the nearest whole number.

- the achievement of the threshold of at least 35% of women in top management positions, consisting of all positions reporting directly to a member of the Sodexo Leadership Team.

The financial performance conditions were not met, as the average organic growth of 0.6% over the four fiscal years and the average rate in underlying operating profit margin was 4.1%. The stock market performance condition was partially met, with a TSR increase of 3.8%, in the third quartile of the peer group. The diversity performance condition was achieved, with women occupying more than 45% of the roles at the highest level of the hierarchy.

As a result, on June 19, 2023, 324,512 shares have vested under the plans granted on June 19 and 2019 November 6, 2019.

Plans granted during Fiscal 2023

The plans granted on January 31, 2023 and June 28, 2023 provide for identical performance conditions, as follows:

- the achievement of a revenue growth target measured between Fiscal 2023 and 2025 on a Group, North America or Pluxee activity scope according to the beneficiary's scope of responsibility;
- the achievement of the Group underlying operating profit margin targets in Fiscal 2023, 2024 and 2025, measured on a Group, North America or Pluxee activity scope according to the beneficiary's scope of responsibility;
- the achievement of a total shareholder return (TSR) target measured over three years and compared with a panel of seven companies (Aramark, Compass, Edenred, Elixor, ISS, Rentokil and Securitas). Note that no shares will vest for a performance below the median. On Pluxee activity scope, the achievement of an EBITDA increase relative to the competition for Fiscal 2023, 2024 and 2025;
- the achievement of a diversity target geared towards encouraging a high percentage of women among top management positions, measured at the end of Fiscal 2025, on a Group or Pluxee activity according to the beneficiary's scope of responsibility;
- the achievement of internal sustainable development targets as of August 31, 2025 based on 4 criteria for Group beneficiaries (responsible procurement, reduction of food waste, energy management, healthy and sustainable food offerings) or on 2 criteria for Pluxee beneficiaries.

Further details of the plans in force are provided in the table below:

Restricted shares granted to Group managers

TABLE 9, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2021-02

	2018-2 PLAN	2019 PLAN	2019-2 PLAN	2020 PLAN	2022 PLAN	2022-2 PLAN	2023 PLAN	2023-2 PLAN
Date of Annual Shareholders Meeting	01/26/2016	01/22/2019	01/22/2019	01/22/2019	12/14/2021	12/14/2021	12/14/2021	12/14/2021
Date of grant by the Board of Directors	09/13/2018	06/19/2019	11/06/2019	11/25/2020	02/01/2022	06/22/2022	01/31/2023	06/28/2023
Total number of shares granted	34,100	810,990	10,000	922,840	809,540	25,089	826,148	26,672
Total number of beneficiaries	20	2,144	11	2,145	2,181	25	2,332	41
% of share capital	0.02%	0.55%	0.01%	0.63%	0.55%	0.02%	0.56%	0.02%
Performance conditions								
Underlying operating profit	X	X	X	X	X	X	X	X
Revenue		X	X	X	X	X	X	X
TSR	X	X	X	X	X	X	X	X
Corporate responsibility	X	X	X	X	X	X	X	X
Plans								
Vesting date	09/13/2022	06/19/2023	06/19/2023	01/25/2024	02/01/2025	06/22/2025	01/30/2026	06/27/2026
Availability date	09/13/2022	06/19/2023	06/19/2023	01/25/2024	02/03/2025	06/23/2025	01/31/2026	06/28/2026
Total number of shares granted	34,100	810,990	10,000	922,840	809,540	25,089	826,148	26,672
o/w to Corporate Officers		22,000		28,000	0	0	34,110	0
% of share capital	0.00%	0.01%	0.00%	0.02%	0.00%	0.00%	0.02%	0.00%
Aggregate number of shares canceled	21,800	489,294	5,748	194,340	79,360	0	10,347	684
Shares forfeited due to performance conditions not being met	10,041	251,118	3,248	N/A	N/A	N/A	N/A	N/A
Vested shares	12,300	320,260	4,252	N/A	N/A	N/A	N/A	N/A
Accelerated vesting for death and disability	0	1,436	0	770	160	0	0	0
TOTAL OF THE PLANS AT AUGUST 31, 2023	0	0	0	727,730	730,020	25,089	815,801	25,988

As at August 31, 2023, a total of 2,324,628 restricted shares had been granted to Group managers and Corporate Officers and not yet vested (representing approximately 1.58% of the Company's share capital as of the date of the Annual Shareholders Meeting of December 14, 2021), for a total amount of approximately 171 million euros (as measured in accordance with IFRS at the grant date).

Summary of restricted shares granted to the ten Group employees (other than Corporate Officers) receiving the highest number of shares or for whom the higher number vested

	TOTAL NUMBER OF SHARES	PLAN DATE
Shares granted during Fiscal 2023 to the ten Group employees receiving the largest number of restricted shares (aggregate information)	122,815	01/31/2023 06/28/2023
Shares vested during Fiscal 2023 for the ten Group employees receiving the largest number of restricted shares (aggregate information)	29,108	09/13/2018 06/19/2019 11/06/2019

8

Shareholders and share capital

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Financial communications calendar

Fiscal 2023 Annual Shareholders Meeting

December 15, 2023

Dividend* - ex-date

December 20, 2023

Dividend* - payment date

December 22, 2023

Fiscal 2024 first quarter revenues

January 5, 2024

Pluxee Capital Markets Day

Early 2024

1st quotation of Pluxee

Early 2024

Fiscal 2024 half-year results

April 5, 2024

Fiscal 2024 third quarter revenues

July 2, 2024

Fiscal 2024 annual results

October 24, 2024

Fiscal 2024 Annual Shareholders Meeting

December 17, 2024

These dates are purely indicative and are subject to change without notice. Regular updates to the calendar are available on our website www.sodexo.com.

* Subject to approval by shareholders at the Annual Shareholders Meeting on December 15, 2023

Contacts

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Further information available on the Pluxee website www.pluxeegroup.com

8.1 Sodexo share performance

Sodexo shares are listed on Euronext Paris (Euroclear code: FR0000121220) and are included in the SBF 120 index. In addition, Sodexo offers securities listed in U.S. dollars, in the form of American Depositary Receipts (ADRs) that are traded on the over-the-counter (OTC) market, ticker SDXAY, with five ADRs representing one Sodexo share.

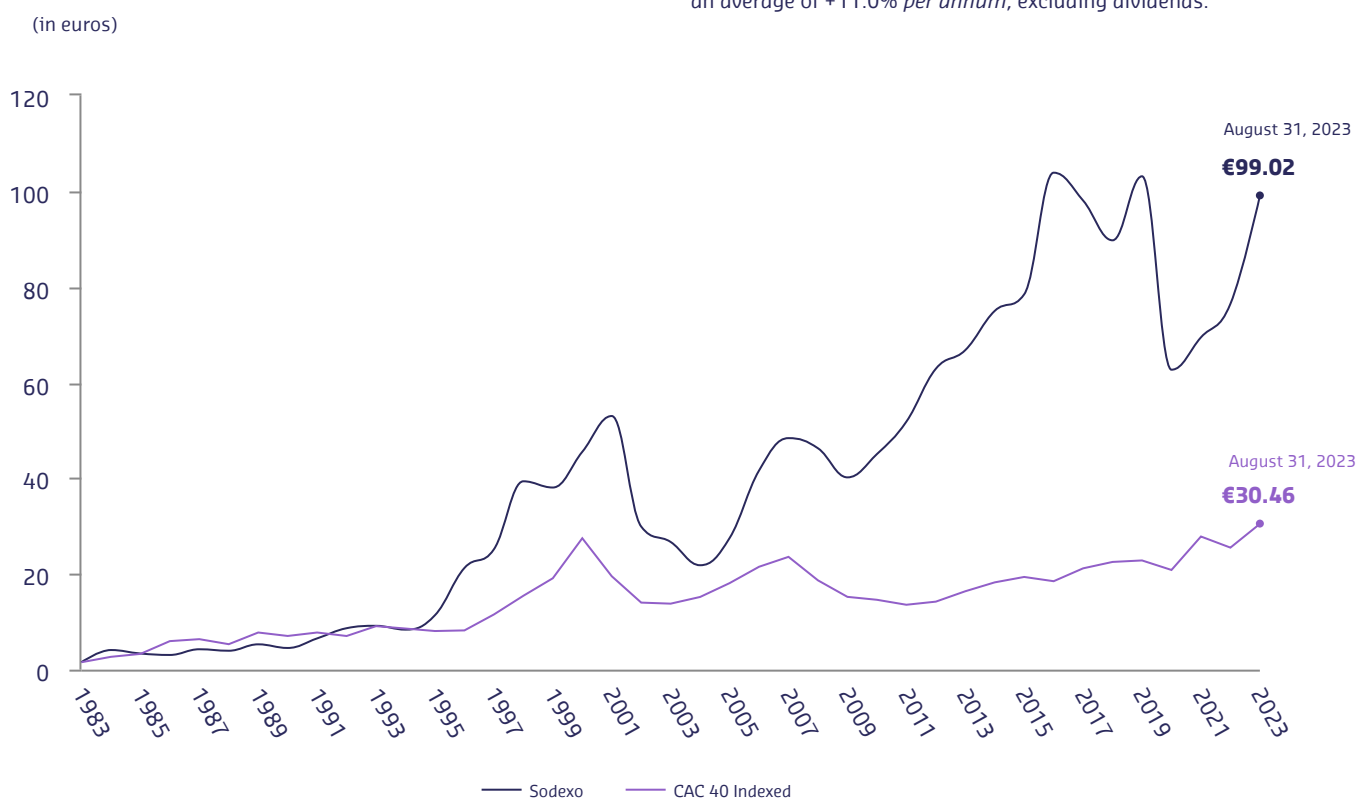
8.1.1 Stock market performance

ADJUSTED SODEXO SHARE PRICE TRENDS FROM INITIAL LISTING ON MARCH 2, 1983 TO AUGUST 31, 2023, COMPARED TO THE CAC 40 INDEXED ON THE SODEXO SHARE

The initial listing of Sodexo shares was on March 2, 1983 at an adjusted price of 1.55 euro. As of August 31, 2023 (the last trading day of Fiscal 2023), the closing share price was 99.02 euros.

Since its first listing, the value of the Sodexo share has been multiplied by 63.9x whereas the CAC 40 index has been multiplied by only 19.7x over the same period, resulting in significant outperformance of Sodexo shares relative to the CAC 40⁽¹⁾.

Since 1983, forty years ago, Sodexo's share value has appreciated by an average of +11.0% *per annum*, excluding dividends.



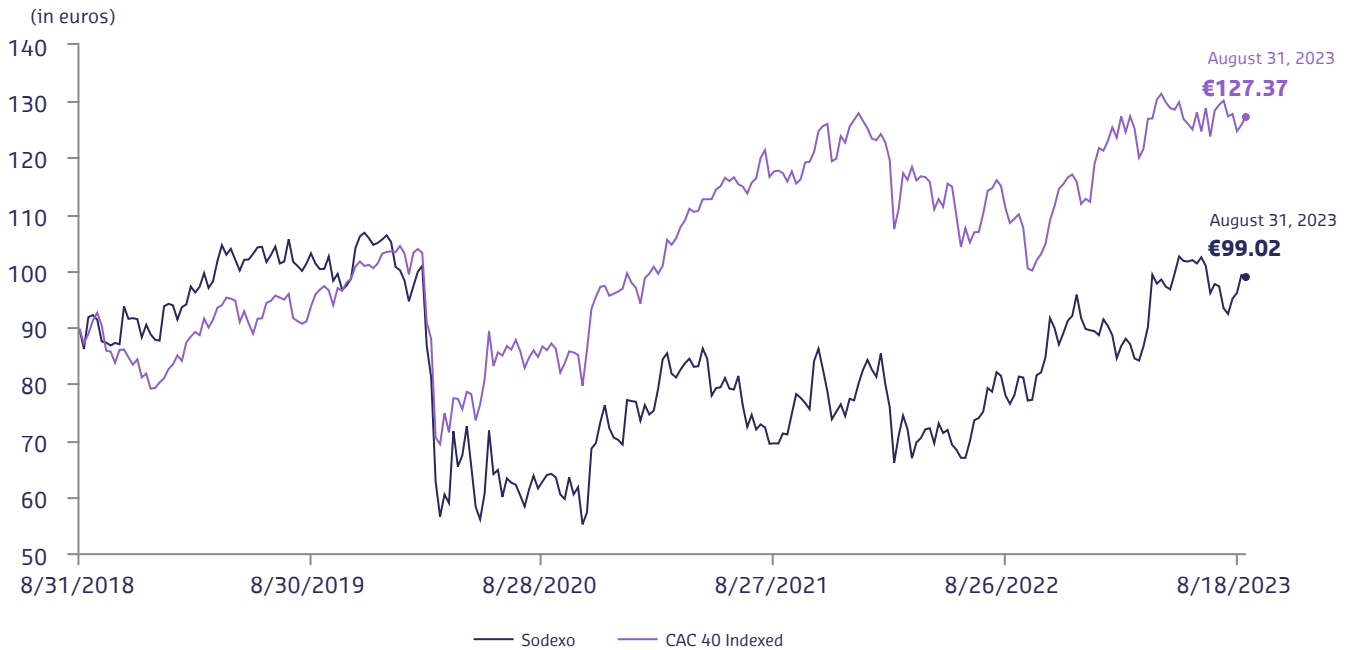
⁽¹⁾ CAC 40 recomposed between 1983 and 1987.

Source: Factset.

SODEXO 5 YEARS SHARE PRICE FROM SEPTEMBER 1, 2018 THROUGH TO AUGUST 31, 2023, COMPARED TO THE CAC 40 INDEXED ON THE SODEXO SHARE

Over the last five fiscal years, Sodexo's share price has increased by +10.4%, whereas the CAC 40 index has increased by +42.0% during the same period. This significant under performance reflects the

effects of the Covid-19 crisis from February 2020 which has been particularly significant in the Food and Leisure services industry.



SODEXO 1-YEAR SHARE PRICE FROM SEPTEMBER 1, 2022 THROUGH TO AUGUST 31, 2023, COMPARED TO THE CAC 40 INDEXED ON THE SODEXO SHARE

Fiscal 2023 marks the return to normality after the Covid crisis and highlights the defensive side of the Group. The shares are up +30.3% in Fiscal 2023, compared to an increase in the CAC 40 index of +18.1% resulting in a +12.2% out-performance of the shares. This trend has continued since the end of August.

As of August 31, 2023, the market capitalization of Sodexo was 14.6 billion euros.

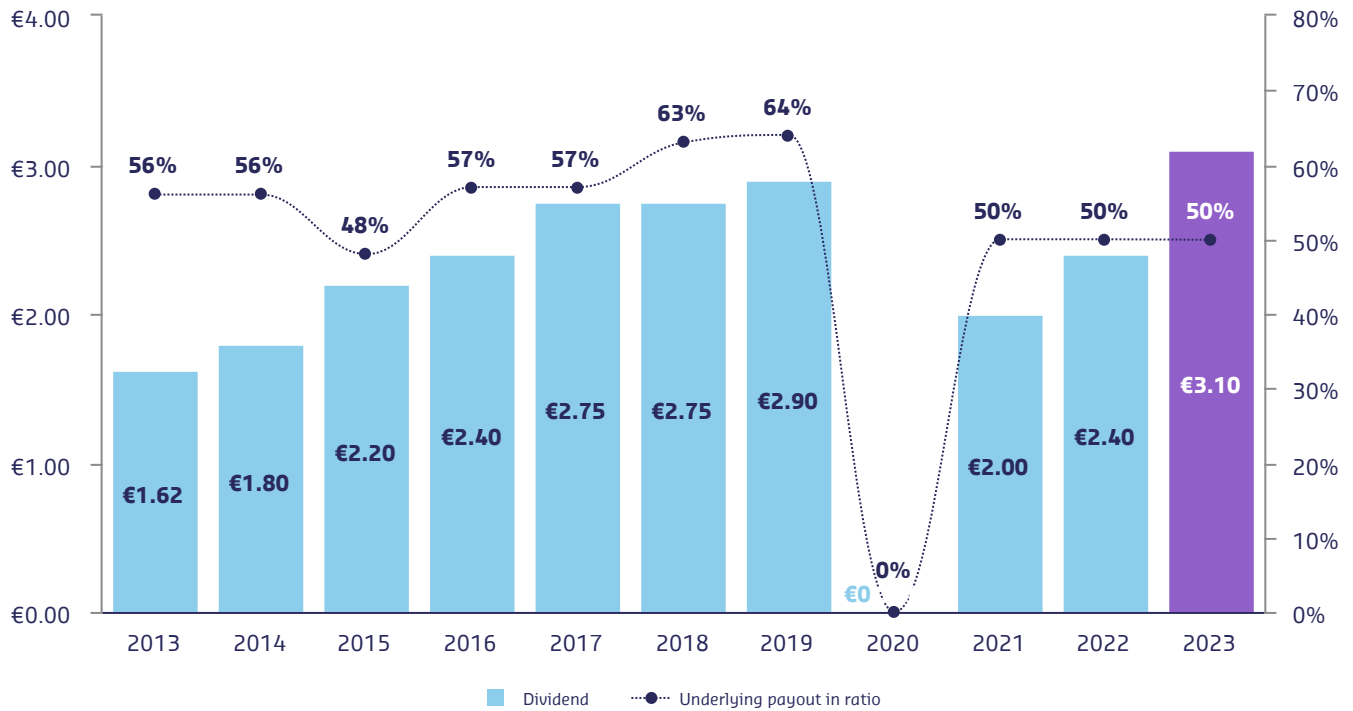


8.1.2 Share and dividend performance

Dividend policy

The Group's dividend policy is aimed at securing long-term shareholder loyalty through a regular increase in the dividend, a dividend payout ratio of around 50% of underlying net profit, and a dividend premium for shareholders who have held their shares in registered form for a continuous period of at least four years.

Below is a chart showing the dividend and pay-out ratio (Dividend per share/Underlying Earnings per share) over the last 10 years.



This year, the Board has decided to propose a dividend of 3.10 euros, up +29% on the preceding year and a pay-out of 50% of underlying net profit. For those shareholders who have held their shares in

registered form for at least four years consecutively, the dividend premium will amount to 0.31 euro per share, for up to 0.5% of Sodexo share capital.

	FISCAL 2023	FISCAL 2022	FISCAL 2021	FISCAL 2020	FISCAL 2019
SHARE PRICE (in euros)					
Opening price as of September 1	75.98	70.44	60.06	104.05	89.74
Closing price as of August 31	99.02	76.44	70.02	59.96	103.1
Market capitalization as of August 31 (in billions euro)	14.6	11.3	10.3	8.8	15.2
12-month low	75.12	62.40	53.40	50.42	84.20
12-month high	103.95	87.98	88.04	107.40	108.65
DAILY AVERAGE VOLUME OF SHARE TRADING					
In number of shares	217,297	258,730	305,017	338,666	253,895
In value (in thousands euro)	56,063	67,270	22,531	29,058	26,839
DIVIDEND AND SHARE PERFORMANCE					
Total payout including dividend premium (in million euros)	456 ⁽²⁾	356	297	—	425
Total payout ratio (Total payout/Group net profit)	57.4%	51.2%	213.7%	N/A	64.7%
Dividend per share (DPS) (in euros)	3.10 ⁽¹⁾	2.40	2.00	—	2.90
10% dividend premium (in euros)	0.31 ⁽¹⁾	0.24	0.20	—	0.29
Earnings per share (EPS) ⁽³⁾ (in euros)	5.44	4.75	0.95	(2.16)	4.56
Underlying earnings per share (Underlying EPS) ⁽³⁾ (in euros)	6.21	4.78	2.37	2.10	5.25
Underlying payout ratio (DPS/Underlying EPS)	49.9%	50.2%	210.5%	N/A	63.6%
TOTAL SHAREHOLDER RETURN (TSR)⁽⁴⁾	+32.7%	+12.0%	+16.8%	-39.6%	+18.0%

(1) To be approved by shareholders at the Annual Shareholders Meeting on December 15, 2023.

(2) Theoretical payout for current fiscal year and actual figures for previous years. Includes dividend premium.

(3) Based on an average number of shares (quarterly average).

(4) Calculation of the Total Shareholder Return over a given period and calculated as follows: (share price at the end of the period – share price at the end of the previous period + dividend paid over the period, excluding the dividend premium)/share price at the end of the previous period.

8.1.3 Benefits of being a registered shareholder

Registered Sodexo shareholders are entitled to:

- double voting rights for registered shares held for at least four years;
- a dividend premium of 10% for registered shares held for at least four years (the number of shares eligible for this dividend premium may not exceed 0.5% of the share capital for any single shareholder);
- automatic invitation to Shareholders Meetings and personalized information on all financial transactions (capital increases, bond issues, etc.);
- an exemption from administration costs (for directly-registered shares only).

Sodexo share codes

Sodexo shares are traded under the ISIN code FR0000121220.

The code for registered shares already eligible for the dividend premium is FR0011532431.

Different share codes have been introduced for registered shares in order to reflect the period in which the shares were acquired and to determine eligibility for the dividend premium.

The use of different codes does not affect trading of the shares. When selling shares, it is advisable to sell the most recently acquired first in order to maintain the dividend premium rights on the highest number of remaining shares.

REFERENCE DATE FOR REGISTRATION OF SHARES	RIGHT TO DIVIDEND PREMIUM FOR FISCAL	NAME OF LOYALTY CODES	ISIN CODES FOR REGISTERED SHARES AS AT SEPTEMBER 1, 2023
August 31, 2019	2023	Actions prime de fidélité	FR0011532431
August 31, 2020	2024	Actions prime de fidélité 2024	FR0013447026
August 31, 2021	2025	Actions prime de fidélité 2025	FR0013536729
August 31, 2022	2026	Actions prime de fidélité 2026	FR0014004UW8
August 31, 2023	2027	Actions prime de fidélité 2027	FR001400C460
August 31, 2024	2028	Actions prime de fidélité 2028	FR001400K6E0

On September 1, 2023, Euroclear merged the shares held under the code FR0013436029 for the Actions prime de fidélité 2023 into the code FR0011532431.

Contacts for registered shareholders

Directly-registered shareholder accounts are managed by Société Générale, which also acts as transfer agent for all Sodexo registered shareholders.

For further information call:

Société Générale Nantes (France): +33 2 51 85 67 89

or visit the Société Générale website: www.sharinbox.societegenerale.com

8.1.4 ADR program

Since Sodexo's voluntary delisting from the New York Stock Exchange in 2007, Sodexo American Depositary Receipts (ADRs) are traded on the over-the-counter (OTC) market, ticker SDXAY, with five ADRs representing one Sodexo share.

Advantages for U.S. investors:

- U.S. brokers purchase, sell and settle the ADRs in the same way as they would for the shares of a U.S. company;
- the prices of the ADRs are quoted in U.S. dollars and the dividends are paid in U.S. dollars;
- ADRs are a straightforward and effective way of enabling U.S. investors to invest in international companies;
- it is likely that during the Pluxee spin-off, in the form of a dividend, Citibank will sell the Pluxee shares, for which there will be no ADR program, and distribute the proceeds of the sale to each ADR holder.

KEY INFORMATION ON THE SODEXO ADRs

ADR ticker symbol	SDXAY
Platform	OTC
CUSIP	833792104
DR ISIN	US8337921048
ISIN code	FR0000121220
SEDOL	7062713
Custodian bank	Citibank Europe Plc (Dublin)
ADR ratio	5 ADRs for 1 ordinary share

CONTACTS AT CITIBANK FOR ANY QUESTIONS CONCERNING THE ADRs

New York	London
Michael O'Leary	Michael Woods
citiadr@citi.com	citiadr@citi.com
Tel: +1 212 723 4483	Tel: +44 20 7500 2030

8.2 Financial communications policy

— To respond more effectively to the expectations of its shareholders, Sodexo continuously works to improve its investor relations program by developing new information channels and the quality of its interactions during the different meetings with the financial community.

8.2.1 Listening to our shareholders and the financial community

In order to comply with all applicable regulations in connection with its listing on Euronext Paris (the French stock exchange), Sodexo and all the teams involved in preparing financial communications have committed to a set of transparency principles designed to ensure equal treatment of all shareholders.

Sodexo's investor relations policy is based on four core principles:

- equal treatment when disclosing quarterly financial information: all financial press releases are issued simultaneously in real time to all our stakeholders, both in French and English. These press releases are published on the Group's website (www.sodexo.com) and relayed through the press, e-mail and *via* an authorized provider;
- regular reporting: the financial community is informed of the financial publication schedule a year in advance, and updates are always available on the Group's website;
- ease of access to financial meetings: Annual Shareholder Meetings and revenue and results presentations are broadcasted *via* a live webcast and subsequently available on the Sodexo website. In addition, all financial communication is available and archived on the website;
- transparency: all information on the Group, including the Company's Bylaws, Universal Registration Document, Interim Report, press releases, presentations and share price trends, is also available on the website: www.sodexo.com.

8.2.1.1 Group spokesperson

Only the Chairwoman and Chief Executive Officer as well as the members of the Sodexo Leadership Team are authorized to provide financial communications. The Chairwoman and Chief Executive Officer appoints the Investor Relations team to act as spokespeople for the Group, within specific delegated powers.

8.2.1.2 Preparation and publication of financial communications

All financial communication is reviewed prior to publication by a Group Disclosure Committee comprising of representatives from Group Finance, Communications, Corporate Responsibility, Legal, Board Secretary and Human Resources.

Barring exceptional circumstances, all information with the potential to influence the share price is published before Euronext Paris opens for trading.

After approval of this information by the Chairwoman of the Board of Directors and Chief Executive Officer, the Chief Financial Officer or the Board of Directors (depending on its nature), it is communicated to the markets *via* a press release issued simultaneously to the entire financial community and to the stock market authorities.

Sodexo does not communicate financial information during the following periods:

- 30 calendar days preceding the date of publication of the annual and half-year consolidated financial statements;
- 15 calendar days preceding the date of publication of its first and third quarter consolidated financial information.

8.2.1.3 Code of conduct - Integrity principles for senior managers

To ensure Sodexo's commitment to transparency and regulatory compliance, the Board of Directors adopted a Code of conduct with integrity principles for senior managers in 2003.

The Code of conduct sets out a core set of behaviors:

- to avoid actual or apparent conflicts of interest;
- to comply with all laws, rules and regulations;
- to protect the Group's confidential information;
- to conduct all business fairly;
- to hold managers accountable for their behavior and create an environment of trust where concerns can be reported without fear of retaliation or retribution.

The Group's ethical principle of transparency means efficient communication with the Group's shareholders, so that they are provided with full and accurate information on the Group's financial condition and profits. The Group is committed to timely communication and to complete, accurate, reliable and clear reporting.

8.2.2 Universal Registration Document

According to Regulation (EU) 2017/1129 in force since July 21, 2019 and its Delegated Regulation 2019/980, Sodexo publishes a Universal Registration Document. This Universal Registration Document aims to enhance shareholder and investor understanding of the activities, financial situation, risk factors, overall strategy and non-financial aspects of the Group.

The Universal Registration Document is filed each year with the French securities regulator (Autorité des marchés financiers – AMF) in accordance with its General Regulation. The French-language

document can be viewed on the AMF website (www.AMF-france.org). It is also available, along with the English version, at www.sodexo.com.

An interactive and accessible version of the Universal Registration Document in French and English is also available on the Group's website to facilitate reading, particularly for those that are visually impaired.

8.2.3 Annual Shareholders Meeting

The Annual Shareholders Meeting is announced in official notices published in the press, in the BALO (*Bulletin des annonces légales obligatoires*) in France and on the Group's website, at www.sodexo.com.

The notice of meeting is available in French and English at least 15 days prior to the meeting, and usually well in advance of this requirement. It is sent to all registered shareholders, and to other shareholders upon request. It is also available at www.sodexo.com.

A live webcast of the Sodexo Annual Shareholders Meeting is broadcast on our website, enabling shareholders who cannot attend in person to ask questions and follow the voting on resolutions. The webcast of the last Annual Shareholders Meeting has been archived and is available on the Sodexo website.

8.2.4 Regular meetings and ongoing dialogue

Sodexo is committed to genuine dialogue with its shareholders and with the broader financial community. In order to ensure that the figures it releases each quarter are fully understood, the Group organizes conference calls led by the Chairwoman of the Board of Directors and Chief Executive Officer and Chief Financial Officer.

In addition, a program of regular meetings with investors and analysts from all around the world is put in place each year, with the Chairwoman of the Board of Directors and Chief Executive Officer, the Chief Financial Officer, as well as the Lead Independent Director, and the Investor Relations team. These individual meetings create opportunities for more informal dialogue. The vast majority of these meetings took place online in Fiscal 2023, even though we are arranging more face-to-face visits. The virtual format has made these meetings much easier to plan and increased attendance whilst reducing costs and carbon emissions.

Themed briefings are also held periodically to give investors and analysts insight into front-line operations, from an Environmental, Social and Governance point of view.

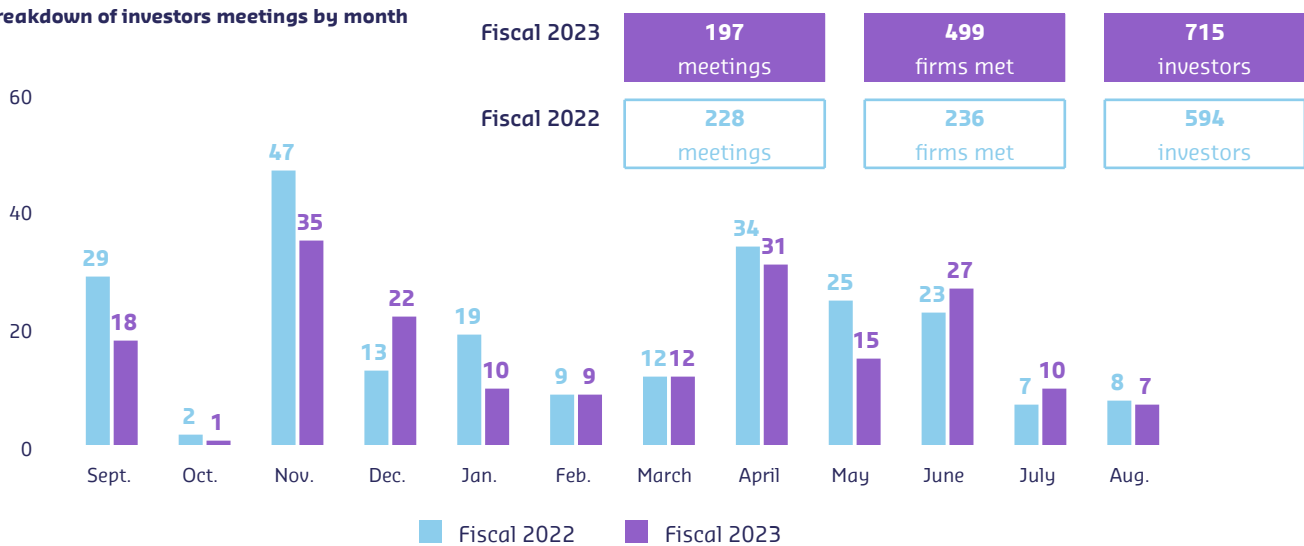
After a year of getting back to normal in 2022, Sodexo met in Fiscal 2023 with 715 investors from 499 financial institutions, conducted 6 roadshows and 11 investor conferences. The number of meetings was down -14% year-on-year. However, the number of investors and financial institutions met increased significantly demonstrating the advantage of being able to access a wider audience *via* online meetings and conferences. This was particularly visible in the second half of the year following the announcement of the Pluxee (Benefits and Rewards services) spin-off.

On November 2, 2022, the Group organized its Capital Markets Day in a hybrid format, more than 50 investors and analysts were present, with 1,019 joining online live or in the following months. This 6-hour meeting allowed investors to better understand the Group's new organization and strategy.

All plenary presentations, recordings and transcripts are available on the website: www.sodexo.com.

Lastly, the Investor Relations team is always available to answer questions from shareholders, analysts and institutional investors.

Breakdown of investors meetings by month



8.2.5 The Shareholders Club

Sodexo launched its Shareholders Club on October 3, 2019. This club aims to strengthen the personal link between the Company and its shareholders, provide a direct flow of information on Sodexo and its services and provide a dedicated forum for discussion.

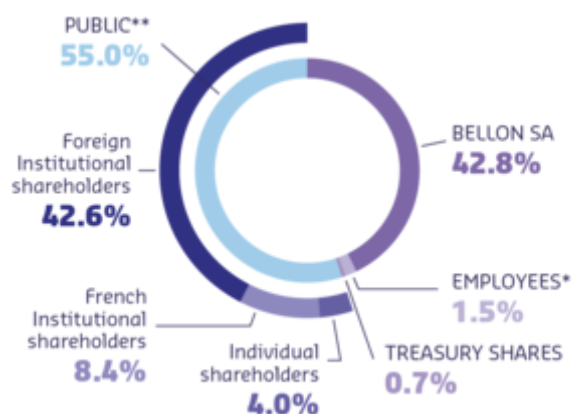
The Group held a Shareholders' Club event on June 9, 2023 at the *Bistro Parisien*, next to the Eiffel tower. The subject of the conference was the strategy and ambitions of Sodexo Live! It was led by a member of Sodexo Live! Leadership Team and was followed by a

cruise on the *Bateaux Parisiens*, a Sodexo brand. The shareholders were impressed by the role of the Group to support the Paris 2024 Olympic and Paralympic Games. The Shareholders Club plans to hold other such events in the future.

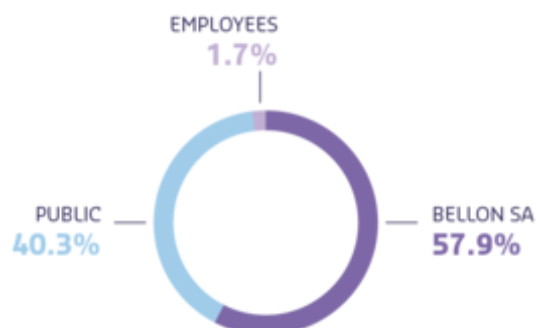
To become a member, you simply fill out the form available on www.sodexo.com, in the Shareholders section.

8.3 Shareholders

SHAREHOLDER BREAKDOWN
AS OF AUGUST 31, 2023



VOTING RIGHTS BREAKDOWN
AS OF AUGUST 31, 2023



Source: Nasdaq.

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

** Number of shares held not updated since July 31, 2023.

8.3.1 Evolution of the share capital in the last three fiscal years

As at August 31, 2023, the share capital of the Company was an aggregate nominal value of 589,819,548.00 euros divided into 147,454,887 shares of a nominal value of 4 euros each. There were no changes in the Company's share capital between August 31, 2023 and the date of publication of this document.

The table below provides the evolution of the Company's share capital over the last three fiscal years:

	DATE OF THE TRANSACTION	NATURE OF THE OPERATION	NUMBER OF SHARES CANCELLED	NUMBER OF SHARES COMPRISING THE SHARE CAPITAL FOLLOWING THE OPERATION	SHARE CAPITAL FOLLOWING THE OPERATION
Position for Fiscal 2021	-	-	-	147,454,887	€589,819,548
Position for Fiscal 2022	-	-	-	147,454,887	€589,819,548
Position for Fiscal 2023	-	-	-	147,454,887	€589,819,548

8.3.2 Changes in the breakdown of share capital and voting rights over the last three years

SHAREHOLDERS (in number/%)	AUGUST 31, 2023			AUGUST 31, 2022			AUGUST 31, 2021		
	SHARES HELD	THEORETICAL VOTING RIGHTS ⁽¹⁾	EXERCISABLE VOTING RIGHTS ⁽¹⁾	SHARES HELD	THEORETICAL VOTING RIGHTS	EXERCISABLE VOTING RIGHTS	SHARES HELD	THEORETICAL VOTING RIGHTS	EXERCISABLE VOTING RIGHTS
Bellon SA	63,040,363 42.8%	125,290,848 57.6%	125,290,848 57.9%	63,040,363 42.8%	125,290,848 57.3%	125,290,848 57.5%	63,040,363 42.8%	123,940,848 56.9%	123,940,848 57.2%
Artisan Partners ^{(2) (4)}	10,697,220 7.3%	10,697,220 4.9%	10,697,220 4.9%	10,634,821 7.2%	10,634,821 4.9%	10,634,821 4.9%	8,454,581 5.7%	8,454,581 3.9%	8,454,581 3.9%
First Eagle Investment Management ^{(2) (4)}	5,964,387 4.0%	5,964,387 2.7%	5,964,387 2.8%	7,451,360 5.1%	7,451,360 3.4%	7,451,360 3.4%	7,329,082 5.0%	7,329,082 3.4%	7,329,082 3.4%
BlackRock Inc. ⁽⁴⁾	4,880,621 3.3%	4,880,621 2.2%	4,880,621 2.3%	4,581,547 3.1%	4,581,547 2.1%	4,581,547 2.1%	4,484,325 3.0%	4,484,325 2.1%	4,484,325 2.1%
MFS Investment Management ^{(4) (5)}	4,519,830 3.1%	4,519,830 2.1%	4,519,830 2.1%	585,169 0.4%	585,169 0.3%	585,169 0.3%	7,000 —%	7,000 —%	7,000 —%
Employees ⁽³⁾	2,230,481 1.5%	3,775,339 1.7%	3,775,339 1.7%	2,469,593 1.7%	4,117,244 1.9%	4,117,244 1.9%	2,336,233 1.6%	3,809,916 1.8%	3,809,916 1.8%
Treasury Shares	1,084,126 0.7%	1,084,126 0.5%	— —%	841,102 0.6%	841,102 0.4%	— —%	1,166,593 0.8%	1,166,593 0.5%	— —%
Public ⁽⁴⁾	55,037,859 37.3%	61,136,535 28.1%	61,136,535 28.3%	57,850,932 39.2%	65,243,143 29.8%	65,243,143 29.9%	54,630,434 37.0%	68,480,339 31.5%	68,480,339 31.6%
TOTAL	147,454,887 100%	217,348,906 100%	216,264,780 100%	147,454,887 100%	218,745,234 100%	217,904,132 100%	147,454,887 100%	217,672,684 100%	216,506,091 100%

(1) Treasury shares do not carry any voting rights, in accordance with article L.225-210 of the French Commercial Code.

(2) Acting on behalf of its managed funds.

(3) This figure includes the shares held by employees in an account with Société Générale as a result of restricted share awards, in accordance with French Act no. 2015-990 of August 6, 2015 on growth, business and equal economic opportunities.

(4) Number of shares held as at July 31, 2023.

(5) Number of shares also includes shares for which MFS Investment Management does not have voting rights.

As at August 31, 2023, the members of the Board of Directors together directly held less than 0.03% of the Company's share capital.

8.3.3 Shareholding held by Bellon SA

During Fiscal 2023, the equity stake of Bellon SA, the family holding company, remained stable at 42.8% of the share capital, with a total number of shares held of 63,040,363 as at August 31, 2023.

The Pierre and Danielle Bellon family controls 74.1% of the family holding company Bellon SA, which in turn holds 42.8% of the share capital of Sodexo and 57.9% of the exercisable voting rights as of

August 31, 2023. Mr. and Mrs. Pierre Bellon and their children entered into an agreement in June 2015 to prevent their direct descendants from freely disposing of their Bellon SA shares for 50 years. Bellon SA has no intention of selling this holding to a third party.

8.3.4 Crossing of legal and statutory thresholds

In accordance with article L.233-7, I of the French Commercial Code, no legal threshold crossing has been reported to the Company during Fiscal 2023.

In accordance with article 8.4 of the Company's Bylaws, any shareholder whose interest in the Company reaches or falls below 1% of the Company's voting rights or any multiple thereof, must inform the Company. The following statutory threshold crossings have been reported during Fiscal 2023:

CROSSING DATE	SHAREHOLDER	INCREASE/ DECREASE	STATUTORY THRESHOLD CROSSED (% voting rights)	% VOTING RIGHTS HELD	% SHARE CAPITAL HELD
May 23, 2023	MFS Investment Management	Increase	1%	1.01%	Not provided
March 14, 2023	Caisse des Dépôts et Consignations	Decrease	2%	1.97%	2.23%
October 18, 2022	First Eagle Investment Management	Decrease	3%	2.99%	3.51%

On November 29, 2022, Citigroup Inc. also crossed the 1% of voting rights threshold to hold 2.2% of the share capital and 1.5% of the voting rights. Respectively on December 28, 2022 and December 30, 2022, the 1% voting rights threshold has been crossed downwards to hold 1.3% of the share capital and 0.9% of the voting rights, then upwards to hold 2.1% of the share capital and 1.4% of the voting rights. Citigroup Inc. finally declared having crossed the threshold of 1% of voting rights downwards on January 6, 2023 and holding 1.2% of the share capital and 0.8% of the voting rights.

As of the date of this Universal Registration Document and to the best of Sodexo's knowledge:

- after the close of Fiscal 2023, the Company has received no statutory threshold crossing declaration;
- only Bellon SA, Artisan Partners Limited Partnership, First Eagle Investment Management, BlackRock Inc. and MFS Investment Management hold 2% or more of the share capital or voting rights of Sodexo, directly or indirectly, through the companies they control, individually, or in concert;
- there are no shareholder agreements in place and no agreements that, if implemented, could result in a change of control of Sodexo.

8.3.5 Share buy-back program

As a reminder:

- the Ordinary Annual Shareholders Meeting of December 14, 2021, after having terminated the previous authorization, again authorized the Board of Directors, in its 15th resolution, to purchase or arrange for the purchase of Company shares for a further period of 18 months. The maximum purchase price pursuant to this authorization could not exceed 95 euros per share and the total amount allocated to the authorized share buy-back program could not exceed 700 million euros.
- the Ordinary Annual Shareholders Meeting of December 19, 2022, after having terminated the previous authorization, again authorized the Board of Directors, in its 15th resolution, to purchase or arrange for the purchase of Company shares for a further period of 18 months. The maximum purchase price pursuant to this authorization could not exceed 95 euros per share and the total amount allocated to the authorized share buy-back program could not exceed 1.4 billion euros.

The above authorizations have been granted in order to cover restricted share plans, cancel treasury shares by reducing the share capital and/or facilitate the Sodexo liquidity contract. For more information about the objectives targeted by the two authorizations mentioned above, please refer to chapter 7 of the Fiscal 2021 and Fiscal 2022 Universal Registration Documents.

During Fiscal 2023, the Board of Directors used the above-mentioned authorizations as follows:

- Sodexo repurchased 638,532 shares (representing 0.43% of the share capital) at an average price of 88.76 euros per share plus trading fees of 197,231 euros excluding taxes;
- Sodexo transferred 337,728 shares for delivery under free share allocation plans.

Further, under the liquidity contract concluded between Sodexo and Exane, the following transactions were carried out during fiscal 2023:

- purchase of 1,074,854 shares for a total amount of 93,564,216.35 euros, at an average price of 87.048 euros;
- sale of 1,132,634 shares for an aggregate amount of 98,974,418.30 euros, at an average price of 87.384 euros.

On June 22, 2021, the AMF renewed and updated the accepted market practice for liquidity contracts and reduced the maximum amount of liquidity contracts for companies with liquid securities. As a result, Sodexo has reduced the resources allocated to the liquidity contract. As of August 31, 2023, the following amounts were booked to the account:

- 6,000 shares;
- 15,677,203 euros.

As at August 31, 2023:

- Sodexo directly held a total of 1,078,126 of its own shares (representing 0.7% of the share capital) intended to hedge:
 - various restricted share plans set up for Group employees (for more information about restricted share plans, please refer to section 7.5 of this document); and
 - the Sodexo liquidity account was composed of 6,000 shares;
 - the total carrying amount of the treasury shares portfolio was 93.4 million euros.

Given that from mid August 2023, the share was trading over 95 euros, the maximum purchase price, Sodexo announced on August 25, 2023 the suspension of the liquidity contract from that day pending the renewal of the resolution at the next Annual Shareholders Meeting authorizing share buybacks.

Since August 31, 2023, the Company has not purchased Sodexo shares.

Detailed information on these transactions may be found on the Sodexo website in the "Regulated information" section.

8.3.6 Description of the share buy-back program subject to the authorization of the Combined Annual Shareholders Meeting to be held on December 15, 2023

The Board of Directors proposes that the Annual Shareholders Meeting to be held on December 15, 2023, in its 15th resolution, renews the authorization granted to the Board to repurchase Sodexo shares pursuant to articles L.225-209 *et seq.* of the French Commercial Code, articles 241-1 *et seq.* of the General Regulation of the AMF and the European rules applicable to market abuses under European regulation (UE) no. 596/2014 of April 16, 2014.

The new share buy-back program would be in particular, intended to cover restricted share plans, to reduce the Company's share capital through the cancellation of shares and to trade in the shares within the context of the existing liquidity contract.

The maximum number of shares that may be purchased under this new share buy-back program would be set at 10% of the total number of shares comprising the Company's capital as of the date of

the Annual Shareholders Meeting on December 15, 2023, *i.e.*, as of August 31, 2023, a maximum number of 14,745,488 shares.

The maximum share purchase price under this share buy-back program may not exceed 120 euros per share and the total amount allocated to the program may not exceed 1.8 billion euros.

This authorization would be valid for a period of 18 months, replacing the authorization given for the same purpose by the Annual Shareholders Meeting on December 19, 2022, in its 15th resolution.

For further information about this authorization submitted to a vote at the Annual Shareholders Meeting on December 15, 2023, please refer to chapter 9 of this Universal Registration Document.

8.3.7 Employee share ownership

As at August 31, 2023, Group employees held 1.5% of the Company's share capital, representing 2,230,481 shares, 31.4% of which was held in an employee mutual fund (FCPE).

As at August 31, 2023, the number of Group employee shareholders was estimated at 27,922.

The various profit-sharing agreements in force allow employees of the Group's French subsidiaries to invest the amounts they receive in respect of these profit-sharing agreements into an employees' mutual fund invested in Sodexo shares, or into a restricted savings account. To qualify for favorable tax and social security treatment, amounts due to employees are subject to a five-year lock-up period.

8.3.8 Capital authorized but not issued – Delegations and valid financial authorizations

As at the date of this Universal Registration Document, the Board of Directors of the Company had the following delegations and financial authorizations conferred to it by the decisions of the Annual Shareholders Meetings.

CURRENTLY VALID AUTHORIZATIONS	MAXIMUM AGGREGATE NOMINAL VALUE OF CAPITAL INCREASE(S) ⁽¹⁾ (in million euros)	MAXIMUM AMOUNT OF CAPITAL INCREASE(S) ⁽¹⁾ (% of share capital)	DATE OF AUTHORIZATION (N° of the resolution)	DATE OF EXPIRATION	USAGE
Authorizations with preferential rights					
• Issuance of ordinary shares and/or any other securities carrying rights to Sodexo shares	85 ⁽²⁾	14%	December 14, 2021 (17 th)	February 13, 2024	Unused
• Issuance of debt securities carrying rights to Sodexo shares	1,000	N/A	December 14, 2021 (17 th)	February 13, 2024	Unused
Authorizations to issue shares to employees and managers					
• Issuance of ordinary shares and/or any other securities reserved for members of Employee Savings Plans	9 ⁽³⁾	1.5%	December 14, 2021 (19 th)	February 13, 2024	Unused
• Grant of restricted shares and performance shares	15	2.5%	December 14, 2021 (20 th)	February 13, 2025	See section 6.5
Issuance of shares by capitalizing profit, reserves or premiums	85 ⁽³⁾	N/A	December 14, 2021 (18 th)	February 13, 2024	Unused
Share capital reduction through cancellation of shares	N/A	5% of number of shares	December 14, 2021 (16 th)	February 13, 2024	Unused

(1) Adjusted amounts of share capital as at August 31, 2023.

(2) The 85 million euros ceiling includes the amounts of any capital increases carried out pursuant to the 18th and 19th resolutions of the Combined Shareholders Meeting held on December 14, 2021.

(3) This aggregate amount is included in the 85 million euros ceiling set in the 17th resolution of the Combined Shareholders Meeting held on December 14, 2021.

8.3.9 Potential share capital

As of the date of this document, there are no securities outstanding, other than existing equity securities and the restricted shares allocated to Group employees and Corporate Officers, as described in

section 7.5 of the present document, which carry immediate or future rights to the Company's share capital.

8.4 Additional general information and bylaws of the Company

8.4.1 Corporate name, registered office, website

Corporate name: Sodexo.

Registered office: 255, quai de la Bataille-de-Stalingrad, 92130 Issy-les-Moulineaux, France.

Telephone: +33 (0)1 30 85 75 00.

Website: www.sodexo.com

Information that can be found on the Company's website is not an integral part of this document, except if incorporated by reference into said document.

8.4.2 Legal form

Sodexo is a French public limited company (*société anonyme*), subject to all laws and regulations governing commercial corporations in France, and in particular to the provisions of the French Commercial Code.

8.4.3 Date of incorporation and duration

The Company has a duration of 99 years from December 31, 1974, save earlier termination or winding up.

The date of expiration of the Company is December 30, 2073.

8.4.4 Corporate purpose

The objectives of the Company shall be, in France, the French overseas departments and territories or abroad, directly or indirectly, on behalf of third parties or on its own account or in association with third parties, as follows:

- the development and provision of all services related to the organization of Foodservices and other essential services for corporations and public bodies;
- the operation of all restaurants, bars, hotels and more generally all establishments connected with Foodservices, the hotel industry, tourism, leisure and other services, and the ownership and financing thereof;
- the provision of some or all of the services required for the operation, maintenance and management of establishments or buildings used for office, commercial, industrial, leisure, healthcare or educational purposes, and for the operation and maintenance of some or all of the equipment installed therein;
- the execution of all installation, repair, refurbishment and replacement works on installed equipment;
- the provision of advice and of economic, financial and technical surveys relating to all projects and to all services associated with the development, organization and operation of the establishments defined above, and in particular all acts in furtherance of the construction of such establishments and all related consultations and assistance;
- the formation of all new companies and the acquisition by whatever means of equity interests in all companies irrespective of their corporate purposes;
- and more generally all civil, commercial, industrial and financial transactions, and transactions involving movable property or real estate, that are directly or indirectly associated with the aforementioned purposes or with all similar or related purposes.

8.4.5 Company registration and LEI

Sodexo is registered in the Trade and Companies Register of Nanterre under no. 301 940 219.

Business identifier code (APE code): 5629B

LEI code: 969500LCBOG12HXPYM84.

8.4.6 Material contracts

During the last two years, the Company has not entered into any material contract, other than those signed in the ordinary course of business, that create a material obligation or commitment for the entire Group.

8.4.7 Fiscal year

The fiscal year commences on September 1 of each year and ends on August 31 of the following year.

8.4.8 Form of shares and transfer of shares

The Company's shares may be held in either registered or bearer form. They are freely negotiable.

Transfer of shares occurs by transfer from one account to another in accordance with the conditions laid down by laws and regulations.

8.4.9 Statutory disclosure thresholds

In accordance with article 8 of the Company's Bylaws, any shareholder whose interest in the Company, held in any form and taking into account the forms of ownership provided for in the legislation applicable to statutory disclosure requirements, reaches or falls below 1% of the Company's voting rights or any multiple thereof, including percentages that are higher than the disclosure thresholds provided for in the applicable laws and regulations, must inform the Company by registered mail with request for acknowledgement of receipt within five trading days of the threshold being crossed. When a disclosure threshold is crossed due to a

purchase or sale of shares on the open market, the five trading-day timeframe will begin on the trade of the shares rather than their delivery date.

The above disclosure requirements will also apply to intermediaries that are registered with the Company or its share registrar as acting on behalf of shareholders who are not domiciled in France.

If a shareholder fails to comply with the above disclosure rules, the shares not disclosed may be stripped of voting rights at General Meetings.

8.4.10 Identification of shareholders

The Company may make use of the legal framework available for identifying the holders of shares which have, either immediately or in the future, voting rights at Shareholders Meetings.

8.4.11 Appropriation of earnings and dividend premium

Each share entitles its holder to a proportion of the Company's profits and net assets equal to the proportion of capital represented by the share.

The first appropriation of net income, net of any accumulated losses from prior periods, must be an amount of at least 5% of net income to establish the reserve fund required by law. This appropriation ceases to be compulsory once this reserve fund is equal to one-tenth of the issued capital but must be resumed if for any reason the reserve falls below one-tenth of the issued capital.

Distributable earnings comprise net income for the fiscal year, minus any accumulated losses brought forward and any transfer to the legal reserve, plus any retained earnings brought forward.

Distributable earnings are appropriated in the following order (i) any sum that the Ordinary Shareholders Meeting, on the proposal of the Board of Directors, decides to carry forward as retained earnings or to appropriate to the creation of an extraordinary reserve fund, contingency fund or other fund, whether or not created for a specific purpose and (ii) the surplus is distributed among all of the shareholders, each share entitling its holder to an equal share of the profit.

However, shareholders able to show that they have been a registered shareholder for at least four years as of the end of a given fiscal year, and who remain registered at the dividend payment date related to the said fiscal year, are entitled to a dividend premium on the shares so registered, equal to 10% of the dividend paid on the other shares, the resulting dividend premium being rounded down to the nearest euro cent where appropriate.

Similarly, shareholders able to show that they have been a registered shareholder for at least four years as of the end of a given fiscal year, and who remain registered at the date of a capital increase by capitalization of reserves, income or share premiums, by distribution of bonus shares, are entitled to supplementary bonus shares equal to 10% of those to be distributed. In the case of odd lots, the number of supplementary shares will be rounded down to the nearest unit. The resulting new shares will qualify for the same treatment as the old shares from which they are derived for the purposes of calculating rights to the dividend premium and to receive supplementary bonus shares.

The number of shares upon which a single shareholder shall be eligible for these dividend premiums or supplementary bonus shares may not exceed 0.5% of the share capital.

The above-mentioned right to a dividend premium has been applicable since the payment of the dividend for the fiscal year ended August 31, 2013.

8.4.12 Shareholders Meetings

Shareholders Meetings are called and deliberate on the terms stipulated by the law. They are held at the registered office or at any other place specified in the notice of meeting.

For the purposes of calculating quorum and majority at Shareholders Meetings, shareholders taking part in said meetings *via* video-conferencing or electronic links allowing them to be identified in accordance with the definitions and conditions relating to such links as stipulated in the relevant laws or regulations are deemed to have attended the meeting.

Shareholders Meetings are made up of all shareholders whose shares are paid up to the extent called and whose right to participate in the Shareholders Meeting is evidenced by an entry recorded, by the date and according to the procedure required by applicable laws and regulations, in a share register or securities account in the name of the shareholder or, for shareholders who are not resident in France, the shareholder's accredited financial intermediary, showing the number of shares held.

Shares must be registered within the above-stipulated deadline either in share accounts in the shareholder's name held by the

Company or *via* the approved intermediary, or in bearer share accounts held by the approved intermediary.

Members are entitled to attend Shareholders Meetings upon simple proof of identity and entitlement. The Board of Directors may, at its discretion, issue personal admission cards to shareholders in their names and demand presentation thereof.

All shareholders may vote remotely as provided by applicable laws and regulations.

Equally, all shareholders may take part in discussions when meetings are in session and vote *via* electronic data.

Shareholders Meetings are chaired by the Chairperson of the Board of Directors, or in his absence by the Vice Chairperson if one has been appointed or failing that by the longest-serving director present. If there is no director present, the meeting elects its own Chairperson.

8.4.13 Double voting rights

No shareholder holds any special voting rights and all shares in the Company carry one voting right, except for registered shares carrying double voting rights.

The Annual Shareholders Meeting held on February 23, 1999 introduced double voting rights conferred on all fully paid-up shares registered in the name of the same shareholder for at least four years as well as on registered shares allotted free of charge to a shareholder for the existing shares held by that shareholder that carry double voting rights, in the event of a bonus share issue carried out by capitalizing profit, reserves or premiums.

As at August 31, 2023, the 147,454,887 shares making up the Company's capital carried 217,348,906 theoretical voting rights and 216,264,780 voting rights exercisable at Shareholders Meetings. 68,894,019 of the shares have double voting rights, representing 46.7% of the capital and 63.7% of the voting rights, which could be exercisable at that date.

Only treasury shares do not carry any voting rights, in accordance with article L.225-210 of the French Commercial Code (which accounts for differences between the theoretical number of voting rights and the number of exercisable voting rights).

8.4.14 Modification of shareholder rights

All modifications to share capital or voting rights attached to the shares therein are subject to legal requirements, as the Company's Bylaws do not contain specific provisions.

A full version of the Company's Bylaws is available on the Group's website at www.sodexo.com.

8.4.15 Consultation of legal documents

Documents relating to the Company which are required to be made available to the public (bylaws, reports and other documents, historical financial information of the Company and consolidated financial information for at least each of the two fiscal years preceding the date of this Fiscal 2023 Universal Registration

Document) are available on the Company's website (www.sodexo.com) and may also be consulted at its registered office at 255, quai de la Bataille-de-Stalingrad - 92130 Issy-les-Moulineaux, France, preferably by appointment.

9

Combined Shareholders Meeting of December 15, 2023

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9.1 Agenda

Ordinary business

1. Adoption of the individual company financial statements for Fiscal 2023.
2. Adoption of the consolidated financial statements for Fiscal 2023.
3. Appropriation of net income for Fiscal 2023; determination of the dividend amount and payment date.

Extraordinary business

4. Amendment of article 17 (*Appropriation and distribution of earnings*) of the Company's Bylaws.
5. Suspension, on an exceptional basis, of the dividend premium with regard to the distribution in-kind of Pluxee shares.

Ordinary business

6. Reappointment of Sophie Bellon as a director for a three-year (3-year) term.
7. Reappointment of Nathalie Bellon-Szabo as a director for a three-year (3-year) term.
8. Reappointment of Federico J. González Tejera as a director for a three-year (3-year) term.
9. Appointment of Gilles Pélisson as a director for a three-year (3-year) term.
10. Approval of the components of compensation paid during or awarded for Fiscal 2023 to Sophie Bellon, Chairwoman and Chief Executive Officer.
11. Approval of the information related to the compensation of corporate officers and directors, as referred to in article L.22-10-9 I of the French Commercial Code.
12. Determination of the maximum total annual envelope for directors' compensation.
13. Approval of the compensation policy applicable to the directors.
14. Approval of the compensation policy applicable to the executive officer.
15. Authorization for the Board of Directors to purchase shares of the Company.

Extraordinary business

16. Delegation of authority to be given to the Board of Directors in order to increase the share capital, with maintenance of preferential subscription rights, by issuing ordinary shares and/or other securities giving access to the capital, immediately or in the future.
17. Delegation of authority to be given to the Board of Directors in order to increase the share capital by capitalizing premiums, reserves or profits.
18. Authorization to be given to the Board of Directors in order to make restricted grants of existing and/or newly issued shares in the Company for employees and/or corporate officers of the Group or some of them, with automatic waiver by shareholders of their preferential subscription rights.
19. Delegation of authority to be given to the Board of Directors in order to increase the share capital, with cancellation of preferential subscription rights, by issuing ordinary shares and/or other securities giving access to the capital, immediately or in the future, reserved for members of employee share plans.
20. Authorization for the Board of Directors to reduce the Company's share capital by canceling treasury shares.

Ordinary business

21. Powers to carry out formalities.

9.2 Resolutions submitted to the Combined Shareholders Meeting of December 15, 2023

Ordinary business

First and second resolutions: Adoption of the financial statements for Fiscal 2023

Purpose

In the first and second resolutions, shareholders are invited to adopt the individual company financial statements of Sodexo for the fiscal year ending August 31, 2023, showing net income of 1,308,274,604 euros, and the consolidated financial statements of the Group, showing profit attributable to equity holders of the parent amounting to 794 million euros.

The individual company financial statements have been prepared in accordance with French legal and regulatory provisions and the consolidated financial statements in accordance with the applicable regulations in force, including International Financial Reporting Standards (IFRS) as endorsed by the European Union.

In compliance with article 223 *quater* of the French General Tax Code (*Code général des impôts*), no expenses falling within the scope of said Code were incurred during Fiscal 2023.

First resolution

(ADOPTION OF THE INDIVIDUAL COMPANY FINANCIAL STATEMENTS FOR FISCAL 2023)

Having considered the Board of Directors' Report and the Statutory Auditors' Report on the individual company financial statements for Fiscal 2023, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, adopts the individual company financial statements for the fiscal year ended August 31, 2023 as presented, with net income of 1,308,274,604 euros.

The Shareholders Meeting also approves the transactions reflected in these financial statements and/or described in these reports.

In application of article 223 *quater* of the French General Tax Code, the Shareholders Meeting notes that no expenses within the scope of article 39-4 of said Code were incurred in Fiscal 2023.

Second resolution

(ADOPTION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL 2023)

Having considered the Board of Directors' Report and the Statutory Auditors' Report on the consolidated financial statements for Fiscal 2023, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, adopts the consolidated financial statements for the fiscal year ended August 31, 2023, which show profit attributable to equity holders of the parent of 794 million euros.

The Shareholders Meeting also approves the transactions reflected in these financial statements and/or described in these reports.

Third resolution: Appropriation of net income, determination of the dividend amount and payment date

Purpose

In the third resolution, shareholders are invited to approve the Board's recommended appropriation of net income and the payment of a dividend of 3.10 euros per share for the fiscal year ending August 31, 2023, representing a payout ratio on adjusted net profit of 50%, in line with the dividend policy.

In accordance with the Company's bylaws, shares that have been held in registered form for at least four (4) years, *i.e.*, since at least August 31, 2019, and that are still held in such form when the dividend for Fiscal 2023 is paid will automatically be entitled to a 10% dividend premium, representing an additional 0.31 euro per share. Where necessary, the amount of the dividend plus the premium will be rounded down to the nearest euro cent. The number of shares eligible for the dividend premium may not represent over 0.5% of the share capital for any single shareholder (corresponding to a maximum of 737,274 shares per shareholder based on the Company's share capital as of August 31, 2023).

The dividend payment schedule is as follows:

- Wednesday, December 20, 2023: Ex-dividend date, *i.e.*, date on which the shares are traded without rights to the dividend of the fiscal year ended August 31, 2023;
- Friday, December 22, 2023: Payment date of dividend and, as applicable, the dividend premium.

It is also proposed to allocate the balance to retained earnings, from which an amount of 700,000,000 euros would be taken to allocate it to the distributable reserves item entitled "Other reserves", item from which a deduction to allow the allocation of shares in Pluxee would be made, subject to the adoption of the necessary resolutions by the Shareholders Meeting.

Third resolution

(APPROPRIATION OF NET INCOME FOR FISCAL 2023, DETERMINATION OF THE DIVIDEND AMOUNT AND PAYMENT DATE)

In accordance with the proposal made by the Board of Directors, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, resolves:

to allocate net income for Fiscal 2023 of	€1,308,274,604
plus retained earnings as of the close of Fiscal 2023 of	€1,502,691,571
Making a total available for distribution of	€2,810,966,175
In the following manner:	
• Dividend (on the basis of 147,454,887 shares comprising the share capital as of August 31, 2023)	€457,110,150
• A 10% dividend premium (on the basis of 7,415,072 shares held in registered form as at August 31, 2023 that are eligible for the dividend premium after application of the limit of 0.5% of capital per shareholder)	€2,298,672
• Retained earnings, from which an amount of €700,000,000 is allocated to the distributable reserves item entitled "Other reserves"	€2,351,557,353
Total	€2,810,966,175

Consequently, the Shareholders Meeting resolves to pay a dividend of 3.10 euros for the fiscal year ended August 31, 2023 to each of the Company's share eligible for the dividend.

In accordance with article 17-3(b) of the Company's bylaws, shares held in registered form since at least August 31, 2019 and which are still in such form when the ordinary cash dividend is paid, *i.e.*, on December 22, 2023, will automatically be entitled to a 10% dividend premium, representing an additional 0,31 euro. The number of shares eligible for this dividend premium may not represent over 0.5% of Sodexo's share capital for any single shareholder (corresponding to a maximum of 737,274 shares per shareholder based on the Company's share capital as at August 31, 2023).

The dividend and the dividend premium for the shares benefiting from it will be negotiated ex-dividend from the share on December 20, 2023 at midnight (Paris time) and paid on December 22, 2023.

In the event that the Company holds any of its own shares on the payment date, the ordinary cash dividend due on these shares will not be paid and will be transferred to retained earnings.

Similarly, if any of the 7,415,072 shares held in registered form that are eligible for the ordinary cash dividend premium as of August 31, 2023 cease to be recorded in registered form between September 1, 2023 and December 22, 2023 (the dividend payment date), the amount of the dividend premium due on such shares will not be paid and instead will be transferred to retained earnings.

In accordance with article 243 *bis* of the French General Tax Code, it is specified that the dividend of 3.10 euros will be eligible for the allowance of 40% provided for in article 158-3 2° of said Code to individuals domiciled for tax purposes in France, if they have opted for their overall income to be taxed based on the sliding income tax scale provided for in paragraph 2 of article 200 A of the French General Tax Code.

The Shareholders Meeting notes that dividends paid for the last three fiscal years were as follows:

	FISCAL 2022 (PAID IN 2022)	FISCAL 2021 (PAID IN 2021)	FISCAL 2020 (PAID IN 2021)
Dividend per share*	€2,40	€2,00	€0
Total payout	€352,450,227	€294,464,237	€0

* Dividend fully eligible for the 40% allowance applicable to individuals who are a tax resident in France, as provided for in article 158-3 2° of the French General Tax Code (if the sliding income tax scale option is exercised).

Extraordinary business

Fourth and fifth resolutions: Preparation of Pluxee spin-off

Amendment of article 17 ("Appropriation and distribution of earnings") of the Company's bylaws

Purpose

As announced on October 26, 2023, the Board of Directors of the Company unanimously decided to approve the separation project (spin-off) of the On-site Services and the Benefits & Rewards Services providing for the separation and listing on Euronext Paris of the Pluxee shares, a company that directly or indirectly owns via its subsidiaries the Benefits & Rewards Services activities.

The spin-off project will be realised by way of a distribution of reserves in-kind, the amount of which would be fully withdrawn from the distributable reserves item entitled "Other reserves", to the shareholders of the Company of all the shares making up the share capital of Pluxee subject to, as applicable, the shares that would have been issued for purely technical reasons in order to respect the allocation ratio of 1 Pluxee share for 1 Sodexo share.

The completion of the spin-off remains subject to the finalization of certain technical conditions and in particular the approval of the prospectus by the Dutch Financial Markets Authority (*Autoriteit Financiële Markten*, the AFM), which should take place at the beginning of 2024. The shareholders of the Company will be consulted again at a next Shareholders Meeting which should be held at the beginning of 2024 in order to decide on this distribution of Pluxee shares.

In order to enable the Company to carry out the distribution in kind of the Pluxee shares, it is first necessary to amend article 17 ("Appropriation and distribution of earnings") of the Company's bylaws, in order to give the Shareholders Meeting the opportunity to decide, in accordance with the provisions of Article L. 232-12 of the French Commercial Code, in the event of distribution of dividends, reserves or premiums, or in the event of capital reduction, that all or part of this distribution or capital reduction will be carried out by delivery of assets in kind, including financial securities held by the Company.

This modification is the subject of the 4th resolution submitted for approval by the Shareholders Meeting.

It is also proposed to exceptionally suspend the application of the provisions of the Company's bylaws relating to the payment of an increased dividend in the context of the distribution in kind of Pluxee shares.

The suspension of the increased dividend is the subject of the 5th resolution submitted for approval by the Shareholders Meeting.

Fourth resolution

(AMENDMENT OF ARTICLE 17 (APPROPRIATION AND DISTRIBUTION OF EARNINGS) OF THE COMPANY'S BYLAWS)

The Shareholders Meeting, acting under the rules of quorum and majority applicable to Extraordinary Shareholders Meetings, having taken note of the report of the Board of Directors, resolves to supplement article 17.4 of the Company's bylaws as follows:

"4. The Shareholders Meeting, adopting the financial statements for the fiscal year, has the option to grant each shareholder, for all or part of the dividend distributed or interim dividend, an option to have the dividend or interim dividends paid in cash or in shares.

The shareholder must exercise this option on the entire dividend or interim dividend relating to the shares held.

Moreover, the Shareholders Meeting may decide, for all or part of the dividend, interim dividends, reserves or premiums distributed, that this distribution of dividends, interim dividends, reserves or premiums will be made in kind by delivery of Company assets, including financial securities, with or without a cash option.

The Shareholders Meeting may decide that fractional rights will not be negotiable or transferable, notwithstanding the provisions of article 9.3 of the bylaws. In particular, the Shareholders Meetings may decide that, when the share of the distribution to which the shareholder is entitled is not a whole number of the unit of measurement used for the distribution, the shareholder will receive the whole number of the next-lowest unit of measurement plus the balance in cash."

The other stipulations of article 17 of the Company's bylaws remain unchanged.

Full powers are given to the Board of Directors, with the option to subdelegate these powers to the Chairwoman and Chief Executive Officer, under the conditions provided for by French law, for the purpose of carrying out all operations and formalities related to or following the adoption of this resolution, including making any useful amendments to the bylaws to give effect to this resolution.

Fifth resolution***(SUSPENSION, ON AN EXCEPTIONAL BASIS, OF THE DIVIDEND PREMIUM REGARDING THE DISTRIBUTION IN KIND OF PLUXEE SHARES)***

The Shareholders Meeting, acting under the rules of quorum and majority applicable to Extraordinary Shareholders Meetings, having taken note of the Board of Director's report and article 17-3(b) of the Company's bylaws, resolves to suspend the application of the provisions of article 17-3(b) of the Company's bylaws relating to the payment of a dividend premium for the fiscal year ended August 31, 2023 with regard to the distribution in kind of Pluxee shares and, consequently, resolves that no dividend premium will be due in respect of the distribution in kind.

Full powers are given to the Board of Directors, with the option to subdelegate these powers to the Chairwoman and Chief Executive Officer, under the conditions provided for by French law, for the purpose of carrying out all operations and formalities related to or following the adoption of this resolution, including making any useful amendments to the bylaws to give effect to this resolution.

Ordinary business

Sixth to ninth resolutions: Composition of the Board of Directors

Purpose

The Board of Directors is currently composed of twelve members, including two directors representing employees, six independent directors and six women (including one female director representing employees).

The terms of office of Sophie Bellon, Nathalie Bellon-Szabo and Federico J. González Tejera expire at the end of the December 15, 2023 Shareholder's Meeting. It is proposed to renew their office.

The term of office of Françoise Brougher, which is also expiring, will not be renewed. Sophie Bellon, on her own behalf and on behalf of the Board of Directors and all shareholders, thanks her for her contribution to the work of the Board of Directors, the Compensation Committee and the Nominating Committee.

It is proposed that Gilles Pélisson be appointed as a director for a period of 3 years.

At the end of the December 15, 2023 Shareholders Meeting, if these resolutions are adopted, the Board of Directors would remain composed of 12 members, including 6 independent directors and 5 women.

Reappointment of Sophie Bellon as a director

Purpose

The purpose of the sixth resolution is to reappoint Sophie Bellon for a three-year term expiring at the close of the Annual Shareholders Meeting called to approve the financial statements for Fiscal 2026.

Non-independent director on the Sodexo Board of Directors since July 26, 1989, Chairwoman of the Board of Directors since January 26, 2016 and Chairwoman and Chief Executive Officer since March 1, 2022, Sophie Bellon provides the Board and the Group with her in-depth knowledge of Sodexo, her dedication to the Group and the strategic developments over the last two years under her leadership.

Her attendance for Fiscal 2023 was 100% for the Board of Directors.

If the reappointment of Sophie Bellon is approved at the Annual Shareholders Meeting of December 15, 2023, she will continue in her role as Chairwoman of the Board of Directors and Chief Executive Officer of Sodexo.

Reappointment of Nathalie Bellon-Szabo as a director

Purpose

The purpose of the seventh resolution is to reappoint Nathalie Bellon-Szabo for a three-year term expiring at the close of the Annual Shareholders Meeting called to approve the financial statements for Fiscal 2026.

Non-independent director on the Sodexo Board of Directors since July 26, 1989, member of the Sodexo Leadership Team and Chief Executive Officer of Sodexo Live!, Nathalie Bellon-Szabo provides the Board with her in-depth knowledge of Sodexo and its operations, as well as her experience and her contribution in Quality of Life services. At Sodexo Live! she promotes offerings encouraging socially responsible and environmental friendly that meet ever increasing sustainability requirements.

Her attendance for Fiscal 2023 on the Board of Directors was 100% and 100% on the Nominating Committee.

If the reappointment of Nathalie Bellon-Szabo is approved at the Annual Shareholders Meeting of December 15, 2023, she will continue to serve as a member of the Nominating Committee.

Reappointment of Federico J. González Tejera as a director

Purpose

The purpose of the eighth resolution is to reappoint Federico J. González Tejera for a three-year term expiring at the close of the Annual Shareholders Meeting called to approve the financial statements for Fiscal 2026.

Independent director since January 12, 2021, Federico J. González Tejera has been the Chairman and Chief Executive Officer of Louvre Hotels Group. Having held various positions in marketing and executive management for several multinationals, especially in the sectors of consumer goods, media, entertainment and the hotel business, Federico J. González Tejera provides his strategic vision to the Board along with his strong understanding of consumer culture.

His attendance for Fiscal 2023 was 90% on the Board of Directors and 100% on the Compensation Committee.

If the reappointment of Federico J. González Tejera is approved at the Annual Shareholders Meeting of December 15, 2023, he will continue to serve as a member of the Compensation Committee.

Appointment of Gilles Pélisson as a director

Purpose




































The ninth resolution concerns the appointment of Gilles Pélisson as an independent director of the Company for a term of 3 years, i.e., until the Shareholders Meeting called to approve the financial statements for fiscal year 2026.

Since 2016 and until recently, Gilles Pélisson was the Chairman and Chief Executive Officer of the TF1 group. Before joining TF1, Gilles Pélisson held positions as Chairman and Chief Executive Officer in several listed international companies such as Accor, Bouygues Telecom and Euro Disney. Gilles Pélisson has also been a member of the Board of Directors of Bic, Groupe Lucien Barrière, NH Hotels and Sun Resort International. He is the Lead Director of Accenture PLC (United States), Chairman of the Lyfe Institute (previously Paul Bocuse Institute) and of Unifrance (France).

Gilles Pélisson will bring 40 years of in-depth operational experience in international environments in the services sector and a thorough understanding of Corporate Governance.

If the appointment of Gilles Pélisson is approved, he will join the Nominating Committee as its Chairman.

COMPOSITION OF THE BOARD OF DIRECTORS AFTER THE SHAREHOLDERS MEETING OF DECEMBER 15, 2023

		NUMBER OF DIRECTOR/ OFFICER POSITIONS HELD IN OTHER LISTED COMPANIES	FIRST APPOINTMENT TO THE BOARD	TERM EXPIRES (AT THE ANNUAL SHAREHOLDERS MEETING CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR INDICATED)	SENIORITY (YEARS)	NUMBER OF SODEXO SHARES HELD	BOARD COMMITTEES
CHAIRWOMAN AND CEO							
 Sophie Bellon⁽²⁾ 08/19/1961		1	1989/07/26	2023	34	7,964	
INDEPENDENT DIRECTORS⁽¹⁾							
 Jean-Baptiste Chasseloup de Chatillon 03/19/1965		0	12/14/2021	2024	2	400	
 Federico J. González Tejera⁽²⁾ 04/12/1964		0	01/12/2021	2023	3	1,000	
 Véronique Laury 06/29/1965		2	01/21/2020	2025	4	400	
 Luc Messier 04/21/1964		1	01/21/2020	2025	4	400	 
 Gilles Pélisson 05/26/1957		1	12/15/2023	2026	0	750	
 Cécile Tandeau de Marsac 04/17/1963		2	01/24/2017	2025	7	400	 
FAMILY DIRECTORS							
 François-Xavier Bellon 09/10/1965		0	07/26/1989	2024	34	36,383	  
 Nathalie Bellon-Szabo⁽²⁾ 01/26/1964		0	07/26/1989	2023	34	3,052	
NON INDEPENDENT DIRECTOR							
 Patrice de Talhouët 06/18/1966		0	12/19/2022	2025	1	400	
DIRECTORS REPRESENTING EMPLOYEES⁽²⁾							
 Philippe Besson 09/21/1956		0	06/18/2014	2025	9	N/A	
 Cathy Martin⁽³⁾ 06/05/1972		0	09/10/2015	2023	8	N/A	

 Audit Committee member |  Nominating Committee member |  Compensation Committee member |  Chairman/Chairwoman

- (1) Independent directors based on the criteria set out in the AFEP-MEDEF Code, to which the Company refers. .
(2) The Board of Directors proposes that the Combined Annual Shareholders Meeting to be held on December 15, 2023 reappoints Sophie Bellon, Nathalie Bellon-Szabo, and Federico J. González Tejera, for a term of three years, i.e., until the Annual Shareholders Meeting held to adopt the Fiscal 2026 financial statements. The term of office of Françoise Brougher, which is also expiring, will not be renewed.
(3) The term of office of Cathy Martin, who was appointed in 2015 and reappointed in 2018 and 2020 by the European Works Council, expires at the end of the Combined Annual Shareholders Meeting on December 15, 2023. This mandate will be renewed. In accordance with French law and the AFEP-MEDEF Code, directors representing employees are not included in the calculation of the representation of men and women on the Board or the percentage of independent directors.

<h1>60%</h1> <p>Independent directors (excluding directors representing employees)</p>	<h1>58.5</h1> <p>Average age of directors</p>	<h1>40%</h1> <p>Female directors (excluding directors representing employees)</p>
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Biographical information on these directors is provided in section 7.2.1 of this Fiscal 2023 Universal Registration Document.

Sixth resolution**(REAPPOINTMENT OF SOPHIE BELLON AS A DIRECTOR FOR A THREE-YEAR (3-YEAR) TERM)**

Having considered the Board of Directors' Report and noting that Sophie Bellon's term of office expires at the close of this Meeting, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, resolves to reappoint her as a director for a three-year term expiring at the close of the Annual Shareholders Meeting to be held to approve the financial statements for the fiscal year ending August 31, 2026.

Seventh resolution**(REAPPOINTMENT OF NATHALIE BELLON-SZABO AS A DIRECTOR FOR A THREE-YEAR (3-YEAR) TERM)**

Having considered the Board of Directors' Report and noting that Nathalie Bellon Szabo's term of office expires at the close of this Meeting, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, resolves to reappoint her as a director for a three-year term expiring at the close of the Annual Shareholders Meeting called to approve the financial statements for the fiscal year ending August 31, 2026.

Eighth resolution**(REAPPOINTMENT OF FEDERICO J. GONZÁLEZ TEJERA AS A DIRECTOR FOR A THREE-YEAR (3-YEAR) TERM)**

Having considered the Board of Directors' Report and noting that Federico J. González Tejera's term of office expires at the close of this Meeting, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, resolves to reappoint him as a director for a three-year term expiring at the close of the Annual Shareholders Meeting called to approve the financial statements for the fiscal year ending August 31, 2026.

Ninth resolution**(APPOINTMENT OF GILLES PELISSON AS A DIRECTOR FOR A THREE-YEAR (3-YEAR) TERM)**

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, resolves to appoint Gilles Pélisson as a director for a three-year term expiring at the close of the Shareholders Meeting called to approve the financial statements for the fiscal year ending August 31, 2026.

Tenth resolution: Approval of the components of compensation paid during or awarded for the fiscal year ended August 31, 2023 to Sophie Bellon, Chairwoman and Chief Executive Officer

Purpose

In the tenth resolution, shareholders are invited to approve the fixed and variable components of the total compensation and benefits paid during or awarded for the fiscal year ended August 31, 2023 to Sophie Bellon, Chairwoman and Chief Executive Officer.

These components were determined by the Board of Directors based on the recommendations of the Compensation Committee and are detailed in the Board of Directors' Corporate Governance Report, in Section 7.4.2 of this Fiscal 2023 Universal Registration Document.

Tenth resolution**(APPROVAL OF THE COMPONENTS OF COMPENSATION PAID DURING OR AWARDED FOR FISCAL 2023 TO SOPHIE BELLON, CHAIRWOMAN AND CHIEF EXECUTIVE OFFICER)**

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with article L.22-10-34 II of the French Commercial Code, approves the components of the total compensation and benefits paid during or awarded for the fiscal year ended August 31, 2023, to Sophie Bellon,

Chairwoman and Chief Executive Officer, as described in the Corporate Governance Report prepared in compliance with article L.225-37 of the French Commercial Code and detailed in Section 7.4.2 of this Fiscal 2023 Universal Registration Document.

Eleventh resolution: Approval of the information related to compensation of Corporate Officers and directors

Purpose

In the eleventh resolution, shareholders are invited to approve the information relating in particular to compensation paid during or awarded for Fiscal 2023 to the Company's Corporate Officers and directors.

All of these components were determined by the Board of Directors based on the recommendations of the Compensation Committee and are detailed in the Board of Directors' Corporate Governance Report provided in Section 7.4 of this Fiscal 2023 Universal Registration Document.

Eleventh resolution

(APPROVAL OF THE INFORMATION RELATED TO COMPENSATION OF CORPORATE OFFICERS AND DIRECTORS, AS REFERRED TO IN ARTICLE L.22-10-9 I OF THE FRENCH COMMERCIAL CODE)

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with article L.22-10-34 I of the French Commercial Code, approves the information referred to in article L.22-10-9 I of the French

Commercial Code, as described in the Corporate Governance Report prepared in compliance with article L.225-37 of the French Commercial Code and detailed in Section 7.4 of this Fiscal 2023 Universal Registration Document.

Twelfth resolution: Determination of the maximum total annual envelope for directors' compensation

Purpose

In the twelfth resolution, shareholders are invited to increase the maximum total annual envelope for directors' compensation.

Set at 1.2 million euros at the Combined Annual Shareholders Meeting of December 19, 2022, it is proposed to increase this amount to 1.3 million euros. This new maximum annual amount would be effective from Fiscal 2024 and until such time as the Shareholders Meeting votes a new envelope.

The proposed amount corresponds to a maximum annual envelope that will not necessarily be fully used, since the compensation effectively paid takes into account the composition of the Board of Directors and its specialized Committees, as well as attendance rates. Nearly 83% of the 2022 envelope has been used in 2023.

Twelfth resolution

(DETERMINATION OF THE MAXIMUM TOTAL ANNUAL ENVELOPE FOR DIRECTORS' COMPENSATION)

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, resolves to set the maximum annual envelope for directors' compensation for Fiscal 2024 and for

subsequent fiscal years, until such time as the Shareholders Meeting makes a new decision on the matter, at 1,300,000 euros (one million three hundred thousand euros).

Thirteenth resolution: Approval of the compensation policy applicable to the directors for Fiscal 2024

Purpose

In the thirteenth resolution, shareholders are invited to approve the policy for allocating the directors' compensation approved by the Board of Directors.

This policy will apply until the approval of a new compensation policy by the Shareholders Meeting.

The compensation policy submitted for shareholder approval is proposed by the Board of Directors based on the recommendation of the Compensation Committee and is presented in the Board of Directors' Corporate Governance Report provided in Section 7.4.1 of this Fiscal 2023 Universal Registration Document.

Thirteenth resolution

(APPROVAL OF THE COMPENSATION POLICY APPLICABLE TO THE DIRECTORS)

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with article L.22-10-8 II of the French Commercial Code, approves the compensation policy applicable to the directors, as set by the Company's Board of Directors based on the recommendation of the

Compensation Committee and as described in the Corporate Governance Report drawn up in compliance with article L.225-37 of the French Commercial Code and detailed in Section 7.4.1 of this Fiscal 2023 Universal Registration Document.

Fourteenth resolution: Approval of the compensation policy applicable to the executive officer for Fiscal 2024

Purpose

In the fourteenth resolution, shareholders are invited to approve the compensation policy for the executive officer approved by the Board of Directors.

This policy will apply from Fiscal 2024 until the approval of a new compensation policy by the Shareholders Meeting.

In the context of the renewal of the term of office of Sophie Bellon, Chairwoman and Chief Executive Officer, an in-depth benchmark of practices among our reference panel was carried out with the assistance of a specialized independent consulting firm, in order to assess the positioning of the remuneration of the Group's executive officer.

The main changes proposed in the compensation policy for the Chairwoman and Chief Executive Officer for Fiscal 2024 compared to the policy implemented for Fiscal 2023, are as follows:

- The variable compensation is now equal, on achievement of targets, to 120% of the fixed compensation, and can be stretched up to 170% in the case of outperformance of targets. The Board of Directors has decided not to increase the amount of the fixed compensation in order to favor pay for Group performance;
- Among the non-financial performance targets, the Health & Safety criterion is now being measured by two indicators: the Lost-Time Injury Rate (LTIR) and the Near Miss to Accident Ratio. This approach aims to reinforce the teams' immediate and ongoing attention to risk prevention;
- The Sustainability criterion has been replaced by an internal indicator, directly linked to the Group's commitments in terms of climate and environmental performance. The Board of Directors has selected the WasteWatch deployment indicator, expressed as a percentage of the cost of raw materials. The WasteWatch program was developed to reduce food waste and position Sodexo as a major player in this field. The deployment of this program is an essential step in raising awareness of food waste and measuring progress.

The compensation policy submitted for shareholder approval is proposed by the Board of Directors based on the recommendation of the Compensation Committee and is presented in the Board of Directors' Corporate Governance Report provided in Section 7.4.1 of this Fiscal 2023 Universal Registration Document.

Fourteenth resolution

(APPROVAL OF THE COMPENSATION POLICY APPLICABLE TO THE EXECUTIVE OFFICER)

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with article L.22-10-8 II of the French Commercial Code, approves the compensation policy applicable to the executive officer, as set

by the Company's Board of Directors based on the recommendation of the Compensation Committee and as described in the Corporate Governance Report drawn up in compliance with article L.225-37 of the French Commercial Code and detailed in Section 7.4.1 of this Fiscal 2023 Universal Registration Document.

Fifteenth resolution: Authorization for the Company to purchase its own shares

Purpose

As of August 31, 2023, the Company held 1,078,126 treasury shares, corresponding to 0.73% of its share capital, mainly allocated to cover commitments to beneficiaries under restricted share plans and employee share purchase plans as well as the liquidity contract.

In the fifteenth resolution, shareholders are invited to renew the 18-month authorization granted to the Board of Directors to enable the Company to purchase its own shares at any time other than when a public tender offer for the Company's shares is in progress.

In accordance with French law and market practice, it is proposed that they be limited to 10% of the share capital as of the date of the Annual Shareholders Meeting of December 15, 2023.

The maximum price of the shares that may be purchased under this share buyback program would be 120 euros per share and the total amount invested in the program may not exceed 1.8 billion euros. The maximum purchase price will be adjusted downwards after the Pluxee spin-off on the basis of the market price.

The shares purchased would be used, *inter alia*, to (i) cover restricted share plans; (ii) reduce the Company's share capital by canceling shares; and (iii) provide liquidity in Sodexo shares under the liquidity contract entered into between Sodexo and Exane BNP Paribas. This contract was suspended as of August 25, 2023, pending the renewal of the resolution during the Shareholders Meeting of December 15, 2023, the stock market price having reached the maximum purchase price of the shares.

For information on the implementation of the previous share buyback authorization, see Section 8.3.5 of this Fiscal 2023 Universal Registration Document.

Fifteenth resolution

(AUTHORIZATION FOR THE BOARD OF DIRECTORS TO PURCHASE SHARES OF THE COMPANY)

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings and in accordance with articles L.225-210 *et seq.* and L.22-10-62 *et seq.* of the French Commercial Code, articles 241-1 *et seq.* of the General Regulations of the French Securities Regulator (Autorité des marchés financiers – AMF) and the European regulatory framework applicable to market abuse (based on Regulation (EU) no. 596/2014 of April 16, 2014), authorizes the Board of Directors – with powers to subdelegate within the law – to purchase or arrange for the purchase of Sodexo shares to be used, *inter alia*, for the following purposes:

- to implement a stock option plan enabling beneficiaries to acquire – for consideration and by all authorized means – shares of the Company in accordance with articles L.225-177 *et seq.* of the French Commercial Code or any similar plan, with the beneficiaries notably including (i) employees and/or Corporate Officers of the Company or of companies or groupings affiliated to it under the conditions provided for in article L.225-180 of the French Commercial Code, and/or (ii) any other beneficiary authorized by law to receive such stock options; or
- to grant restricted shares of the Company in accordance with articles L.225-197-1 *et seq.* of the French Commercial Code, notably to (i) employees of the Company or of companies or groupings affiliated to it under the conditions provided for in article L.225-197-2 of the French Commercial Code, and/or (ii) Corporate Officers of the Company or of companies or groupings affiliated to it under the conditions provided for in article L.225-197-1 II of the French Commercial Code, and/or (iii) any other beneficiary authorized by law to receive such share grants; or
- to allocate or sell shares to employees in connection with an employee profit sharing plan or a Employee or Group Share Plan (or equivalent plan) under the conditions provided for by French law, including articles L.3332-1 *et seq.* of the French Labor Code; or
- to transfer shares upon exercise of rights attached to securities issued by the Company or, as authorized by law, by entities affiliated to it, which give access to Company shares through reimbursement, conversion, exchange, presentation of a warrant or any other method; or
- to reduce the Company's share capital by canceling shares within the limits provided for by law, this resolution and the twentieth resolution adopted by this Annual Shareholders Meeting or any future resolution with the same effect that may be adopted during the period in which this authorization remains valid; or
- to transfer shares as a means of exchange, payment or otherwise in connection with mergers and acquisitions; or
- to carry out market-making in Sodexo shares under a liquidity contract with an investment services provider, in accordance with the market practices accepted by the AMF; or
- generally, to fulfill the obligations related to stock option plans or other share grants to employees or Corporate Officers of the Company or an affiliated company.

The program is also intended to permit the implementation of any market practices that may be authorized at a future date by the AMF and, generally, the execution of any other transaction that complies with the applicable regulations. In this case, shareholders will be notified by means of a press release.

The acquisitions, exchange, the sale or transfer of shares acquired may be carried out, completely or in part, on one or more occasions,

by any method, in particular on all markets (including multilateral trading systems or *via* a systematic internalizer) or over-the-counter, including through the use of any financial instruments, options or derivatives and by means of block purchases or sales or in any other way, or by means of a services provider or market member referred to in article L.225-206 of the French Commercial Code. The transactions may take place at any time, subject to the limits authorized by the applicable laws and regulations, other than during a public tender offer for the Company's shares. In the event of such a public tender offer, unless prior consent is given by a Shareholders Meeting, the Board of Directors may not use this authorization and the Company may not implement any share buyback program from the time when the third party concerned submits the offer until the end of the offer period.

The Shareholders Meeting resolves that the maximum number of shares acquired pursuant to this resolution may not exceed 10% of the Company's share capital as of the date of this Meeting (*i.e.*, as an indication, as at August 31, 2023, a maximum of 14,745,488 shares), it being stipulated that if this authorization is used, the existing number of treasury shares must be taken into account such that the Company does not at any time hold more treasury shares than the legally permitted maximum of 10% of its share capital.

The Shareholders Meeting resolves that the maximum price paid for shares purchased under this resolution may not exceed 120 euros per share (excluding acquisition costs). However, the Shareholders Meeting authorizes the Board of Directors to adjust this maximum purchase price in the event of a change in the par value of the Company's shares, a capital increase carried out by capitalizing reserves, a free allocation of shares, a stock split or reverse stock split, the distribution of reserves or any other assets, a redemption of capital, or any other transaction affecting the Company's capital or equity, in order to take into account the impact of the transaction on the share price.

The Shareholders Meeting resolves that the total amount allocated to the share buyback program may not exceed 1.8 billion euros.

Since treasury shares are not eligible for dividends, the sum corresponding to unpaid dividends will be allocated to the retained earnings account.

The Shareholders Meeting acknowledges that this authorization is granted for a period of eighteen (18) months from the date of this Meeting and cancels, with effect from this day, any unused portion of any prior authorization granted to the Board of Directors for the same purpose.

The Shareholders Meeting gives full powers to the Board of Directors – with powers to subdelegate within the law – to decide on and carry out the implementation of this authorization, to clarify the terms as necessary and decide on the conditions, to carry out the purchasing program, and in particular to:

- place all stock market orders;
- make and terminate all contracts and agreements;
- allocate or reallocate shares acquired for the objectives pursued under the applicable legal and regulatory conditions;
- set the terms and conditions according to which the rights of holders of securities or options will be preserved, as applicable, in compliance with legal, regulatory or contractual provisions;
- to make all filings and carry out other formalities, and generally do all that is necessary.

Extraordinary business

Sixteenth to nineteenth resolutions: Financial resolutions relating to increasing the Company's capital

Capital increase with maintenance of preferential subscription rights and overall cap on capital increases

Purpose

The sixteenth resolution proposes to ensure the financing of the Group's growth investments, to renew, for a new period of 26 months, the authorization allowing the Board of Directors to decide to issue shares and/or securities giving access to the capital of the Company or the allocation of debt securities, outside the public offer period on the shares of the Company until the end of the offer period, with maintenance of shareholders' preferential subscription rights.

Under this resolution, if irreducible subscriptions and, where applicable, reducible subscriptions do not absorb the entire issue of shares or securities, the Board of Directors may decide to publicly offer the unsubscribed shares or securities, totally or partially.

The subscription price for shares or securities that could be issued pursuant to this authorization would be set by the Board of Directors, in accordance with French legal and regulatory provisions and market practice.

The maximum nominal amount of the capital increases that could be done pursuant to this authorization would be set at 85 million euros (or approximately 14% of share capital) and the maximum nominal amount of debt securities would be set at 1 billion euros. The 85 million euros ceiling referred to above includes the amounts of capital increases that would be carried out pursuant to the twentieth resolution below, making it possible to issue shares or securities reserved for employees for an Employee Share Plan.

The previous authorization granted at the Combined Shareholders Meeting of December 14, 2021 for the same purpose was not used by the Board of Directors.

Capital increase by capitalizing premiums, reserves or profits

Purpose

The seventeenth resolution aims to renew, also for a duration of 26 months, the authorization allowing the Board of Directors to decide on, outside the public offer period on the Company's shares until the end of the offer period, one or more capital increases by capitalizing all sums allowed by legal and corporate rules (profit, reserves or premiums). The maximum amount of any capital increases that could be carried out in this way is set at 85 million euros.

The Board of Directors would have full power to set the maximum amount and type of the sums to capitalize as well as the number of new shares to issue.

The previous authorization granted at the Annual Shareholders Meeting of December 14, 2021 for the same purpose was not used by the Board of Directors.

Grant of existing and/or newly-issued restricted shares to Company employees and/or Corporate Officers

Purpose

The eighteenth resolution invites shareholders to renew the authorization of the Board of Directors, conferred by the Combined Annual Shareholders Meeting on December 14, 2021 in its twentieth resolution, to grant existing and/or newly issued shares of the Company free of charge to employees and Corporate Officers of the Group.

Shares granted to employees cannot exceed a number of existing and/or new shares greater than 2.5% of the share capital on the day of the decision of the Board of Directors, for the entire duration of the authorization, reduced from 36 to 26 months, and cannot exceed 1.5% of this capital during the same fiscal year.

Vesting would be subject to fulfilling a presence condition throughout the vesting period of a duration of three (3) years, and in some cases, performance conditions set by the Board of Directors according to the compensation policy put to the vote of the shareholders.

Shares granted to the Chief Executive Officer could not represent more than 8% of all the restricted shares granted during the fiscal year and vesting should be, except in the case of external recruitment to compensate for the loss of previous compensation or benefits, entirely conditional on fulfilling a presence condition and several performance conditions determined by the Board of Directors.

The Board of Directors considers that the conditions of the plans in progress reflect a good balance between the Company's performance, the trust of investors in the Group and corporate responsibility.

This authorization would be valid for a period of twenty-six (26) months.

Further information on the long-term incentive plan and its implementation appears in Section 7.4.5 of the 2023 Universal Registration Document.

Capital increase reserved for employees who are members of employee share plans

Purpose

Since the resolution authorizing the capital increase for members of an Employee Share Plan, approved during the Combined Shareholders Meeting of December 14, 2021, is expiring, the nineteenth resolution proposes to renew the corresponding authorization to be given to the Board of Directors, in accordance with legal requirements. Employee share ownership operations help to align the interest of employees with those of shareholders.

The total number of shares that could be issued in this way may not represent more than 1.5% of the capital, the amount of any capital increases thus carried out is included in the 85 million euros ceiling set in the sixteenth resolution and this authorization is given for a duration of 26 months.

The previous authorizations granted at the Combined Shareholders Meeting of December 14, 2021 and the previous Shareholders Meetings, for the same purpose were not used by the Board of Directors.

Sixteenth resolution

(DELEGATION OF AUTHORITY TO BE GIVEN TO THE BOARD OF DIRECTORS IN ORDER TO INCREASE THE SHARE CAPITAL, WITH MAINTENANCE OF PREFERENTIAL SUBSCRIPTION RIGHTS, BY ISSUING ORDINARY SHARES AND/OR OTHER SECURITIES GIVING ACCESS TO THE CAPITAL, IMMEDIATELY OR IN THE FUTURE)

The Shareholders Meeting, acting under the rules of quorum and majority applicable to Extraordinary Shareholders Meetings, having taken note of the Board of Director's Report and the special report of the Statutory Auditors, in accordance the French Commercial Code and especially articles L.225-129 to L.225-129-6, L.22-10-49, L.225-132 to L.225-134 and L.228-91 to L.228-93 *et seq.*, and after having noted the full release of the share capital:

- delegates to the Board of Directors, with option to subdelegate under the conditions set by law, the authority to decide on one or more capital increases, while maintaining the preferential subscription right through the issue, in France or abroad, in the proportion and at the times it determines, in euros, or in any other currency or unit of account established by reference to several currencies, ordinary shares and/or any other transferable securities giving access by any means, immediately and/or in the long term, to new or existing ordinary shares of the Company, it being specified that the release of ordinary shares and other transferable securities may be carried out, in whole or in part, either in cash or by offsetting debts;
 - sets the duration of the validity of this authority at twenty-six (26) months from the date of this Shareholders Meeting, specifying, however, that the Board of Directors may not use it during a public offer period for the Company's shares until the end of the offer period;
 - resolves that if the Board of Directors uses this authorization:
 - the total maximum nominal amount of capital increases that could be carried out under this delegation is set at 85 million euros or the equivalent of this amount in any other currency or unit of account established by reference to several currencies, specifying that the overall maximum nominal amount of capital increases that could be carried out under this authorization and the one granted under the nineteenth resolution (subject to its adoption by this Shareholders Meeting) is set at an overall ceiling of 85 million euros or the equivalent of this amount in any other currency or unit of account established by reference to several currencies, amounts to which will be added, as applicable, the additional amount of shares to be issued to preserve, in accordance with legal and regulatory provisions and, where applicable, contractual stipulations providing for other cases of adjustment, the rights of holders of securities giving access to capital,
 - the total maximum nominal amount of issuance of debt securities giving access to the capital, immediately or in the future, may not exceed 1 billion euros or the equivalent of this amount in any other currency or unit of account established by reference to several currencies,
 - the shareholders may exercise, under the conditions provided for by French law, their preferential subscription right on an irreducible basis, the Board of Directors having the option to confer to shareholders the subscription right on a reducible basis to a number of ordinary shares or securities greater than what they could subscribe to on an irreducible basis, proportionally to the subscription right available to them, in any case, within the limits of their request,
 - if the irreducible subscriptions and, as applicable, the reducible subscriptions have not absorbed all the shares or securities issued under this resolution, the Board of Directors may, in the order it deems appropriate, use one or more of the options offered by article L.225-134 of the French Commercial Code,
 - the decision to issue securities carrying rights to access the capital will entail, for the benefit of the holders of the securities issued, an express waiver of the shareholders of their preferential right to subscribe to equity securities to which the issued securities will give right;
4. gives full power to the Board of Directors with powers to subdelegate within the law, to implement this delegation of authority and, in particular, to set the conditions of issue, the nature, the price, the number and the characteristics of the securities giving access to the capital, as well as the vesting date, even retroactively, of the securities issued pursuant to this resolution, the terms of allocation of the capital securities to which these securities give right as well as the dates on which the allocation rights may be exercised, at its sole initiative, to charge the costs of capital increases to the amount of the related premiums and to deduct from this amount the sums necessary to endow the legal reserve, to make all adjustments intended to take into account the impact of operations on the Company's capital or equity and to establish any other terms to ensure, where applicable, the preservation of the rights of holders of securities giving access to the capital (including by way of adjustments in cash) in accordance with applicable legal, regulatory or contractual agreements, to provide for the option to suspend the exercise of the rights attached to the securities issued or to be issued in accordance with the legal and regulatory provisions, to record the completion of capital increases, to amend the bylaws accordingly, to complete the required formalities, to pass any agreement, in particular for achieving the successful completion of the planned issuance, to take all measures and carry out all formalities useful for the issuance, listing and financial service of the securities issued under this authorization as well as the exercise of the rights attached thereto, and generally do everything necessary for the implementation of this resolution;

5. notes that this delegation of authority cancels from this day the authorization for the same purpose granted by the Combined Shareholders Meeting of December 14, 2021 in its seventeenth resolution;
6. notes that, in the event that the Board of Directors uses the authorization granted to it by this resolution, the Board of Directors will give a report to the next Ordinary Shareholders Meeting in compliance with French law and regulations.

Seventeenth resolution

(DELEGATION OF AUTHORITY TO BE GIVEN TO THE BOARD OF DIRECTORS IN ORDER TO INCREASE THE SHARE CAPITAL BY CAPITALIZING PREMIUMS, RESERVES OR PROFITS)

The Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, having taken note of the Board of Director's report, in accordance with the provisions of articles L.225-129 to L.225-129-2, L.225-130 and L.22-10-50 of the French Commercial Code:

1. delegates to the Board of Directors, with option to subdelegate under the conditions set by law, its authority to decide, on one or more occasions, to carry out a capital increase, in the amount and at the times and according to the conditions that it will assess, by capitalizing all or part of the premiums, reserves or profits allowed by law and the Company bylaws, in the form of restricted share grants or increase in the par value of existing shares, or by the joint use of these two processes;
2. sets the duration of the validity of this authority at twenty-six (26) months from the date of this Shareholders Meeting, specifying, however, that the Board of Directors may not use it during a public offer period for the Company's shares until the end of the offer period;
3. resolves that if the Board of Directors decides to use this delegation of authority, the maximum nominal value of capital increases that could be carried out under this delegation is set at 85 million euros or the equivalent of this amount in any other currency or unit of account established by reference to several currencies;
4. gives full power to the Board of Directors, with option to subdelegate within the law, to implement this delegation of authority and establish all the terms and conditions of authorized operations, and in particular to:
 - set the amount and nature of the sums to capitalize, set the number of shares to issue and/or the amount by which the par value of the existing shares making up the share capital will be increased, set the date, even retroactively, from which the new shares will bear rights or on which the increase in the par value of the existing shares will take effect,
 - in the event that new shares are issued, resolve that (i) the rights forming fractional shares will not be negotiable and that the corresponding shares will be sold, and that the sums arising from the sale will be allocated to the holders of the rights under the conditions provided for by law and regulation and (ii) the shares that will be allocated under this delegation in respect of old shares benefiting from double voting rights and/or the right to the increased dividend will benefit from this right when issued,
 - perform all adjustments in order to account for the impact of the operations on the Company's capital or equity and set the terms by which, as applicable, the preservation of the rights of holders of securities giving access to capital will be ensured in accordance with the applicable legal, regulatory or contractual provisions,
 - note the performance of each capital increase and make corresponding amendments to the bylaws,
 - charge the costs of the capital increases to the amount of the related premiums and deducts from this amount the necessary sums to endow the legal reserve.
 - pass all agreements, take all measures and perform all formalities useful to the issue, listing and financial service of securities issued under this authorization as well as the exercise of the rights attached thereto,
 - and generally to do everything necessary to implement this resolution;
5. acknowledges that this authorization cancels, with effect from this day, the authorization granted for the same purpose in the eighteenth resolution of the Combined Annual Shareholders Meeting of December 14, 2021.

Eighteenth resolution

(AUTHORIZATION TO BE GIVEN TO THE BOARD OF DIRECTORS IN ORDER TO MAKE RESTRICTED GRANTS OF EXISTING AND/OR NEWLY ISSUED SHARES IN THE COMPANY FOR EMPLOYEES AND/OR CORPORATE OFFICERS OF THE GROUP OR SOME OF THEM, WITH AUTOMATIC WAIVER BY SHAREHOLDERS OF THEIR PREFERENTIAL SUBSCRIPTION RIGHTS)

The Shareholders Meeting, acting under the rules of quorum and majority applicable to Extraordinary Shareholders Meetings, having taken note of the Board of Director's Report and the report of the Statutory Auditors:

1. authorizes the Board of Directors, under the provisions of articles L.225-197-1 and L.22-10-59 et seq. of the French Commercial Code, with option to subdelegate within the law, to grant, on one or more occasions, existing and/or newly issued restricted shares of the Company, to employees and/or Corporate Officers of the Company or of companies or groupings affiliated to it under the conditions provided for in article L.225-197-2 of the French Commercial Code, or certain categories of them;
2. sets at twenty-six (26) months from the date of this Meeting, the period in which this authorization remains valid;
3. resolves that shares granted under this authorization may not relate to a number of existing and/or new shares representing a percentage greater than 2.5% of the share capital on the day the Board of Directors decides to make the allocation, not to exceed 1.5% of this share capital during the same fiscal year, without taking into account adjustments that may be made in accordance with legal and regulatory provisions and, where applicable, contractual stipulations providing for other cases of adjustment to preserve the rights of holders of securities giving access to capital;
4. resolves that existing and/or new shares allocated under this authorization may benefit the Chief Executive Officer of the Company, within the law, it being specified (i) that these shares may not represent more than 8% of the all restricted shares granted during each fiscal year by the Board of Directors (subject

- to the adjustments mentioned in the previous section), (ii) that vesting of all of these shares must be conditional to fulfilling a presence condition, and, except in the case of external recruitment to compensate for the loss of previous compensation or benefits (so as to reflect the nature, risk profile and vesting horizon of the lost benefits), several performance conditions that the Board of Directors will determine and (iii) that the Board of Directors will set the quantity of restricted shares granted that the Chief Executive Officer of the Company will be required to keep in registered form until the termination of his/her office;
5. resolves that shares granted will vest at the end of a vesting period whose duration will be set by the Board of Directors, it being understood that this duration cannot be less than that provided by the French Commercial Code on the day of the Board of Directors' decision, and that the beneficiaries must retain said shares for a period set by the Board of Directors, it being specified that the cumulative duration of the vesting and retention periods cannot be less than that provided for by the French Commercial Code on the day of the Board of Directors' decision. However, the Shareholders Meeting authorizes the Board of Directors, insofar as the vesting period for all or part of one or more allocations would be at least two (2) years, to impose no retention period for the shares considered. For all intents and purposes, remember that the Board of Directors has the option to determine different vesting and retention periods according to regulatory provisions in effect in the country of residence of the beneficiaries;
 6. resolves that the vesting of existing shares and/or shares newly issued to employees could be subject to fulfilling a presence condition and one or more performance conditions that the Board of Directors will determine;
 7. further resolves that in the event of disability of the beneficiary corresponding to classification in the second or third of the categories provided for in article L.341-4 of the French Social Security Code, or equivalent case abroad, the shares will be vested before the end of the vesting period and will be freely transferable from their delivery;
 8. notes that in the case of granting new restricted shares, this authorization will entail, as and when said shares vest, a capitalization of reserves, profits or premiums for the benefit of the beneficiaries of said shares and a waiver in accordance by shareholders for the benefit of beneficiaries of said shares of their preferential subscription rights to said shares;
 9. delegates full power to the Board of Directors, with option to subdelegate within the law and regulations, to implement this authorization under the conditions above and within the limits authorized by current law, in particular:
 - to determine if the restricted shares granted are existing shares or shares to be issued,
 - to determine the identity of the beneficiaries or of the categories of beneficiaries, the allocation of shares and the number of shares granted to each of them,
 - to set the terms and conditions for issues that will occur pursuant to this authorization and the vesting date for the new shares,
 - as applicable, to make adjustments to the rights of beneficiaries in the event of transactions related to Company equity in order to preserve them,
 - to note the vesting dates and the dates from which the shares could be freely transferred, taking into account legal restrictions,
 - if new shares are issued, to charge, as applicable, to reserves, profit or issue premiums of its choice the sums necessary to release said shares,
 - to note any capital increases carried out and accordingly amend the bylaws,
 - to provide for the option of temporarily suspending allocation rights in the event of financial transactions,
 - and, generally, do everything useful and necessary within current laws and regulations;
 10. acknowledges that this authorization cancels, with effect from this day, the authorization granted to the Board of Directors for the same purpose on December 14, 2021 in its twentieth resolution.

Nineteenth resolution

(DELEGATION OF AUTHORITY TO BE GIVEN TO THE BOARD OF DIRECTORS IN ORDER TO INCREASE THE SHARE CAPITAL, WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS, BY ISSUING ORDINARY SHARES AND/OR OTHER SECURITIES GIVING ACCESS TO THE CAPITAL, IMMEDIATELY OR IN THE FUTURE, RESERVED FOR MEMBERS OF EMPLOYEE SHARE PLANS)

The Shareholders Meeting, acting under the rules of quorum and majority applicable to Extraordinary Shareholders Meetings, takes note of the Board of Director's report and the report of the Statutory Auditors in accordance with the provisions of articles L.225-129 *et seq.*, L.22-10-49 *et seq.* and L.225-138-1 of the French Commercial Code and those of articles L.3332-18 to L.3332-24 of the French Labor Code:

1. delegates to the Board of Directors, with option to subdelegate within the law, its authorization to increase the Company's capital on one or more occasions, in France or abroad, in the proportion and at the times it determines, in euros, or in any other currency or unit of account established by reference to several currencies, by issuing ordinary shares and/or transferable securities giving access by any means, immediately and/or in the long term, to the Company's capital reserved for members of one or more Employee Share Plans (or any other plan for members of which articles L.3332-1 *et seq.* of the Labor Code or any similar law or regulation allow the reservation of a capital increase under equivalent conditions) implemented within the Group constituted by the Company and companies, French or foreign, falling within the scope of consolidation or combination of the Company's accounts under article L.3344-1 of the Labor Code;
2. sets the duration of validity at twenty-six (26) months from the date of this Meeting and resolves that it cancels, with effect from this day, any the delegation of authorization for the same purpose in the nineteenth resolution of the Combined Annual Shareholders Meeting of December 14, 2021;
3. resolves that the total number of new shares that could be issued under this delegation may not represent a percentage greater than 1.5% of the share capital on the day of the Board of Directors' decision. The amount of issues carried out pursuant to this authorization will be deducted from the overall ceiling of a total maximum nominal amount of 85 million euros provided for in the sixteenth resolution (subject to its adoption by this Shareholders Meeting) or, where applicable, from the amount of the overall ceiling possibly provided for by a subsequent resolution during the period of validity of this authorization, and, where applicable, the additional amount of shares of the Company to be issued will be added to this ceiling, to preserve, in accordance with legal and regulatory provisions and, where applicable, contractual stipulations providing for other cases of adjustment, the rights of holders of securities giving access to capital;

4. resolves that the issue price of the new shares or securities giving access to the capital that could be issued under this authorization will be determined under the conditions in article L.3332-19 et seq. of the Labor Code and will be at least equal to 80% of the average of the opening prices of the Company's shares on Euronext Paris during the twenty trading sessions preceding the day of the decision setting the opening date for subscription for members of an Employee Share Plan (or a similar plan), it being specified that the Board of Directors, if it deems it appropriate, may reduce or eliminate the above-mentioned discount, within the legal and regulatory limits, in particular in order to take into account, inter alia, locally applicable legal, accounting, tax and social regimes;
5. authorizes the Board of Directors to grant, free of charge, to the beneficiaries indicated above, in addition to the shares or securities giving access to the capital to be subscribed in cash, shares or securities giving access to the capital newly issued or already issued, as a replacement for all or part of the discount and/or matching contribution, it being understood that the profit resulting from this allocation may not exceed the legal or regulatory limits applicable under the terms of articles L.3332-21 et seq. of the Labor Code;
6. decides to eliminate, for the benefit of the beneficiaries indicated above, the preferential subscription rights of shareholders to the shares and securities given access to the capital whose issue is the subject of this authorization, as well as to the shares to which said securities will give rights;
7. authorizes the Board of Directors, under the conditions of this authorization, to carry out transfers of shares to the beneficiaries indicated above as provided for in article L.3332-24 of the Labor Code, specifying that transfers of shares carried out at a discount for members of one or more Employee Share Plans referred to in this resolution will be deducted up to the par value of the shares thus transferred from the amount of the ceilings referred to in paragraph 3 above;
8. resolves that the Board of Directors will have full power to implement this resolution, with the option to subdelegate within the law, and in particular to establish within the law the list of companies whose beneficiaries indicated above will be able to subscribe to the shares or securities giving access to the capital thus issued and benefit, where applicable, from the shares or securities giving access to the capital allocated free of charge, set the terms and conditions of the transactions, set the issue price or the discount, and set the dates and terms of the issues which will be carried out under this delegation, set the opening and closing dates for subscriptions, the vesting dates, even retroactively, the terms of release of shares, grant deadlines for the release of shares, request the admission to the stock market of the shares created wherever it advises, note the completion of capital increases up to the amount of shares which will actually be subscribed, carry out, directly or through an agent, all operations and formalities linked to increases in share capital, including amending the bylaws accordingly, and on its sole decision, if it deems it appropriate, to charge the costs of the capital increases to the amount of the premiums relating to these increases and to deduct from this amount the sums necessary to bring the legal reserve to a tenth of the new capital resulting from these capital increases;
9. notes that on the assumption that the Board of Directors will use the authorization granted to it by this resolution, the Board of Directors will give a report to the next Ordinary Shareholders Meeting in compliance with French law and regulations.

Twentieth resolution: Reduction of the Company's share capital through the cancellation of treasury shares

Purpose

In the twentieth resolution, shareholders are invited to renew the authorization granted to the Board of Directors to reduce the share capital by canceling treasury shares. The capital reductions carried out pursuant to this authorization in any 24-month period would be subject to the same ceiling as that provided for in the sixteenth resolution, *i.e.*, 10% of the Company's share capital. This authorization would be granted for a period of twenty-six (26) months.

The previous authorization granted at the Annual Shareholders Meeting of December 14, 2021 for the same purpose was not used by the Board of Directors.

Twentieth resolution

(AUTHORIZATION FOR THE BOARD OF DIRECTORS TO REDUCE THE COMPANY'S SHARE CAPITAL BY CANCELLING TREASURY SHARES)

Having considered the Board of Directors' Report and the Statutory Auditors' Special Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Extraordinary Shareholders Meetings and in accordance with articles L.22-10-62 *et seq.* of the French Commercial Code, authorizes the Board of Directors to cancel, on one or more occasions, some or all of the shares purchased by the Company under the shareholder-approved share buyback program and to reduce the share capital accordingly. The canceled shares may not represent more than 10% of the total number of shares making up the Company's share capital as of the date of this Shareholders Meeting (*i.e.*, as an indication, a maximum of 14,745,488 shares as at August 31, 2023) in any period of twenty-four (24) months.

The Shareholders Meeting gives full powers to the Board of Directors – with powers to subdelegate within the law – to perform such transactions relating to the cancellation and reduction of capital as may be required pursuant to this authorization, and in particular to charge the difference between the purchase price of the canceled shares and their nominal amount against the related premiums or available reserves, including the legal reserve, to amend the bylaws accordingly, to make all filings and carry out other formalities, and generally do all that is necessary for the implementation of this resolution.

The Shareholders Meeting acknowledges that this authorization is granted for a period of twenty-six (26) months from the date of this Meeting and cancels, with effect from this day, any unused portion of the authorization granted for the same purpose in the sixteenth resolution of the Combined Annual Shareholders Meeting of December 14, 2021.

Ordinary business

Twenty-fifth resolution: Powers

Purpose

The twenty-first resolution is a standard resolution conferring powers to complete all legal formalities and filings relating to the resolutions approved at the Annual Shareholders Meeting.

Twenty-first resolution

(POWERS TO CARRY OUT FORMALITIES)

The Shareholders Meeting confers full powers on the bearer of an original, copy or extract of the minutes of this Shareholders Meeting to carry out all filing and publication formalities required by law.

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10.1 Glossary

ADR (American Depositary Receipt)

An ADR is a registered certificate issued by a U.S. bank to represent ownership of shares or bonds issued by a publicly-traded non-U.S. company. ADRs are quoted in U.S. dollars, but the underlying shares or bonds are denominated in their original currency and are held in deposit by a bank, known as the custodian, in the country of issue. ADRs enable a non-U.S. company, subject to certain conditions, to be quoted in the United States. One Sodexo share is represented by five Sodexo ADRs. Dividends and voting rights belong to the ADR holder.

Alternative Performance Measures (APM)

These are indicators that complement those directly derived from the financial statements and which can provide investors with additional relevant information allowing a better understanding of strategy and performance.

More details are provided in chapter 3.3.6 of this document.

Bearer shares

Shares held in a share account maintained by the shareholder's bank or broker. Sodexo is not informed of the shareholder's identity. The share purchase and administration of the shares are handled by the shareholder's bank or broker.

Client retention rate

The client retention rate is the percentage of prior fiscal year revenue retained in this current fiscal year.

It is derived by considering prior fiscal year value for all contracts for which termination has either been given by Sodexo or received by the client, or those that have expired without renewal. This is then expressed as a percentage of total prior fiscal year revenue.

Comparable unit growth rate

The comparable unit growth rate is the increase in revenue from sites that have contributed to consolidated revenue over two complete consecutive fiscal years (sites with activity from September 1, 2021 to August 31, 2023).

Corporate Officers

Corporate Officer is the term used in English for the French *mandataire social* and refers to Sodexo's Chairwoman and CEO, and the Members of the Board of Directors.

Development rate

The development rate is the annualized estimated revenue for new contracts signed during the fiscal year, divided by prior year revenue.

Dividend premium

Any shareholder that has held registered shares for at least four years as of the end of the fiscal year including as of the dividend payment date will be eligible for a 10% dividend premium on those shares. The number of shares eligible for the dividend premium is limited to 0.5% of Sodexo's share capital per shareholder.

Earnings per share (EPS)

Group net income divided by the weighted average number of shares outstanding.

Employee engagement rate

Engagement is defined as a state of involvement in a group or a company. This concept includes the mobilization of employees for the success of the Company, their pride in belonging and their loyalty to the Company. Thus, the engagement rate is the percentage of employees who answered the nine questions relating to engagement with an average score greater than or equal to 4.5 on an increasing scale from 1 to 6 (the methodology is the same as that used in recent years with a new provider, The Happiness Index).

More details are provided in section 2.2.2 of this document.

Employee retention rate

The employee retention rate corresponds to the proportion of employees who remain with the Group during the year out of the overall average number of employees for the year.

Note that for purposes of this calculation, employees leaving the Group do not include departures related to legal requirements or regulations concerning lost contracts, transfers between Group subsidiaries or the expiration of fixed-term contracts.

Facilities Management

Facilities Management (or FM) is defined as all the services related to the running of a building. These activities are related to both infrastructure and occupants, and include building maintenance, management of technical premises, cleaning of premises, mail management, and reception.

GRI

The Global Reporting Initiative (GRI) was created in 1997 by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Environment Programme (UNEP). The GRI's vocation is to lift sustainable development reporting methods to a level equivalent to those of financial reporting, in the interests of comparability, credibility, rigor, frequency and verifiability of the communicated information.

Intensity risk

Risks whose frequency and severity require transfer to the insurance market.

ISO

ISO (International Organization for Standardization) is the world's largest developer of voluntary International Standards. International Standards give state of the art specifications for products, services and good practice, helping to make industry more efficient and effective. They include ISO 9001 for Quality management, ISO 14001 for Environmental management, ISO 22000 for Food Safety management, ISO 27000 for Security IT standard and ISO 55000 for Asset management.

Issue volume

Issue volume corresponds to the total face value of service vouchers, cards and digitally-delivered services issued by the Benefits & Rewards Services activity for beneficiaries on behalf of clients.

OHSAS 18001

A standard developed in the United Kingdom (Occupational Health and Safety Assessment Series) used as a model for occupational health and safety management systems. Its objective is to provide companies with assessment and certification of their health and safety management systems, consistent with international management system standards.

Performance shares

Sodexo shares granted free of consideration by the Board of Directors to the Chief Executive Officer and Group managers in order to reward individual performance and whose vesting is subject to the beneficiary still being part of the Group at the end of the vesting period as well as the achievement of performance conditions. The proportion of performance shares within the overall number of shares granted can vary between 0% and 100% depending on the number of shares granted and the responsibilities of the beneficiaries concerned.

Registered shares

Registered shares are shares that are registered in the holder's name in Sodexo's share register (unlike bearer shares). They may be directly or indirectly registered. Registered Sodexo shareholders are entitled to:

- double voting rights for registered shares held for at least four years;
- a dividend premium of 10% for registered shares held for at least four years, limited to 0.5% of Sodexo's issued capital per shareholder;
- automatic invitation to Shareholders Meetings and personalized information on all financial transactions (capital increases, bond issues, etc.);
- reduced administration costs (for directly registered shares only).

1. Directly registered shares (French *nominatif pur*)

The shares are recorded in the holder's name in a share account kept by the Company's registrar, Société Générale, allowing direct communications between the shareholder and Sodexo.

2. Indirectly registered shares (French *nominatif administré*)

In this case, the shares are registered in the holder's name in a share account managed by his or her bank or broker, which is responsible for the related custodial and administration services. The shares are administered in the same way as for bearer shares.

10.2 Responsibility for the Universal Registration Document and the audit of the financial statements

10.2.1 Responsibility for the Universal Registration Document

Person responsible for the information included in the Universal Registration Document:

Sophie Bellon, Chairwoman and Chief Executive Officer

I hereby declare that the information contained in the Universal Registration Document is to the best of my knowledge in accordance with reality and that nothing has been omitted that would alter its impact.

I declare that to the best of my knowledge the financial statements comply with the applicable accounting standards and present a true statement of the net worth, the financial position, and of the income of the Company, and of the consolidated entities, and that the

Management Report included in the Universal Registration Document presents a true picture of the evolution of the business, of the results and the financial position of the Company and of the consolidated entities and that it describes the principal risks for the Group.

Sophie Bellon

Chairwoman and Chief Executive Officer

November 3, 2023

10.2.2 Responsibility for the audit of the financial statements

AUDITORS	FIRST APPOINTED	TERM OF OFFICE	TERM OF OFFICE EXPIRES
STATUTORY AUDITORS			
Ernst & Young Audit Member of the <i>Compagnie Régionale de Versailles et du Centre</i> Tour First 1 et 2 place des Saisons 92037 Paris La Defense Cedex Represented by Aymeric de La Morandière and Soraya Ghannem	December 19, 2022	6 fiscal years	Shareholders Meeting to adopt the financial statements for Fiscal 2028
KPMG Audit Département de KPMG SA Member of the <i>Compagnie Régionale des Commissaires aux Comptes de Versailles</i> Tour Egho - 2, avenue Gambetta 92066 Paris-La Défense Cedex, France Represented by Caroline Bruno-Diaz	February 4, 2003	6 fiscal years	Shareholders Meeting to adopt the financial statements for Fiscal 2026

10.3 Reconciliation tables

To facilitate the reading of this document, the reconciliation tables below identify:

- the main headings required by Appendix 1 and Appendix 2 of the Delegated Regulation (EU) 2019/980 of March 14, 2019 supplementing Regulation (EU) 2017/1129 of June 14, 2017;
- the information that constitutes the Annual Financial Report provided for under articles L.451-1-2 of the Monetary and Financial Code and 222-3 of the General Regulation of the French securities regulator (Autorité des marchés financiers – AMF);
- the information that constitutes the Management Report of the Board of Directors that includes the Governance Report as defined by the French Commercial Code;
- the information that constitutes the non-financial performance declaration as defined by the French Commercial Code.

10.3.1 Universal Registration Document

RECONCILIATION TABLE FOR THE UNIVERSAL REGISTRATION DOCUMENT - APPENDIX 1 AND APPENDIX 2 OF THE COMMISSION DELEGATED REGULATION (EU) 2019/980 OF MARCH 14, 2019 SUPPLEMENTING REGULATION (EU) 2017/1129 OF JUNE 14, 2017	PAGES
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Information incorporated by reference:

Pursuant to article 19 of Regulation (UE) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference into this Universal Registration Document:

- for Fiscal 2022: Group consolidated financial statements and Statutory Auditors' Report on the consolidated financial statements for the year ended August 31, 2022, individual Company financial statements and Statutory Auditors' Report on the individual Company financial statements for the year ended August 31, 2022, as well as the financial information included in Management Report, as presented in the Universal Registration Document filed with the Autorité des marchés financiers (French financial markets authority) on November 9, 2022, under number D.22-0811;
- for Fiscal 2021: Group consolidated financial statements and Statutory Auditors' Report on the consolidated financial statements for the year ended August 31, 2021, individual Company financial statements and Statutory Auditors' Report on the individual Company financial statements for the year ended August 31, 2021, as well as the financial information included in Management Report, as presented in the Universal Registration Document filed with the Autorité des marchés financiers (French financial markets authority) on November 10, 2021, under number D.21-0926.

Parts of the Registration documents D.21-0926 and D.20-0949 which are not referred to above are either not relevant for the investor, or are included elsewhere in this Universal Registration Document.

10.3.2 Annual Financial Report

INFORMATION CONCERNING THE ANNUAL FINANCIAL REPORT - ARTICLES L.451-1-2 OF THE MONETARY AND FINANCIAL CODE AND 222-3 OF THE GENERAL REGULATION OF THE FRENCH SECURITIES REGULATOR (AUTORITÉ DES MARCHÉS FINANCIERS, AMF)		PAGES
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	ii measures implemented to promote the employment and integration of disabled people	6, 46, 48, 59, 60
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g Promotion of and compliance with the core Conventions of the ILO relative to:	i freedom of association and the right to collective bargaining	59
	ii non-discrimination in respect of employment and occupation	6, 46, 48, 59, 60
	iii the elimination of all forms of forced or compulsory labor	40, 70
	iv the effective abolition of child labor	40, 70
2. Environmental data:		
a General environmental policy:	i the Company's organizational strategy to factor in environmental issues and, if appropriate, the approaches to auditing/obtaining certification for environment-related performance	50-55
	ii information and training measures for employees regarding environmental protection	61, 69
	iii resources allocated to the prevention of environmental risks and pollution	209, 210
	iv amount of provisions and guarantees for environmental risks, unless such information is likely to cause serious harm to the Company in the event of ongoing litigation	N/A
b Pollution:	i measures of prevention, reduction or repair of discharges into the air, water and ground, impacting severely the environment	N/A
	ii consideration of noise and any other activity-specific pollution	N/A
c Circular economy: i) Waste prevention and management	i measures of prevention, recycling, reuse, other forms of recovery and disposal of waste	7, 26, 49, 53, 65, 209
	ii actions against food waste	7, 26, 49, 53, 65, 209
ii) Sustainable use of resources	i water consumption and water supply adapted to local constraints	65
	ii consumption of raw materials and measures implemented to improve efficiency in their use	62-65
	iii energy consumption and measures implemented to improve energy efficiency and renewable energy use	63, 64
	iv land usage	64

RECONCILIATION TABLE FOR THE NON-FINANCIAL PERFORMANCE DECLARATION PURSUANT TO ARTICLES L.225-102-1 AND R.225-105 OF THE FRENCH COMMERCIAL CODE

		PAGES
d	Climate change:	
	i significant greenhouse gas emissions items generated as a result of the Group's activity, particularly by the use of goods and services they provide	50-55
	ii adaptation to consequences of climate change	50-55
e	Protection of biodiversity:	
	i measures implemented to protect or develop biodiversity	50-65, 62, 63
3. Social data:		
a	Territorial, economic and social impact of the Company's activity:	
	i regarding regional employment and development	56
	ii on local residents/communities	56
b	Relations with stakeholders, including associations for the promotion of social integration, educational institutes, environmental protection associations, consumer associations and local residents:	
	i conditions surrounding dialogue with stakeholders	36, 37
	ii partnership or sponsorship actions	36, 37
c	Subcontractors and suppliers:	
	i inclusion of social and environmental issues in the Company's procurement policy	46-49, 62, 63
	ii extent of subcontracting and the importance placed on social and environmental responsibility in relations with subcontractors and suppliers	46-49, 62, 63, 67-70
d	Fair business practices:	
	i anti-corruption policies and procedures	40, 70, 210, 249, 252
	ii information on the fight against tax evasion: the actions to prevent tax evasion	252
	iii measures taken for the health and safety of consumers (food safety)	61, 201, 209
e	Other actions	
	i actions implemented to promote human rights	40, 67-70, 77, 201, 210
	ii fight for the respect of animal welfare	63, 68

10.3.6 Global Reporting Initiative (GRI) guideline

GRI Sustainability Reporting Standards		ISO 26000	Sustainable Development Goals and Principles of the United Nations Global Compact	Page
GRI 1: Foundation 2021				
GRI 2: GENERAL DISCLOSURES 2021				
1. The organization and its reporting practices		6.2	SDG 8	1-83
2. Activities and workers				7, 56-60
3. Governance		6.2 7.4.3 7.7.5	SDG 5 SDG 16	14-17, 215-275
4. Strategy, policies and practices		7.5.3 7.6.2		33-55, 200-202
5. Stakeholder engagement		5.3		36, 37
GRI 3: Material Topics 2021				
General requirements	3-1 Process to determine material topics 3-2 List of material topics 3-3 Management of material topics			38, 39
GRI 201: ECONOMIC PERFORMANCE 2016				
201-1. Direct economic value generated and distributed		6.5.5	SDG 2	85-93
201-2. Financial implications and other risks and opportunities due to climate change		6.8.1 6.8.2	SDG 5 SDG 7	
201-3. Defined benefit plan obligations and other retirement plans		6.8.3	SDG 8	
201-4. Financial assistance received from government		6.8.7 6.8.9	SDG 9 SDG 13	
GRI 202: MARKET PRESENCE 2016				
202-1. Ratios of standard entry level wage by gender compared to local minimum wage		6.3.7 6.3.10	SDG 1 SDG 5	127, 259, 270
202-2. Proportion of senior management hired from the local community		6.4.3 6.4.4 6.8.1 6.8.2	SDG 8	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016				
203-1. Infrastructure investments and services supported		6.3.9	SDG 1-3	42-45
203-2. Significant indirect economic impacts		6.6.6 6.7.8 6.8	SDG 5 SDG 7-11 SDG 17	
GRI 204: PROCUREMENT PRACTICES 2016				
204-1. Proportion of spending on local suppliers		6.4.3; 6.6.6 6.8.1; 6.8.2 6.8.7		42-45, 62
GRI 205: ANTI-CORRUPTION 2016				
205-1. Operations assessed for risks related to corruption		6.6.1	SDG 16	40, 70, 210, 249, 252
205-2. Communication and training about anti-corruption policies and procedures		6.6.2 6.6.3		
205-3. Confirmed incidents of corruption and actions taken		6.6.6		
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016				
206-1. Legal actions for anti-competitive behavior, anti-trust, and monopoly practices				142, 143
GRI 207: Tax 2019				
207-1 Approach to tax				139, 140, 252
207-2 Tax governance, control, and risk management				
207-3 Stakeholder engagement and management of concerns related to tax				
207-4 Country-by-country reporting				
GRI 301: MATERIALS 2016				
301-1. Materials used by weight or volume		6.5.4	SDG 8	61-65
301-2. Recycled input materials used			SDG 12	
301-3. Reclaimed products and their packaging materials				
GRI 302: ENERGY 2016				
302-1 Energy consumption within the organization		6.5.4	SDG 7	63, 64
302-2 Energy consumption outside of the organization		6.5.5	SDG 8	
302-3 Energy intensity			SDG 12	
302-4 Reduction of energy consumption			SDG 13	
302-5 Reductions in energy requirements of products and services				

GRI Sustainability Reporting Standards	ISO 26000	Sustainable Development Goals and Principles of the United Nations Global Compact	Page
GRI 303: Water and Effluents 2018			
303-1 Interactions with water as a shared resource	6.5.4	SDG 6	65
303-2 Management of water discharge-related impacts		SDG 8	
303-3 Water withdrawal		SDG 12	
303-4 Water discharge			
303-5 Water consumption			
GRI 304: BIODIVERSITY 2016			
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.5.6	SDG 6	62, 63
304-2 Significant impacts of activities, products, and services on biodiversity		SDG 14	
304-3 Habitats protected or restored		SDG 15	
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations			
GRI 305: EMISSIONS 2016			
305-1 Direct (Scope 1) GHG emissions	6.5.5	SDG 3	63, 64
305-2 Energy indirect (Scope 2) GHG emissions		SDG 12	
305-3 Other indirect (Scope 3) GHG emissions		SDG 13	
305-4 GHG emissions intensity		SDG 14	
305-5 Reduction of GHG emissions		SDG 15	
305-6 Emissions of ozone-depleting substances (ODS)			
305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions			
GRI 306: Waste 2020			
306-1 Waste generation and significant waste-related impacts	6.5.3	SDG 3	7, 26, 49, 53, 65,
306-2 Management of significant waste-related impacts	6.5.4	SDG 6	209
306-3 Waste generated		SDG 12	
306-4 Waste diverted from disposal		SDG 14	
306-5 Waste directed to disposal			
GRI 307: ENVIRONMENTAL COMPLIANCE 2016			
307-1 Non-compliance with environmental laws and regulations.			62-65
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016			
308-1 New suppliers that were screened using environmental criteria	6.3.5	Principles	62-64, 68-70
308-2 Negative environmental impacts in the supply chain and actions taken	6.6.6 7.3.1	7; 8; 9	
GRI 401: EMPLOYMENT 2016			
401-1 New employee hires and employee turnover	6.4.3	SDG 5	56-60
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		SDG 8	
401-3 Parental leave			
GRI 402: LABOR/MANAGEMENT RELATIONS 2016			
402-1 Minimum notice periods regarding operational changes			56-60
GRI 403: Occupational Health and Safety 2018			
403-1 Occupational health and safety management system	6.4.6	SDG 3	58, 59, 68, 69, 201,
403-2 Hazard identification, risk assessment, and incident investigation	6.8.8	SDG 8	209
403-3 Occupational health services			
403-4 Worker participation, consultation, and communication on occupational health and safety			
403-5 Worker training on occupational health and safety			
403-6 Promotion of worker health			
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			
403-8 Workers covered by an occupational health and safety management system			
403-9 Work-related injuries			
403-10 Work-related ill health			
GRI 404: TRAINING AND EDUCATION 2016			
404-1 Average hours of training per year per employee	6.4.7	SDG 4	61, 69, 208
404-2 Programs for upgrading employee skills and transition assistance programs	6.8.5	SDG 5	
404-3 Percentage of employees receiving regular performance and career development reviews		SDG 8	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
405-1 Diversity of governance bodies and employees	6.2.3	SDG 5	6, 46, 48, 59, 60
405-2 Ratio of basic salary and remuneration of women to men	6.3.7 6.3.10 6.4.3	SDG 8	
GRI 406: NON-DISCRIMINATION 2016			
406-1 Incidents of discrimination and corrective actions taken			6, 46, 48, 59, 60

GRI Sustainability Reporting Standards	ISO 26000	Sustainable Development Goals and Principles of the United Nations Global Compact	Page
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk			59
GRI 408: CHILD LABOR 2016			
408-1 Operations and suppliers at significant risk for incidents of child labor			40, 70
GRI 409: FORCED OR COMPULSORY LABOR 2016			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor			40, 70
GRI 410: SECURITY PRACTICES 2016			
410-1 Security personnel trained in human rights policies or procedures			40, 67-70, 77, 201, 210
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016			
411-1 Incidents of violations involving rights of indigenous peoples			49, 71
GRI 412: HUMAN RIGHTS ASSESSMENT			
412-1 Operations that have been subject to human rights reviews or impact assessments	6.3.3 6.3.4	Principles 1, 2	40, 67-70, 77, 201, 210
412-2 Employee training on human rights policies or procedures	6.3.5		
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	6.6.6		
GRI 413: LOCAL COMMUNITIES 2016			
413-1 Operations with local community engagement, impact assessments, and development programs	6.3.9 6.5.1	Principle 1	46-49, 62
413-2 Operations with significant actual and potential negative impacts on local communities	6.5.2 6.5.3 6.8		
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016			
414-1 New suppliers that were screened using social criteria	6.3.5		46-49, 62
414-2 Negative social impacts in the supply chain and actions taken	6.6.1 6.6.2 6.6.6 6.8.1 6.8.2 7.3.1		
GRI 415: PUBLIC POLICY 2016			
415-1 Political contributions.			37, 250
GRI 416: CUSTOMER HEALTH AND SAFETY 2016			
416-1 Assessment of the health and safety impacts of product and service categories			61, 201, 209
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services			
GRI 417: MARKETING AND LABELING 2016			
417-1 Requirements for product and service information and labeling			26, 52
417-2 Incidents of non-compliance concerning product and service information and labeling			
417-3 Incidents of non-compliance concerning marketing communications			
GRI 418: CUSTOMER PRIVACY 2016			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data			202, 210, 253-257
GRI 419: SOCIOECONOMIC COMPLIANCE 2016			
419-1 Non-compliance with laws and regulations in the social and economic area			210



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