CARING ABOUT QUALITY OF LIFE

Notice of Meeting
Ordinary Annual Shareholders' Meeting
January 12, 2021

sodexo
QUALITY OF LIFE SERVICES

CONTENTS

AGENDA OF ORDINARY ANNUAL SHAREHOLDERS' MEETING, JANUARY 12, 2021

1. Adoption of the individual company financial statements for Fiscal 2020.
2. Adoption of the consolidated financial statements for Fiscal 2020.
3. Appropriation of net income for Fiscal 2020.
4. Reappointment of Sophie Bellon as a director for a three-year term.
5. Reappointment of Nathalie Bellon-Szabo as a director for a three-year term.
6. Reappointment of Françoise Brougher as a director for a three-year term.
7. Appointment of Federico J. González Tejera as a new director for a three-year term.
8. Reappointment of KPMG S.A. as Statutory Auditor.
9. Approval of the information related to compensation paid during or awarded for Fiscal 2020 to Corporate Officers, as referred to in article L.225-37-3 I of the French Commercial Code.
10. Approval of the components of compensation paid during or awarded for Fiscal 2020 to Sophie Bellon, Chairwoman of the Board of Directors.
11. Approval of the components of compensation paid during or awarded for Fiscal 2020 to Denis Machuel, Chief Executive Officer.
12. Approval of the compensation policy applicable to directors.
13. Approval of the principles and criteria used to determine, allocate and award the components of the compensation and benefits payable to the Chairwoman of the Board of Directors.
14. Approval of the principles and criteria used to determine, allocate and award the components of the compensation and benefits payable to the Chief Executive Officer.
15. Authorization for the Board of Directors to purchase shares of the Company.
16. Powers to carry out formalities.

OUR KEY FIGURES

Caring about quality of life

Founded in 1966 by Pierre Bellon, Sodexo is the global leader in Quality of Life services, an essential factor in the performance of individuals and organizations.

Sodexo is the only company in the world with a unique client offering of On-site Services, Benefits & Rewards Services and Personal & Home Services, the result of more than 50 years of experience.

Caring about quality of life means giving meaning and value to every stage of life, through foodservices, reception, cleaning and maintenance services, technical maintenance, services and programs driving employee engagement, solutions simplifying and optimizing the management of travel and professional expenses, and home care, childcare and concierge services.

Sodexo services contribute to consumer satisfaction and its clients' performance while promoting the development of its teams and the economic, social and environmental development of local communities.

Key figures as of August 31, 2020

During the second half of Fiscal 2020, Sodexo faced an unprecedented decline in business due to the Covid-19 pandemic, significantly affecting its financial performance, share value and workforce.

Sodexo teams around the world are fully mobilized to ensure the health and safety of all. The Group remains confident in terms of its financial structure, market positioning and medium-term prospects.

19.3
BILLION EURO IN CONSOLIDATED REVENUES

420,000
EMPLOYEES

64
COUNTRIES

100
MILLION CONSUMERS SERVED DAILY

1.3
MILLION AFFILIATED MERCHANTS

#1
FRANCE-BASED PRIVATE EMPLOYER WORLDWIDE[1]

80.1%
EMPLOYEE ENGAGEMENT RATE[2]

#1
IN ITS SECTOR IN BOTH THE DOW JONES SUSTAINABILITY INDEX (DJSI)[3] AND THE 2020 SAM SUSTAINABILITY YEARBOOK[4]

Source: Sodexo

[1] 2020 Forbes Global 2000 ranking.
[2] 2020 employee engagement survey sent to 328,547 Sodexo employees of whom 59% responded.
[3] The Dow Jones Sustainability Index (DJSI) provides a global ranking of the companies most advanced in the area of sustainable development. It is jointly compiled by the Standard & Poor's Dow Jones Indices and SAM.
[4] The SAM Sustainability Yearbook is the world's most comprehensive publication on corporate sustainability performance. More than 2,600 companies were evaluated according to economic, financial, social and environmental indicators.

FISCAL 2020 ACTIVITY REPORT

Fiscal 2020 year highlights A year of two halves

1st half Fiscal 2020 on track with "Focus on Growth" strategic agenda and objectives

1st half Fiscal 2020 organic growth was a solid +3.2%. On-site sales were up +3.2%, with stable retention and new sales development, and strong same site sales growth, helped by the Rugby World Cup. Benefits & Rewards organic growth was up +4%, with a strong European performance being offset by weakness in Brazil. The Underlying operating margin was stable at 5.9% and the balance sheet remained solid despite an increase in capex and the traditional 1st half cash outflow.

The first half performance was in line with the Group's full year objectives of +4% organic growth, to include the Olympic Games in the summer, and stable Underlying operating profit margin at 5.5%.

The Focus on Growth strategic agenda was being deployed in all its dimensions, with strong focus on enhancing operational efficiency, thus providing the capacity to continue to invest in growth. Client and consumer centric became a reality, with a new CRM system in place, reinvigorated sales teams, and the first MSDC (Marketing & Sales Distribution Centre) launched in North America. Aspire was deployed with strong uptake by the 50,000 managers involved as part of the Nurturing talent program. The Group-wide WasteWatch program was deployed across 291 sites, the WWF partnership, providing technical support to our corporate responsibility programs, was renewed, and the Group's leadership continued to be recognized, such as our presence in the Bloomberg Gender-Equality index, Industry leader in the DJ Sustainability Index for the 15th consecutive year and joining The Valuable 500 initiative to place disability on the business agenda.

Then came Covid-19, firstly in China, where Sodexo was immediately mobilized. The experience acquired with this first-hand exposure in the region was rapidly transferred to Europe, and then North America as the pandemic spread across the world.

2nd half Fiscal 2020 significantly impacted by Covid-19

As the pandemic moved across the world, the priority was to ensure the security of all our people, and then to put in place a set of rigorous actions to protect the results focusing on:

1. proactively managing the workforce, by using all available furlough dispositions and adapting numbers of employees where there were none;
2. strictly controlling the cash positions by maintaining ongoing dialogue with clients, postponing capex, projects and M&A, monitoring cash positions daily and ensuring strict compliance with cash-pooling policies;
3. monitoring our supply chain in order to secure critical supplies of Personal Protective Equipment and rapidly reduce inventories where necessary.

2nd half Fiscal 2020 Revenues were down -27.5% organically, with a 3rd quarter at -36%, adjusted for the first two weeks of the third quarter before lockdown, and a 4th quarter at -24.9%, showing a significantly improving trend going into September 2020.

Underlying operating profit flow-through at 21.2%, at constant rates, was in the 20 to 23% hypotheses range provided by the Group in July 2020.

Free cashflow was solid at 465 million euro, excluding the USPP make-whole, during the 2nd half, well above the hypotheses range of -200 million euro to +200 million euro.

Rise with Sodexo

Having put in place the necessary actions to protect our people, our consumers and our cash, and drawing on the lessons learned from the experience in restarting business in Asia, Sodexo teams and experts quickly identified the key elements to help clients provide a safe and welcoming environment for their employees as they came out of lockdown. This "rise with Sodexo" program is based on the seamless integration of services across On-site Services, Benefits & Rewards Services and Personal & Home Services, integrating over 40 essential service offerings, customized specifically to the needs of each client. These services include deep cleaning, disinfection, air control, diversified restaurant services, space management to ensure social distancing for those coming back onsite, and meal cards, digital concierge services and food delivery for those who remain working at home.

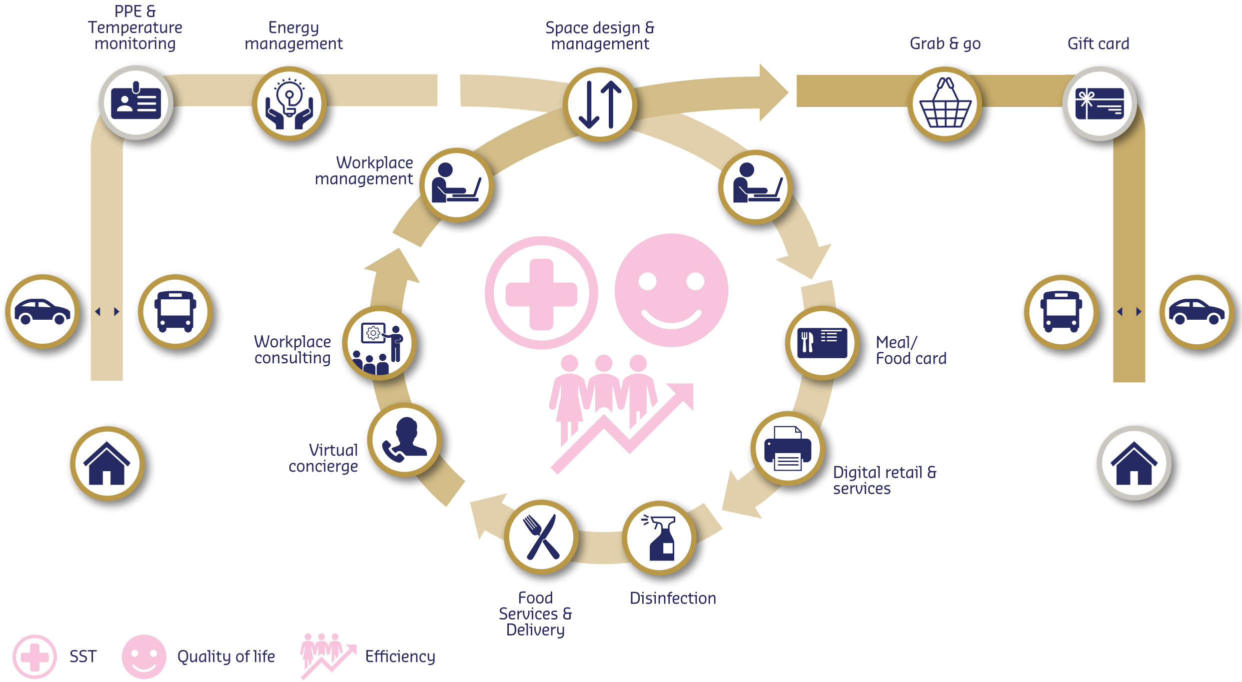
To ensure that all its protocols were safe and at the same time provide that assurance to clients and consumers, Sodexo has:

- created a **Medical Advisory Council,** comprised of experts from around the world in epidemiology, family medicine, nutrition, occupational health and behavioral health, as well as pandemic planning and operations, to support the development of new protocols and standards, including Covid-19 related services delivered worldwide. This Council provides technical guidance and validation of health & safety protocols;

- joined forces with **Bureau Veritas** to introduce a **hygiene certification label for Sodexo procedures and services,** giving quality assurance to our clients and consumers that all necessary health steps have been taken when organizations reopen post-lockdown.

To support "rise with Sodexo", Sodexo has reaffirmed **five key sustainability commitments** for a more resilient and green economic recovery:

- continuing the deployment of our WasteWatch food waste reduction program,
- maintaining efforts to reduce single-use items and plastic waste,
- providing access to sustainable eating and "low-carbon" meals,
- promoting sustainable and responsible sourcing,
- enhancing environmental training for our employees.



Working towards a better Tomorrow

In line with its roadmap **Better Tomorrow 2025,** Sodexo works to strengthen its commitment and performance to corporate responsibility.

- Sodexo is thus the **first global Foodservices company to connect its financing to action to prevent food waste.**
- With a renewed partnership with WWF, Sodexo continues to work toward its sector-leading 34% Sciences-based carbon emissions reduction target by 2025 (compared to a 2017 baseline) and committing to eliminate deforestation from its supply chain by 2030.
- Sodexo continues to be recognized within the financial community, with the **highest marks in SAM's "Sustainability Yearbook"** for the 13th consecutive year, as well as **gold class recognition by EcoVadis.** Sodexo also remains the **leading company in its sector within the Dow Jones Sustainability Index (DJSI),** for the 15th consecutive year and was included in the **2020 Bloomberg Gender-Equality Index,** recognizing commitment to advancing women in the workplace. Sodexo also join **Euronext® Eurozone ESG Large 80 Index** family, recognizing the ability to reduce its emissions and to adapt the business model to address the risks and opportunities tied to the transition to a low carbon economy.

Changes to the Board of Directors

- Soumitra Dutta, whose term of office expires at the close of the January 12, 2021 Annual Shareholders Meeting, has stated that he does not wish to stand for reappointment. Independent director of Sodexo's Board of Directors since January 19, 2015, Soumitra Dutta has made a significant contribution to the discussions of the Board and the Audit Committee, notably in the fields of technology, digital and strategy.
- Consequently, the Board proposes to the Shareholders Meeting the nomination of Federico González Tejera as independent Board member for a three-year term. Federico J. González Tejera, of Spanish nationality, is President and Chief Executive Officer of Radisson Hotel Group. He will bring to the Board his strategic vision as well as his solid expertise in consumer culture gained notably in the hotel sector, where he held executive positions in several multinational corporations.
- During the January 12, 2021 Shareholders Meeting, shareholders will also be asked to renew the mandates of Sophie Bellon, Nathalie Bellon-Szabo and Françoise Brougher:
  - Sophie Bellon has been a non-independent director of Sodexo's Board of Directors since July 26, 1989 and Chairwoman of the Board of Directors since January 26, 2016. She brings to the Board and the Group her in-depth knowledge of Sodexo. As Sodexo's most prominent ambassador, she promotes the Company, its Quality of Life services and its mission. Sophie Bellon is committed to ensuring good governance for the Group, and is fully dedicated to the work of the Board of Directors, with an attendance rate at Board meetings of 100% for over ten years;
  - Nathalie Bellon-Szabo has been a non-independent director of Sodexo's Board of Directors since July 26, 1989, a member of the Group Executive Committee and Chief Executive Officer Sports & Leisure Worldwide since June 19, 2018. She brings to the Board her in-depth knowledge of Sodexo and its operations as well as her experience in and contribution to Quality of Life services. During her current term of office her attendance rate at Board meetings has been 97% on average;
  - Françoise Brougher has been an independent director of Sodexo's Board of Directors since January 23, 2012. She brings to the Board her international experience – particularly in the United States – as well as her strategic vision and expertise as an executive of publicly traded U.S.-headquartered companies in the digital space. Her expertise is important to help Sodexo adapt to the new behaviors of consumers, customers, employees and suppliers. During her current term of office her attendance rate has been 94% on average.
- Véronique Laury will be appointed to the Audit Committee to replace Soumitra Dutta.
- Cathy Martin was renewed for a three-year term as director representing employees starting on January 12, 2021.
- Should all the resolutions be approved at the Shareholders Meeting, the diversity of the Board remains intact with 70% of its members being independent and 60% being women.

Fiscal 2020 performance

Consolidated income statement

(in millions of euro)	AUGUST 31, 2020	AUGUST 31, 2019	DIFFERENCE	DIFFERENCE CONSTANT RATES
Revenue	19,321	21,954	-12.0%	-11.2%
UNDERLYING OPERATING PROFIT	**569**	**1,200**	**-52.6%**	**-49.6%**
UNDERLYING OPERATING PROFIT MARGIN	**2.9%**	**5.5%**	**-260 bps**	**-240 bps**
Other operating expenses	(503)	(141)		
OPERATING PROFIT	**65**	**1,059**	**-93.8%**	**-91.1%**
Net financial expense	(291)	(100)		
Tax charge*	(98)	(277)		
GROUP NET PROFIT	**(315)**	**665**		
EPS (in euro)	**(2.16)**	**4.56**		
UNDERLYING NET PROFIT	**306**	**765**	**-60.1%**	**-57.1%**
Underlying EPS (in euro)	2.10	5.25	-60.1%	

* Fiscal 2020 Underlying effective tax rate is at 30.8% which compares to the 29% effective tax rate in FY 2019.

Currency effect

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

1€=	AVERAGE RATE FY 2020	AVERAGE RATE FY 2019	AVERAGE RATE FY 2020 VS. FY 2019	CLOSING RATE FY 2020 AT 31/08/2020	CLOSING RATE FY 2019 AT 31/08/19	CLOSING RATE 31/08/2020 VS. 31/08/2019
U.S. dollar	1.115	1.134	+1.7%	1.194	1.104	-7.6%
Pound sterling	0.876	0.885	+1.0%	0.896	0.906	+1.1%
Brazilian real	5.255	4.384	-16.6%	6.474	4.588	-29.1%

The major impact of currencies this year is the decline in the Brazilian real of 16.6% over the year, but with a particularly sharp drop in the second half of the year. This has had a relatively small impact on Group revenues, compared to the impact on Underlying operating profit due to the higher profitability of the Benefits & Rewards activities, particularly in Brazil.

Sodexo operates in 64 countries. The percentage of total revenues and underlying operating profit denominated in the main currencies are as follows:

FISCAL 2020	% OF REVENUES	% OF UNDERLYING OPERATING PROFIT
U.S. dollar	40%	59%
Euro	24%	-38%
UK pound sterling	9%	14%
Brazilian real	5%	30%

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.

As a result, for the calculation of organic growth of the On-site Services activities in Argentina, Peso figures for Fiscal 2020 and Fiscal 2019 have been converted at the exchange rate of 1€ = 87.865 vs 63.975 ARS for Fiscal 2019.

Revenues

REVENUES BY ACTIVITY

REVENUES BY SEGMENT (in millions of euro)	FY 2020	FY 2019	RESTATED ORGANIC GROWTH	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Business & Administrations	10,265	11,577	-12.1%	-10.3%	+0.4%	-1.4%	-11.3%
Healthcare & Seniors	4,815	5,210	-6.6%	-9.4%	+1.7%	+0.1%	-7.6%
Education	3,475	4,280	-18.9%	-20.4%	+0.5%	+1.0%	-18.8%
ON-SITE SERVICES	**18,554**	**21,067**	**-12.1%**	**-12.1%**	**+0.7%**	**-0.5%**	**-11.9%**
BENEFITS & REWARDS SERVICES	**773**	**892**	**-7.8%**	**-7.8%**	**+0.2%**	**-5.8%**	**-13.4%**
Elimination	(5)	(4)					
TOTAL GROUP	**19,321**	**21,954**	**-12.0%**	**-12.0%**	**+0.7%**	**-0.8%**	**-12.0%**

Fiscal 2020 consolidated revenues totaled 19.3 billion euro, down -12% year-on-year. This is the combination of solid first half revenue growth of +3.2%, followed by a -27.5% decline in the second half as the Covid-19 pandemic spread across the world, impacting most of the Group's operating sites, in particular in Schools and Universities and the Corporate Services and Sports & Leisure sub-segments in Business & Administrations, particularly in North America and Europe.

REVENUES BY SEGMENT (in millions of euro)	H1 FY 2020	H1 FY 2019	RESTATED ORGANIC GROWTH	H2 FY 2020	H2 FY 2019	RESTATED ORGANIC GROWTH
Business & Administrations	6,186	5,645	+5.7%	4,079	5,932	-29.2%
Healthcare & Seniors	2,538	2,552	-2.0%	2,276	2,658	-11.1%
Education	2,528	2,420	+2.4%	947	1,860	-47.2%
ON-SITE SERVICES	**11,252**	**10,617**	**+3.2%**	**7,302**	**10,450**	**-27.8%**
BENEFITS & REWARDS SERVICES	**443**	**430**	**+4.0%**	**330**	**462**	**-18.8%**
Elimination	(3)	(2)		(2)	(2)	
TOTAL GROUP	**11,692**	**11,045**	**+3.2%**	**7,629**	**10,909**	**-27.5%**

Most segments and activities were impacted by the pandemic in the second half, depending upon the number of site closures. However, some more than others.

REVENUE ORGANIC GROWTH	ACTUALS 2020 Q3	Q3 TREND	Q4	H2
Business & Administrations	**-28.5%**	**-34%**	**-29.8%**	**-29.2%**
Of which Corporate Services	-27%	-32%	-25%	-26%
Of which Sports & Leisure	-84%	-100%	-91%	-88%
Healthcare & Seniors	**-12.9%**	**-15%**	**-9.1%**	**-11.1%**
Education	**-53.9%**	**-65%**	**-35.7%**	**-47.2%**
Of which Schools	-48%	-58%	-23%	-39%
Of which Universities	-59%	-71%	-48%	-55%
On-site Services	**-30.1%**	**-36%**	**-25.4%**	**-27.8%**
Benefits & Rewards Services	**-22.8%**	**-27%**	**-15.1%**	**-18.8%**
Group	**-29.9%**	**-36%**	**-24.9%**	**-27.5%**

On-site Services

On-site Services revenues declined by -12.1% for the year, with the second half being down -27.8%, the deepest downturn ever registered, severely impacted by the effects of site closures during lockdown and a progressive recovery since.

Despite this significant loss of revenues, the strategic choices and investments that the Group has made over the years, have provided some resilience during this crisis.

In the second half:

- Facilities Management services were down only -1.4% (40% of total On-site Services revenues) and global Integrated FM accounts were flat (10% of On-site Services revenues), while Food services were down -42.2%.
- while North America and Europe were down -35.9% and -28.4% respectively, Asia-Pacific, Latin America, Middle East and Africa (17% of On-site Services revenues) was down only -5.2%.
- in Business & Administrations,
  - the Energy & Resources and Government & Agencies segments together (14% of On-site Services revenues) were up +1.3% in the second half,
  - the decline in Corporate Services (25% of On-site Services revenues) was limited to -26% due to the 50/50 mix between FM and Food services and white and blue-collar consumers,
  - Sports & Leisure segment activity closed down rapidly from mid-March, with sales down -88%;
- in Education, despite being closed, Schools were more resilient than Universities due to many local authorities, particularly in North America, providing meals to families in need;
- in Corporate Services, our mix of one third cost plus contracts, two thirds P&L contracts, also helped to ensure against rapid revenue corrections;
- Healthcare & Seniors remained resilient, down only -11.1% (26% of On-site Services revenues);
- all key indicators were impacted:
  - client retention rate at the end of the year was solid at 93.5%, up +20 bps, or up +110 bps, excluding a significant number of voluntary exits, with gross profit retention higher at 95.7%. Retention recovered in North America by 230 bps,

- new sales development was down -140 bps at 4.9%, as fewer new projects came up for tender, but margin discipline was maintained with a +50 bps improvement in signed contracts,
- same site sales decline was -11.9% reflecting the significant food volume falls in many segments, particularly in Sports & Leisure, Education and Corporate Services. Healthcare & Seniors, Government & Agencies and Energy & Resources remained much more resilient due to some offset from cross-selling in particular of specialist hygiene and cleaning services. Only the Energy & Resources segment and the Asia-Pacific region achieved same site sales growth in the second half.

ON-SITE SERVICES REVENUES BY REGION

REVENUES BY REGION (in millions of euro)	FY 2020	FY 2019	RESTATED ORGANIC GROWTH
North America	8,036	9,572	-17.4%
Europe	7,308	8,129	-11.9%
Asia-Pacific, Latam, Middle East and Africa	3,210	3,366	+2.5%
ON-SITE SERVICES TOTAL	**18,554**	**21,067**	**-12.1%**

FOR THE SECOND HALF ONLY

REVENUES BY REGION (in millions of euro)	H2 FY 2020	H2 FY 2019	RESTATED ORGANIC GROWTH
North America	2,936	4,635	-35.9%
Europe	2,919	4,063	-28.4%
Asia-Pacific, Latam, Middle East and Africa	1,447	1,752	-5.2%
ON-SITE SERVICES TOTAL	**7,302**	**10,450**	**-27.8%**

Brexit:

In June 2016, the United Kingdom voted to leave the European Union. Sodexo has been present in the United Kingdom since 1988 and has around 31,000 employees there today. The United Kingdom's exit from the European Union should not significantly impact the Group's activities. The Group is a local player, working with local suppliers and employees, and very often for Government authorities and Government services. In the UK, traditionally, a large part of the services have been FM Services, which have demonstrated their resilience in the current Covid crisis. Action plans have been put in place to limit the impact of a no deal Brexit on food prices and availability. As usual, growth in activity will remain dependent upon outsourcing trends, growth in GDP and employment in the country.

Business & Administrations

REVENUES

REVENUES BY REGION (in millions of euro)	FY 2020	FY 2019	RESTATED ORGANIC GROWTH
North America	2,518	3,263	-24.1%
Europe	4,904	5,371	-13.3%
Asia-Pacific, Latam, Middle East and Africa	2,843	2,942	+3.4%
BUSINESS & ADMINISTRATIONS TOTAL	**10,265**	**11,577**	**-12.1%**

Fiscal 2020 **Business & Administrations** revenues totaled **10.3 billion euro,** down -12.1% organically. This was a combination of organic growth of +3.2% in the first half and a decline of -29.2% in the second half.

FOR THE SECOND HALF ONLY

REVENUES BY REGION (in millions of euro)	H2 FY 2020	H2 FY 2019	RESTATED ORGANIC GROWTH
North America	860	1,693	-48.5%
Europe	1,920	2,715	-31.6%
Asia-Pacific, Latam, Middle East and Africa	1,299	1,524	-3.4%
BUSINESS & ADMINISTRATIONS TOTAL	**4,079**	**5,932**	**-29.2%**

Second half organic growth in **North America** was -48.5%. The region was particularly impacted by a very severe decline in Sports & Leisure due to the closure of stadiums, convention centers and museums from March. Energy & Resources was also impacted by the closing down of many production sites due to the sharp fall in energy prices. Corporate Services was more resilient due to the share of FM services and blue-collar consumers who did not stop working during lockdown. Government & Agencies was also resilient as the military bases remained active throughout the crisis, requiring more services.

In **Europe,** second half revenues were down -31.6% organically, driven by the significant decline in Sports & Leisure and, to a lesser extent, Corporate Services, which have started to see a progressive return to work from May. The Government & Agencies and Energy & Resources segments were very resilient boosted by solid FM activity.

In **Asia-Pacific, Latam, Middle East and Africa** organic revenue growth was -3.4%. Corporate Services activity was down due to the spreading of the pandemic progressively into Latin America and India. Activity in China was back to growth on a monthly basis by the end of the second half. Energy & Resources benefited from strong cross selling of FM services and in particular cleaning and disinfection services to protect consumers from the pandemic, particularly in the mining sector, where sites remained open throughout the period.

Healthcare & Seniors

REVENUES BY REGION (in millions of euro)	FY 2020	FY 2019	RESTATED ORGANIC GROWTH
North America	2,950	3,211	-9.7%
Europe	1,579	1,678	-1.7%
Asia-Pacific, Latam, Middle East and Africa	286	321	+1.8%
HEALTHCARE & SENIORS TOTAL	**4,815**	**5,210**	**-6.6%**

Healthcare & Seniors revenues amounted to **4.8 billion euro,** down -6.6% organically. The first half was down -2% due to some significant contract losses and a large contract exit. In the second half, the lower level of elective surgery and retail sales in hospitals and one further major contract exit led to a decline of -11.1%, even though Senior revenues were more or less stable.

FOR THE SECOND HALF ONLY

REVENUES BY REGION (in millions of euro)	H2 FY 2020	H2 FY 2019	RESTATED ORGANIC GROWTH
North America	1,394	1,639	-14.6%
Europe	760	842	-3.9%
Asia-Pacific, Latam, Middle East and Africa	122	177	-9.4%
HEALTHCARE & SENIORS TOTAL	**2,276**	**2,658**	**-11.1%**

In **North America,** second half organic growth was -14.6%, impacted by lower elective surgery and retail sales in hospitals and some contract losses and exits, including a new contract exit in the fourth quarter. Seniors activity was stable.

In **Europe,** organic growth was more resilient, down -3.9%. Food services were down significantly and showed no signs of recovery during the period. However, growth came back in the fourth quarter, due to solid cross-selling of new Covid-related hygiene services and a large contract for the Rapid Testing Centers in the UK. Seniors activity was resilient in both quarters and improving in July and August.

In **Asia-Pacific, Latam, Middle East and Africa,** organic revenue growth was -9.4%, deteriorating throughout the second half, as the pandemic spread in Latin America and India.

Education

REVENUES BY REGION (in millions of euro)	FY 2020	FY 2019	RESTATED ORGANIC GROWTH
North America	2,569	3,098	-18.5%
Europe	824	1,079	-20.1%
Asia-Pacific, Latam, Middle East and Africa	81	102	-20.3%
EDUCATION TOTAL	**3,475**	**4,280**	**-18.9%**

Fiscal 2020 revenues in **Education** were **3.5 billion euro,** down -18.9% organically. While the first half was up +2.4%, the second half was down -47.2%, impacted very significantly by the closure of most sites around the world. Food sales were cut by more than a half, the remainder being principally linked to local authority efforts to provide meals to families despite the school closures. FM services were much more resilient.

FOR THE SECOND HALF ONLY

REVENUES BY REGION (in millions of euro)	H2 FY 2020	H2 FY 2019	RESTATED ORGANIC GROWTH
North America	681	1,303	-46.5%
Europe	239	506	-49.2%
Asia-Pacific, Latam, Middle East and Africa	26	51	-45.3%
EDUCATION TOTAL	**947**	**1,860**	**-47.2%**

In the second half, **North America** was down -46.5%. Although some universities remained open for foreign students who could not get home, most universities and schools were closed from the end of March. Schools were much more resilient than Universities due to a higher share of FM Services and the substantial number of packed meals produced for the local authorities for families in need.

In **Europe,** revenue was down -49.2% organically. Schools were closed in all countries from the outset of the crisis. Although 80% of schools were reopened in France in June, attendance remained very low. Summer camp activity helped in certain countries even though it was much more limited in the UK. Some cross-selling of cleaning and disinfection services helped to offset the very significant reduction in food services activity.

In **Asia-Pacific, Latam, Middle East and Africa,** organic growth was -45.3%, with the progressive closing of schools across Asia. Some schools started opening in China before the summer break.

BENEFITS & REWARDS SERVICES

Fiscal year 2020 **Benefits & Rewards Services** revenue amounted to 773 million euro, down -13.4%. Currencies had a negative impact of -5.8%, due principally to the weakness of the Brazilian real and the Turkish lira. The scope change was negligible. Organically revenues were down -7.8%, split up +4% in the first half and down -18.8% in the second half. While the first half was impacted by lower interest rates and competitive pressures in Brazil, the second half was impacted by the Covid-19 crisis, particularly in Europe in the third quarter and in Latin America in the fourth quarter as the pandemic spread.

REVENUES BY ACTIVITY (in millions of euro)	FY 2020	FY 2019	ORGANIC GROWTH
Employee benefits	607	709	-7.5%
Services Diversification*	166	183	-8.7%
BENEFITS & REWARDS SERVICES	**773**	**892**	**-7.8%**

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

FOR THE SECOND HALF ONLY

REVENUES BY ACTIVITY (in millions of euro)	H2 FY 2020	H2 FY 2019	ORGANIC GROWTH
Employee benefits	259	367	-17.5%
Services Diversification*	70	95	-23.5%
BENEFITS & REWARDS SERVICES	**329**	**462**	**-18.8%**

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

In the second half, **Employee Benefit** revenues were down **-17.5% organically,** compared to an organic decline in issue volume (5.3 billion euro) of only -8.4%, showing the resilience of these services. The discrepancy of the performance between revenues and issue volumes is due to the strong fall in interest rates in Brazil and lower merchant revenue due to lower utilization linked to the closure of restaurants during the crisis. As reimbursement was lower, the float grew during the period.

Services Diversification was down **-23.5%** organically, resulting from a very significant decline in travel since the outbreak of the pandemic, interrupting the rapid development of Mobility & Expense of the last year. Other services such as the home employee services in Belgium, Corporate Health & Wellness offers, and public benefits were also down strongly in Q3 and gradually recovered in Q4.

REVENUES BY NATURE (in millions of euro)	FY 2020	FY 2019	ORGANIC GROWTH
Operating Revenues	718	818	-6.8%
Financial Revenues	54	74	-18.4%
BENEFITS & REWARDS SERVICES	**773**	**892**	**-7.8%**

FOR THE SECOND HALF ONLY

REVENUES BY NATURE (in millions of euro)	H2 FY 2020	H2 FY 2019	ORGANIC GROWTH
Operating Revenues	306	424	-18.3%
Financial Revenues	23	38	-25.2%
BENEFITS & REWARDS SERVICES	**329**	**462**	**-18.8%**

In the second half, **Operating revenues** were down **-18.3%.** While the fourth quarter in Europe showed a marked improvement, in Latin America, the reverse was true, with a strong competitive environment in Brazil and significant reductions in volumes in Peru and Chile for employee benefits. **Financial revenues** were down **-25.2%** largely due to the persistent decline in Brazilian interest rates.

REVENUES BY REGION (in millions of euro)	FY 2020	FY 2019	ORGANIC GROWTH
Europe, USA and Asia	482	508	-4.8%
Latin America	290	384	-11.7%
BENEFITS & REWARDS SERVICES	**773**	**892**	**-7.8%**

FOR THE SECOND HALF ONLY

REVENUES BY REGION (in millions of euro)	H2 FY 2020	H2 FY 2019	ORGANIC GROWTH
Europe, USA and Asia	213	264	-18.0%
Latin America	117	198	-19.9%
BENEFITS & REWARDS SERVICES	**329**	**462**	**-18.8%**

In **Europe, Asia and USA,** the organic revenue decline was **-18.0%,** with the third quarter heavily impacted by Covid-19, interrupting paper voucher production in most countries during lockdown and with restaurants closed, impacting merchant reimbursements. In the fourth quarter, the trend improved in Europe as restaurants reopened and there was a catch-up in paper voucher issuance and a move to digital solutions. This was slightly offset by a downturn in India due to the spread of the pandemic.

In **Latin America,** the decline was **-19.9%,** with issue volumes deteriorating through the second half, as the pandemic spread, and amplified by falling interest rates and a very competitive environment in Brazil, particularly in the last quarter. Several markets in the region remained positive, helped by strong sales of Covid-related public and private benefits.

Underlying operating profit

Fiscal 2020 Underlying operating profit was 569 million euro, down -52.6% relative to the 1.2 billion euro, generated in Fiscal 2019. The Underlying operating margin was 2.9%, down -260 bps or -240 bps excluding the currency mix effect. The On-site Services margin was down -240 bps at 2.6% and the Benefits & Rewards Services margin at 26.2% was down -480 bps, or -300 bps excluding the currency mix effect of the weakness of the Brazilian real principally.

(in millions of euro)	UNDERLYING OPERATING PROFIT FISCAL 2020	DIFFERENCE	DIFFERENCE (EXCLUDING CURRENCY EFFECT)	UNDERLYING OPERATING PROFIT MARGIN FISCAL 2020	DIFFERENCE IN MARGIN	DIFFERENCE IN MARGIN (EXCLUDING CURRENCY MIX EFFECT)
Business & Administrations	110	-77.5%	-74.8%	1.1%	-310 bps	-300 bps
Healthcare & Seniors	293	-14.4%	-15.2%	6.1%	-50 bps	-60 bps
Education	75	-65.7%	-66.7%	2.2%	-290 bps	-300 bps
On-site Services	**478**	**-54.5%**	**-53.7%**	**2.6%**	**-240 bps**	**-240 bps**
Benefits & Rewards Services	**202**	**-26.9%**	**-16.6%**	**26.2%**	**-480 bps**	**-300 bps**
Corporate expenses & Intragroup eliminations	(111)	+12.2%	+12.4%			
UNDERLYING OPERATING PROFIT	**569**	**-52.6%**	**-49.6%**	**2.9%**	**-260 BPS**	**-240 BPS**

While first half Fiscal 2020 margins were flat year-on-year at 5.9%, second half margins were impacted heavily by the flow-through of the revenue decline due to Covid-19. The flow-through in underlying operating profit was 20.4%, or 21.2% at constant rates. As a result, the second half margin was -1.5%, or -0.9% excluding the currency mix impact.

	UNDERLYING OPERATING PROFIT				
	H1 FISCAL 2020		H2 FISCAL 2020		
(in millions of euro)	UOP	MARGIN	UOP	MARGIN	FLOW-THROUGH
Business & Administrations	245	4.0%	(135)	-3.3%	22.6%
Healthcare & Seniors	160	6.3%	133	5.8%	12.3%
Education	211	8.4%	(136)	-14.3%	15.5%
On-site Services	**616**	**5.5%**	**(138)**	**-1.9%**	**19.3%**
Benefits & Rewards Services	**134**	**30.2%**	**69**	**20.8%**	**62.3%**
Corporate expenses & Intragroup eliminations	(64)		(47)		
UNDERLYING OPERATING PROFIT	**685**	**5.9%**	**(116)**	**-1.5%**	**20.4%**

At current rates, Fiscal 2020 **On-site Services** underlying operating profit was down -54.5% and the margin fell to 2.6%, down 240 bps. This was made up of a solid operating margin of 5.5% in the first half and a negative margin of 1.9% in the second half. The flow-through was 19.3%.

The performance by segment is as follows:

- **Business & Administrations** underlying operating profit decreased by -77.5% and the operating margin was down -310 bps at 1.1%. This decline in margins is entirely attributed to the Covid-related decline in revenues. The flow-through in the second half was 22.6%. Where sites were closed, food stocks were transferred to other entities, sold off or given to NGOs. Staff costs were reduced as quickly as possible, using Government furlough schemes where available. Where there was no alternative, staff were transferred into different segments or let go;

- in **Healthcare & Seniors,** the reduction in underlying operating profit was -14.4%. The margin fell -50 bps to 6.1%. While the first half margins were stable, the second half margins were down 100 bps, due to a flow-through of 12.3%. The relative resilience in Healthcare & Seniors margins reflects the exit of underperforming contracts and strict cost management during the crisis;
- in **Education,** underlying operating profit fell by -65.7% and the margin by -290 bps. The first half margin was down 60 bps due to strikes, and increased health benefit cost increases. The flow-through of the Covid-related decline in revenues in the second half was 15.5%, thanks to strong and early action on staff costs, with the immediate termination of all hourly labor and temporary staff, particularly in North America, the use of all furlough schemes where available and some redundancies.

In **Benefits & Rewards Services,** underlying operating profit was down -26.9%, or -16.6% excluding currency impacts. At 26.2%, the margin was down -480 bps and -300 bps excluding the currency mix effect of the weakness in the Brazilian real. In the first half, the margin had started to recover strongly in the first half, as digital investments had started to plateau, and costs were being managed very strictly. The second half margin was impacted very significantly due to the lower merchant revenues generally due to the closure of restaurants, and the very competitive environment and falling interest rates in Brazil. As reimbursement was lower the float grew during the period.

Group net profit

Other operating income and expenses amounted to 503 million euro compared to 141 million euro in the previous year.

As part of the rigorous measures implemented during the sanitary crisis, the Group has taken proactive actions in anticipation of the end of government support programs in several countries, to reinforce its agility to adapt to the new business environment and to seize the related market opportunities. As a result, restructuring costs were increased substantially in the second half to 158 million euro, to reach a total of 191 million euro for the year, *versus* 46 million euro in the previous year.

Additionally, given the deterioration in the short and mid-term performance of some assets due to Covid-19, impairment of acquired intangible assets, goodwill and non-current assets in the second half were 249 million euro, principally linked to assets in the Sports & Leisure and Education segments.

(in millions of euro)	H1	H2	FISCAL 2020	FISCAL 2019
UNDERLYING OPERATING PROFIT	**685**	**(116)**	**569**	**1,200**
OTHER OPERATING INCOME	**5**	**2**	**7**	**11**
Gains related to consolidation scope changes	2		2	9
Gains on changes of post-employment benefits	4	(2)	2	1
Other	-	3	3	1
OTHER OPERATING EXPENSES	**(71)**	**(439)**	**(510)**	**(152)**
Restructuring and rationalization costs	(33)	(158)	(191)	(46)
Acquisition-related costs	(5)	(4)	(9)	(11)
Losses related to consolidation scope changes	(1)	(13)	(14)	-
Losses on changes of post-employment benefits	(2)	(2)	(4)	(4)
Amortization of acquired intangible assets and impairment of goodwill and non-current assets	(20)	(253)	(273)	(85)
Other	(11)	(8)	(19)	(6)
OTHER OPERATING INCOME AND EXPENSES	**(66)**	**(437)**	**(503)**	**(141)**
OPERATING PROFIT	**619**	**(553)**	**65**	**1,059**

As a result, the **Operating Profit** was 65 million euro compared to 1,059 million euro in the previous year.

Net financial expenses for the year rose to 291 million euro compared to 100 million euro in the previous year. The increase is principally due to 150 million euro make-whole for the reimbursement of the 1.4 billion euro USPP in the fourth quarter, first implementation of IFRS 16 for a total of 25 million euro in the year, a decline in interest income due to lower rates and some currency fluctuations. As a result of the two bond issues in euro in April and July (raising 2.5 billion euro) and the USPP reimbursement, the blended cost of debt at year end was 1.6% against 2.6% at the end of Fiscal 2019, and the average debt maturity is 5.7 years.

The **tax charge** amounted to 98 million euro compared to a pre-tax loss of 230 million euro. The Group has not recognized deferred tax assets for Fiscal 2020 of about 122 million euro, mainly related to tax losses in France where the Group restricted the recognition of deferred tax assets to the amount of the deferred tax liabilities. Excluding this, the underlying effective tax rate would have been 30.8% against 29.0% in the previous year.

The share of **profit of other companies consolidated by the equity method** was 5 million euro. Profit attributed to non-controlling interests was -4 million euro compared to the previous year amount of 21 million euro.

As a result, **Group net loss** was 315 million euro, compared to a net profit of 665 million euro in Fiscal 2019. Excluding Other Operating income and expenses, the make-whole in financial expenses and the exceptional tax write-offs, **Underlying net profit** amounted to 306 million euro, compared to 765 million euro in Fiscal 2019.

Earnings per share

Published EPS was -2.16 euro, against 4.56 euro in Fiscal 2019. The weighted average number of shares for Fiscal 2020 was more or less stable at 145,778,963 compared to 145,721,534 shares for Fiscal 2019.

Underlying EPS amounted to 2.10 euro, down -60.1% compared to the previous year.

Proposed dividend

To protect the balance sheet given the severity of the Covid-19 downturn in activity, and the uncertainty as to the timing of recovery, and in solidarity with the teams, **the Board has decided not to propose a dividend for Fiscal 2020** even if the Underlying net profit was positive.

Consolidated financial position

Cash flows

Cash flows for the period were as follows:

(in millions of euro)	H1	H2	FISCAL 2020	FISCAL 2019
Operating cash flow	791	(122)	670	1,139
Change in working capital excluding change in BRS financial assets*	(647)	702	55	182
IFRS 16 outflow	(120)	(140)	(260)	-
Net capital expenditure	(268)	(125)	(393)	(415)
Free cash flow	**(243)**	**315**	**72**	**907**
Net acquisitions	(13)	(5)	(18)	(301)
Share buy-backs	(39)	-	(39)	(7)
Dividends paid to shareholders	(425)	-	(425)	(403)
Other changes (including scope and exchange rates)	(140)	(105)	(245)	(150)
(Increase)/decrease in net debt	**(860)**	**205**	**(655)**	**47**

* Excluding change in financial assets related to the Benefits & Rewards Services activity of 55 million euro in Fiscal 2020 versus (53) million euro in Fiscal 2019. Total change in working capital as reported in consolidated accounts: in Fiscal 2020: (373) million euro = (428) million euro + 55 million euro and in Fiscal 2019: 129 million euro = 182 million euro - 53 million euro.

Operating cash flow was down significantly year on year, at 670 million euro compared to 1,139 million euro, reflecting the second half operating losses. The IFRS 16 adjustment of 260 million euro, which comes out below, has no net effect on free cash flow. The positive inflow from working capital in the second half more than offset the outflow in the first half of 647 million euro. This was due to strict cashflow management, with a rapid return to positive cash generation from April, after the significant outflow in March due to the brutal reduction in cash sales, linked to Covid-19 lockdown, and government aid in the form of delayed payment terms.

As the crisis started, net capital expenditure, including client investments, was pushed back resulting in a 50% reduction in the second half, compared to the first half. As a result, capex was down from 415 million euro to 393 million euro, representing 2% of revenues compared to 1.9% in Fiscal 2019.

While contract-linked capex in some segments was difficult to stop and IT spend was maintained in line with the plan, the capex to sales ratio was up +20 bps in Business & Administrations at 1.6% and +10 bps in Healthcare at 0.8%, and down -130 bps in Education at 1%. Capex to sales was 9.1% in Benefits & Rewards as investments were maintained. As previously announced, this rate is expected to increase over the next few years to around 2.5%, as retention and development improve in Education and Sports & Leisure, the two biggest segments in terms of capex, and spend progresses on the new food model.

Free cash flow for the full year reached 72 million euro, with the second half inflow more than covering the first half outflow.

Having paused all M&A activity from March due to the Covid-19 crisis, net acquisitions and disposals of subsidiaries was negligible for the year.

The dividend payment of 425 million euro, approved by the Annual General Meeting on January 21, 2020 and paid on February 3, 2020, well before the Covid-19 crisis arrived, reflected the +5.5% increase in the dividend per share.

After taking into account Other changes, principally linked to currency impacts and consolidation scope changes, consolidated net debt increased during the year by 655 million euro to 1,868 million euro at August 31, 2020.

Acquisitions for the period

Fiscal 2020 was a year of integration for the large number of acquisitions signed in 2019. However, from the onset of the pandemic, M&A activity was put on pause in order to protect the financial structure of the Group. Some investments were nevertheless signed during the period reflecting the need to invest in the evolving food model.

Condensed consolidated statement of financial position at August 31, 2020

(in millions of euro)	AUGUST 31, 2020	AUGUST 31, 2019
Non-current assets	9,730	9,455
Current assets excluding cash	4,493	5,111
Restricted cash Benefits & Rewards	770	678
Financial assets Benefits & Rewards	333	442
Cash	2,027	1,781
TOTAL ASSETS	**17,353**	**17,467**

(in millions of euro)	AUGUST 31, 2020	AUGUST 31, 2019
Shareholders' equity	2,758	4,456
Non-controlling interests	15	42
Non-current liabilities	6,834	4,722
Current liabilities	7,745	8,247
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**17,353**	**17,467**
Gross debt	**4,992**	**4,079**
Net debt	**1,868**	**1,213**
Gearing	**67%**	**27%**
Net debt ratio	**2.1**	**0.8**

The decrease in shareholders' equity was due to several factors: the currency translation adjustment due to the weakness of some currencies such as the U.S. dollar and the Brazilian real, the revaluation of some financial assets under IFRS 9, the first time adoption of IFRIC 23, the reported net loss and the payment of the Fiscal 2019 dividend.

As of August 31, 2020, net debt was 1,868 million euro, representing a gearing of 67%, and a net debt ratio of 2.1. This compares to 50% and 1.3 respectively as at February 29, 2020 and 27% and 0.8 as of August 31, 2019.

As soon as the Covid-19 crisis emerged in Europe, cash was very strictly controlled, second half investments were pushed back and means to increase liquidity were identified. In April, the Group issued 1.5 billion euro of bonds at an average rate of just below 1% and a maturity split in two tranches, of which 700 million euro maturing in April 2025 and 800 million euro in April 2029.

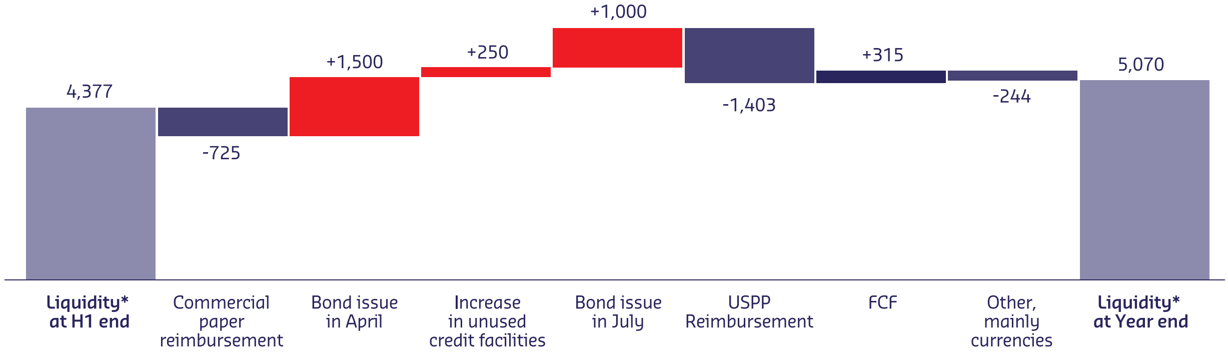
Given the extent of the crisis, and in order to maintain its independence of action, Sodexo decided in June to reimburse the USPP of 1.4 billion euro, thus resolving the issue of the covenant thresholds which were limiting the Group's capacity to restructure and continue to invest in the future. As a result, the Group has no more covenants on its debt. To maintain a high level of liquidity, a further 1 billion euro was raised in the bond market in July at an average rate of less than 0.8%, maturing half and half in January 2024 and July 2028.

As at the end of Fiscal 2020, Operating cash totaled 3,124 million euro, including 770 million euro of restricted cash and 333 million euro of financial assets of Benefits & Rewards Services and net of overdrafts of 6 million euro. The share of operating cash related to Benefits & Rewards Services is 2,082 million euro. With this operating cash and client receivables of 1,274 million euro, compared to voucher liabilities payable of 3,117 million euro, the Benefits & Rewards Services activity asset to liability coverage is at 108%.

At year end, having increased the Group's lines of credit in May by 250 million euro, the yearend total unused lines reached 1.9 billion euro, of which 250 million euro is maturing by May 2021.

As a result, despite the significant decline in revenues and profits in the second half, Group liquidity was solid at nearly 5.1 billion euro at year end.

(in millions of euro)



* Liquidity includes Cash and unused credit facilities: of 1,754 million euro in H1 and of 1,946 million euro in H2 of which 250 million euro will mature within FY 2021

Subsequent events

Significantly impacted by the Covid-19 pandemic, Sodexo France announced on October 27, 2020 an Employment Protection Plan which would involve the reduction of 7% of its workforce, *i.e.* 2,083 positions mostly in the Corporate Services segment.

Discussions with employee representatives are just starting. Sodexo intends to propose all possible measures to maintain employment for its employees and thus limit the impact of these reorganizations, in particular through a project to support the transfer of its employees, on a voluntary basis, to other activities of the Group in France.

Outlook

In the next few quarters, given the high level of uncertainty which we are currently experiencing the effects of the Covid-19 pandemic will continue to be significant for the Group.

The Government & Agencies and Energy & Resources segments will continue to be resilient. Healthcare & Seniors are progressively returning to pre-Covid level. Clearly, some segments, such as Sports & Leisure will not recover until the pandemic is over. Others, such as Corporate Services and Education will see activity improving progressively.

Benefits & Rewards employee benefits issue volumes will return progressively to growth as digitalization and penetration continue to progress, strengthened by working from home trends. This progression could be impacted somewhat by the rising level of unemployment. On the revenue side, the progression is linked to reimbursement patterns and impacted negatively by extremely low interest rates.

At this stage, we see an improvement in first half Fiscal 2021 relative to the second half Fiscal 2020, with an organic decline between -20% and -25%.

- The slow ramp up in S&L we experienced from July to September, mostly in France, is slowing down.
- Education is trending well in Europe but remains volatile in the U.S. with activities varying a lot from one week to another.
- Corporate Services was on a very encouraging trend from July to September in Europe but there are signs that it will be more difficult in the next few months. North America remains very impacted in food services with very slow improvement.
- Energy & Resources, Government & Agencies, Healthcare & Seniors are progressively stabilizing and bring us resilience.

Until activity levels return to more normal levels, the Group is still using all available furlough programs. Strong restructuring measures have and continue to be taken to protect margins going forward, as government support falls away. Detailed work is being conducted across the Board in all segments and activities to reduce SG&A.

Our hypothesis for the first half Fiscal 2021 Group underlying operating margin is between 2 and 2.5%.

The free cash flow for the first half Fiscal 2021 will be impacted by the expensing of restructuring costs, cash outflows linked to some payment delays obtained in second half Fiscal 2020 and the reimbursement of the 2020 Olympic Games hospitality packages. We estimate the sum of those three factors to weigh for -250 million euro on our free cash flow. On top of this, the recurrent free cash flow is usually weaker in the first half than the second and we are working with a recurrent free cash flow hypothesis of about -100 million euro for first half Fiscal 2021.

Looking further out, on the basis that the pandemic will be over by 2021 calendar year end, the Group aims to return to sustained growth and to rapidly increase the underlying operating margin back over the pre-Covid level.

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 3.3.1.

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.

As a result, for the calculation of organic growth of the On-site Services activities in Argentina, Peso figures for Fiscal 2020 and Fiscal 2019 have been converted at the exchange rate of 1€ = 87.865 vs 63.975 ARS for Fiscal 2019.

Issue volume

Issue volume corresponds to the total face value of service vouchers, cards and digitally delivered services issued by the Group (Benefits & Rewards Services) for beneficiaries on behalf of clients.

Net debt

Net debt is defined as Group borrowing at the balance sheet date, less operating cash.

Organic growth

Organic growth corresponds to the increase in revenue for a given period (the "current period") compared to the revenue reported for the same period of the prior fiscal year, calculated using the exchange rate for the prior fiscal year; and excluding the impact of business acquisitions (or gain of control) and divestments, as follows:

- for businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- for businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded;
- for businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded;
- for businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded.
- for countries with hyperinflationary economies all figures are converted at the latest closing rate for both periods. As a result, for the calculation of organic growth of the On-site Services activities in Argentina, Peso figures for Fiscal 2020 and Fiscal 2019 have been converted at the exchange rate of 1€ = 87.865 vs 63.975 ARS for Fiscal 2019.

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 2020 figures at Fiscal 2019 rates, except for countries with hyperinflationary economies.

FIVE-YEAR FINANCIAL SUMMARY

Financial Results of the Individual Company over the past five Fiscal Years

(in millions of euro)	FISCAL 2020[1]	FISCAL 2019	FISCAL 2018	FISCAL 2017	FISCAL 2016
Capital at end of period					
Share capital	590	590	590	603	615
Number of ordinary shares outstanding	147,454,887	147,454,887	147,454,887	150,830,449	153,741,139
Maximum number of potential new shares issuable by conversion of bonds	-	-	-	-	-
Income statement data					
Revenues excluding taxes	135	128	114	119	132
Earnings before income tax, employee profit-sharing, depreciation, amortization and provisions	266	632	450	428	587
Income tax	14	24	62	14	(15)
Employee profit-sharing	-	-	-	-	-
Earnings after income tax, employee profit-sharing, depreciation, amortization and provisions	221	597	481	396	616
Dividend payout	-	430	407	417	371
Per share data					
Earnings after income tax and employee profit-sharing but before depreciation, amortization and provisions	1.90	4.44	3.47	2.93	3.72
Earnings after income tax, employee profit-sharing, depreciation, amortization and provisions	1.50	4.05	3.26	2.62	4.01
Net dividend per share[2]	-	2.90	2.75	2.75	2.40
Dividend premium per eligible share[2]	-	0.29	0.275	0.275	0.24

(1) Subject to approval by the Annual Shareholders Meeting to be held on January 12, 2021.
(2) The Board of Directors proposes at the Annual Shareholders Meeting on January 12, 2021, not to pay a dividend for Fiscal 2020.

(in millions of euro)	FISCAL 2020	FISCAL 2019	FISCAL 2018	FISCAL 2017	FISCAL 2016
Employee data					
Average number of employees during the fiscal year	448	434	370	360	337
Salary expense for the fiscal year	43	55	44	40	40
Social security and other employee benefits paid during the fiscal year	22	22	20	16	16

A Board of Directors to ensure sound governance

The long-term vision that accompanies family control is key to Sodexo's success. Under the leadership of Chairwoman Sophie Bellon, the Board of Directors, composed of seven women and five men, determines the strategic orientation of the Company.

BOARD OF DIRECTORS AS OF AUGUST 31, 2020

SOPHIE BELLON*
Chairwoman
of the Board

7 Independent Directors

EMMANUEL BABEAU
Chief Financial Officer,
Philip Morris International

LUC MESSIER
President of
Reus Technologies LLC

FRANÇOISE BROUGHER*

SOPHIE STABILE
Chief Financial Officer, Lagardère
Chairwoman
of the Audit Committee

SOUMITRA DUTTA
Professor of Management,
Cornell University

CÉCILE TANDEAU DE MARSAC
Chairwoman of
the Compensation and
Nominating Committees

VÉRONIQUE LAURY

3 Family Directors

FRANÇOIS-XAVIER BELLON
Chairman of the Management
Board of Bellon SA

NATHALIE BELLON-SZABO*
Chief Executive Officer,
Sodexo Sports & Leisure
Worldwide, On-site Services

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

2 Employee representatives

PHILIPPE BESSON
Head of Projects
and Sponsorship,
Sodexo France

CATHY MARTIN
Regional Manager,
Sodexo Canada

PIERRE BELLON
Chairman Emeritus
Founder of Sodexo
and Chairman of
the Supervisory Board
of Bellon SA

Director proposed for nomination at the Shareholders' Meeting on January 12, 2021

FEDERICO J. GONZÁLEZ TEJERA

* *whose renewal is proposed at the Fiscal 2020 Shareholders' Meeting on January 12, 2021.*

BOARD OF DIRECTORS KEY FIGURES AS OF AUGUST 31, 2020

70%
independent Directors*

4
nationalities

4 years
on average in office for independent Directors

97%
average attendance

60%
women*

56
average age

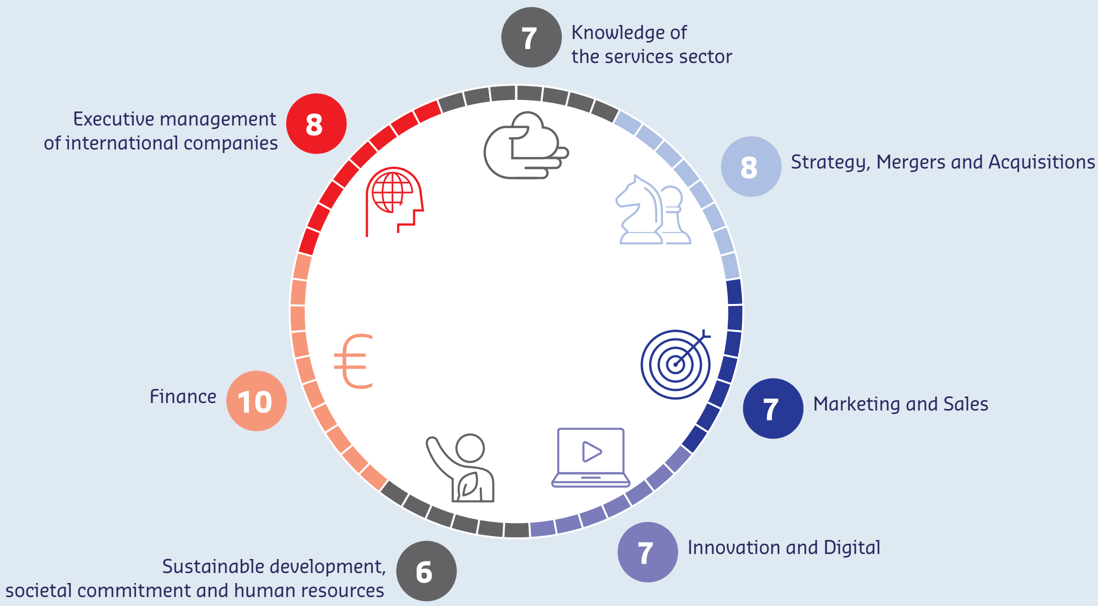
BOARD OF DIRECTORS COMMITTEES

AUDIT COMMITTEE
5 members
75% independent*
100% attendance

NOMINATING COMMITTEE
4 members
50% independent
95% attendance

REMUNERATION COMMITTEE
4 members
100% independent*
96% attendance

BOARD OF DIRECTORS' AREAS OF EXPERTISE



For more information on Sodexo's governance, see Chapter 5 of the Company's Fiscal 2020 Universal Registration Document.

* Excluding employee representatives.

DIRECTORS PROPOSED FOR RENEWAL AND APPOINTMENT

At the Ordinary Annual Shareholders Meeting on January 12, 2021, the Board of Directors will recommend that shareholders reappoint Sophie Bellon, Nathalie Bellon-Szabo and Françoise Brougher as directors for three-year terms expiring at the close of the Annual Shareholders Meeting to be held to adopt the financial statements for the fiscal year ending August 31, 2023. These directors have worked diligently and been highly committed throughout their terms of office and particularly during the unprecedented sanitary crisis caused by the Covid-19 pandemic. Their skills fully match the expertise sought by the Board of Directors and contribute to the implementation of the Company's strategy and the achievement of its business development objectives.

It should be noted that if Sophie Bellon is reappointed as a director at the January 12, 2021 Annual Shareholders Meeting, she will continue to chair the Board of Directors.

Furthermore, Soumitra Dutta, whose term of office expires at the close of the January 12, 2021 Annual Shareholders Meeting, has stated that he does not wish to stand for reappointment. Independent director of Sodexo's Board of Directors since January 19, 2015, Soumitra Dutta has made a significant contribution to the discussions of the Board and the Audit Committee, notably in the fields of technology, digital and strategy. The Chairwoman of the Board and all the other members thank Soumitra Dutta for his contribution to the Board's work.

Consequently, shareholders are invited to appoint Federico J. González Tejera as independent board member for a three-year term expiring at the close of the Annual Shareholders Meeting to be held to adopt the financial statements for the fi scal year ending August 31, 2023. Of Spanish nationality, Federico J. González Tejera is Chief Executive Officer and member of the Board of Directors of Radisson Hotel Group. Federico J. González Tejera will bring to the Board his strategic vision as well as his solid expertise in consumer culture gained notably in the consumer goods, entertainment and media, and hotel sectors, where he held marketing and CEO positions in several multinationals.

Reappointment of Sophie Bellon as a Director for a three-year term

SOPHIE BELLON – CHAIRWOMAN OF THE BOARD OF DIRECTORS

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 financial statements for Fiscal 2020 *(Renewal proposed)*

Member of the Nominating Committee

Number of Sodexo shares held: **7,964**

Business address:
Sodexo
255 quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Main role: Chairwoman of the Board of Directors, 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 (FM) activities in France in September 2010.

In November 2013, Sophie Bellon was appointed Vice Chairwoman of the Sodexo Board of Directors (replacing Robert Baconnier), with specific responsibility for increasing 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.

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*; Chairwoman of L'Oréal's* Human Resources and Remuneration Committee; Chairwoman of L'Oréal's* Nominations and Governance Committee, Member of L'Oréal's* Audit Committee
- Member of the Board of Directors: *Association nationale des sociétés par actions* (ANSA); *Association française des entreprises privées* (AFEP); *Association Comité France Chine;* United Way Alliance (UWA)

FOREIGN COMPANIES

None

Other positions and corporate offices held within the past five years but no longer held

- **Vice Chairwoman of the Board of Directors**: Sodexo S.A.* *(Term ended: January 2016)*
- **Chairwoman of the Management Board: Bellon** SA (France) *(Term ended: September 2015)*
- **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.

Reappointment of Nathalie Bellon-Szabo as a Director for a three-year term

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 financial statements for Fiscal 2020 *(Renewal proposed)*

Member of the Nominating Committee

Number of Sodexo shares held: **3,052**

Business address:
Sodexo
255 quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Main role: Chief Executive Officer, Sodexo Sports and Leisure

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 Worldwide and joined the Group Executive Committee.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES

- **Member of the Management Board:** Bellon SA
- **Chairwoman**: Gedex SAS; Umanis SAS
- **Chairwoman of the Management Board**: Société du Lido (SEGSMHI); Lenôtre SA

FOREIGN COMPANIES

None

Companies not linked to Sodexo

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Other positions and corporate offices held within the past five years but no longer held

- **Chairwoman**: Yachts de Paris SAS (France) *(Term ended: November 2018); Société d'exploitation des vedettes Paris Tour Eiffel SAS (France)* (Term ended: November 2018); Sodexo Sports et Loisirs SAS (France) *(Term ended: November 2018)*; Compagnie d'armateur fluvial et maritime SAS *(France) (Term ended: November 2018)*
- **Chairwoman of the Board of Directors:** Millenia SA (France) *(Term ended: December 2018)*
- **Member of the Board of Directors**: Altima SA (France) *(Term ended: December 2018)*

Reappointment of Françoise Brougher as a Director for a three-year term

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 financial statements for Fiscal 2020 *(Renewal proposed)*

Member of the Nominating Committee

Member of the Compensation Committee

Number of Sodexo shares held: **400**

Business address:
Sodexo
255 quai de la Bataille-de-Stalingrad
92130 Issy-les-Moulineaux (France)

Main role: Director

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, as Chief Executive Officer.

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 the Business Operations for four years, becoming Vice President, Global SME Sales & Operations in 2009.

In April 2013, she joined San Francisco-based Square as Business Lead.

In February 2018, she was appointed Chief Operating Officer of Pinterest and stepped down from this role in April 2020.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES
None

FOREIGN COMPANIES
None

Companies not linked to Sodexo

FRENCH COMPANIES
None

FOREIGN COMPANIES
- **Member of the Board of Directors**: Blackbird Air (USA)

Other positions and corporate offices held within the past five years but no longer held

- **Executive Officer**: Pinterest*, (USA) *(Term ended: April 2020)*
- **Business Lead**: Square* (USA) *(Term ended: May 2017)*

* Listed company.

Appointment of Federico J. González Tejera as a Director for a three-year term

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)

Business address:
Radisson
Avenue du Bourget 44,
1130 Bruxelles (Belgique)

Number of Sodexo shares held: **1,000**

Main role: Chief Executive Officer and member of the Board of Directors, Radisson Hotel Group

Background

After receiving degrees in Economics, International Trade and Finance in Spain in 1988, Federico J. González Tejera joined Procter & Gamble in Spain where he held various marketing positions. 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, President of Eurodisney Vacations and Senior Vice President of Marketing and Sales, Paris and EMEA.

In 2012, he joined the Spanish group NH Hotel Group as Chief Executive Officer.

Since 2017, Federico J. González Tejera has been Chief Executive Officer of Radisson Hotel Group.

Other positions and corporate offices held

Companies linked to Sodexo

FRENCH COMPANIES
None

FOREIGN COMPANIES
None

Companies not linked to Sodexo

FRENCH COMPANIES
None

FOREIGN COMPANIES

- **Member of the Board of Directors:** Radisson Hotel Group

Other positions and corporate offices held within the past five years but no longer held

- **Chief Executive Officer**: NH Hotel Group *(Term ended: December 2016)*

COMPENSATION

The disclosures provided in this section comply with the new 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"), as well as the recommendations contained in the AFEP-MEDEF Code as revised in January 2020 and the recommendations issued by the French securities regulator (*Autorité des marchés financiers* – AMF) on December 3, 2019 concerning Corporate Governance and executive compensation in listed companies.

Drawn up by the Board of Directors on the basis of recommendations made by the Compensation Committee, this section sets out (i) the compensation policies for the Chairwoman of the Board of Directors, the Chief Executive Officer and the Company's Directors, (ii) the components of the compensation paid during or awarded for Fiscal 2020 to the Chairwoman of the Board of Directors, the Chief Executive Officer and the Company's Directors, (iii) the compensation policy applicable to members of the Executive Committee, and (iv) the Group's long-term incentive plan.

Compensation policy for Corporate Officers

The compensation policy applicable to Corporate Officers (the Chairwoman of the Board of Directors, the Chief Executive Officer and the 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 to the Company's Corporate Officers 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, plays a role in ensuring its longevity and is fully in line with its strategy. Consequently, the principles and criteria used to determine the Chief Executive Officer's variable compensation align his 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 and safety, talent management and corporate responsibility performance.

The Compensation Committee is entirely comprised of independent directors, except for one director representing employees in accordance with AFEP-MEDEF recommendations. It may use the services of external advisors specialized in Corporate Officers' compensation and it takes into account feedback received from institutional shareholders.

The principles and criteria in the compensation policy for Corporate Officers will apply in Fiscal 2021 to all persons who hold a Corporate Officer's position within the Company.

However, in accordance with *Ordonnance* 2019-1234 of November 27, 2019 issued pursuant to the PACTE Act, the Board of Directors, on the basis of recommendations made by the Compensation Committee, reserves the right to adapt the compensation policies for Corporate Officers if any exceptional circumstances arise during the fiscal year. Any such amended policy would apply until it is approved at the next Annual Shareholders Meeting. 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. Any changes made to the policy must, however, be in the Company's best interests. 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.225-37-2-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 January 12, 2021.

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 in order to attract and retain 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	Research is regularly conducted – including with the assistance of external consulting firms – in order to benchmark the Company's compensation packages against panels of its peers (comparable companies in terms of size and international scope), both in the French market (CAC 40 companies excluding banks and insurance companies) and in international markets (main competitors).
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, and 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 rigorous 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 short, medium and long-term targets.
TRANSPARENCY	The Corporate Officers' compensation policy is governed by clear, straightforward and transparent rules. The Compensation Committee ensures that all of these principles are appropriately applied in the work it performs and the recommendations it issues to the Board of Directors, both in terms of determining the compensation policy and its implementation, when the actual amounts of the compensation packages are determined.

Shareholder engagement

99.82%

of shareholders voted in favor of the most recent envelope for directors' compensation

99.21%

of shareholders voted in favor of the Chairwoman of the Board's compensation for Fiscal 2019

99.36%

of shareholders voted in favor of the Chief Executive Officer's compensation for Fiscal 2019

99.21%

of shareholders approved the compensation policy for the Chairwoman of the Board for Fiscal 2020

99.33%

of shareholders approved the compensation policy for the Chief Executive Officer for Fiscal 2020

85.09%

of shareholders approved the regulated commitment concerning the Chief Executive Officer's supplemental pension plan

Sodexo actively engages with its institutional shareholders and proxy advisors *via* regular meetings held to discuss the specific characteristics of the Group's governance as well as best practices and developments concerning governance and compensation. During Fiscal 2020, the Investor Relations team organized a large number of meetings between the Chairwoman and the Secretary of the Board and Sodexo's institutional shareholders. In addition to these meetings, the Investor Relations team frequently liaises with institutional shareholders' teams responsible for governance and voting at Shareholders Meetings. The discussions with investors in Fiscal 2020 focused notably on the introduction of a new supplemental pension plan for the Chief Executive Officer (described in section 5.5.1.4 of the Company's Fiscal 2020 Universal Registration Document). As pension regulations in France have undergone significant change and the circular has not yet been published, the implementation of the new supplemental pension plan remains under review.

Individual shareholders who are members of the Shareholders Club are also invited to share their areas of interest so that the Company can more effectively prepare the Annual Shareholders Meeting and answer any questions they may have.

Compensation policy for the Chairwoman of the Board of Directors (non-executive Corporate Officer)

Structure of the compensation

The compensation of the Chairwoman of the Board of Directors comprises a fixed compensation, collective health and benefit plans as well as fringe benefits.

As the Chairwoman is a non-executive Corporate Officer, in line with market practices in France, she does not receive any short-term annual variable compensation or any multi-year variable compensation, or any long-term incentive plan.

Fixed compensation

The Chairwoman's fixed compensation is determined in line with benchmark studies and is awarded as payment for duties and responsibilities inherent to such position.

Accordingly, the following factors are taken into account:

- the duties specific to the role of chairing the Board of Directors, as provided for by Law and the Board of Directors' Internal Rules, which notably involve ensuring that the Company is properly governed and that its governance bodies (Board of Directors, specialized Committees of the Board and Shareholders Meeting) function effectively;
- the role as Sodexo's ambassador;
- the skills, experience, expertise and professional profile of the holder of the position;
- market analyses and benchmark studies on the compensation awarded for comparable positions in peer companies.

The compensation policy may be modified during the term of the corporate office and prior to its renewal if there is a significant evolution in the scope of responsibility, which may be related to the Company's evolution, or if there is a major disparity with the market. In such specific situations, the nature of any adjustment to the fixed compensation and the related motives would be publicly disclosed.

The annual fixed compensation of the Chairwoman of the Board of Directors is 675,000 euro, unchanged since the Annual Shareholders Meeting of January 23, 2018.

As stated earlier in this chapter, given the unprecedented sanitary crisis caused by the Covid-19 pandemic and the resulting social and economic impacts, the Board of Directors decided to reduce Sophie Bellon's fixed compensation by 50% for the second half of Fiscal 2020 – a decision that was based on the Group's underlying values of solidarity and fairness. Sophie Bellon fully agreed with this decision, which allowed her to express her solidarity with the Group's employees.

A review of whether Sophie Bellon's compensation is appropriate was due to be carried out in Fiscal 2020 at the time of her reappointment as Chairwoman of the Board. However, given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, acting on the recommendation of the Compensation Committee, the Board of Directors decided to freeze the Chairwoman's annual fixed compensation for Fiscal 2021.

Collective health and benefit plans

The Chairwoman of the Board of Directors 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. These plans are as follows:

- an "incapacity, disability or death" benefit plan, financed in part by Sodexo, which, in the event of an employee's death, provides for the payment of a death benefit equal to 215% of their fixed compensation, up to a maximum amount of eight times the French Social Security Code's annual ceiling, and which is increased for dependent children;
- an additional "incapacity, disability or death" benefit plan, financed in full by Sodexo, which is reserved for employees whose annual gross compensation is greater than eight times the French Social Security Code's annual ceiling and which, in the event of an employee's death, provides for the payment of a death benefit equal to 200% of the portion of their fixed compensation that is greater than eight times the French Social Security Code's annual ceiling;
- a supplemental health insurance plan, to which all Sodexo employees are entitled, financed in part by Sodexo.

Company car

The Chairwoman of the Board of Directors has the use of a Company car. The insurance, maintenance and fuel costs (related to her professional use) are covered by Sodexo.

Other components of compensation

The Chairwoman of the Board of Directors does not receive any other compensation for her duties as a director or for attending specialized Committee meetings. Additionally, she will not receive a termination benefit if her corporate office is terminated.

Compensation policy for the Chief Executive Officer (executive Corporate Officer)

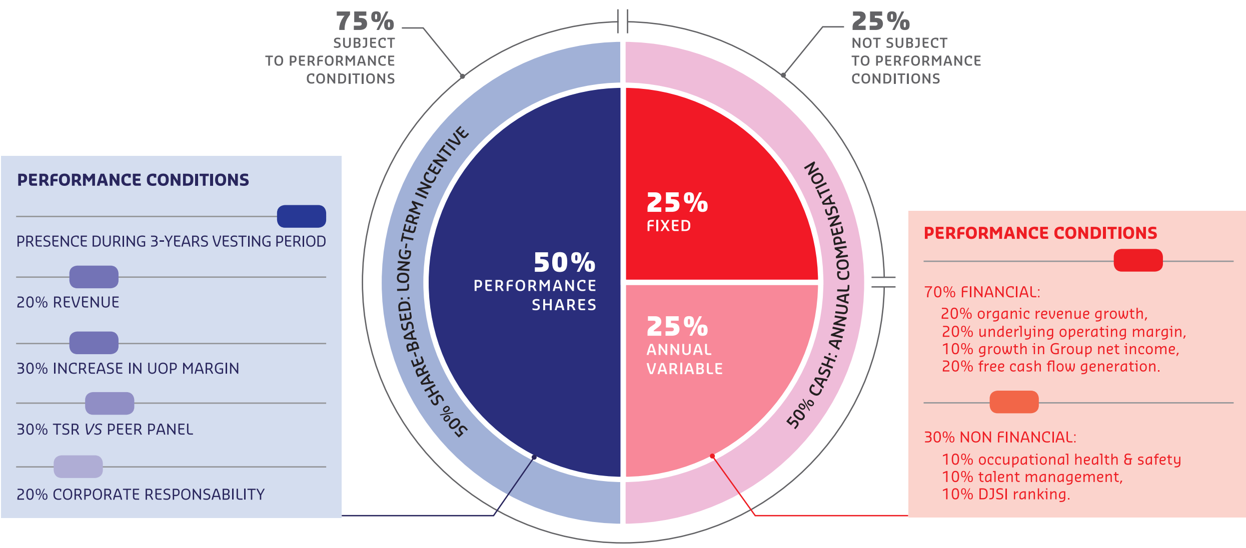
Structure of the compensation

The Chief Executive Officer's compensation is made up of fixed, variable and long-term compensation. He also receives other benefits, such as a non-compete indemnity, a supplemental pension plan, collective health and benefit plans as well as fringe benefits.

The aim of the compensation policy for the Chief Executive Officer is to achieve a balance between long and short-term performance in order to promote the Group's development for the benefit of all of its stakeholders.

To this end, and with a view to protecting stakeholders' interests, the Company strives to ensure consistency between the Chief Executive Officer's compensation package and Sodexo's performance.

STRUCTURE OF THE CHIEF EXECUTIVE OFFICER'S COMPENSATION FOR FISCAL 2021



Fixed compensation

The fixed compensation of the Chief Executive Officer is awarded as payment for the duties and responsibilities inherent to such a position.

Consequently, the following factors are considered:

- the level and complexity of the roles and responsibilities attributed to the Chief Executive Officer, who has the broadest powers to act on behalf of the Company in all circumstances and to represent the Company in its dealings with third parties;
- the skills, experience, expertise and professional profile of the holder of the position;
- market analyses and benchmark studies on the compensation awarded for comparable positions in peer companies.

The Chief Executive Officer's annual fixed compensation is used as the yardstick for determining his annual variable compensation and long-term compensation. The amount of this fixed compensation is not systematically reviewed each year.

The Chief Executive Officer's annual fixed compensation is 900,000 euro, unchanged since he was first appointed on January 23, 2018.

As stated earlier in this chapter, given the unprecedented sanitary crisis caused by the Covid-19 pandemic and the resulting social and economic impacts, the Board of Directors decided to reduce his fixed salary by 50% for the second half of Fiscal 2020 – a decision that was based on the Group's underlying values of solidarity and fairness. This decision was fully supported by Denis Machuel and allowed him to express his solidarity with the Group's employees.

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.

Based on the Compensation Committee's recommendations, each year the Board of Directors ensures that the Chief Executive Officer's variable compensation – which is governed by specific performance criteria – constitutes a sufficiently significant portion compared to his fixed compensation.

Provided that all the applicable targets are achieved, it amounts to 100% of his annual fixed compensation.

It is based mainly on financial criteria, as follows:

- 70% is contingent upon targets based on the Group's financial performance for the fiscal year, including organic revenue growth, underlying operating profit margin, Group net income and free cash flow generation;
- 30% is contingent upon non-financial targets, primarily quantitative targets (including occupational health and safety, talent management and Sodexo's ranking in the Dow Jones Sustainability Index).

The annual variable compensation due to the Chief Executive Officer is calculated and set by the Board of Directors following the close of the fiscal year to which it applies.

In the first quarter of each year, based on the Compensation Committee's recommendations, the Board of Directors reviews the various targets, their weightings, and the expected performance levels. It then sets:

- the trigger threshold under 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 measurement, which also applies to non-financial criteria.

Consequently:

- 100% of the annual variable compensation is paid if the targets are achieved;
- 150% of the annual variable compensation is paid if the targets are exceeded.

The financial performance targets that are based on financial indicators are determined in a specific manner by reference to the budget pre-approved by the Board of Directors and are subject to the above-mentioned performance thresholds.

Exceptionally and given the unprecedented sanitary crisis caused by the Covid-19 pandemic, the Board of Directors decided to establish the budget for Fiscal 2021 for each of the first and second halves of the fiscal year in line with the financial objectives communicated to the market. Thus, the financial performance targets were set in October 2020 for the first half and will be set in March 2021 for the second half. This structure will apply to all employees eligible for variable compensation.

The overachievement will be measured for the full fiscal year. The achievement rate for the Chief Executive Officer's variable compensation will be measured at two points in time: following publication of the half-year interim results for Fiscal 2021 and following publication of the annual results for Fiscal 2021.

If the financial performance targets communicated for the first half are achieved, the variable compensation earned under these targets will be considered as achieved.

In any case there will be no acceleration of his payment which remains subject to approval by the Annual Shareholders Meeting.

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 achievement rate for the variable compensation contingent on the quantitative criteria (financial or non-financial) can be adjusted downwards, irrespective of the performance level achieved, in order to better reflect the achievement rate for the qualitative criteria. The adjustment can only be made downwards, not upwards, and cannot be used for the purpose of offsetting weaker performance with respect to the quantitative criteria.

The Board of Directors has decided not to include a clawback clause for the Chief Executive Officer's variable compensation for the following reasons:

- his compensation structure is made up of 25% fixed compensation and 75% variable compensation;
- the variable portion is subject to stringent performance criteria as proven by past achievement rates;
- the weighting of non-quantitative performance criteria is particularly low, and
- in accordance with article L.225-100, II of the French Commercial Code, payment of the variable compensation for a given year is subject to approval at the Annual Shareholders Meeting.

PAYMENT CONDITION

In accordance with French law, payment of the annual variable compensation is subject to shareholder approval during the Annual Shareholders Meeting.

APPOINTMENT TO 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 the Chief Executive Officer concerned actually holds office. However, 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 aim of the compensation policy for the Chief Executive Officer is to achieve a balance between long and short-term performance in order to promote the Group's development for the benefit of all of its stakeholders.

The Board of Directors considers that the long-term compensation system – 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 is expected to make to Sodexo's long-term performance. It is based on (i) the Group achieving organic revenue growth and underlying operating profit margins over a period of several years, in line with market guidance (ii) Sodexo's share performance compared with a peer group, and (iii) corporate responsibility criteria. The system therefore helps to increase the Chief Executive Officer's motivation and loyalty while aligning his interests with those of the Company's stakeholders.

LONG-TERM COMPENSATION SYSTEM

Sodexo's long-term compensation system currently consists solely of performance share grants.

Performance share grants are decided by the Board of Directors, acting on the recommendation issued by the Compensation Committee, during the first quarter of each Fiscal year, after the publication of the financial statements for the previous fiscal year.

The vesting period of shares granted under performance share plans is now three years in order to align said period with the period used for measuring the achievement of the performance conditions as well as to market practices.

The Board of Directors has capped the value of the performance shares granted to the Chief Executive Officer at 150% of his total annual compensation (including fixed compensation and annual variable compensation at targets achieved). In addition, the performance shares granted to him may not represent more than 5% of the total number of restricted and performance shares granted by the Board of Directors in any given fiscal year.

PERFORMANCE CONDITIONS

The proportion of the performance shares that will vest depends on the achievement of both internal and external performance conditions, as measured over a three-year period. The achievement rates will be disclosed on a criterion-by-criterion basis once the Board of Directors has assessed whether the performance targets have been reached.

As the Group's medium-term objectives are not publicly disclosed, the organic growth revenue target and underlying operating margin target will remain confidential.

The performance conditions reflect a good balance between operating performance, investor confidence and the Group's corporate responsibility performance. They are fully in line with Sodexo's business model of sustainable and profitable growth and meet the expectations of all of the Company's stakeholders.

The criteria used are intended to measure overall performance and are directly related to the Group's main strategic objectives, with the following weightings:

- financial performance: 50%;
- stock market performance: 30%;
- Corporate responsibility performance, including diversity and environmental targets: 20%.

If it was necessary to change these criteria, the Board of Directors would ensure consistent and stringent criteria over the long-term.

CONTINUED PRESENCE CONDITION

In order for his performance shares to be delivered, the Chief Executive Officer must be present within the Group at the vesting date. However, in accordance with the AFEP-MEDEF Code and the plan rules applicable to all beneficiaries of the Group's performance share plans, in exceptional circumstances, the Board of Directors, on the recommendation of the Compensation Committee, may authorize the Chief Executive Officer to retain his rights to any non-vested shares at the date of his departure.

In such a case, the number of shares that vest would be determined 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 rules of the applicable plan – including the performance conditions – would still apply.

SHAREHOLDING OBLIGATION

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 term of office, a number of vested shares whose value has been set by the Board of Directors as equivalent to 30% of his annual fixed compensation at the date the shares are delivered.

Based on the recommendation of the Compensation Committee, the Board reinforced this shareholding obligation by deciding that the Chief Executive Officer must from now on maintain a portfolio of shares with a value equivalent to 200% of the gross annual fixed compensation. This portfolio must be built up over a maximum period of three years, as from September 1, 2019 for the current Chief Executive Officer. Denis Machuel currently holds a portfolio of shares with a total value exceeding the threshold set by the Board.

In addition, as long as he remains in office, the Chief Executive Officer may not use hedging instruments on any performance shares granted to him.

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 system, which it considers to be more closely aligned with the interests of the Company's shareholders.

However, the Board may envisage putting in place such a system if any regulatory changes or other changes in circumstances were to render it difficult or impossible to use shares. If a multi-year compensation plan were to be set up, it would be based on the same principles and criteria as those used for determining and allocating performance shares and the same grant cap would apply.

Indemnity in the event of termination of office

If the Chief Executive Officer's term of office is terminated for any reason (other than resignation, retirement or gross or willful misconduct) then he may be entitled to an indemnity representing up to twice the amount of his annual gross compensation (fixed and variable) received over the 12 months preceding the termination.

This indemnity will only be paid if, at constant consolidation scope and currency exchange rates, the annual increase in the Sodexo Group's consolidated underlying operating profit is equal to or higher than 5% for each of the three fiscal years ended prior to the termination of the appointment.

Denis Machuel has expressly refused this indemnity and therefore will not benefit from any payment in case of termination of office.

Non-compete agreement

If the Chief Executive Officer's term of office is terminated, he is also subject to a non-compete obligation for a maximum term of 24 months, which is intended to protect the Group by restricting the Chief Executive Officer's freedom to carry out certain activities following the end of his term. The activities concerned include holding any position as an employee or Corporate Officer, or carrying out any consulting work, either directly or through another legal entity, for any of Sodexo's competitors. As consideration for these restrictions, the Chief Executive Officer would be paid an indemnity representing up to 24 months of his fixed compensation paid during the fiscal year preceding the termination of his term of office.

At its meeting on April 27, 2018, the Board decided to approve the conclusion of a non-compete agreement with Denis Machuel for a period of 24 months as from the date on which his duties as Chief Executive Officer would cease.

However, the Board of Directors would have the option to decide to waive the Company's right to enforce this non-compete agreement when the Chief Executive Officer leaves the Group. In addition, the maximum aggregate amount paid to the Chief Executive Officer for (i) his non-compete agreement, and/or (ii) his indemnity on termination of office, may not exceed 24 months' worth of his fixed compensation.

This indemnity will not be paid if the Chief Executive Officer retires, and in any event will not be paid once he reaches the age of 65.

Supplemental pension plan

Until December 31, 2019, the Chief Executive Officer was a beneficiary of a defined benefit pension plan governed by article 39 of the French General Tax Code and article L.137-11-1 of the French Social Security Code, and which was set up for the most senior executives employed by a French company of the Group. Under this supplemental pension plan (subject to a minimum of five years of presence in the plan), as a member of the plan for at least 15 years, the pension paid could represent up to 15% of the average of his last three years' fixed compensation preceding his retirement. This pension complements the pensions due to him under compulsory pension plans, provided that he is a Corporate Officer or employee of the Company at the time of his retirement.

The Board of Directors had decided that the Chief Executive Officer's rights under this plan would only accrue if the achievement rate for his annual variable compensation targets was at least 80%. If this rate were to be reached, the beneficiary would acquire 1% additional rights to the defined benefit plan for the year concerned. However, an achievement rate less than 80%, would not trigger additional rights under the supplemental pension plan for that year.

The rights were financed and provisioned through annual charges, which were to be revalued each year, depending on new commitments and the balance of the account held by the insurer.

This plan has been closed to new members since February 28, 2018. In order to comply with the PACTE Act and with *Ordonnance* of July 3, 2019 implementing the EU Pensions Portability Directive into French law, rights acquired as at December 31, 2019, were frozen at that date. As this plan is not portable, its members will only be eligible for it if they are still with Sodexo on the date they retire.

In Fiscal 2020, the Company proposed to the January 21, 2020 Annual Shareholders Meeting, to replace the defined supplemental benefit pension plan governed by articles 39 of the French General Tax Code and L.137-11-1 of the French Social Security Code with a plan governed by article L.137-11-2 of the French Social Security Code, which would have similar characteristics.

The Compensation Committee took note of the vote by the January 21, 2020 Annual Shareholders Meeting on the twelfth resolution on the supplemental pension plan of the Chief Executive Officer as well as comments from investors.

The proposed new plan has not been implemented during Fiscal 2020 as the French Social Security Department circular concerning the financing of such plans has not yet been published. The Board of Directors will only authorize this plan if the circular provides that such plans do not result in the recognition of employee benefit plan liabilities on the Company's balance sheet.

If the French Social Security Department circular allowing finalization of the plan governed by article L.137-11-2 of the French Social Security Code is not published during Fiscal 2021, an exceptional grant of restricted shares will be made to the Chief Executive Officer. This grant will be subject to the condition of achieving a rate of at least 80% of his annual variable compensation targets. The amount of this grant would be capped at the retirement plan contribution which would have been made in accordance with article L.137-11-2 of the French Social Security Code, had the plan been implemented. The restricted shares grant would vest and be subject to a presence condition over three years. The value of the restricted shares grant would be calculated at the close of the Annual Shareholders Meeting to be held to adopt the financial statements of Fiscal 2021 on the basis of the average of the twenty closing share prices preceding the grant date.

The exceptional grant would also be made if the circular did not preclude the recognition of employee benefit plan liabilities on the Company's balance sheet.

This exceptional grant would also be applicable to those members of the Executive Committee who would be included in the supplemental pension plan.

Company car

The Chief Executive Officer has the use of a Company car, the insurance, maintenance and fuel costs (related to his professional use) of which 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 an employment contract, the Company has subscribed 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 office, he would receive benefits for a maximum period of 24 months.

Exceptional compensation

The compensation policy does not permit the granting of an exceptional compensation to the Chief Executive Officer.

Potential change of governance

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 Chief Executive Officer's compensation policy would also apply to the Deputy Chief Executive Officer(s). In such a case, the Board of Directors, acting on the recommendation of the Compensation Committee, would adapt the principles and criteria to the person(s) concerned in order to determine the applicable targets, performance levels, conditions, compensation structures and maximum percentages of the fixed compensation that their variable compensation may represent (which may not be higher than those set for the Chief Executive Officer).

If the Chief Executive Officer were to become a member of the Company's Board of Directors, he would not receive any directors' compensation.

Signing bonus

Pursuant to the recommendations of the AFEP-MEDEF Code, if a new Chief Executive Officer is recruited from outside Sodexo, the Board of Directors may decide to grant him or her an indemnity (in cash and/or shares) in order to compensate for any loss of previous compensation or benefits (excluding pension benefits).

In accordance with article L.225-37-2 of the French Commercial Code, the payment or implementation of any such compensation would be subject to shareholder approval.

Compensation policy for the Company's directors (other than the Chairwoman of the Board)

Structure of the compensation

The overall compensation awarded to directors ("directors' compensation") is made up of a fixed and variable compensation 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 taken on, or a loss of office.

As previously mentioned, the Chairwoman of the Board of Directors does not receive any directors' compensation so this compensation policy does not apply to her.

The compensation policy for Sodexo's directors is intended to remunerate the work they perform at Board and Committee meetings, without however encouraging an excessive number of meetings.

Sodexo's policy has always been to regularly review the overall envelope for directors' compensation. This envelope was increased by 11% in 2015, 5% in 2017, and 22% in 2018.

The current total annual envelope for directors' compensation is 900,000 euro, unchanged since the Annual Shareholders Meeting of January 23, 2018 (eleventh resolution).

A review of whether the overall amount of this compensation is appropriate was intended to be performed in Fiscal 2020. However, given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, acting on the recommendation of the Compensation Committee, the Board of Directors decided to freeze this overall amount for Fiscal 2021.

The procedures for allocating director's fixed and variable compensation have been decided by the Board of Directors for Fiscal 2021. However, these procedures may be reviewed by the Board of Directors in the event of a change in the Board of Directors' composition or a change to take into account an increase in the workload or responsibilities.

Fixed compensation

The procedures for allocating the overall amount of compensation among the individual directors are set by the Board of Directors, based on the recommendation of the Compensation Committee. Currently, each director receives annual fixed compensation of 20,000 euro for their participation in Board meetings and 5,500 euro for their participation in meetings of each specialized Committee of which they are a member.

A further fixed annual amount of 20,000 euro is allocated to each Chair of the specialized Committees.

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

Upon recommendation of the Compensation Committee, the Board maintained the variable compensation for each Board meeting attended at 4,000 euro and for each specialized Committee meeting attended at 2,400 euro.

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 1,250 euro per Board meeting attended is paid to directors traveling from the United States.

SUMMARY OF DIRECTORS' FIXED AND VARIABLE COMPENSATION

(in euro)	ANNUAL FIXED COMPENSATION	ADDITIONAL ANNUAL FIXED COMPENSATION FOR CHAIRING A COMMITTEE	VARIABLE COMPENSATION PER ATTENDANCE AT EACH MEETING
Board of Directors	20,000		4,000
Audit Committee	5,500	20,000	2,400
Nominating Committee	5,500	20,000	2,400
Compensation Committee	5,500	20,000	2,400

A review of whether the overall amount of this compensation is appropriate was intended to be performed in Fiscal 2020. However, given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, acting on the recommendation of the Compensation Committee, the Board of Directors decided to freeze this overall amount for Fiscal 2021.

Information on the components of compensation paid or awarded to Corporate Officers

Compensation of Sophie Bellon, Chairwoman of the Board of Directors

The following tables show a breakdown of the various components of Sophie Bellon's compensation during Fiscal 2020.

These components were determined in line with the compensation policy for the Chairwoman of the Board of Directors approved at the January 21, 2020 Ordinary Annual Shareholders Meeting (tenth resolution). This policy provides a fixed compensation, collective health and benefit plans as well as fringe benefits. It does not include any other variable or exceptional compensation, long-term compensation or directors' compensation.

Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, the Board of Directors decided to reduce her fixed salary by 50% for the second half of Fiscal 2020. Sophie Bellon fully agreed with this decision, which gave her the opportunity to express her solidarity with the Group's employees. The amounts not paid for the fixed compensation financed the creation of the Sodexo Employee Relief Program in April 2020 to help address some of the social and economic consequences of the Covid-19 pandemic.

At the Ordinary Annual Shareholders Meeting of January 12, 2021, shareholders will be given a "say-on-pay" vote on the total compensation and benefits paid during or awarded for Fiscal 2020 to Sophie Bellon for her role as Chairwoman of the Board of Directors.

Summary of compensation, stock options and performance shares awarded to the Chairwoman of the Board of Directors

TABLE 1, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16

SOPHIE BELLON CHAIRWOMAN OF THE BOARD OF DIRECTORS (in euro)	FISCAL 2020	FISCAL 2019
Compensation awarded for the fiscal year (gross, before tax)	508,019	676,739
Value of stock options granted	N/A	N/A
Value of performance shares granted	N/A	N/A
TOTAL	**508,019**	**676,739**

Summary of compensation awarded/paid to the Chairwoman of the Board of Directors

TABLE 2, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16

	FISCAL 2020		FISCAL 2019	
SOPHIE BELLON CHAIRWOMAN OF THE BOARD OF DIRECTORS (in euro)	GROSS AMOUNTS AWARDED (BEFORE TAX)	GROSS AMOUNTS PAID (BEFORE TAX)	GROSS AMOUNTS AWARDED (BEFORE TAX)	GROSS AMOUNTS PAID (BEFORE TAX)
Fixed compensation(1)	506,250	506,250	675,000	675,000
Variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation	N/A	N/A	N/A	N/A
Fringe benefits(2)	1,769	1,769	1,739	1,739
TOTAL	**508,019**	**508,019**	**676,739**	**676,739**
The following amounts were paid by Bellon SA to Sophie Bellon for her mandate as member of the Management Board of Bellon SA:				
Fixed compensation	190,000	190,000	185,000	185,000

(1) Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, the Board of Directors decided to reduce her fixed salary by 50% for the second half of Fiscal 2020.
(2) Sophie Bellon has the use of a Company car.

Summary of benefits – Chairwoman of the Board of Directors

TABLE 11, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16

	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 of the Board of Directors**								
Appointment date: January 26, 2016		X		X		X		X
Expiration of current term: 2021 Annual Shareholders Meeting held to approve the financial statements for Fiscal 2020								

Compensation of Denis Machuel, Chief Executive Officer

The following tables show a breakdown of the various components of Denis Machuel's compensation during Fiscal 2020.

These components were determined in line with the compensation policy for the Chief Executive Officer approved at the January 21, 2020 Ordinary Annual Shareholders Meeting (eleventh resolution). This policy provides a fixed, variable and long-term compensation, as well as a non-compete agreement, a supplemental pension plan, collective health and benefit plans as well as fringe benefits. It does not include any multi-year variable compensation, exceptional compensation or a termination benefit.

Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, the Board of Directors decided to reduce his salary by 50% for the second half of Fiscal 2020 and to suppress his variable compensation for Fiscal 2020. This decision was fully supported by Denis Machuel, and allowed him to express his solidarity with the Group's employees. The amounts not paid for the fixed and variable compensation financed the creation of the Sodexo Employee Relief Program in April 2020 to help address some of the social and economic consequences of the Covid-19 pandemic.

At the Ordinary Annual Shareholders Meeting of January 12, 2021, shareholders will be given a "say-on-pay" vote on the total compensation and benefits paid during or awarded for Fiscal 2020 to Denis Machuel for his role as Chief Executive Officer.

Summary of compensation, stock options and performance shares awarded to the Chief Executive Officer

TABLE 1, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16

DENIS MACHUEL **CHIEF EXECUTIVE OFFICER** (in euro)	FISCAL 2020	FISCAL 2019
Compensation awarded for the fiscal year (gross, before tax)	688,463	1,807,730
Value of stock options granted	N/A	N/A
Value of performance shares granted	N/A*	1,836,252
TOTAL	**688,463**	**3,643,982**

* No performance shares were grant during Fiscal 2020.

Summary of compensation awarded/paid to the Chief Executive Officer

TABLE 2, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16

	FISCAL 2020		FISCAL 2019	
DENIS MACHUEL CHIEF EXECUTIVE OFFICER (in euro)	**GROSS AMOUNTS AWARDED (BEFORE TAX)**	**GROSS AMOUNTS PAID (BEFORE TAX)**	**GROSS AMOUNTS AWARDED (BEFORE TAX)**	**GROSS AMOUNTS PAID (BEFORE TAX)**
Fixed compensation[1]	675,000	675,000	900,000	900,000
Variable compensation[2]	0	892,800	892,800	245,596
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation	N/A	N/A	N/A	N/A
Fringe benefits[3]	13,463	13,463	14,930	14,930
TOTAL	**688,463**	**1,581,263**	**1,807,730**	**1,160,526**

(1) Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, the Board of Directors decided to reduce his fixed salary by 50% for the second half of Fiscal 2020.
(2) Denis Machuel's variable compensation for the year, to be paid the following year (see tables below for details). Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, the Board of Directors decided to suppress any variable compensation for Fiscal 2020.
(3) Denis Machuel has the use of a Company car and is the beneficiary of an unemployment insurance policy.

Variable compensation awarded for Fiscal 2020

As stated above, the Chief Executive Officer's compensation policy approved by the shareholders at the Ordinary Annual Shareholders Meeting of January 21, 2020 provided for the Chief Executive Officer to receive annual variable compensation amounting to 100% of his annual fixed compensation provided that all of the applicable targets were achieved. The aim of awarding this variable compensation is to encourage the achievement of the annual performance targets set by the Board of Directors in line with Sodexo's overall business strategy.

		WEIGHTING OF TARGETS	**MAXIMUM IN% OF TARGET**	**ACHIEVEMENT RATE**	**CORRESPONDING AMOUNT** (in euro)
70% based on financial targets	Organic growth	20%	175%	0%	0
	Underlying operating profit margin (excluding exchange rate impacts)	20%	175%	0%	0
	Growth in Group net income	10%	175%	0%	0
	Free cash flow	20%	175%	0%	0
	Total financial targets	**70%**	**175%**	**0%**	**0**
30% based on non-financial targets	Health and safety target	10%	100%	100%	90,000
	Talent management	10%	100%	75%	67,500
	Dow Jones Sustainability Index, industry leader position	10%	100%	100%	90,000
	Total non-financial targets	**30%**	**100%**	**91.6%**	**247,500**
TOTAL VARIABLE COMPENSATION FOR FISCAL 2020		**100%**	**150%**	**27.5%**	**247,500**
VARIABLE COMPENSATION AWARDED FOR FISCAL 2020					**0**

Financial performance in Fiscal 2020 was deeply impacted by the sanitary crisis. The level of attainment of the objectives was 27.5%, hence, variable compensation would have been 247,500 euro. However, given the unprecedent sanitary crisis caused by the Covid-19 pandemic, the Board of Directors decided to suppress his variable compensation for Fiscal 2020.

Variable compensation awarded for Fiscal 2019 and paid during Fiscal 2020

Although organic growth outperformed the applicable target in Fiscal 2019 compared to the initial objective and taking into account that the underlying operating profit margin underperformed, the Board of Directors, based on the proposal of the Chief Executive Officer, had decided to cap the variable compensation due in relation to the organic growth target at 100%, for both the Chief Executive Officer and the members of the Executive Committee.

		WEIGHTING OF TARGETS	MAXIMUM IN% OF TARGET	ACHIEVEMENT RATE	CORRESPONDING AMOUNT (in euro)
70% based on financial targets	Organic growth	20%	175%	100%	180,000
	Underlying operating profit margin (excluding exchange rate impacts)	20%	175%	86%	154,800
	Growth in Group net income	10%	175%	0%	0
	Free cash flow	20%	175%	175%	315,000
	Total financial targets	**70%**	**175%**	**103%**	**649,800**
30% based on non-financial targets	Health and safety target	10%	100%	100%	90,000
	Talent management	10%	100%	70%	63,000
	Dow Jones Sustainability Index, industry leader position	10%	100%	100%	90,000
	Total non-financial targets	**30%**	**100%**	**90%**	**243,000**
TOTAL VARIABLE COMPENSATION FOR FISCAL 2019		**100%**	**150%**	**99%**	**892,800**

Performance shares granted to the Chief Executive Officer during Fiscal 2020

In accordance with the compensation policy approved by the shareholders at the Ordinary Annual Shareholders Meeting of January 21, 2020, the vesting period of shares granted under restricted share plans was reduced from four years to three years in order to align the vesting periods with the periods used to measure the achievement of the applicable performance conditions as well as to market practices. The timing of when the plans are usually set up was therefore also changed (*i.e.* during the first quarter of each fiscal year, after the publication of the financial statements for the previous fiscal year).

Consequently, in order to maintain a regular annual delivery of performance shares, no performance shares were granted to the Chief Executive Officer during Fiscal 2020.

Performance shares that became available during Fiscal 2020

TABLE 7, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16

PLAN NO. AND DATE	NUMBER OF SHARES THAT BECAME AVAILABLE DURING FISCAL 2020
Plan no. 2016 dated April 27, 2016	6,750

At its meeting on April 27, 2016, the Board of Directors decided, under its 2016 restricted share plan implemented pursuant to the authorization granted by the Annual Shareholders Meeting of January 26, 2016, to grant 13,500 restricted shares to Denis Machuel, who at the time was a member of Sodexo's Executive Committee. These shares were subject to a four-year vesting period expiring on April 27, 2020 and to the following vesting conditions:

- 50% of the shares granted were subject to a continued presence condition; and
- 50% of the shares (referred to as "performance shares") were subject to a continued presence condition and a performance condition.

The performance condition was as follows:

(i) The vesting of 50% of the performance shares was subject to the average growth in operating profit (before exceptional items and excluding currency effects) in line with the external objectives of Sodexo, of between +8% to +10% per year for Fiscal 2016, Fiscal 2017, Fiscal 2018 and Fiscal 2019, as follows:

GROWTH IN OPERATING PROFIT *(AVERAGE GROWTH PER YEAR FOR FISCAL 2016, FISCAL 2017, FISCAL 2018 AND FISCAL 2019)*	NUMBER* OF VESTED SHARES *(% OF THE INITIAL NUMBER OF SHARES SUBJECT TO THE CONDITION OF GROWTH IN OPERATING PROFIT)*
Less than 8% per year	0%
Between 8% and 9% per year	30%-60%
Between 9% and 10% per year	60%-100%
10% or higher per year	100%

* Roundown to the closest whole number.

(ii) The vesting of the other 50% of the performance shares was subject to the achievement of the performance of Sodexo's TSR (Total Shareholder Return) compared to the CAC 40 GR index (dividends reinvested), as follows:

SODEXO'S TSR *(BETWEEN JANUARY 27, 2016 AND THE DATE OF THE ANNUAL SHAREHOLDERS MEETING CALLED TO APPROVE THE FISCAL 2019 FINANCIAL STATEMENTS)*	NUMBER* OF VESTED SHARES *(% OF THE INITIAL NUMBER OF SHARES SUBJECT TO THE CONDITION OF PERFORMANCE OF SODEXO'S TSR COMPARED TO THE CAC40 GR INDEX)*
Negative and/or underperformance with respect to the CAC 40 GR index	0%
Outperformance with respect to the CAC 40 GR index of between 0% and 8%	10%-50%
Outperformance with respect to the CAC 40 GR index of between 8% and 12%	50%-100%
Outperformance with respect to the CAC 40 GR index of more than 12%	100%

* Roundown to the nearest whole number.

Based on the recommendation of the Compensation Committee, the Board of Directors at its meeting of April 8, 2020, recognized that:

- neither of the two performance conditions had been met as the annual average growth in operating profit (before exceptional items and excluding currency impacts) was 3.5% and Sodexo's TSR was 25% against 58% for the CAC 40 GR index. Consequently, the delivery of 6,750 performance shares granted by the Board of Directors on April 27, 2016 was cancelled;
- the continued presence condition had been met. Consequently, the remaining 6,750 restricted shares (*i.e.* not subject to performance conditions) granted by the Board of Directors on April 27, 2016 vested and were delivered on April 27, 2020.

Performance share grants to the Chief Executive Officer

TABLE 9, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16

PLAN DATE	VALUE OF PERFORMANCE SHARES GRANTED (in euro)	NUMBER OF PERFORMANCE SHARES ORIGINALLY GRANTED	PERFORMANCE CONDITIONS	NUMBER OF VESTED PERFORMANCE SHARES	VESTING DATE	AVAILABILITY DATE
04/27/2017	1,189,202	14,000	60%	N/A	04/20/2021	04/20/2021
04/27/2018	1,600,437	25,000	100%	N/A	04/27/2022	04/27/2022
06/19/2019	1,836,252	22,000	100%	N/A	06/19/2023	06/19/2023

Summary of benefits of the Chief Executive Officer

TABLE 11, BASED ON THE AFEP-MEDEF CODE TEMPLATE AND AMF RECOMMENDATION 2009-16

	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
Denis Machuel **Chief Executive Officer**								
Appointment date: January 23, 2018		X	X			X	X	
Indefinite term								

Compensation and benefits paid during or awarded for Fiscal 2020 – Say on Pay (*ex post* vote at the Ordinary Annual Shareholders Meeting of January 12, 2021)

Compensation and benefits paid during or awarded for Fiscal 2020 to Sophie Bellon, Chairwoman of the Board of Directors

TYPE OF COMPENSATION OR BENEFITS	AMOUNTS PAID DURING FISCAL 2020	AMOUNTS AWARDED FOR FISCAL 2020 OR ACCOUNTING VALUE	COMMENTS
Fixed compensation	€506,250	€506,250	Pre-tax gross amount due for the fiscal year. Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, the Board decided to reduce her fixed salary by 50% for the second half of Fiscal 2020. Sophie Bellon fully agreed with this decision, which allowed her to express her solidarity with the Group's employees. The amounts not paid for the fixed compensation financed the creation of the Sodexo Employee Relief Program in April 2020 to help address some of the social and economic consequences of the Covid-19 pandemic.
Fringe benefits	€1,769	€1,769	Sophie Bellon has the use of a Company car.

Sophie Bellon is not eligible for any of the following types of compensation or benefits: directors' compensation, variable compensation, multi-year variable compensation, exceptional compensation, long-term compensation, termination benefit or the supplemental pension plan.

Compensation and benefits paid during or awarded for Fiscal 2020 to Denis Machuel, Chief Executive Officer

TYPE OF COMPENSATION OR BENEFITS	AMOUNTS PAID DURING FISCAL 2020	AMOUNTS AWARDED FOR FISCAL 2020 OR ACCOUNTING VALUE	COMMENTS
Fixed compensation	€675,000	€675,000	Pre-tax gross amount due for the fiscal year. Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, the Board of Directors decided to reduce his fixed salary by 50% for the second half of Fiscal 2020. This decision received the fully support of Denis Machuel, and allowed him to express his solidarity with the Group's employees. The amounts not paid for the fixed compensation financed the creation of the Sodexo Employee Relief Program in April 2020 to help address some of the social and economic consequences of the Covid-19 pandemic.
Variable compensation	€892,800	€0	Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, the Board of Directors decided to suppress his variable compensation for Fiscal 2020. This decision received the fully support of Denis Machuel, and allowed him to express his solidarity with the Group's employees. The amounts not paid for the variable compensation financed the creation of the Sodexo Employee Relief Program in April 2020 to help address some of the social and economic consequences of the Covid-19 pandemic. However, he received 892,800 euro in variable compensation awarded for Fiscal 2019 and paid during Fiscal 2020 following the adoption of the ninth resolution of the January 21, 2020 Ordinary Annual Shareholders Meeting.
Stock options and performance shares	N/A	N/A	Due to the decision taken by the Board of Directors on November 6, 2019 to reduce in 2019 the vesting period from four to three years, no performance shares were granted to Denis Machuel during Fiscal 2020. The Group no longer grants stock options.
Non-compete indemnity	No amounts paid	No amounts awarded	In the event of the termination of Denis Machuel's duties as Chief Executive Officer, he is subject to a non-compete obligation. This commitment from the Company, approved at the Annual Shareholders Meeting on January 22, 2019, is no longer treated as related-party commitment following the repeal of article L. 225-42-1 of the French Commercial Code. The related conditions and financial consideration are set out in section 5.5.1.4 of the Company's Fiscal 2020 Universal Registration Document.

TYPE OF COMPENSATION OR BENEFITS	AMOUNTS PAID DURING FISCAL 2020	AMOUNTS AWARDED FOR FISCAL 2020 OR ACCOUNTING VALUE	COMMENTS
Supplemental pension plan	No amounts paid	No amounts awarded	Since his appointment as member of the Group's Executive Committee in September 2014 and up until December 31, 2019, Denis Machuel was a beneficiary of a defined benefit pension plan governed by article 39 of the French General Tax Code and article L.137-11-1 of the French Social Security Code, set up for the Group's senior executives holding an employment contract with one of its French companies. Under this supplemental pension plan (subject to a minimum of five years of presence in the plan), as a member of the plan for at least 15 years, the pension paid could represent up to 15% of the average of his last three years' fixed compensation preceding his retirement, to which would be added the pensions due to him under compulsory pension plans, provided that he were still a Corporate Officer of the Company at the time of his retirement. The Board of Directors had decided that the Chief Executive Officer's entitlements under this plan would only accrue if the achievement rate for his annual variable compensation targets was at least 80%. If this rate were to be reached, a 1% contribution to the defined benefit plan would be accrued for the year concerned. However, if the achievement rate were less than 80%, no defined benefit contribution would be accrued for that year. The entitlements were financed and provisioned through annual charges, which were to be revalued each year, depending on new commitments and the balance of the account held by the insurer. In order to comply with the PACTE Act and the Ordonnance of July 3, 2019 implementing the EU Pensions Portability Directive into French law, rights acquired as at December 31, 2019 were frozen at that date. The Company's commitments under this plan amounted to 432,832 euro as at December 31, 2019. In Fiscal 2020, the Company proposed replacing the defined benefit supplemental pension plan governed by articles 39 of the French General Tax Code and L.137-11-1 of the French Social Security Code with a plan governed by article L.137-11-2 of the French Social Security Code, which would have similar characteristics. This proposal was included in the compensation policy approved by the shareholders at the January 21, 2020 Annual Shareholders Meeting. However, the proposed new plan was not implemented in Fiscal 2020 because the French government circular concerning the financing of the plan had not yet been issued. Indeed, the Board of Directors considers that the absence of employee benefit plan liabilities on the Company's balance sheet remains uncertain. In any case, even if the plan had been implemented, the Chief Executive Officer would not have acquired any rights under the proposed plan during Fiscal 2020, as the performance criteria of achieving at least 80 % of his annual variable compensation were not met.
Fringe benefits	€13,463	€13,463	Denis Machuel has the use of a Company car and is the beneficiary of an unemployment insurance policy.

Denis Machuel is not eligible for any of the following types of compensation or benefits: multi-year variable compensation, exceptional compensation or termination benefit.

Pay equity ratio between the compensation paid to the Company's executive Corporate Officers and the average and median compensation received by Sodexo employees

According to article L.225-37-3 of the French Commercial Code, the table below presents the ratios between the compensation level of the Chairwoman of the Board of Directors, the Chief Executive Officer and the average and median compensation of Sodexo employees over the past five years on a full time equivalent basis.

The ratios were established with reference to AFEP-MEDEF guidelines on compensation multiples published on January 28, 2020.

For the executive Corporate Officers, the compensation elements taken into account are:

- the fixed compensation;
- the annual variable compensation paid in N for the Fiscal year N-1;
- the performance shares granted during the Fiscal year measured at fair value (under IFRS rules) on the grant date;
- the fringe benefits.

For employees (full time equivalent), the compensation elements taken into account are:

- the fixed compensation;
- the annual variable compensation paid in N for the Fiscal year N-1;
- the individual bonuses;
- the participation paid in N;
- the valuation of performance shares granted during the Fiscal year measured at fair value (under IFRS rules) on the grant date;
- the fringe benefits.

The ratios are calculated on the compensation elements paid during the year.

The scope of this information has been broadened and is now based on a volume of employees in France unlike last year when the information was based upon the Social and Economic Unit *(Unité Economique et Social)* made up of French holding companies of the Sodexo Group.

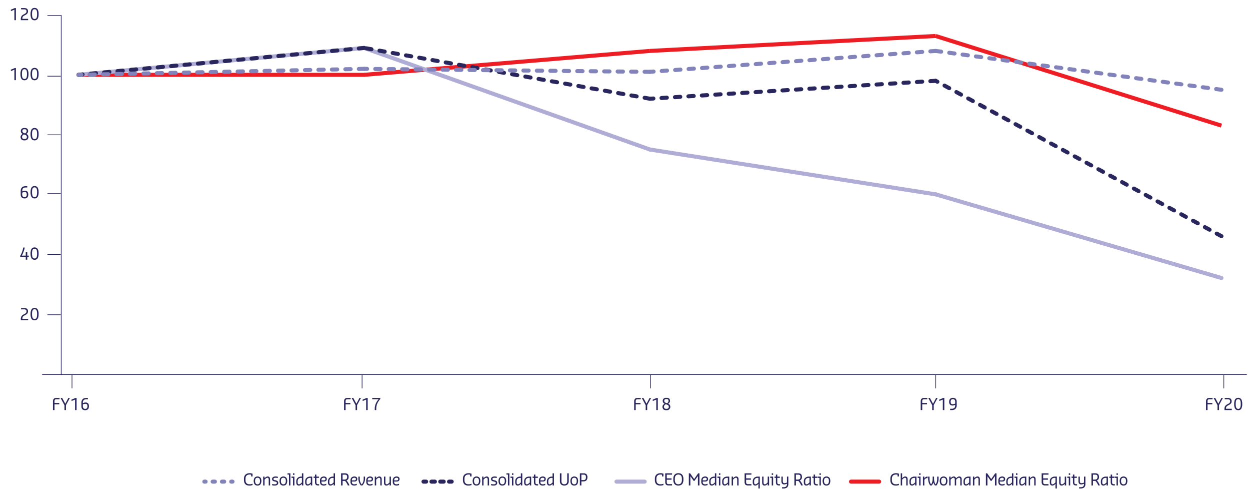
	FISCAL 2016	FISCAL 2017	FISCAL 2018	FISCAL 2019	FISCAL 2020
Annual compensation paid					
Chairwoman of the Board of Directors	€552,027	€551,829	€627,077	€676,739	€508,019
Evolution		*0%*	*14%*	*8%*	*-25%*
Chief Executive Officer	€4,684,311	€5,067,771	€ 3,619,279	€2,996,778	€1,581,263
Evolution		*8%*	*-30%*	*-13%*	*-49%*
Employees					
Number of employees	*27,357*	*27,283*	*27,702*	*28,371*	*28,257*
Evolution		*0%*	*2%*	*2%*	*0%*
Average compensation (in euro)	€29,704	€29,782	€30,848	€31,714	€31,556
Evolution		*0%*	*4%*	*3%*	*0%*
Median compensation (in euro)	€23,224	€22,923	€24,014	€24,626	€24,809
Evolution		*-1%*	*5%*	*3%*	*1%*
Ratio					
Chairwoman of the Board – ratio average compensation	19	19	20	21	16
Chairwoman of the Board – ratio median compensation	24	24	26	27	20
Chief Executive Officer – ratio average compensation	158	170	117	94	50
Chief Executive Officer – ratio median compensation	202	221	151	122	64
Financial indicators					
Group revenue	20,245	20,698	20,407	21,954	19,321
Evolution		*2%*	*-1%*	*8%*	*-12%*
Group's operating income	1,226	1,340	1,128	1,200	569
Evolution		*9%*	*-16%*	*6%*	*-53%*

Elements explaining the variation of the ratios related to the compensation of the Chairwoman of the Board of Directors:

- during Fiscal 2016, the compensation of Sophie Bellon as Chairwoman of the Board of Directors has been annualized for the purposes of this calculation;
- over the Fiscal 2020, the fixed compensation of the Chairwoman of the Board of Directors was reduced by 50% over the second half of the fiscal year.

Elements explaining the variation of the ratios related to the compensation of the Chief Executive Office:

- Michel Landel was Chief Executive Officer for the full Fiscal 2016 and 2017;
- for the Fiscal 2018, the ratio was calculated based on compensation paid both to Michel Landel and Denis Machuel, proportionally to their terms of office;
- Denis Machuel was Chief Executive Officer for the full Fiscal 2019;
- over the Fiscal 2020, the fixed compensation of the Chief Executive Officer was reduced by 50% over the second half of the fiscal year. No performance shares were granted during Fiscal 2020.



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 900,000 euro at the Annual Shareholders Meeting of January 23, 2018 (eleventh resolution). The total amount actually paid to all directors (other than to the Chairwoman of the Board) during Fiscal 2020 was 788,800 euro (compared to 822,750 euro during Fiscal 2019), representing 88% 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 2020:

(in euro)	ANNUAL FIXED COMPENSATION	ADDITIONAL ANNUAL FIXED COMPENSATION FOR CHAIRING A COMMITTEE	VARIABLE COMPENSATION PER ATTENDANCE AT EACH MEETING
Board of Directors	20,000		4,000
Audit Committee	5,500	20,000	2,400
Nominating Committee	5,500	20,000	2,400
Compensation Committee	5,500	20,000	2,400

A travel allowance of 1,250 euro per Board meeting attended is paid to directors traveling 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 taken on, or a loss of office.

As stated above, the Chairwoman of the Board of Directors 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 2020 and Fiscal 2019 (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 2009-16

DIRECTORS (in euro)		FISCAL 2020 AMOUNT AWARDED	FISCAL 2020 AMOUNT PAID	FISCAL 2019 AMOUNT AWARDED	FISCAL 2019 AMOUNT PAID
Emmanuel Babeau	Directors' compensation	65,500	65,500	81,600	81,600
Robert Baconnier[1]	Directors' compensation	33,550	33,550	63,100	63,100
Astrid Bellon[2]	Directors' compensation	26,000	26,000	36,000	36,000
	Bellon compensation	146,667	146,667	146,666	146,666
Bernard Bellon	Directors' compensation	-	-	36,000	36,000
	Bellon compensation	-	-	2,000	2,000
François-Xavier Bellon	Directors' compensation	65,500	65,500	63,500	63,500
	Bellon compensation	390,000	390,000	355,000	355,000
Nathalie Bellon-Szabo[3]	Directors' compensation	63,100	63,100	63,100	63,100
	Other compensation	490,758	490,758	527,993	527,993
Philippe Besson[4]	Directors' compensation	65,500	65,500	65,500	65,500
Françoise Brougher	Directors' compensation	71,550	71,550	98,600	98,600
Soumitra Dutta	Directors' compensation	71,750	71,750	67,750	67,750
Véronique Laury[5]	Directors' compensation	22,000	22,000	-	-
Cathy Martin[4]	Directors' compensation	57,500	57,500	61,500	61,500
Luc Messier[5]	Directors' compensation	23,250	23,250	-	-
Sophie Stabile	Directors' compensation	103,000	103,000	80,500	80,500
Cécile Tandeau de Marsac	Directors' compensation	120,600	120,600	105,600	105,600

(1) At the Annual Shareholders Meeting of January 21, 2020, the shareholders noted that Robert Baconnier's term of office had expired and that he did not wish to be reappointed as a director.
(2) At the Annual Shareholders Meeting of January 21, 2020, the shareholders noted that Astrid Bellon no longer wished to be a member of Sodexo S.A.'s Board of Directors as from January 21, 2020. Astrid Bellon received other compensation for her role as a member of Bellon SA's Management Board during fiscal year.
(3) Nathalie Bellon-Szabo received other compensation during the fiscal year for her role as a member of Bellon SA's Management Board (190,000 euro for Fiscal 2020 and 275,000 for Fiscal 2019) as well as for her roles as Chief Executive Officer of Sodexo Sports et Loisirs France and Chief Operating Officer of Sodexo Sports and Leisure worldwide (On-site Services) (300,758 euro for Fiscal 2020 and 249,410 euro for Fiscal 2019). She also has the use of a Company car.
(4) Philippe Besson and Cathy Martin are directors representing employees. The salaries they receive under their employment contracts 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 (21,429 euro paid to Philippe Besson and 44,071 euro paid to his trade union during Fiscal 2020).
(5) Véronique Laury and Luc Messier were appointed as new directors at the Annual Shareholders Meeting of January 21, 2020.

EXPLANATORY NOTES AND PROPOSED RESOLUTIONS

First and second resolutions: Adoption of the individual company and consolidated financial statements for Fiscal 2020

Purpose

In the first and second resolutions, shareholders are invited to adopt the individual company financial statements of Sodexo for Fiscal 2020, showing net income of 221,090,476 euro, and the consolidated financial statements of the Group, showing a net loss attributable to equity holders of the parent of 315 million euro.

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 within the scope of this Code were incurred during Fiscal 2020.

First resolution

(ADOPTION OF THE INDIVIDUAL COMPANY FINANCIAL STATEMENTS FOR FISCAL 2020)

Having considered the Board of Directors' Report and the Statutory Auditors' Report on the individual company financial statements for Fiscal 2020, 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, 2020 as presented, which show net income of 221,090,476 euro.

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 2020.

Second resolution

(ADOPTION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL 2020)

Having considered the Board of Directors' Report and the Statutory Auditors' Report on the consolidated financial statements for Fiscal 2020, 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, 2020 as presented, which show a net loss attributable to equity holders of the parent amounting to 315 million euro.

The Shareholders Meeting also approves the transactions reflected in these financial statements and/or described in these reports.

Third resolution: Appropriation of net income for Fiscal 2020

Purpose

In the third resolution, shareholders are invited to approve the Board's recommended appropriation of net income for Fiscal 2020.

To protect the balance sheet given the severity of the Covid-19 downturn in activity, and the uncertainty as to the timing of recovery, and in solidarity with the teams, the Board has decided to propose to the shareholders not to distribute a dividend for Fiscal 2020, and therefore, no dividend premium for Fiscal 2020.

Consequently, shareholders are invited to appropriate the full amount of net income for Fiscal 2020 – totaling 221,090,476 euro to retained earnings.

Third resolution

(APPROPRIATION OF NET INCOME FOR FISCAL 2020)

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 appropriate the full amount of net income for Fiscal 2020 of 221,090,476 euro to retained earnings.

The Shareholders Meeting notes that following this appropriation of net income, retained earnings – which amounted to 1,470,676,528 euro as of August 31, 2020 – now totals 1,691,767,004 euro.

In accordance with article 243 *bis* of the French General Tax Code, dividends paid for the last three fiscal years were as follows:

	FISCAL 2019 (PAID IN 2020)	FISCAL 2018 (PAID IN 2019)	FISCAL 2017 (PAID IN 2018)
Dividend per share*	€2.90	€2.75	€2.75
Total payout	€425,069,235	€402,512,000	€410,658,908

* Dividend fully eligible for the 40% allowance applicable to individuals who are tax resident in France, as provided for in article 158-3 2° of the French General Tax Code.

Fourth to seventh resolutions: Composition of the Board of Directors

The Board of Directors currently has twelve members, including two directors representing employees, seven independent directors and seven women.

Reappointment of three directors

Purpose

The purpose of the fourth to sixth resolutions is to reappoint Sophie Bellon, Nathalie Bellon-Szabo and Françoise Brougher whose terms as directors expire at the close of the January 12, 2021 Annual Shareholders Meeting.

Consequently, shareholders are invited to reappoint these three directors for three-year terms expiring at the close of the Annual Shareholders Meeting to be held to adopt the financial statements for Fiscal 2023.

Sophie Bellon

Sophie Bellon has been a non-independent director of Sodexo's Board of Directors since July 26, 1989 and Chairwoman of the Board of Directors since January 26, 2016. She brings to the Board and the Group her in-depth knowledge of Sodexo. As Sodexo's most prominent ambassador, she promotes the Company, its Quality of Life services and its mission, with frequent speaking engagements in front of various audiences and she intervenes on behalf of the service sector. Sophie Bellon is committed to ensuring good governance for the Group, and is fully dedicated to the work of the Board of Directors.

Sophie Bellon's attendance rate at Board meetings has been 100% for over ten years.

If she is reappointed as a director at the January 12, 2021 Annual Shareholders Meeting, Sophie Bellon will continue to chair the Board of Directors and serve as a member of the Nominating Committee.

Nathalie Bellon-Szabo

Nathalie Bellon-Szabo has been a non-independent director of Sodexo's Board of Directors since July 26, 1989, and a member of the Group Executive Committee and Chief Executive Officer Sports & Leisure Worldwide since June 19, 2018. She brings to the Board her in-depth knowledge of Sodexo and its operations as well as her experience in and contribution to Quality of Life services.

Nathalie Bellon-Szabo's attendance rate at Board meetings during her current term of office has been 97% on average.

If she is reappointed as a director at the January 12, 2021 Annual Shareholders Meeting, Nathalie Bellon-Szabo will continue to serve as a member of the Nominating Committee.

Françoise Brougher

Françoise Brougher has been an independent director of Sodexo's Board of Directors since January 23, 2012. She brings to the Board her international experience – particularly in the United States – as well her strategic vision and expertise as an executive of publicly traded U.S.-headquartered companies in the digital space. Her expertise is important in enabling Sodexo to adapt to the new behaviors of consumers, customers, employees and suppliers.

Françoise Brougher's attendance rate at Board meetings during her current term of office has been 94% on average, reflecting her active and committed involvement in the Board of Directors' work.

If she is reappointed as a director at the January 12, 2021 Annual Shareholders Meeting, Françoise Brougher will continue to serve as a member of the Nominating Committee and the Compensation Committee.

Appointment of a new independent director

Purpose

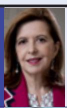
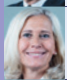
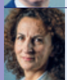
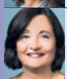
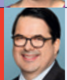
Soumitra Dutta, who has been a director of Sodexo since January 19, 2015 and whose term of office expires at the close of the January 12, 2021 Annual Shareholders Meeting, has stated that he does not wish to stand for reappointment. Sophie Bellon would like to thank Soumitra Dutta, both personally and on behalf of the Board of Directors and all of the shareholders, for his contribution to the work of the Board and the Audit Committee.

Consequently, in the seventh resolution, shareholders are invited to appoint Federico J. González Tejera as independent Board member for a three-year term expiring at the close of the Annual Shareholders Meeting to be held to adopt the financial statements for Fiscal 2023. Of Spanish nationality, Federico J. González Tejera is Chief Executive Officer and member of the Board of Directors of Radisson Hotel Group. Federico J. González Tejera will bring to the Board his strategic vision as well as his solid expertise in consumer culture gained notably in the consumer goods, entertainment and media, and hotel sectors, where he held marketing and CEO positions in several multinational corporations.

Véronique Laury has been appointed to the Audit Committee to replace Soumitra Dutta.

If all of the above resolutions are adopted, at the close of the January 12, 2021 Annual Shareholders Meeting, the Board of Directors will comprise a total of twelve members, including seven independent directors and seven women, as follows.

COMPOSITION OF THE BOARD OF DIRECTORS AFTER THE SHAREHOLDERS MEETING OF JANUARY 12, 2021

			DATE OF BIRTH	NATIONALITY	NUMBER OF DIRECTOR/ OFFICER POSITIONS HELD IN OTHER LISTED COMPANIES	FIRST APPOINTMENT TO THE BOARD	TERM EXPIRES (AT THE ANNUAL SHAREHOLDERS MEETING CALLED TO ADOPT THE FINANCIAL STATEMENTS FOR THE YEAR INDICATED)	SENIORITY (YEARS)	NUMBER OF SODEXO SHARES HELD	INDEPENDENT DIRECTORS(1)	BOARD COMMITTEES: MEMBER OF THE AUDIT COMMITTEE	BOARD COMMITTEES: MEMBER OF THE NOMINATING COMMITTEE	BOARD COMMITTEES: MEMBER OF THE COMPENSATION COMMITTEE
Chairwoman		Sophie Bellon(2)	08/19/1961	🇫🇷	1	07/26/1989	Fiscal 2023	31	7,964			●	
Independent directors		Emmanuel Babeau	02/13/1967	🇫🇷	0	01/26/2016	Fiscal 2021	5	400	X	●		
Independent directors		Françoise Brougher(2)	09/02/1965	🇫🇷 🇺🇸	0	01/23/2012	Fiscal 2023	9	400	X		●	●
Independent directors		Federico J. González Tejera(2)	04/12/1964	🇪🇸	0	12/01/2021	Fiscal 2023	0	1,000	X			
Independent directors		Véronique Laury	06/29/1965	🇫🇷	0	01/21/2020	Fiscal 2022	1	400	X	●		
Independent directors		Luc Messier	04/21/1964	🇨🇦 🇺🇸	1	01/21/2020	Fiscal 2022	1	400	X			
Independent directors		Sophie Stabile	03/19/1970	🇫🇷	3	07/01/2018	Fiscal 2022	2	400	X	Chair		●
Independent directors		Cécile Tandeau de Marsac	04/17/1963	🇫🇷	1	01/24/2017	Fiscal 2022	4	400	X		Chair	Chair
Directors		François-Xavier Bellon	09/10/1965	🇫🇷	0	07/26/1989	Fiscal 2021	31	36,383		●		
Directors		Nathalie Bellon-Szabo(2)	01/26/1964	🇫🇷	0	07/26/1989	Fiscal 2023	31	3,052			●	
Directors representing employees		Philippe Besson	09/21/1956	🇫🇷	0	06/18/2014	Fiscal 2022	6	-	N/A(4)			●
Directors representing employees		Cathy Martin	06/05/1972	🇨🇦	0	09/10/2015	Fiscal 2023(3)	5	-	N/A(4)	●		

(1) Independent directors based on the criteria provided in the AFEP-MEDEF Code.
(2) Subject to the approval of the January 12, 2021 Shareholders Meeting of the reappointment of Sophie Bellon, Nathalie Bellon-Szabo and Françoise Brougher as well as the appointment of Federico J. González Tejera as directors for three-year terms expiring at the Shareholders Meeting to be held to adopt the financial statements for Fiscal 2023.
(3) Cathy Martin was originally appointed as a director representing employees in 2015. She was then reappointed in 2018 by the European Works Council and her current term of office expires at the close of the January 12, 2021 Annual Shareholders Meeting. Cathy Martin was renewed for a three-year term starting on January 12, 2021.
(4) In accordance with French law and the AFEP-MEDEF Code, directors representing employees are not included in the calculation of the representation of men and women on the Board or the percentage of independent directors.

70%
Independent directors (excluding directors representing employees)

56
Average age of directors

60%
Female directors (excluding directors representing employees)

Biographical information on these directors is provided in chapter 5, section 5.2.1 of the Company's Fiscal 2020 Universal Registration Document.

Fourth resolution

(REAPPOINTMENT OF SOPHIE BELLON AS A DIRECTOR FOR A THREE- 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 adopt the financial statements for the fiscal year ending August 31, 2023.

Fifth resolution

(REAPPOINTMENT OF NATHALIE BELLON-SZABO AS A DIRECTOR FOR A THREE-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 to be held to adopt the financial statements for the fiscal year ending August 31, 2023.

Sixth resolution

(REAPPOINTMENT OF FRANÇOISE BROUGHER AS A DIRECTOR FOR A THREE-YEAR TERM)

Having considered the Board of Directors' Report, and noting that Françoise Brougher'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 adopt the financial statements for the fiscal year ending August 31, 2023.

Seventh resolution

(APPOINTMENT OF FEDERICO J. GONZÁLEZ TEJERA AS A NEW DIRECTOR FOR A THREE-YEAR TERM)

Having considered the Board of Directors' Report as well as the expiration as of today of Soumitra Dutta's term of office, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, resolves to appoint Federico J. González Tejera as new director of the Company in replacement of Soumitra Dutta for a three-year term expiring at the close of the Annual Shareholders Meeting to be held to adopt the financial statements for the fiscal year ending August 31, 2023.

Eighth resolution: Reappointment of KPMG SA as a Statutory Auditor

Purpose

The terms of office of KPMG SA as Statutory Auditor and Salustro Reydel S.A. as deputy Statutory Auditor expire at the close of the January 12, 2021 Annual Shareholders Meeting.

In order to ensure continuity of the Statutory Auditors' work since their first appointment in 2003, in the eighth resolution, shareholders are invited to reappoint KPMG S.A. as Statutory Auditor for a further six-year term, expiring at the close of the Annual Shareholders Meeting to be held to adopt the financial statements for Fiscal 2026.

In accordance with French Act 2016-1691 dated December 9, 2016 (the "Sapin II" Act) and article 14 of the Company's bylaws updated following the January 21, 2020 Ordinary Annual Shareholders Meeting, the Company has no longer the legal obligation to appoint deputy Statutory Auditor when the principal Statutory Auditors is not an individual or one person firm. Consequently, and taking into account that KMPG S.A. is a multi-partner company, the eighth resolution also invites shareholders not to reappoint or replace Salustro Reydel S.A. as deputy Statutory Auditor.

Eighth resolution

(REAPPOINTMENT OF KPMG S.A. AS STATUTORY AUDITOR)

Having considered the Board of Directors' Report, the Shareholders Meeting, acting under the rules of quorum and majority applicable to Ordinary Shareholders Meetings, resolves to reappoint KPMG S.A. – a French private limited company *(société anonyme)* whose registered office is located at Tour Eqho 2, Avenue Gambetta, 92066 Paris-La Défense Cedex, France, and registered with the Trade and Companies Register of Nanterre under number 775 726 417 – as Statutory Auditor for a six-year term expiring at the close of the Annual Shareholders Meeting to be held to adopt the financial statements for the fiscal year ending August 31, 2026.

Having noted that Salustro Reydel's term of office as deputy Statutory Auditor expires at the close of this meeting, the Shareholders Meeting resolves not to reappoint or replace Salustro Reydel as deputy Statutory Auditor.

Ninth resolution: Approval of information related to compensation paid during or awarded for Fiscal 2020 to the Corporate Officers

Purpose

In the ninth resolution, shareholders are invited to approve – in accordance with article L.225-100 II of the French Commercial Code – the information referred to in article L.225-37-3 I of the French Commercial Code relating to compensation paid during or awarded for Fiscal 2020 to the Chairwoman of the Board of Directors, the Chief Executive Officers and the Board of Directors (together referred to as "Corporate Officers").

All of the components of the Corporate Officers' compensation are proposed by the Board of Directors based on the recommendations of the Compensation Committee as detailed in the Board of Directors' Corporate Governance Report provided in chapter 5, section 5.5 of the Company's Fiscal 2020 Universal Registration Document.

Ninth resolution

(APPROVAL OF THE INFORMATION RELATED TO COMPENSATION PAID DURING OR AWARDED FOR FISCAL 2020 TO THE CORPORATE OFFICERS, AS REFERRED TO IN ARTICLE L.225-37-3 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.225-100 II of the French Commercial Code, approves the information referred to in article L.225-37-3 I of said Code, as described in the Corporate Governance Report prepared in compliance with article L.225-37 of said Code and detailed in chapter 5, section 5.5 of the Company's Fiscal 2020 Universal Registration Document.

Tenth and eleventh resolutions: Approval of the components of compensation paid during or awarded for Fiscal 2020 to the Chairwoman of the Board and the Chief Executive Officer

Purpose

In accordance with article L.225-100 III of the French Commercial Code, in the tenth and eleventh resolutions, 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, 2020 to Sophie Bellon, Chairwoman of the Board of Directors, and Denis Machuel, Chief Executive Officer.

Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and the resulting social and economic impacts, the Board decided to reduce by 50% the fixed compensation of both the Chairwoman of the Board of Directors and the Chief Executive Officer for the second half of the fiscal year, and to suppress Chief Executive Officer variable compensation for Fiscal 2020. This decision was fully supported by the Chairwoman of the Board of Directors and the Chief Executive Officer and allowed them to express their solidarity with the Group's employees. The amounts not paid for the fixed and variable compensation financed the creation of the Sodexo Employee Relief Program in April 2020 to help address some of the social and economic consequences of the crisis.

All of the components of the Chairwoman of the Board of Directors and the Chief Executive Officer' compensation are proposed by the Board of Directors based on the recommendations of the Compensation Committee as detailed in the Board of Directors' Corporate Governance Report provided in chapter 5, section 5.5.2 of the Company's Fiscal 2020 Universal Registration Document.

Tenth resolution

(APPROVAL OF THE COMPONENTS OF COMPENSATION PAID DURING OR AWARDED FOR FISCAL 2020 TO SOPHIE BELLON, CHAIRWOMAN OF THE BOARD OF 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.225-100 III 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, 2020 to Sophie Bellon, Chairwoman of the Board of Directors, as described in the Corporate Governance Report prepared in compliance with article L.225-37 of the French Commercial Code and detailed in chapter 5, section 5.5.2 of the Company's Fiscal 2020 Universal Registration Document.

Eleventh resolution

(APPROVAL OF THE COMPONENTS OF COMPENSATION PAID DURING OR AWARDED FOR FISCAL 2020 TO DENIS MACHUEL, 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.225-100 III 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, 2020 to Denis Machuel, 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 chapter 5, section 5.5.2 of the Company's Fiscal 2020 Universal Registration Document.

Twelfth resolution: Approval of the compensation policy applicable to Board of Directors for Fiscal 2021

Purpose

In accordance with article L.225-37-2 II of the French Commercial Code, in the twelfth resolution shareholders are invited to approve the policy for allocating Board of Directors' compensation adopted by the Board of Directors.

This policy reflects the practices implemented by the Company for many years in relation to Board of Directors' compensation and will apply starting in Fiscal 2021 until the approval of a new compensation policy by the Shareholders Meeting.

Given the unprecedented sanitary crisis caused by the Covid-19 pandemic and the resulting social and economic impacts, acting on the recommendation of the Compensation Committee, the Board of Directors proposes to freeze the overall amount of the Board of Directors' compensation for Fiscal 2021, unchanged since the January 23, 2018 Ordinary Annual Shareholders Meeting (eleventh resolution).

The compensation policies submitted for shareholder approval are proposed by the Board of Directors based on the recommendation of the Compensation Committee and are presented in detail in the Board of Directors' Corporate Governance Report provided in chapter 5, section 5.5.1.5 of the Company's Fiscal 2020 Universal Registration Document.

Twelfth resolution

(APPROVAL OF THE COMPENSATION POLICY APPLICABLE TO BOARD OF 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.225-37-2 II of the French Commercial Code, approves the components of the compensation policy applicable to Board of Directors for Fiscal 2021, as proposed by the Company's Board of Directors based on the recommendation of the Compensation Committee and as described in the Corporate Governance Report prepared in compliance with article L.225-37 of the French Commercial Code and detailed in chapter 5, section 5.5.1.5 of the Company's Fiscal 2020 Universal Registration Document.

Thirteenth and fourteenth resolutions: Approval of the compensation policies applicable to the Chairwoman of the Board of Directors and the Chief Executive Officer for Fiscal 2021

Purpose

In accordance with article L.225-37-2 II of the French Commercial Code, in the thirteenth and fourteenth resolutions, shareholders are invited to approve the compensation policies applicable to the Chairwoman of the Board of Directors and the Chief Executive Officer adopted by the Board of Directors.

These principles and criteria will apply from Fiscal 2021 until the approval of a new compensation policy by the Shareholders Meeting.

Chairwoman of the Board of Directors' compensation policy

The compensation policy of the Chairwoman of the Board of Directors for Fiscal 2021 is unchanged from that approved at the Ordinary Annual Shareholders Meeting of January 21, 2020.

A review of the compensation policy of the Chairwoman of the Board of Directors was intended to be performed in Fiscal 2020 prior to Sophie Bellon's reappointment as Chairwoman of the Board. However, given the unprecedented sanitary crisis caused by the Covid-19 pandemic and its resulting social and economic impacts, acting on the recommendation of the Compensation Committee, the Board of Directors proposes freezing the Chairwoman's annual fixed compensation for Fiscal 2021.

Chief Executive Officer' compensation policy

The main proposed changes to the compensation policy of the Chief Executive Officer for Fiscal 2020 compared to that approved at the Ordinary Annual Shareholders Meeting of January 21, 2020 are the following:

- the financial performance criteria applicable to the annual variable compensation of the Chief Executive Officer will be exceptionally defined for each of the first and second halves of the Fiscal 2021 in line with the financial objectives communicated to the market;
- the 20% corporate responsibility performance criterion of the long-term compensation of the Chief Executive Officer will now include, not only a diversity objective, but also an environmental objective.

The compensation policies submitted for shareholder approval are proposed by the Board of Directors based on the recommendation of the Compensation Committee and are presented in the Board of Directors' Corporate Governance Report provided in chapter 5, section 5.5.1 of the Company's Fiscal 2020 Universal Registration Document.

Thirteenth resolution

(APPROVAL OF THE PRINCIPLES AND CRITERIA USED TO DETERMINE, ALLOCATE AND AWARD THE COMPONENTS OF THE COMPENSATION AND BENEFITS PAYABLE TO THE CHAIRWOMAN OF THE BOARD OF 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.225-37-2 II of the French Commercial Code, approves the principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of the compensation and benefits payable to the Chairwoman of the Board of Directors for Fiscal 2021, as proposed by the Company's Board of Directors based on the recommendations of the Compensation Committee and as described in the Corporate Governance Report prepared in compliance with article L.225-37 of the French Commercial Code and detailed in chapter 5, section 5.5.1 of the Company's Fiscal 2020 Universal Registration Document.

Fourteenth resolution

(APPROVAL OF THE PRINCIPLES AND CRITERIA USED TO DETERMINE, ALLOCATE AND AWARD THE COMPONENTS OF THE COMPENSATION AND BENEFITS PAYABLE TO THE 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.225-37-2 II of the French Commercial Code, approves the principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of the compensation and benefits payable to the Chief Executive Officer for Fiscal 2021, as proposed by the Company's Board of Directors based on the recommendations of the Compensation Committee and as described in the Corporate Governance Report prepared in compliance with article L.225-37 of the French Commercial Code and detailed in chapter 5, section 5.5.1 of the Company's Fiscal 2020 Universal Registration Document.

Fifteenth resolution: Authorization for the Company to purchase its own shares

Purpose

As of August 31, 2020, the Company held 1,442,351 treasury shares, corresponding to 1% of its share capital, mainly allocated to cover commitments to beneficiaries under restricted share plans and employee share purchase plans.

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.

Although French law authorizes share buybacks of up to 10% of a company's share capital, it is proposed that they be limited to 5% of the share capital as of the date of the Annual Shareholders Meeting on January 12, 2021.

The maximum price of the shares that may be purchased under this share buyback program would be 90 euro per share and the total amount invested in the program may not exceed 663 million euro.

The shares purchased pursuant to this resolution would be used, *inter alia,* to (i) cover restricted share plans, (ii) reduce the Company's share capital by canceling shares, and (iii) provide liquidity in Sodexo shares under the liquidity contract entered into between Sodexo and Exane BNP Paribas.

For information on the implementation of the previous share buyback authorization, see chapter 6, section 6.3.5 of the Company's Fiscal 2020 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.225-209 *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 – or a duly authorized representative of the Board – 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 said 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 said 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 said Code, and/or (iii) any other beneficiary authorized by law to receive such share grants; or

- to allocate or sell shares to employees in connection with an employee profit sharing plan or a company or group share purchase plan (or equivalent plan) under the conditions provided for by law, including articles L.3332-1 *et seq.* of the French Labor Code; or
- to transfer shares upon exercise of rights attached to securities issued by the Company or, as authorized by law, by entities affiliated to it, which give access to Company shares through reimbursement, conversion, exchange, presentation of a warrant or any other method; or
- to reduce the Company's share capital by canceling shares within the limits provided for by law and by the twenty-third resolution of the January 21, 2020 Ordinary 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 by way of decision 2018-01 dated July 2, 2018; or
- generally, to fulfill the obligations related to stock option plans or other share grants to employees or Corporate Officers of the Company or an affiliated company.

The program is also intended to permit the implementation of any market practices that may be authorized at a future date by the AMF and, generally, the execution of any other transaction that complies with the applicable regulations. In this case, shareholders will be notified by means of a press release.

The transactions provided for pursuant to this resolution may be made by any method, in particular on the stock market 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. 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 5% of the Company's share capital as of the date of this meeting (*i.e.,* as an indication, as of August 31, 2020, a maximum of 7,372,744 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 90 euro per share. However, the Shareholders Meeting authorizes the Board of Directors to adjust this maximum purchase price in the event of a change in the nominal 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 663 million euro.

The Shareholders Meeting acknowledges that this authorization is granted for a period of eighteen (18) months as from the date of this meeting and cancels, with effect from this day, any unused portion of any prior authorization granted to the Board of Directors for the same purpose.

Full powers are given to the Board of Directors – or any duly authorized representative of the Board – to decide on and act on the present authorization, to clarify its terms if necessary and determine its specific details, to carry out share purchases and to place stock market orders and enter into agreements, in particular for the keeping of share purchase and sale registers, to allocate or reallocate purchased shares to the desired objectives in accordance with applicable laws and regulations, to establish the procedures necessary to safeguard, should the need arise, the rights of holders of securities or options, in accordance with applicable laws, regulations or contracts, and to make filings and carry out other formalities, and generally do all that is necessary.

Sixteenth resolution: Powers

Purpose

The sixteenth resolution is a standard resolution conferring powers to complete all legal formalities and filings relating to the resolutions approved at the Annual Shareholders Meeting.

Sixteenth 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.

STATUTORY AUDITORS' REPORTS

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, 2020

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, 2020. These financial statements were approved by the Board of Directors on October 28, 2020 based on information available at that date and in the evolving context of the Covid-19 health crisis.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at August 31, 2020 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 of the audit opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from September 1, 2019 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 or the French Code of Ethics (Code de déontologie) for Statutory Auditors.

Justification of our 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 the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, approved in the context described above, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Valuation of equity investments

Description of risk

The balance of equity investments at August 31, 2020 represented 6,806 million euro, the largest asset on the balance sheet. Equity investments are carried at cost, and at each balance sheet date, may be impaired based on their value in use.

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 and covering one to five years. In preparing such business plans, management is required to exercise judgment.

Accordingly, we deemed the valuation of equity investments and any related receivables or provisions for contingencies to be a key audit matter, due to the inherent uncertainty of certain components of the valuation, in particular the likelihood of achieving forecast results used to calculate value in use.

How our audit addressed this risk

In order to assess the reasonableness of the estimate of the value in use of equity investments, based on the information provided to us, our audit work consisted mainly in verifying that the estimated values determined by management were based on an appropriate measurement method and underlying data, and, depending on the investee concerned:

- for valuations based on historical data: verifying that the equity values used were consistent with the financial statements of the entities concerned, and that any adjustments to equity were based on documentary evidence;
- for valuations based on forecast data:
  - obtaining forecast future cash flows of the investees concerned, and assessing their consistency with the business plans drawn up by management,
  - assessing the consistency of the growth rates used for projected cash flows with available external analyses, in light of the economic environments in which the investees operate,
  - assessing the reasonableness of the discount rates applied to estimated future cash flows, verifying in particular that the various inputs used to calculate the weighted average cost of capital for each investee were sufficient to approximate the return expected by market participants for similar activities.

Our audit work also consisted in:

- assessing the recoverability of receivables related to equity investments;
- verifying the recognition of provisions for contingencies where the Company is exposed to the losses of investees with negative equity.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report approved on October 28, 2020 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.441-4 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.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.225-37-3 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 your 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.225-37-5 of the French Commercial Code relating to those items your 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 identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Sodexo by the Shareholders Meetings held on February 22, 1994 for PricewaterhouseCoopers Audit and on February 4, 2003 for KPMG Audit.

At August 31, 2020, PricewaterhouseCoopers Audit and KPMG Audit were in the twenty-seventh and the eighteenth consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, October 28, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit
	Department of KPMG SA
Stéphane Basset	Caroline Bruno-Diaz

Statutory Auditors' Report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended August 31, 2020

SODEXO

255, quai de la Bataille-de-Stalingrad
92866 Issy-les-Moulineaux Cedex 9, France

To the Shareholders,

OPINION

In compliance with the engagement entrusted to us by your Shareholders Meeting, we have audited the accompanying consolidated financial statements of Sodexo for the year ended August 31, 2020. These consolidated financial statements were approved by the Board of Directors on October 28, 2020 based on information available at that date and in the evolving context of the Covid-19 health crisis.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at August 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from September 1, 2019 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 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Emphasis of matter

Without qualifying our opinion, we draw your attention to note 2.1.2 "New accounting standards and interpretations required to be applied" to the consolidated financial statements, which describes the adoption at September 1, 2019 of IFRS 16 "Leases" and IFRIC 23 "Uncertainty over Income Tax Treatments".

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 the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, approved in the context described above, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of goodwill

(Note 6.4 to the consolidated financial statements)

Description of risk

At August 31, 2020, the goodwill balance amounted to 5,764 million euro, representing the largest item on the balance sheet. 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.

Recoverable amount is typically determined based on the present value of future cash flows and requires significant judgment from management, in particular as regards the preparation of business forecasts, as well as the discount and long-term growth rates used.

Accordingly, we deemed the measurement of the recoverable amount of goodwill to be a key audit matter, due to the size of the goodwill balance and the inherent uncertainty of certain inputs, in particular the likelihood of achieving forecast results included in such measurement.

How our audit addressed this risk

We performed a critical review of the methods applied by management to determine the recoverable amount of goodwill. Our audit work consisted in:

- assessing the components of the carrying amount of cash-generating units (CGUs) or groups of CGUs, corresponding to the level at which goodwill is monitored by the Group, and their consistency with those used in projecting future cash flows;
- assessing the consistency of the projected future cash flows with the economic environments in which the Group operates;
- assessing the consistency of the growth rates used to project future cash flows with available long term inflation forecasts for the relevant geographic regions;
- assessing the reasonableness of the discount rates applied to projected future cash flows, verifying in particular that the various inputs used to calculate the weighted average cost of capital for each CGU or group of CGUs were sufficient to approximate the return expected by market participants for similar activities;
- verifying that note 6.4 to the consolidated financial statements contains the appropriate disclosures on the sensitivity of the recoverable amount of goodwill to changes in the main assumptions used.

Supplier discount allowances

(Note 4 to the consolidated financial statements)

Description of risk

Vendor Discounts and Allowances (VDAs) received by the Group from suppliers in the context of Sodexo managed food or facilities services contracts are recognized as a reduction in cost of sales.

The Group has a large number of supplier purchasing agreements that provide for VDAs based on quantities purchased or other contractual conditions, including exceeding thresholds or respecting commitments, such as vendor exclusivity arrangements. These agreements may be signed at a local, regional or global level.

Due to the number of such agreements within the Group and the fact that their anniversaries do not always coincide with the Group's fiscal year, the measurement of VDAs requires significant estimates from management and is therefore deemed to be a key audit matter.

How our audit addressed this risk

We tested, as we deemed relevant, the effectiveness of the controls implemented by management to avert or detect any errors in estimating the value of VDAs.

Our audit procedures included, on a sample basis:

- analyzing supplier agreements and the proper application of their terms and conditions in determining the VDAs recognized for the fiscal year, in particular as regards purchasing volumes, including the estimation of VDA accruals at the end of the reporting period;
- verifying the existence of the most material receivables recognized at the end of the reporting period with regard to accrued VDAs, as well as the consistency of their calculation with the terms and conditions of the supplier agreements;
- comparing the VDAs effectively received after the end of the reporting period with the receivables recognized at the end of the reporting period in order to assess the reliability of the Group's estimates.

Tax risks

(Notes 2.1.2.2, 2.1.2.3 and 10.2 to the consolidated financial statements)

Description of risk

The Group has operations in numerous countries around the world and, in the normal course of business, is subject to regular inspections by local tax authorities.

Such inspections may give rise to tax adjustments and disputes with tax authorities.

Estimates of the impacts of these tax risks and any related provisions involve significant judgment by management, especially as regards the expected outcome of disputes in progress or the probability of identified risks occurring. Accordingly, we deemed this subject to be a key audit matter.

How our audit addressed this risk

We held meetings with management to gain an understanding of the internal control procedures implemented to identify tax risks and uncertain tax positions, and, when necessary, determine any provisions.

With the support of our tax experts, we also:

- held meetings with the Group tax department and local management to assess the latest status of any inspections in progress and tax adjustments notified by the tax authorities, and to monitor developments in any disputes in progress;
- consulted the recent decisions and correspondence of Group companies with the tax authorities, and gained an understanding of the correspondence between the companies concerned and their tax advisors;
- analyzed the responses of the tax advisors to our requests for information or their analyses of disputes in progress;
- conducted a critical review of the estimates and positions adopted by management;
- verified that the latest developments had been factored into the risk analysis and the estimates of the provisions set aside in the statement of financial position.

SPECIFIC VERIFICATIONS

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report approved on October 28, 2020.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the information related to the Group given in the management report includes the consolidated non-financial information statement required under article L.225-102-1 of the French Commercial Code. However, in accordance with the requirements of article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Sodexo by the Shareholders Meetings held on February 22, 1994 for PricewaterhouseCoopers Audit and on February 4, 2003 for KPMG Audit.

At August 31, 2020, PricewaterhouseCoopers Audit and KPMG Audit were in the twenty-seventh and the eighteenth consecutive year of their engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, October 28, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	**KPMG Audit**
	Department of KPMG SA
Stéphane Basset	Caroline Bruno-Diaz

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, 2020

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 the agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders’ Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements to be approved by the shareholders’ meeting

Agreements authorized and entered into during the year

We were not informed of any agreement authorized and entered into during the year to be submitted for approval at the Shareholders’ Meeting pursuant to the provisions of article L.225-38 of the French Commercial Code.

Agreements already approved by the shareholders’ meeting

Agreements approved in previous years that were implemented during the 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 implemented during the year.

SERVICE AGREEMENT BETWEEN BELLON SA AND SODEXO

- Persons concerned:

Sophie Bellon, Nathalie Bellon-Szabo, François-Xavier Bellon, members of the Board of Directors of Sodexo and members of the Management Board of Bellon SA.

- Purpose and reasons given as to why they are beneficial for the Company:

A service agreement has been in place between the Company and Bellon SA, Sodexo’s managing holding company, since 1991.

At its meetings on November 15, 2016 and July 10, 2017, the Board of Directors, on the recommendation of the Audit Committee, approved the revision of this agreement, which was approved by the Shareholders’ Meeting of January 23, 2018.

The new agreement came into effect on November 17, 2016 for a period of five years.

According to the Board of Directors, under the terms of this agreement, Sodexo can call upon the professional experience and expertise of the three Bellon SA managers holding the positions of Chief Financial Officer, Chief Human Resources Officer and Chief Growth Officer.

- Terms and conditions:

Under the terms of this agreement, Bellon SA invoices Sodexo for the compensation of the Chief Financial Officer, Chief Human Resources Officer and Chief Growth Officer during the secondment period. Their compensation is rebilled for the exact amount and includes a fixed and variable portion, as well as any related payroll taxes.

The total fees rebilled under this agreement, and changes compared with the previous year, are reviewed by the Audit Committee annually. In addition, and in compliance with the law, the agreement is reviewed every year by the Board of Directors.

The annual rebilled fees payable to Bellon SA are approved each year by the Board of Directors of Sodexo, without directors who are members of the Bellon family taking part in the deliberations or the vote.

The expense booked in the financial year amounted to 1,460,305 euros excluding taxes, relating to the compensation (including payroll taxes) paid to the Chief Financial Officer, Chief Human Resources Officer and Chief Growth Officer.

Neuilly-sur-Seine and Paris-La Défense, November 20, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit

Stéphane Basset

KPMG Audit

Department of KPMG SA

Caroline Bruno-Diaz

SUBSCRIPTION REQUEST FOR E-NOTICE

REGISTERED SHAREHOLDERS: OPT FOR THE E-NOTICE!
SIMPLE, QUICK, GREEN AND DIGITAL

The e-notice allows you to receive on your email address, your convocation and the documentation relating to Sodexo's Shareholders Meetings.

For this purpose, for pure and administered registered shareholders:

- Log on to the secure **Sharinbox** website:

www.sharinbox.societegenerale.com with your access codes:

> **access code (with 8 digit)**: it appears at the top of your statements and on the voting form (under the «Framework reserved for the Company»);

> **password**: this was sent to you by post when you opened your registered account with Société Générale Securities Services. If you have lost or forgotten your password, please go to the home page of the website and click on "Get your codes".

- Then, click on the tab "**My account**", select "**My e-services**". Check your email address in the "**Personal contact details**" section and click on "**Subscribe for free**" in the "e-services / e-notices for general meetings" section.

Your personal data is processed by Société Générale, as a data controller, to ensure your participation in the shareholders meeting to be held on January 12, 2021. We will only retain it for as long as necessary to fulfil the above-mentioned purposes until the end of the relevant legal retention periods. In accordance with the French data protection law, you have a right to access, correct and delete your personal data that you can, at any time, exercise by contacting SGSS-PersonalData@socgen.com. If you believe that your data protection rights may have been breached, you have the right to lodge a complaint with the CNIL (www.cnil.fr) or to seek a remedy through the French courts.

NOTES

sodexo
QUALITY OF LIFE SERVICES

REQUEST FOR DOCUMENTS AND FURTHER INFORMATION

I the undersigned: ....

Address: ....

...

Holder of .... shares in SODEXO, a société anonyme with a share capital of EUR 589,819,548 with its registered office at 255 quai de la Bataille de Stalingrad, 92130 Issy-les-Moulineaux, France, registered with the Nanterre Register of Commerce and Companies under number 301 940 219,

Hereby request to receive, at the above-mentioned address, the documents and information referred to by Article R.225-83 of the French Commercial Code relating to the Annual Shareholders' Meeting to be held on January 12, 2021.

Pursuant to Article R.225-88 paragraph 3 of the French Commercial Code, registered shareholders, upon simple request, may obtain from the Company documents and information specified in Articles R.225-81 and R.225-83 of the French Commercial Code for all subsequent Shareholders' Meetings. Registered shareholders who wish to benefit from this option should specify so in this document.

Signed in ....

On ....

Signature

** Pursuant to article R. 225-88 paragraph 3 of the French Commercial Code, registered shareholders shares may, upon simple request, obtain documents and information from the Company, as listed in articles R. 225-81 and R. 225-83 of the French Commercial Code, at each subsequent Shareholders' Meeting. Registered shareholders wishing to benefit from this option should use this form.*

DOCUMENT TO BE COMPLETED AND RETURNED:

- **if you hold registered shares:**
  to Société Générale Securities Services – Service Assemblée Générale
  32 rue du Champ de Tir – CS 30812, 44308 Nantes Cedex 3.
- **if you hold bearer shares:**
  to the financial intermediary in charge of your share account.

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QUALITY OF LIFE SERVICES

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