



Environment Progress Review

NOVEMBER 2011

www.sodexo.com



The Better Tomorrow Plan is Sodexo's plan for a better future


THE BETTER TOMORROW PLAN:

- 3 priorities
- 14 commitments
- 1 journey forward covering
- 80 countries
- 33,400 sites
- Engaging our 391,000 employees

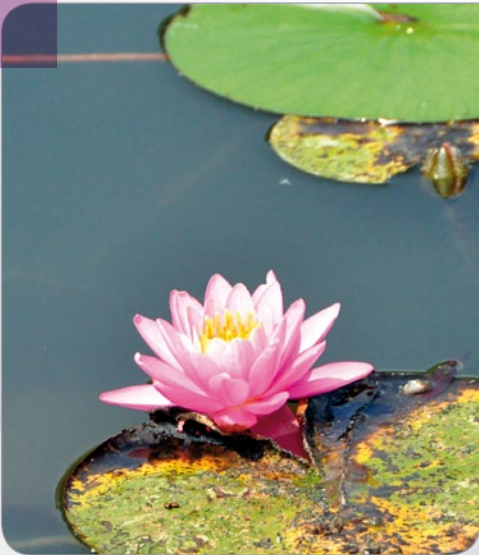
sodexo

Quality of Daily Life Solutions

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• Our rankings and awards



ABOUT SODEXO

PROFILE

QUALITY OF LIFE IN THE SERVICE OF PERFORMANCE

Quality of Life services play an important role in the progress of individuals and the performance of organizations. Based on this conviction, Sodexo serves as the partner for companies, institutions and local authorities who place a premium on performance and employee well-being, as it has since Pierre Bellon founded the company in 1966.

Sharing the same passion for service, Sodexo's **391,000 employees in 80 countries** around the world deliver an array of services that improve the Quality of Life.

Sodexo is the world's only company offering **on-site, motivation and personal and home services**, which contribute to the performance of its clients, the fulfillment of its employees and the economic, social and environmental development of its host communities.

GROUP KEY FIGURES

- **16** billion euro in consolidated revenues
- **391,000** employees
- **33,400** sites
- **50** million consumers served daily
- **80** countries

On-site Service Solutions

Sodexo provides clients with a wide array of on-site services, everything from reception services to the maintenance of scanners and laboratory equipment, foodservices to construction management, management of data centers to leisure cruises, and housekeeping to rehabilitation services at correctional facilities.

These solutions contribute to progress in eight client segments:

- Corporate
- Defense
- Justice Services
- Remote Sites
- Health Care
- Seniors
- Education
- Sports and Leisure



**Leader in On-site Service Solutions
in most of its markets**

KEY FIGURES

- **95.5%** of Group revenues
- **15.3** billion euro in consolidated revenues



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Motivation Solutions

Sodexo partners with private and public organizations to design, manage and deliver customized Motivation Solutions in three service categories:

- **Employee Benefits** to attract, engage and retain employees.
- **Incentives and Recognition** to help organizations reach their qualitative and quantitative objectives.
- **Public Benefits** to manage and control the distribution of aid and public subsidies.

The Pass, designed by Sodexo to serve a variety of purposes from transport and meals to gifts and training, is accepted by a **network of more than one million retailers and service providers** throughout the world.

A worldwide leader in Motivation Solutions

KEY FIGURES

- **13.7** billion euro in issue volume
- **4.5%** of Group revenues
- **717** million euro in consolidated revenues
- **385,000** clients (excluding individuals)
- **27.4** million beneficiaries
- **1.1** million affiliated partners

Personal and Home Services

Sodexo designs and deploys Personal and Home Services that improve the Quality of Life in four main areas:

- **childcare**
- **tutoring and adult education**
- **concierge services**
- **senior care**

Through these services, Sodexo contributes to the development of children, teenagers, adults and seniors.





THE BETTER TOMORROW PLAN

The Better Tomorrow Plan is Sodexo's plan for a better future, with three priorities, 14 commitments and one journey forward involving 80 countries, 33,400 sites and 391,000 employees.

Sodexo is the recognized global sustainability leader in its market sector.

To take our credentials to the next level of performance, in 2009 we defined a **worldwide corporate citizenship roadmap for the Sodexo Group: the Better Tomorrow Plan**. This commitment to corporate citizenship is central to Sodexo's Ambition 2015 strategy roadmap.

Applicable in our 80 countries, at our 33,400 clients' sites and engaging our 391,000 employees, the Better Tomorrow Plan is a journey with **milestones in 2012, 2015 and 2020**, built on a solid base of initiatives already undertaken in our host countries.

Each of our commitments figures in a detailed planning schedule where all phases of the roll-out will be subject to regular evaluation, with the baseline situation benchmarked to specific targets. Thus, progress milestones have been set for 2012, 2015 and 2020. **We are now taking our credentials to the next level of performance by rolling out this plan internationally.**



This plan therefore seeks to address the issues that we have identified as being significant to our market and stakeholders. It comprises **three core pillars**:



WE ARE

The fundamentals that serve as the cornerstone of a responsible company.



WE DO

Three priorities with 14 commitments to action:

- Actively promote Nutrition, Health and Wellness
- Commit to Local Communities
- Protect the Environment



WE ENGAGE

In dialogue and joint actions with our stakeholders.

FOCUS ON SODEXO'S TWO GLOBAL PARTNERS WWF AND MSC

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WORLDWIDE TECHNICAL PARTNERSHIP BETWEEN WORLD WILDLIFE FUND (WWF) AND SODEXO

In March 2010, **WWF and Sodexo** signed an agreement to work together globally on environmental and supply chain issues of mutual interest. This has started with seafood, agricultural commodities, water and energy and focus on promoting environmental and sustainable supply-chain practices. We have a three-year agreement to address these and other key areas of the value chain across the globe.

● What has been accomplished in Fiscal 2011?

During Fiscal 2011, the Subject Matter working groups worked closely with the WWF to define standards and guidelines on environmental issues. The Corporate Citizenship Steering Committee along with the WWF and BSR interacted through various seminars, committees and meetings, including a two-day meeting dedicated to the "We Engage" pillar.

Within our agreement with the WWF, our mutual work includes:

- **Sustainable Supplies:** Sodexo and the WWF worked together on Sodexo's sustainable seafood sourcing policy and on priority species for joint action.
- **Energy and Emissions:** the WWF helps Sodexo to develop protocols and establish a framework for measuring and reporting on greenhouse gas emissions in our business (including services performed at client sites). In addition, we worked to identify priority commodities in our Supply Chain, where we will focus our efforts to reduce our Scope 3 emissions. We are also in the process of developing a briefing on climate risk for our business segments.

- **Local, seasonal or sustainably grown or raised products:** Sodexo and the WWF worked to define the five priority agricultural commodities based on several issues that include greenhouse gas emissions, water footprint, biodiversity, social concerns, purchasing volume and client and investor concerns.
- **Water and Effluents:** Sodexo worked with the WWF to validate Sodexo's virtual global footprint.

In Fiscal 2011, the WWF was also involved in the creation of the set of guidelines for each relevant "We Do" commitment – see Implementation process part for details.

TESTIMONIAL

"We are pleased to see Sodexo take this important step to improve the sustainability of seafood choices available in the marketplace. We hope their commitments serve as a model for other major brands to follow as a way to reduce impact on the environment and provide customers with responsibly sourced seafood. By supporting fishery improvement projects and engaging with global sustainable seafood organizations like the Marine Stewardship Council and Aquaculture Stewardship Council, Sodexo is demonstrating the true value of collaboration."

Meredith Lopuch,
Director of Major Buyers Initiative for Fisheries at WWF

WORLDWIDE AGREEMENT WITH MARINE STEWARDSHIP COUNCIL (MSC)

MSC is the leading eco-label and fishery certification program whose mission is to use its ecolabel and fishery certification programme to contribute to the health of the world's oceans by recognising and rewarding sustainable fishing practices, influencing the choices people make when buying seafood, and working with its partners to transform the seafood market into a sustainable basis.

In June 2011, we signed a worldwide agreement with the Marine Stewardship Council (MSC) for wild-caught fish with the view to:

- promoting MSC-certified seafood across the 80 countries where Sodexo operates and
- maximizing awareness and collaboration with both our Clients and Consumers.

TESTIMONIAL

"We are delighted to see one of world's largest foodservice companies make such a commitment to certified sustainable seafood. Their leadership will contribute to transform the global seafood market to a sustainable basis, which is also MSC's top priority."

Nicolas Guichoux,
Regional Director for Europe at MSC



PERFORMANCE

In accordance with the commitment that we made when we published the Better Tomorrow Plan, we have defined, implemented and consolidated a range of indicators in order to monitor and manage the achievement of our Plan.

Progress indicators to monitor our progress on the activities defined for the implementation of the Better Tomorrow Plan starting with baseline for Fiscal 2009.

Impact indicators to measure the impact of implementing the Better Tomorrow Plan activities

These Indicators have been designed to ensure that Sodexo will have the necessary data to be able to accurately monitor its progress for internal reporting and management needs as well as to promptly respond to an ever increasing level of mandatory and voluntary sustainability reporting that is emerging in countries throughout the world.

► In Fiscal 2010

We carried out a **comprehensive inventory of our business in order to establish the Fiscal 2009 baseline** for all of our Better Tomorrow Plan commitments. The country inventory was repeated at the end of the fiscal year in order to establish our indicators for Fiscal 2010.

► During Fiscal 2011

Each country defined its priorities and objectives from now until 2020. This process has given every country a roadmap with priorities which will be reviewed annually following the inventory process. We have also carried out our **annual inventory** to assess our progress on the Better Tomorrow Plan commitments two years into its deployment. We have updated our country inventory in order to reflect the evolution in our commitments and new internal and external requirements.


► What's next in Fiscal 2012?

We will continue to refine and develop our performance indicators, in particular with a view to being able to accurately report the impact of our activities at site level. In accordance with the plan that we had defined at the launch of the Better Tomorrow Plan and in accordance with Article 225 of the Grenelle Law II, **we are also preparing for the external verification of our indicators.**

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ENVIRONMENT

 ENVIRONMENT	Fiscal 2009	Fiscal 2010	Fiscal 2011	Basis for consolidation Fiscal 2011
ENVIRONMENTAL RESOURCES				
% of countries employing environmental resources	NEW		95.1%	94% of Group revenues
SUSTAINABLE SUPPLIES				
Supply Chain Code of Conduct				
% of countries having the Group Supplier code of conduct available in their national language	87.3%	93.0%	99.4%	95% of Group revenues
% of contracted suppliers having signed a supplier code of conduct	NEW		87.1%	93% of On Site Services Revenues
Local, Seasonal or Sustainably Grown or Raised Products				
% of countries selecting products that support the development of a sustainable palm oil industry	NEW		32.3%	90% of On Site Services Revenues
Sustainable Fish and Seafood				
% of countries having eliminated the purchase of all at risk seafood species	8.1%	17.3%	100.0%	95% of On Site Services Revenues At 31 st December 2011
% of countries holding MSC certification (sites or Supply Chain)	NEW		31.6%	89% of On Site Services Revenues
Number of MSC certified foodservice sites	271	374	1,855	77% of On Site Services Revenues
Sustainable Equipment and Supplies				
% of spend on concentrated chemicals as a % of total chemicals	NEW		77.9%	93% of On Site Services Revenues
% of spend on certified sustainable paper disposables as a % of total paper disposables	79.4%	79.1%	66.7%	88% of On Site Services Revenues



PERFORMANCE

	Fiscal 2009	Fiscal 2010	Fiscal 2011	Basis for consolidation Fiscal 2011
ENERGY AND EMISSIONS				
% of sites implementing the carbon footprint reduction program	11.8%	11.8%	4.5%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites implementing initial awareness and behaviour steps to reduce their consumption of energy	45.4%	45.4%	70.5%	
% of sites implementing heightened awareness and behaviour steps to reduce their consumption of energy	NEW		27.2%	
% of sites which are able to accurately measure their progress	NEW		17.3%	
% of Motivation Solutions countries raising awareness about the importance of energy efficiency	NEW		79.0%	72% of Motivation Solutions Revenues
Head Office electricity consumption	2,334,494 kWh	2,130,199 kWh	2,055,073 kWh	
Head Office electricity consumption per m ²	296 kWh	270 kWh	260 kWh	
WATER AND EFFLUENTS				
% of sites implementing the water conservation program	8.8%	8.8%	12.8%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites implementing initial awareness and behaviour steps to reduce their consumption of blue water	66.9%	66.9%	69.1%	
% of sites implementing heightened awareness and behaviour steps to reduce their consumption of blue water	NEW		55.4%	
% of sites which are able to accurately measure their progress	NEW		23.8%	
% of Motivation Solutions countries raising awareness about the importance of water efficiency	NEW		76.4%	72% of Motivation Solutions Revenues
Head Office water consumption	2,322 m ³	2,366 m ³	2,699 m³	
Head Office water consumption per m ²	0.3 m ³	0.3 m ³	0.3 m³	

	Fiscal 2009	Fiscal 2010	Fiscal 2011	Basis for consolidation Fiscal 2011
MATERIALS AND WASTE				
Organic Waste				
% of sites implementing the organic waste reduction program	4.5%	4.5%	10.0%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites implementing initial awareness and behaviour steps to reduce their organic waste	39.8%	39.8%	54.4%	
% of sites implementing heightened awareness and behaviour steps to reduce their organic waste	NEW	NEW	23.5%	
% of sites which are able to accurately measure their progress	NEW	NEW	28.8%	
% of sites implementing initiatives to recover organic waste	52.8%	52.8%	30.6%	
% of sites where Used Cooking Oil is recovered	53.8%	53.8%	84.8%	
Non Organic Waste				
% of sites implementing measures to reduce non organic waste	4.0%	4.0%	12.3%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites implementing initial awareness and behaviour steps to reduce their non organic waste	33.9%	33.9%	27.3%	
% of sites implementing heightened awareness and behaviour steps to reduce their non organic waste	NEW	NEW	30.6%	
% of sites which are able to accurately measure their progress	NEW	NEW	29.1%	
% of sites implementing initiatives to recover non organic waste	NEW	NEW	67.6%	
% of Motivation Solutions countries raising awareness about the importance of non organic waste reduction	NEW	NEW	90.5%	72% of Motivation Solutions Revenues



WE DO

THREE PRIORITIES AND 14 COMMITMENTS





Through a process of stakeholder consultation, we have defined three key sustainability priorities and 14 commitments:

We will increase the level of performance in our sustainable development journey by engaging with our clients and our 391,000 employees to embed our commitments into 33,400 sites in 80 countries.

3 PRIORITIES	14 WE DO COMMITMENTS
NUTRITION HEALTH AND WELLNESS	<ul style="list-style-type: none"> We will develop and promote health and wellness solutions for our clients, consumers and employees in all the countries where we operate by 2015. We will provide and promote varied and balanced food options at all our clients' sites by 2012. We will provide and promote choices with a reduced intake of sugar, salt and fats at all our clients' sites by 2015.
LOCAL COMMUNITIES	<ul style="list-style-type: none"> We will fight hunger and malnutrition through our STOP Hunger Initiative in all the countries where we operate by 2020. We will support local community development in all the countries where we operate by 2015. We will increase the purchase of products sourced from fairly traded certified sources by 2015.
ENVIRONMENT	<ul style="list-style-type: none"> SUSTAINABLE SUPPLIES <ul style="list-style-type: none"> We will ensure compliance with a Global Sustainable Supply Chain Code of Conduct in all the countries where we operate by 2015. We will source local, seasonal or sustainably grown or raised products in all the countries where we operate by 2015. We will source sustainable fish and seafood in all the countries where we operate by 2015. We will source and promote sustainable equipment and supplies in all the countries where we operate by 2020. ENERGY AND EMISSIONS <ul style="list-style-type: none"> We will reduce our carbon footprint in all the countries where we operate and at clients' sites by 2020. WATER AND EFFLUENTS <ul style="list-style-type: none"> We will reduce our water footprint in all the countries where we operate and at clients' sites by 2020. MATERIALS AND WASTE <ul style="list-style-type: none"> We will reduce organic waste in all the countries where we operate and at clients' sites by 2015. We will support initiatives to recover organic waste. We will reduce non-organic waste in all the countries where we operate and at clients' sites by 2015. We will support initiatives to recover non organic waste.

Sodexo will strive to report the progress of its commitments regularly and accurately in order to ensure that the objectives set are achieved.



PROTECT THE ENVIRONMENT

SUPPLY CHAIN CODE OF CONDUCT

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CONTACT

Lesley SANDER

Subject Matter Leader for Sustainable
Supply Chain Initiatives

lesley.sander@sodexo.com



Sodexo's commitment:

We will ensure compliance with a global, sustainable Supply Chain Code of Conduct in all the countries where we operate by 2015.

Sodexo employs over 391,000 people throughout the world, and millions more work for the companies in our supply chain. Our challenge is to ensure that all the products and services we source are produced according to widely accepted social, environmental and ethical standards.

KEY FACT



Our 2011 inventory allowed us to identify that

99% of our countries have implemented a Supplier Code of Conduct.





PROTECT THE ENVIRONMENT SUPPLY CHAIN CODE OF CONDUCT

STRATEGY

► Why Sodexo is engaged

- In our businesses, it is essential to **develop trusting, long-term relationships with each of our suppliers** to guarantee the quality of our products throughout the supply chain. In our host countries, we will not knowingly engage with suppliers that do not respect our standards.
- Sodexo responds to client and customer expectations and its own core values by seeking to **increase its use of environmentally and ethically sound products**. By educating our supply partners on Sodexo's Supply Chain Code of Conduct, we can help to improve working conditions for millions around the world, protect the environment and ensure that ethical standards are adhered to.



through a multi-criteria assessment approach that includes quality, traceability, safety, hygiene, and economic, social and environmental factors.

We have based our commitment on a **Global Strategy** and our action plan will continue to have both short- and long-term impacts:

- Sodexo has a **Group Supply Chain Management policy** and each country is also required to have its own to complete the Group policy.
- Review and improve existing **Group supply chain standards** relating to nutrition, food safety, the environment, human rights, labor standards, general business ethics, transparency, contaminants and additives.
- Revise the **Group Supplier Code of Conduct**: Sodexo first set out its Group Supply Chain Management policy and Vendor Code of Conduct in February 2008. These documents set out Sodexo's desire to conduct business with its suppliers using sound and responsible ethical, social and environmental practices, and they cover labor, environmental, and local community aspects.
- Increase the share of **purchasing spend with upstream suppliers**.
- Roll out a **Group-wide control mechanism** to ensure compliance to the Group Supplier Code of Conduct.

► How we get there

The Better Tomorrow Plan reinforces the work that the Group has already undertaken to improve the sustainability of its supply chain and sets out **detailed and time-bound objectives**, in particular for Food Safety; Nutritional Content; Fairly Traded Products; Supplier Code of Conduct; Local, Seasonal or Sustainably Grown or Raised Products; Sustainable Seafood and Sustainable Equipment and Supplies.

We carefully select our suppliers in each country



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PROTECT THE ENVIRONMENT SUPPLY CHAIN CODE OF CONDUCT

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DEPLOYMENT

► How we implement our strategy

During Fiscal 2011

● Revising our Group Supplier Code of Conduct

- As part of the Better Tomorrow Plan and Sodexo's drive to reinforce its sustainable development strategy and develop proactive sustainable offers for its clients, the Group appointed a **working group dedicated to Sustainable Procurement**, which has worked during 2010 to review its Global Supplier Code of Conduct. This extensive review was finalized in April 2011, following a validation by the Worldwide Supply Chain Steering Committee and the Fundamental Rights at Work Steering Committee.
- The main changes compared to the previous version are linked to the request to suppliers to keep Sodexo informed about their progress in respect to the actions and improvement plans that they may have regarding the Code of Conduct. In this revised version, references have been added to **Fundamental Rights at Work, and to Business Integrity, such as Unfair Competition and Corruption**.

- The Code of Conduct is accompanied by a **User Guide** explaining why it is important and how it should be implemented, as well as a standard Supplier Acknowledgement Form.
- Our objective is to ensure that every country has the Code of Conduct available in their national language and that it is signed by their contracted suppliers. The translation process is now underway and **the code is already available in 20 languages**: Chinese, Czech, Danish, Dutch, English, Finnish, French, German, Hungarian, Italian, Norwegian, Portuguese, Romanian, Russian, Slovak, Slovenian, Spanish (Central and South America), Spanish (Spain), Swedish, and Turkish.

● Disseminating the Statement of Business Integrity to the Supply Chain Management teams

Each of the Supply Chain Management teams has also received the **Statement of Business Integrity**, which sets out the way in which our teams are expected to conduct business relationships. All of the documents related to Supply Chain practices are available to our teams via the Group Intranet.

● Conducting Supplier audits

Sodexo's suppliers are regularly audited against rigorous standards covering:

- Control of Bioterrorism risks;
- Maintenance of Equipment and Buildings;
- Storage Conditions;
- Foreign Material Hazards;
- Delivery vehicles, Temperature Control and Lead times;
- Hygiene, including equipment, protective clothing, cleaning processes and pest control;
- Employee Safety and Working Conditions, including training, ILO standards, diversity and integration, and respect for Sodexo's ethical principles;
- Control of the Supply Chain;
- Compliance with Sodexo's specifications and implementation of measures to guarantee Sodexo's volumes;
- Control of shelf lives;
- Product labelling;
- Product testing;
- Quality systems and certification;
- Traceability and recall procedures;
- Crisis Management;
- Environmental Policies, Management, Training, Sustainable Sourcing, Logistics Optimization, Product Conception, Waste Management.

We have a **comprehensive auditing tool** which allows both our internal and external auditors to evaluate our suppliers using the same reference points. In addition to the audits that are carried out on our suppliers either by our own teams or by third party auditors, we conduct **specific self-assessment surveys** which require our suppliers to assess themselves against a set of references set by Sodexo, and to define their action plans to improve their performance against this set of references.

GOOD PRACTICES



UNITED STATES

In 2009, the Coalition of Immokalee Workers (CIW) identified that forced labor practices were being used on tomato farms in Florida.

As a result, Sodexo has :

- Put into place measures to expand the ability of its distributors to report the growers from whom it buys tomatoes;
- Implemented a strict Florida tomato supplier code of conduct that supplements the existing code of conduct;
- Contributed to building a system of real accountability, with tangible consequences for growers who fail to respect farm workers' basic rights.



PROTECT THE ENVIRONMENT SUPPLY CHAIN CODE OF CONDUCT

► What's next

2012

- Follow up on the **progress on implementation of the Group Supplier Code of Conduct** based on information gathered during Fiscal 2011 country inventory process.
- Ensure that **the Code is signed** at least by all contracted suppliers in every country.
- Issue a **Detailed Guide for Suppliers** explaining each aspect of the Code of Conduct.
- Develop a **Group-wide control mechanism** aimed at ensuring that our suppliers respect the Code of Conduct that they have signed, and ensure its implementation.
- Consider participating at Group level in a **joint industry-supplier evaluation program**.

2014

- All international suppliers audited to ensure compliance with revised Code of Conduct.
- A tool is made available to share audit results among countries.

2015

- All tier one suppliers audited to ensure compliance with revised Code of Conduct.



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PERFORMANCE

► KPIs

This year, we have worked to have every country in the Group implement the same Group Supplier Code of Conduct in order to guarantee consistency in the standards that we expect from our suppliers.



KEY PERFORMANCE INDICATORS	FISCAL 2009	FISCAL 2010	FISCAL 2011	Basis for consolidation Fiscal 2011
% of countries having the Group Supplier code of conduct available in their national language	87.3%	93.0%	99.4%	95% of Group revenues
% of contracted suppliers having signed a supplier code of conduct	NEW		87.1%	93% of On Site Services Revenues

Read more at www.sodexo.com

- Environment Section
- Supplier Code of Conduct

GOOD PRACTICES



UNITED KINGDOM AND IRELAND

Sodexo uses an IT platform, Trade Interchange, to ensure that all of its contracted suppliers sign the Group Supplier Code of Conduct through the signature of the Group Supplier Acknowledgement Form.



MOROCCO

Sodexo has sent the new Group Supplier Code of Conduct to all of its contracted suppliers. A large number of them have already signed the Code and the process is underway with the remaining ones.



LOCAL, SEASONAL OR SUSTAINABLY GROWN OR RAISED PRODUCTS



CONTACT

Lesley SANDER

Subject Matter Leader for Sustainable
Supply Chain Initiatives

lesley.sander@sodexo.com



Sodexo's commitment:

We will source local, seasonal or sustainably grown or raised products in all the countries where we operate by 2015.



KEY FACT



In 3 European countries,

Sodexo is using a range of margarine products supporting the sustainable production of palm oil through GreenPalm certificates and will extend this practice to other countries.

Agriculture can have a significant impact over greenhouse gas emissions, water consumption, pollution and deforestation. It also potentially harms health through the use of pesticides, fertilizers and antibiotics.





PROTECT THE ENVIRONMENT

LOCAL, SEASONAL OR SUSTAINABLY GROWN OR RAISED PRODUCTS

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STRATEGY

Why Sodexo is engaged

- Sodexo purchases significant quantities of products for its activities worldwide and strives to ensure that these products are produced in accordance with recognized environmental and social standards.
- In some instances, **demand for agricultural land can also lead to significant social impacts**, including the displacement of indigenous populations and human rights abuses.
- **We assist new and existing suppliers or producers** in understanding general business requirements, practices and procedures of the markets where we operate.
- **Sodexo works closely with local populations and civil society organizations** to adapt to local values and customs, and to include both the majority culture and the minority cultures.
- As a very decentralized company, **we strive to adapt to the cultural context of each zone, country and site**, and to respond to the specific expectations of local clients and customers through the help of a local workforce and local suppliers.

How we get there

- Define the **priority commodities** based on greenhouse gas emissions, water footprint and river basins, overlap with areas of high biodiversity, social concerns, purchasing volume and client and investor concerns, and in consultation with WWF within the framework of our technical agreement.
- Develop our **sustainable sourcing policy** and strategy for each of the identified priority commodities.
- Train our **buying teams** to include sustainable agricultural practices for the priority commodities in our product and supplier selection criteria.
- Review our **menus and recipes** to align them with our sustainable sourcing policies.
- Work with suppliers to **replace the palm oil content** of our products with only certified sustainable palm oil.



GOOD PRACTICES



UNITED KINGDOM

Sodexo has carried out a comprehensive review of all its service offers to ensure that sustainable agriculture is a constant feature in all of them. Supported by the celebrity chef, Matt Dawson, Sodexo launched an awareness campaign for its employees and clients.

ITALY

In collaboration with the Piedmont Region and Coalvi, Sodexo has developed two frozen products: hamburgers and meatballs obtained from Razza Piemontese Coalvi meats and used in different menus in many sites, not only in this region. This initiative guarantees the farmers a constant price and ensures that they can continue to raise cattle in this area of Italy. projects in other regions such as Sardinia.





PROTECT THE ENVIRONMENT

LOCAL, SEASONAL OR SUSTAINABLY GROWN OR RAISED PRODUCTS

DEPLOYMENT

► How we implement our strategy

During Fiscal 2011

- In conjunction with the WWF, and validated by the World Wide Supply Chain Steering Committee as well as the Corporate Citizenship Steering Committee, Sodexo has defined **five priority agricultural commodities**: fruit and vegetables, beef, dairy products, palm oil and soy.
- Sodexo will define a **sustainable sourcing policy and strategy** for each of these agricultural commodities as a priority.
- Concerning sustainable palm oil, a **working group for palm oil** was set up to work with some of the major palm oil consuming countries (in Europe, North America, South America and Asia) in order to set a time frame for future application of the strategy. Sodexo was assisted in this work by WWF as part of its technical agreement on Sustainable Agriculture.

RSPO

Roundtable on Sustainable Palm Oil

- Sodexo applied for and obtained membership of the RSPO (Round Table on Sustainable Palm Oil).

- Our European sourcing team has already included the ability to provide certified sustainable palm oil as part of its specifications for the **supply of margarines and frying oil**.
- Sodexo in Europe has selected a **range of margarine products supporting the sustainable production of palm oil** through GreenPalm certificates. We started rolling out these products in January 2011.
- Sodexo in Europe is selecting a **range of frying oils supporting the certified sustainable production of palm oil**. These products are available since September 2011.
- In 2011, for the second year running, Sodexo participated in the request of the **Forest Footprint Disclosure Project**, based on its exposure to five key commodities - soy, palm oil, timber, cattle products and biofuels - in its operations and/or its supply chain. All these commodities have the potential to be sourced from recently deforested land.

GOOD PRACTICES

● EUROPE

Sodexo has defined its own rigorous criteria for the selection of tropical fruits on both quality and sustainability criteria. In return for their engagement to respect our criteria, the supplier receives a **guaranteed annual price for their product providing them stability in their income and production**. On this basis, Sodexo has so far awarded a European contract for the supply of pineapple and for the supply of bananas to its subsidiaries in Europe that are now in the process of being deployed.

Both suppliers guarantee:

- Signature of the Sodexo Group Supplier Code of Conduct
- Global GAP certification
- Guaranteed country of origin sourcing



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► What's next

2012

- **Raising the level of awareness** internally through the Supply Chain and the Better Tomorrow Champion network about the **importance of sourcing certified sustainably produced palm oil**.
- **Raising awareness among the supplier community about the importance of sustainable palm oil production**. Our work with suppliers on frying oil and margarines has allowed us to inform those who were not already informed about the environmental and social issues surrounding palm oil and how they could take measures to improve their sustainability. We will work to extend this approach to every tender on categories of product which contain palm oil.
- **Raising awareness amongst our clients and consumers** about the importance of sustainable palm oil production.
- Our European sourcing team will systematically **include the ability to provide certified sustainable palm oil** as part of its specifications for the supply of all relevant categories such as frozen bakery, soups and bouillons, and French fries.
- We have launched a **worldwide inventory to precisely identify the quantity of palm oil** that we consume through our purchases of margarine and frying oil, as these are the two categories of products that represent the largest palm oil consumption for Sodexo.
- Once we have concluded our inventory, we will **purchase the equivalent amount of GreenPalm certificates to reward palm producers** for working in a sustainable and responsible way.
- We will closely **monitor the amount of certified sustainable palm oil** that Sodexo consumes.
- Finalize our **sustainable sourcing policy and strategy** for the remaining priority commodities

2015

- All countries have menus, recipes and products that respect Group sustainable agriculture standards.



PROTECT THE ENVIRONMENT

LOCAL, SEASONAL OR SUSTAINABLY GROWN OR RAISED PRODUCTS

CONTENTS



PERFORMANCE

KPIs

KEY PERFORMANCE INDICATORS	FISCAL 2009	FISCAL 2010	FISCAL 2011	Basis for consolidation Fiscal 2011
% of countries selecting products that support the development of a sustainable palm oil industry		NEW	32.3%	90% of On Site Services Revenues

Recognitions

United Kingdom

- **MIDAS (Menu Innovation and Development Award 2010) Workplace Catering Award**
- **Springboard Award** for Excellence in Corporate Responsibility
- Compassion in **World Farming's Good Egg Award – Prestige**
- **Cost Sector Catering Corporate Responsibility Award**
- **Footprint Award** for Corporate Social and Environmental Responsibility

The Netherlands

Sodexo works with its clients towards sustainability. Our client (city of Amsterdam) stated in the contract that a minimum of 40% from the catering assortment should be organic and also contain regional products. The Board of the City rewarded Sodexo in October 2010 with the 'Sustainable Award for Caterers'.



Read more at
www.sodexo.com

- Environment Section
- Case studies
 - Fresh local and seasonal fruits and vegetables – France
 - Meatless Monday by Sodexo – North America
- "Hands On" newsletter – 2011 editions:
 - March
 - May
- RSP0 website

GOOD PRACTICES

NORTH AMERICA

Sodexo develops its local sourcing by matching local farms to distributors, using a database that features more than 600 farmers. In addition, Sodexo requires that our regional produce distributors purchase locally grown produce, which has resulted in up to 60% of total sales attributable to local produce spend in some areas (average is 17%).

FRANCE

As of June 2010, Sodexo offers seasonal products that have been grown within a 200-km radius of Paris to all client sites in the Paris area. Starting with locally grown lettuce and radishes, the offer changes according to the season and has been extended to include strawberries, cherries, cucumbers, zucchinis, onions, apples and pears.

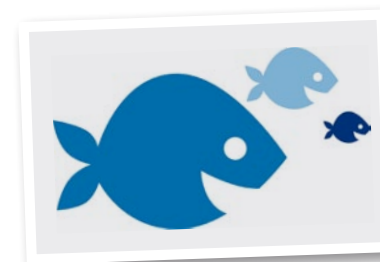




PROTECT THE ENVIRONMENT

SUSTAINABLE FISH AND SEAFOOD

CONTENTS



CONTACT



Lesley SANDER

Subject Matter Leader for Sustainable
Supply Chain Initiatives

lesley.sander@sodexo.com

Sodexo's commitment:

We will source sustainable fish and seafood in all the countries where we operate by 2015.

KEY FACT



15 "at risk" species have been removed from Sodexo's catalogues and menus since August 2011.

Seafood provides jobs for people around the world. Today, 180 million people work in the fishing and fishery industries and 45 million people in capture fisheries or in aquaculture. Thus, seafood impacts the livelihoods of 540 million people, i.e. 8% of the world population.





PROTECT THE ENVIRONMENT SUSTAINABLE FISH AND SEAFOOD

STRATEGY

► Why Sodexo is engaged

- **80% of fish production** is provided by developing countries and **78% of fish importation** is done by developed countries.
- **World aquaculture is heavily dominated by the Asia-Pacific region** (89 %), and China is the world's largest aquaculture producer.
- **Fish and seafood consumption has doubled over the last 40 years** and **nutritionists recommend that consumers eat at least two portions of fish a week**, including an oily fish. Indeed, seafood is an important source of protein and a healthy choice.
- However, **the human population of the Earth will reach nine billion by 2050** and two billion people will join the world's population within 40 years. **Demand for seafood is rising**, following this demographic trend. One billion people, largely in developing countries, depend on fish as their primary source of protein.
- Sodexo recognizes that **many current fishing and seafood farming practices have harmful effects** on marine habitats and seafood supplies:
 - The world's oceans are being seriously overfished and **some species are in danger of extinction**. 28% of fish stocks are overexploited, 3% are depleted and 90% of the planet's large fish have been fished out.

- **Modern intensive fishing methods are often wasteful** and, in addition, 7.3 million tons of fish are thrown back into the sea dead each year.
- **Aquaculture (farmed fish) can be a solution** on the condition that it is managed sustainably: 40% of the world's fish production currently comes from aquaculture.

► How we get there

Sodexo is committed to sustainable fish and seafood because...

It's about people:

- ensuring that we are able to serve fish and seafood to our consumers today and in the future;
 - improving the nutrition, health and wellness of our consumers;
 - sustaining livelihoods in the fish and seafood industry;
 - ensuring that seafood prices are not majorly impacted.
- This will **help protect wild fish and seafood diversity and stocks into the future** and actively contribute to reversing the decline of living marine resources.

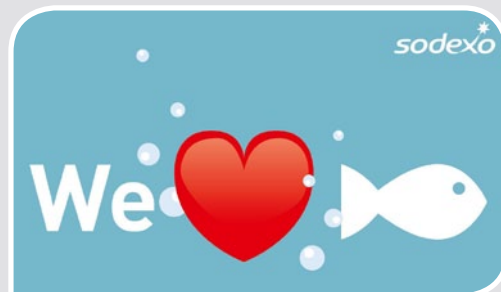
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In 2010, Sodexo's Sustainable Seafood Strategy was defined based on five Inseparable Key Pillars:



GOOD PRACTICES



🇧🇪 BELGIUM

On April 1, 2011, with its program **We Love Fish** Sodexo eliminated 15 species that are considered endangered from its menus, recipes and catalogues. This action was accompanied by an outreach plan: internal and external communication relating specifically to target groups. In addition, in Belgium, 20% of our seafood purchases are from certified sustainable fisheries labelled MSC or GlobalGap.



PROTECT THE ENVIRONMENT SUSTAINABLE FISH AND SEAFOOD

DEPLOYMENT

► How we implement our strategy

As part of its commitment to protect marine biodiversity, **Sodexo no longer serves any seafood species which were identified as being at risk by the end of August 2011.**

● To achieve this objective, Sodexo pursued a set of actions during Fiscal 2011:

- Based on a large number of external references, Sodexo established a **Sustainable Seafood Sourcing Guide for the supply of Fish and Seafood**, respecting various sustainability criteria and designed as a tool to make the best choices for our future assortment, Fresh, Frozen or Canned. This Sustainable Seafood Sourcing Guide was distributed to its Supply Chain and Better Tomorrow Champion networks throughout its 80 countries. It is aimed at helping the teams to implement concrete actions at country level. The second version of the guide was issued in July 2011 and included detailed information on 60 species, including each of the 15 "at risk" species that have been removed from our catalogue and menus.
- In May 2011, Sodexo formalized a **Group Sustainable Seafood Sourcing policy**. The policy has been communicated internally to the Supply Chain teams in 80 countries and externally to our suppliers and stakeholders.
- In June 2011, Sodexo signed a worldwide **agreement with the Marine Stewardship Council (MSC)** for wild-caught fish, with the view to:
 - promote MSC-certified seafood across the 80 countries where Sodexo operates and
 - maximize awareness and collaboration with both our clients and consumers.

This agreement will allow Sodexo to certify either our sourcing at country level for communication to clients, or our Supply Chain at site level for communication to consumers.

- We are working with our suppliers to ensure that they understand the importance of sustainable sourcing for seafood, that they no longer supply the 15 at risk species, we have identified, and that they respect the control measures for the orange-listed species, i.e. species for which we have to be careful and that we can buy under agreed conditions (respect of specific origins, fishing methods, specifications...). In parallel, we are working with our seafood suppliers in many countries to ensure that they can **guarantee chain of custody for the delivery of certified sustainable seafood** such as MSC certified products for wild caught fish.
- Sodexo has committed to promote the **use of sustainably certified farmed fish, including BAP, GlobalGAP and ASC.**
- To celebrate World Oceans Day on June 8, 2011, Sodexo launched a **global campaign to communicate on its Sustainable Fish and Seafood commitment** and to announce its worldwide agreement with the MSC to help transform the seafood market so it becomes more sustainable. The awareness campaign included a wide range of materials for Site Managers, such as a video, online quiz, operational materials (poster, fish recipe, operational guide), with the objective of animating Sites and communicating to clients and consumers.



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► What's next

2012

- New or lesser-known fish and seafood **species will be added to the Sustainable Seafood Sourcing guide** in order to encourage the use of a wider variety of species.
- Sodexo will continue to **work with suppliers** to ensure that they comply with the conditions that are specified for our orange-listed species.
- **WWF and Sodexo** work together to improve the sustainability of seafood choices available to Sodexo.
- Sodexo will widely **encourage fisheries' management, suppliers and clients to take part in the MSC program** in order to help transform the seafood market so it becomes more sustainable.
- Sodexo will **increase the percentage of farmed fish** that comes from certified sustainable farms.
- **MSC and Sodexo** work together to trigger wider demand for sustainable seafood in the foodservice sector. **Collaboration with MSC** will enable us to work with its partners on an "end-to-end" basis, including fisheries, suppliers to foodservice providers, and restaurant operators and their customers. Moreover, Sodexo will provide MSC with the opportunity to educate a broad consumer audience about sustainable seafood. Focusing on this sector and developing tailored, foodservice-specific plans will enable Sodexo to motivate consumers to make sustainable choices.
- **The majority of fish sourced via international contracts will be sustainably sourced.**

2015

- The majority of fish sourced throughout the Group will be sustainably sourced



PROTECT THE ENVIRONMENT SUSTAINABLE FISH AND SEAFOOD

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PERFORMANCE

KPIs

KEY PERFORMANCE INDICATORS	FISCAL 2009	FISCAL 2010	FISCAL 2011	Basis for consolidation Fiscal 2011
% of countries having eliminated the purchase of all at risk seafood species	8.1%	17.3%	100%	95% of On Site Services Revenues At 31st December 2011
% of countries holding MSC certification (sites or Supply Chain)	NEW		31.6%	89% of On Site Services Revenues
Number of MSC certified foodservice sites	271	374	1855	77% of On Site Services Revenues

Recognitions

Worldwide

- Sodexo is the **first foodservice company to have a worldwide agreement with the MSC** to promote certified sustainable seafood in all the countries where Sodexo operates.

The Netherlands

- Sodexo was the **first foodservice company to obtain the MSC eco-label and certification** in April 2009.

United Kingdom and Ireland

- Sodexo was the **first foodservice company to achieve MSC certification across all of its Education sites** in 2009.



Read more at
www.sodexo.com

- Environment Section
- Case study on Sustainable Seafood - Worldwide
- Press Release on partnership with MSC
- Video - Sustainable Fish and Seafood
- Quiz - Sustainable Fish and Seafood
- Sustainable Fish and Seafood policy
- "Hands On" newsletter - 2011 editions:
 - March
 - June

GOOD PRACTICES



FRANCE

In December 2010, our supply chain was assessed by Bureau Veritas Certification and was found to comply with the requirements of Marine Stewardship Council (MSC) for Chain of Custody. Sodexo in France sources MSC-certified products such as cod (Pacific), pollock (Alaska), hoki (New Zealand) at the clients' sites where it operates.

CHINA

Effective from this academic semester, Sodexo launched the "Green Seafood Day" program in all its international school sites which includes offering a menu choice of sustainable seafood on a monthly basis.



PROTECT THE ENVIRONMENT

SUSTAINABLE EQUIPMENT AND SUPPLIES

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CONTACT

Lesley SANDER

Subject Matter Leader for Sustainable
Supply Chain Initiatives

lesley.sander@sodexo.com



Sodexo's commitment:

We will source and promote sustainable equipment and supplies in all the countries where we operate by 2020.



KEY FACT



In 2011, Sodexo started to roll out a new **Global Uniform Collection** and added its sustainable sourcing to its list of priorities.

According to the 2010 WWF Living Planet report, people used the equivalent of 1.5 planets in 2007 to support their activities, and under the Business As Usual scenario, by 2030 humanity will need the capacity of two Earths.





PROTECT THE ENVIRONMENT SUSTAINABLE EQUIPMENT AND SUPPLIES

STRATEGY

► Why Sodexo is engaged

Decisions regarding the purchase of wood- and paper-based products and cotton can have **far-reaching long-term impacts** for the areas where they are harvested and the communities supported by the wood-and cotton-using industries. **The sustainable management of forests is a key environmental priority** because trees are a real resource that captures carbon and mitigates greenhouse gas emissions by storing carbon for long periods of time.

The chemicals used for cleaning may have a number of adverse health and environmental effects. Cleaning products which have harmful ingredients may impact on the health of cleaning staff and on users of the buildings cleaned. Environmental effects can include chemical products entering the atmosphere and local water systems during production, use and disposal.



► How we get there

Sodexo recognizes its ability to reduce some of the pressure on the world's overstretched natural resources by **reviewing and improving some of its sourcing strategies**.

- **Increase the proportion of sustainable products, equipment and services by:**
 - Selecting priority product groups, e.g. uniforms, packaging and paper, chemicals and cleaning products, equipment and supplies (IT, FM equipment and supplies, office supplies) and disposables.
 - Reviewing and modifying the lists of authorized products and suppliers.
 - Ensuring compliance with approved lists of products and suppliers.

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PROTECT THE ENVIRONMENT SUSTAINABLE EQUIPMENT AND SUPPLIES



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DEPLOYMENT

► How we implement our strategy

- As part of the Better Tomorrow Plan's implementation process, a Subject Matter Leader has been appointed to pilot the sustainable equipment and supplies commitment.
- Based on purchasing volume, **the Group selected the paper disposables, cleaning chemicals and office paper categories as a priority** for its work, and in 2010 we implemented a series of indicators in order to assess the current sustainability of our sourcing.

In 2011

- We worked with our sourcing teams to **increase the sustainability of our chemical sourcing** through a two-step approach. As a first step, we encouraged our teams to use concentrated cleaning chemicals, with the benefit of using fewer packaging materials, and less transport, and improved health and safety for our employees through the use of dispensers. As a second step, we encouraged our teams to use ecologically certified cleaning chemicals.
- We have also worked to **raise awareness on the use of both paper disposables and office paper** using pulp from certified sustainable forests or using recycled materials. This initiative has been extended to our Motivation Solutions business for printing our vouchers.
- Sodexo added the **sustainable sourcing of its Global Uniform Collection to that list of priorities**. All the products in the collection are fully compliant with the international Restricted Substances List ("RSL", in particular arylamines, banned mordant dye, carcinogenic dye stuffs and C.I. disperse colors); all suppliers have signed Sodexo's Supplier Code of Conduct, all suppliers have or will soon be audited to ensure compliance with this Code of Conduct; and we encourage our teams in the countries to find ways to make sure that their previous uniforms will be reused or recycled.
- The collection roll-out started in January 2011 in North America.

► What's next

2012

- Further develop our **Sustainable procurement strategy for paper and packaging**.
- Further develop our **Sustainable procurement strategy for cleaning chemicals** and continue to investigate the potential for alternative technologies.
- Continue to **raise the awareness of our Supply Chain teams** with regard to the selected product groups and review our authorized product lists for these priority categories.
- Continue the **deployment of our Global Uniform Collection** with the objective for all 360,000 Sodexo front-line employees to have the uniform by June 2013.

2015

- All countries have implemented sustainable detergents, paper and disposables

GOOD PRACTICES



BRAZIL

Sodexo and its Motivation Solution activity has issued 3.1 million vouchers per month with recycled paper. With this initiative, we have saved 35 trees and reduced the consumption of 100,000 liters of water per month. Now all our Mobility Pass Car Cards will be issued using recycled plastic. The production of 1,000 cards is made with 83 PET bottles.

TESTIMONIAL

"The uniform has gone down very well with the staff. The client was shown the new uniform and felt it was a vast improvement on the tabards we used to wear. Everyone now knows we work for Sodexo."

Su Embrey, Operations Manager, Sodexo United-Kingdom and Ireland





PROTECT THE ENVIRONMENT SUSTAINABLE EQUIPMENT AND SUPPLIES



PERFORMANCE

KPIs

KEY PERFORMANCE INDICATORS	FISCAL 2009	FISCAL 2010	FISCAL 2011	Basis for consolidation Fiscal 2011
% of spend on concentrated chemicals as a % of total chemicals	NEW		77.9%	93% of On Site Services Revenues
% of spend on certified sustainable paper disposables as a % of total paper disposables (1)	79.4%	79.1%	66.7%	88% of On Site Services Revenues

(1) The scope of purchasing spend taken into account for this indicator has significantly increased giving us a lower proportion of certified sustainable product. We will work during the coming year to achieve at least the share of sustainable product previously achieved.



Read more at
www.sodexo.com

- Environment Section
- Case study on Environmental Management at ACADIA University - Canada
- "Hands On" Newsletter - June 2011



CONTENTS



GOOD PRACTICES



EUROPE

Sodexo's European sourcing team have worked with its supply partner to define a range of certified sustainable cleaning chemicals based on SWAN and EU Flower certifications that are available and in use in all countries in the zone. Over the course of the coming year, Sodexo will work to track the implementation of the range and to quantify the environmental benefits.

Work is now in progress to work in conjunction with the Marketing Offer and Operations teams to integrate these new products into the services that we offer to our clients.

UNITED STATES

Circles, Sodexo's Personal and Home Services subsidiary, purchases energy efficient and environmentally friendly products for its spaces. Circles proudly use energy star rated appliances and equipment such as printers, photocopiers, refrigerators and postage machines. And for the high-use paper products, especially in break rooms and mail rooms, Circles buy products with post-consumer recycled content.



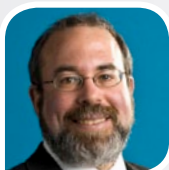
PROTECT THE ENVIRONMENT

ENERGY AND EMISSIONS

CONTENTS



CONTACT



Arlin WASSERMAN

Subject Matter Leader for
Energy and Emissions

arlin.wasserman@sodexo.com

Sodexo's commitment:

We will reduce our carbon footprint in all the countries where we operate and at clients' sites by 2020.



Climate change is known to result at least from human activity, with energy use and food production being two of the most significant contributors.

KEY FACT



In 2011, Sodexo has implemented a methodology for the **calculation of its Scope 1 and Scope 2** emissions and publicly disclosed them through the **Carbon Disclosure Project**.





PROTECT THE ENVIRONMENT ENERGY AND EMISSIONS



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STRATEGY

► Why Sodexo is engaged

- **Sodexo's business is mainly conducted at our clients' sites.** Our operations directly affect energy use and emissions from our clients' buildings, and our food services operations rely on a supplier community that directly controls and affects agricultural production methods.
- Unlike some other businesses, **measuring our own direct consumption of energy is challenging** as our activities are not separately metered at the large majority of our 33,400 clients sites worldwide consumption. However, we recognize the need to further improve, not only our own but also our clients' environmental footprints.
- Sodexo has identified a strategic opportunity to achieve business goals and also contribute to a better tomorrow by **changing existing business practices and innovating on ones.**
- **Reducing the severity of climate change** in future years by driving down greenhouse gas emissions from energy use, food production and other sources is also critical to managing risk in our business.
- **Developing value-added services** that help our clients better manage energy and emissions and address climate change as well as developing a more resilient supply chain, will all contribute to business success and a better tomorrow.

► How we get there

Sodexo's business strategy has been influenced by the **risk of climate change and opportunities to reduce energy and emissions** in all aspects of our business. Sodexo's commitment to reducing our carbon footprint will contribute to our position as the leading provider of comprehensive

service solutions and will help us address and manage the impact of climate change.

We have based our commitment on a Global Strategy to reduce our carbon footprint and our action plan will continue to have both short and long term impacts:

● Management System

- An **Energy and Emissions Global Working Group** made up of experts from various different geographies and business activities has been set up and meets as a minimum four times a year.
- Every Business Unit is required to **include objectives to implement energy consumption reduction measures** in their Sustainable Development roadmap.
- In conjunction with the WWF, Sodexo has defined five priority agricultural commodities in its **Supply Chain where we will focus our efforts to reduce our Scope 3 emissions.**

● Service innovation

- **Offers for helping our clients to mitigate the effect of climate change** and in particular to manage their energy consumption.
- **Establish a framework for measuring greenhouse gas emissions in our business**, in partnership with the WWF and consistent with greenhouse gas protocols.
- Identify our best opportunities for **energy and emission-reduction innovations** to sustain our Clients' sustainability strategies.
- Hold a **forum to exchange innovations and best practices** in key areas across countries and industry segments.

- Accelerate **deployment of innovative services and best practices** across industry segments and geographies.
- Provide **energy management services to clients** which directly allow the client to reduce their energy consumption and therefore to reduce their carbon emissions.
- **Help others avoid emissions** through the products we purchase on their behalf – encourage diets that are made up primarily on plant-based foods and use less on animal products and work with our suppliers to reduce the embedded emissions in all our products.

● Active risk management

Our business strategy for climate change is based on the risk and opportunities identified through the assessment of our different stakeholder requirements and our business impacts and the need to respond to those findings.

- The Energy and Emissions Working Group **reviews the risks and opportunities** associated with climate change. These reviews are carried out a minimum of once a year and in addition they are updated on a regular basis.
- We are in the process of developing a **briefing on climate risk** for our business segments, in partnership with the WWF.
- We are further developing **supply chain adaptation strategies.**

All of the strategic business decisions that Sodexo has made to incorporate climate change risks and opportunities mean that the company is ahead of its competitors in its ability to respond to our stakeholder requirements.



PROTECT THE ENVIRONMENT ENERGY AND EMISSIONS

CONTENTS



GOOD PRACTICES



CANADA

Sodexo has provided Facilities Management at ACADIA University since 1996. With 14 services on-site, Sodexo innovates constantly and look for ways of implementing "green solutions" in the fields of energy and water savings and waste management. At ACADIA, Sodexo provides services in a LEED certified building that includes geothermal cooling system, occupancy sensors, ventilation heat exchangers and sustainable cleaning practices.

DEPLOYMENT

► How we implement our strategy

During Fiscal 2011

- We have entered into a **partnership with the WWF** which now provides technical support to the committee and helps us to develop protocols for measuring and reporting on greenhouse gas emissions.
- During the fiscal year, the Group has made the decision to **invest in IT tools** in order to facilitate the site survey process.
- As part of our efforts to improve our environmental impact and particularly reduce our emissions, we have made important progress in the area of **environmental management**. To this end, we are setting up procedures, implementing measures, helping obtain certifications and labels, and in an increasing number of cases, applying for certification under the international environmental management standards: ISO 14001, HQE, LEED or equivalent.

- We have engaged in **discussions with WRI** (World Resources Institute) and others to determine which of our business activities fall into scope 1, 2 and 3 within the WRI's GHG Protocol. WRI has determined with us that much of our on-site emissions and our supply chain emissions fall into our clients' scope 1 and 2, and into our scope 3.
- We have implemented a **methodology for the calculation of our Scope 1 and Scope 2 emissions** that is consistent with WRI's GHG Protocol.
- Based on the measurements that we made using this methodology, we publicly disclosed emissions through the **Carbon Disclosure Project**.
- We have invested in **E-learning and communication toolkits** to explain the importance of climate change to our employees.
- We have worked with **leading industry groups and experts** to understand where our greatest points of leverage are.
- We **work with our suppliers** to reduce emissions from the products we buy and sell – the largest source of scope 3 emissions.

► What's next

We expect that the intensity of our emissions will decrease over the next five years as a result of all the emissions reduction initiatives that were active within the reporting year and that we will continue to deploy over the coming years.

- 2012** • **Energy and Emissions Reduction Implementation Plan:** we will work on a standard Group methodology for the evaluation of our energy and emissions reductions.
- Rolling out of an **awareness and behaviour program** to all of our clients' sites and employees.
 - Finalising a **Group wide site manager tool kit** that will help our sites to raise awareness and implement the appropriate behaviour.
 - As we have now assessed our baseline for our

four pilot countries, we will **benchmark our baseline against industry standards** and to set targets for the future.

- Our methodology for the **calculation of Scope 1 and Scope 2 emissions methodology will be rolled out to a larger number of countries in the Group**.
- We will use the deployment of our new IT tools to support this process.
- We are working towards having the calculation

of our Scope 1 and Scope 2 emissions **independently verified**.

- We will work on a **model to evaluate the impact of our awareness and behaviour and equipment and processes actions** on our client sites in order to evaluate the reduction of this part of our Scope 3 emissions.

- 2020** • Reduce our carbon footprint in all the countries where we operate and at clients' sites.



PROTECT THE ENVIRONMENT ENERGY AND EMISSIONS



PERFORMANCE

KPIs

KEY PERFORMANCE INDICATORS	FISCAL 2009	FISCAL 2010	FISCAL 2011	Basis for consolidation Fiscal 2011
% of sites implementing the carbon footprint reduction program (1)	11.8%	11.8%	4.5%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites implementing initial awareness and behaviour steps to reduce their consumption of energy	45.4%	45.4%	70.5%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites implementing heightened awareness and behaviour steps to reduce their consumption of energy	NEW		27.2%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites which are able to accurately measure their progress	NEW		17.3%	56% of inventoried sites in 48 countries representing 98% of revenues
% of Motivation Solutions countries raising awareness about the importance of energy efficiency	NEW		79%	72% of Motivation Solutions Revenues
Head Office electricity consumption	2,334,494 kWh	2,130,199 kWh	2,055,073 kWh	
Head Office electricity consumption per m ²	296 kWh	270 kWh	260 kWh	

(1) Based on learning from the Fiscal 2010 site inventory questionnaire and with the expert input of the Subject Matter Working Groups, the Fiscal 2011 site inventory questionnaire was considerably revised. The questionnaire is now more complete and more precise in its formulation. We also reviewed our calculation rules to make the indicators more precise. With the exception of Initial Awareness and Behaviour where we kept the same indicator calculation rules, the indicators are not therefore comparable to the ones that we published last year.

GOOD PRACTICES

POLAND

Sodexo offers its clients a comprehensive Energy Management Offer. It consists of: Energy audit, Technical refurbishment of systems, Energy purchase consulting, Staff education/poster campaign, Ordered power optimization, Resetting timers on lighting and ventilation systems, and Basic advisory activities.

THAILAND

After an audit of IMPACT Exhibition Center energy usage, Sodexo was awarded a 5-year contract for Facilities Management in 2008. The contract gave Sodexo the ability to apply methods of energy savings. Sodexo's implementation at IMPACT delivered annual combined savings of 5.8%. In January 2011, LED bulbs were installed in a corner of one of the main areas and a careful study was conducted of the various benefits. The Sodexo team was able to report 80% savings in electricity and no bulbs requiring replacement against the standard installation, which required 10% replacement due to failure.

UNITED KINGDOM

In 2010, our Tillery Valley business, which produces prepared meals, achieved the Carbon Trust Standard for measuring, managing and reducing carbon emissions over three years and for committing to further reductions. The business reduced its carbon emissions by 19% per metric ton of product manufactured. Tillery Valley's efforts included increasing the sustainability of its distribution and commercial vehicle fleet, replacing old equipment with more energy-efficient devices, introducing HFC- and HCFC-free refrigerants with zero ozone-depleting or globalwarming potential, and sourcing more energy from low-carbon sources.

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Recognitions

Canada

Sodexo recognized as one of **Canada's Top 50 Greenest Companies**.

Singapore

Certificate of environmental accomplishment.

France

The central kitchen of Marseille obtained the **triple certification: ISO 9001, 14001 and 22000.**

Austria

"Öko Bonus" environmental certificate.

United States

The University of Vermont's built by Sodexo obtained the **LEED certification.**

Read more at www.sodexo.com

- Environment Section
- Case studies
 - Environmental Management at ACADIA University - Canada
 - Meatless Monday by Sodexo - North America
 - Endocube - United Kingdom
- "Hands On" newsletter - 2011 editions:
 - May
 - June
 - August





PROTECT THE ENVIRONMENT

WATER AND EFFLUENTS

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CONTACT

Neil BARRETT

Subject Matter Leader for
Water and Effluents

neil.barrett@sodexo.com



Sodexo's commitment:

We will reduce our water footprint in all the countries where we operate and at all clients' sites by 2020.

We live on a watery planet, but only 1% of all that water — in rivers, lakes and aquifers — is fresh and available for human use.



KEY FACT



69%, of sites have taken basic steps to reduce their water consumption.





PROTECT THE ENVIRONMENT WATER AND EFFLUENTS



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STRATEGY

Why Sodexo is engaged

- **The life-giving freshwater systems face a host of threats** from over-abstraction, fragmentation, pollution, climate change, and the ever-increasing demands of a growing global population.
- **Healthy freshwater systems not only provide drinking water, they support a vast flow of services and economic goods.** Water underpins virtually all food, fiber and energy production. In fact, while we need only drink 3-5 liters per day to remain healthy, the food we eat, clothes we wear, the energy we consume and products we use daily take tens of thousands of liters to produce. For example, it takes 180 liters of water to produce one kilogram of tomatoes or 1,500 liters for one kilogram of sugar.
- **Clean, reliable access to water is integral to maintaining and supporting the Quality of Life.** Recently, the United Nations General Assembly declared access to clean water and sanitation a human right, but over three billion people lack access to one or both. This is a major hurdle to economic development in much of the world.
- **Women play an important and central role in providing, managing and safeguarding water** in many communities. Their successful involvement in water projects can have a significant positive impact on water management and local economic development.

Potential Business Impacts

Sodexo's water footprint – the water used in direct operations and indirect water use in our supply chains – is considerable; **proper water management and conservation** across the entire value chain is increasingly important.

- **Rising Costs:** increased competition for scarce water and potential declines in water quality in some parts of the world are expected to push water and sanitation costs higher. Furthermore, climate change and water-related natural disasters are expected to impact food production and security, putting pressure on food prices.

- **Increased Regulation:** regulations on water use and effluents management may impose added obligations on our business. In some water-stressed South American countries, water management plans are already required as part of a license to operate.
- **Brand Risk:** Sodexo's brand is very valuable and there are potential reputational risks to the brand as clients and consumers increase their awareness of these issues.
- **Greater Accountability:** though standards and measures for water reporting are still evolving, financial investors are requiring ever more transparency and accountability for water use and potential risk to company operations posed by water scarcity or water quality issues.
- **Opportunities:** as water's true value is recognized, opportunities will arise to provide solutions to our clients in the sustainable management of their water and sanitation requirements. Understanding our own water footprint by geography and water source will position the company to take further specific action in local areas of water scarcity.

How we get there

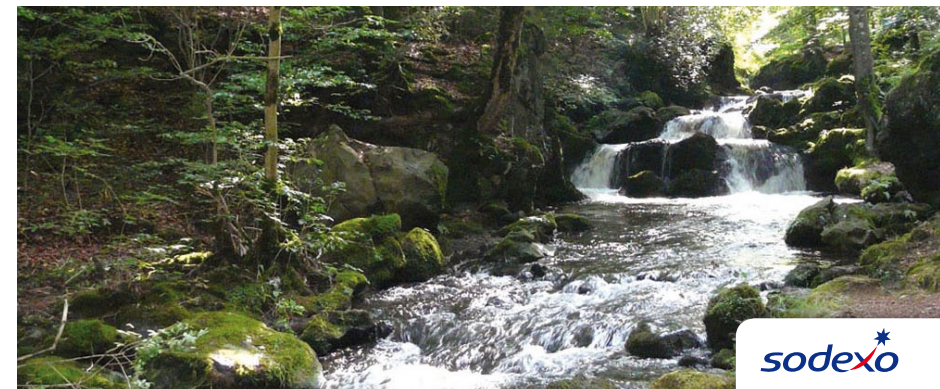
Sodexo has developed a **comprehensive water strategy** that enables it to maximize opportunities and minimize risks within the context of the Better Tomorrow Plan, which includes:

- **Measuring Sodexo's water footprint** – in partnership with the WWF – using standard data and established methodologies that deal with site operations and complex supply chains. In developing methodology, the inextricable link between energy and water has been considered.
- Identifying physical, regulatory, financial, strategic and other **risks and opportunities**.
- **Working with international suppliers** and identifying supply chain "hot spots" by overlaying Global Information System (GIS) data of water-scarce regions with Sodexo's high volume agricultural commodities to define places for local action.
- **Creating policies, procedures and guidelines** to minimize operational risks and leverage business development opportunities.
- **Providing solutions to clients** in the sustainable management of water and sanitation.
- Raising internal and external **stakeholder awareness**.

GOOD PRACTICES

UNITED STATES

The water conservation project involves installing toilets, aerators and showerheads, resulting in saving 2.6 million gallons of water and \$47,000 annually. The project also includes the meltdown of sharps and their conversion into hockey pucks that can be disposed of in the regular trash, saving 90% on hazardous waste removal.





PROTECT THE ENVIRONMENT WATER AND EFFLUENTS

DEPLOYMENT

► How we implement our strategy

Specific actions involving both our operations and supply chain activities commenced in Fiscal 2011.

● In 2011, we conducted the following actions:

- To support the implementation, **the Water and Effluents Working Group was established in 2010**. To date, this group – which meets on a regular basis and includes representatives from the WWF – has:
 - Consolidated data from the global site-based inventory.
 - Validated our existing data.
 - Analyzed the results of the Better Tomorrow Plan's global site inventory of environmental activities, pursued in 2010, and established three key information points:
 1. **67% of sites** have taken basic steps to reduce their water consumption;
 2. **9% of sites** have implemented water conservation programs;
 3. **Only 23% of sites** have sub-metering, making water footprint calculations more challenging.
- To date, **our efforts and reporting have largely been associated with qualitative actions, that is awareness and behaviour actions**, taken by Sodexo employees at Sodexo's facilities and client facilities. These efforts, concentrated on increasing awareness and changing behaviour around water issues, continue.
- **We have a considerable number of actions and initiatives in place** to reduce our water consumption throughout the Group including a Site Managers' toolkit, which includes a "Call to Action" document, internal team and client presentations, a "What Can I Do?" guide, and a "What Can I Do Next?" guide.
- We also worked to develop **client-specific best practices and innovative solutions**.
- **We engaged major suppliers and clients** to better understand their strategies and requirements.

► What's next

2012

- Use the launch of the site manager's environmental toolkit **to raise internal awareness** about the importance of water, and identify strategies to raise the awareness of our clients and consumers.
- **The measurement of our water consumption** will be done on the same timeline as for our carbon calculations so that we will be able to measure our applicable water consumption for the majority of our business by the end of the next fiscal year.
- **Collaborate with suppliers** to increase awareness within the broader supplier community of how to conserve water resources.
- Complete our **Corporate Water footprint** and the identification of specific "hot spots" areas where we should focus our actions.
- Continue to implement the **water conservation program** at all head offices and at pilot sites in our main countries, and measure the program's performance and progress across the business in order to confirm results and establish targets.
- Use existing **water initiatives** at our sites to develop a resource guide that will help managers create and launch site-based water initiatives. The implementation of water initiatives at all of our sites will contribute to reducing our water footprint globally.

- **Accelerate sales** of our water footprint measurement and reduction services to our clients.
- Prepare an **internal and external communications** package.

2013

- All sites implement **at least one action** from the water conservation program.
- **Water conservation plans** are established with major global suppliers and these plans are reviewed on a regular basis.
- **Accelerate sales of our water footprint measurement** and reduction services to our clients.
- **Establish links to communities** where water and water conservation actions will make a difference in the Quality of Life for the people concerned.

2014

All countries have in place a water management plan that commits the entity to water-footprint reduction targets.

2020

All countries achieve water-footprint reduction targets.

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GOOD PRACTICES

Le Geste So. Eco
par sodexo



FRANCE

Sodexo is rolling out a program called So.Eco, which involves the implementation of three environmental practices at all 3,000 of its restaurants. The program includes the distribution of guides to best practices, information posted on the intranet, distribution of So.Eco kits to each site to educate local teams, and the installation of water-saving equipment at our restaurants.



PROTECT THE ENVIRONMENT WATER AND EFFLUENTS

PERFORMANCE

KPIs

KEY PERFORMANCE INDICATORS	FISCAL 2009	FISCAL 2010	FISCAL 2011	Basis for consolidation Fiscal 2011
% of sites implementing the water conservation program (1)	8.8%	8.8%	12.8%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites implementing initial awareness and behaviour steps to reduce their consumption of blue water (1)	66.9%	66.9%	69.1%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites implementing heightened awareness and behaviour steps to reduce their consumption of blue water (1)	NEW		55.4%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites which are able to accurately measure their progress (1)	NEW		23.8%	56% of inventoried sites in 48 countries representing 98% of revenues
% of Motivation Solutions countries raising awareness about the importance of water efficiency	NEW		76.4%	72% of Motivation Solutions Revenues
Head Office water consumption	2,322 m3	2,366 m3	2,699 m3	
Head Office water consumption per m ²	0.3 m3	0.3 m3	0.3 m3	

(1) Based on learning from the Fiscal 2010 site inventory questionnaire and with the expert input of the Subject Matter Working Groups, the Fiscal 2011 site inventory questionnaire was considerably revised. The questionnaire is now more complete and more precise in its formulation. We also reviewed our calculation rules to make the indicators more precise. With the exception of Initial Awareness and Behaviour where we kept the same indicator calculation rules, the indicators are not therefore comparable to the ones that we published last year.

GOOD PRACTICES



INDIA

Bio blocks are introduced in men's urinals. These blocks are placed in the urinals and the solenoid-based automatic water flushing system is disabled as the system does not need water to flush the urine away. It works with the released probiotic bacteria from these bio blocks to clean up the urinals. The amount of water saved after using Bio blocks is 792,000 liters per year.

UNITED KINGDOM

At Tillery Valley, all hand-wash and hygiene stations are equipped with photocell controlled thermostatic valves to ensure that water flows at the optimum temperature and cannot be left running.



Read more at
www.sodexo.com

- Environment Section
- Environmental Management at ACADIA University - Canada
- "Hands On" newsletter - June 2011

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PROTECT THE ENVIRONMENT

ORGANIC WASTE

CONTENTS



CONTACT



Thomas JELLEY

Subject Matter Leader for
Materials and Waste

thomas.jelley@sodexo.com



Sodexo's commitment:

We will reduce organic waste in all the countries where we operate and at clients' sites by 2015.
We will support initiatives to recover organic waste.

Around the world, every part of the food chain - from farm to consumer - has a role to play in reducing food waste. Our efforts are focused on stopping waste.

KEY FACT



Many countries set organic waste reduction as a **priority for 2011.**





PROTECT THE ENVIRONMENT ORGANIC WASTE

STRATEGY

► Why Sodexo is engaged

The food chain is a large producer of organic waste which all too often ends up in landfills. In industrialized countries, there is increasing concern over the volume of food that is fit for human consumption but goes to waste. In emerging countries, there remain many opportunities to ensure that food is not damaged and wasted before it even reaches the market.

Sodexo generates both organic and non-organic waste as a result of the services that it provides to its clients. The majority of this waste is collected and treated by third party providers, but Sodexo takes steps to reduce the volume of waste in the first place and explores ways of recovering organic waste for beneficial purposes, whether in foodservice or grounds maintenance operations.

► How we get there

Sodexo looks to **maximize opportunities and manage risks** within the context of the Better Tomorrow Plan, which includes:

- Identifying physical, regulatory, financial, strategic and other **risks and opportunities**.
- **Developing associated policies and procedures** to reduce waste, leverage opportunities and manage risk in collaboration with stakeholders.

- **Tracking waste reduction and recovery progress based on three sets of measures:**

a. awareness and behavioral changes (basic steps)

- **Raising employee awareness**, for example by communicating the importance of reducing and recovering organic waste in team meetings at least once per month, and making posters or stickers available to attract employees' attention.
- **Raising consumer awareness** by displaying information on the importance of reducing organic waste, e.g. at self-service stands and tray/plate return points.

b. Processes and equipment (more advanced steps)

- **In reducing organic waste:** portion-control measures, improved order and production forecasting, improved meal production processes, removing trays and charging for food by weight.
- **Supporting organic waste recovery initiatives by:**
 - Sorting waste for recovery.
 - Using centrally identified, authorized suppliers to collect and recycle used cooking oil for such environmentally beneficial purposes as conversion to biofuel and energy production.

- Using centrally identified, authorized suppliers to collect and recycle organic waste for such environmentally beneficial purposes as composting, anaerobic digestion and energy production.
- Implementing on-site processes such as composting, anaerobic digestion, energy production and the equivalent.
- Using compost produced from on-site organic waste for grounds maintenance and other appropriate purposes, if legally possible.

C. Measurement

- **Measuring and communicating the impact of steps to reduce organic waste:**

Weighing organic waste or receiving weight information from organic waste contractors; keeping organic waste weight records and communicating trends to employees, clients and customers as part of an environmental management system.



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PROTECT THE ENVIRONMENT

ORGANIC WASTE

DEPLOYMENT

► How we implement our strategy

● **In Fiscal 2011**, the global Materials and Waste Working Group's first significant task was to analyze the results of the **worldwide site inventory** of environmental activities undertaken in 2010. This analysis took place during late 2010 and included:

- Identifying the countries with the strongest and weakest responses in dealing with organic waste and seeking to understand the reasons why.
- Identifying best practices.
- Further developing and communicating best practices.
- Reviewing progress KPI definitions prior to validation by the Performance Working Group, which is dedicated to KPIs and metrics.

This survey contributed to promoting awareness and behavior, equipment and processes to reduce the volume of waste generated and increase recovery.

A significant number of **actions and initiatives are in place** to reduce waste generation and support the recovery of waste throughout the Group. These are complemented by progress tracking and the creation of a global toolkit. Our focus to date has been on awareness and behavior change.

One of our global Materials and Waste Working Group's objectives is to share experience of organic waste reduction technology. Since the working group's first in-person meeting in January 2011, we have been looking to **trial pre-consumer food waste reduction technology** used successfully in some of our United States operations in the United Kingdom.

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► What's next

2012

- Finalize an organic waste reduction and recovery toolkit as part of a global environmental toolkit aimed at site managers.
- All sites implement at least one action to reduce food waste.

2015

- All countries engage in an organic waste recovery program.



GOOD PRACTICES



UNITED KINGDOM

Working with one of our main suppliers, we increased the volume of food waste diverted from landfill to energy generation by 34% or 32 tons, producing over 16,000 kWh. Also in support of our commitment to recover organic waste, our approved suppliers collected more than 330,000 liters of used cooking oil from Sodexo sites in Fiscal 2010. This is converted into biodiesel, thus effectively preventing the release of 577 tons of CO₂ – the equivalent of removing 240 cars from the road for a year.

MOROCCO

Sodexo has partnered with a specialist (Kilimanjaro Environment) to collect waste oil at all its sites. After recovery, these oils are processed and shipped for use as a lubricant for the automotive sector. Kilimanjaro has scheduled to build the first biodiesel production plant in Morocco, which would be operational from 2012.

USA

On September 8, 2010 Sodexo launched a public relations campaign called Stop Wasting Food (www.stopwastingfood.org) that asked college students to consider the environmental impact of food waste. This campaign expanded Sodexo's commitment to building a better tomorrow for the planet and its people with one simple goal: winning student support for cutting food waste to curb climate change.



PROTECT THE ENVIRONMENT ORGANIC WASTE

PERFORMANCE

KPIs

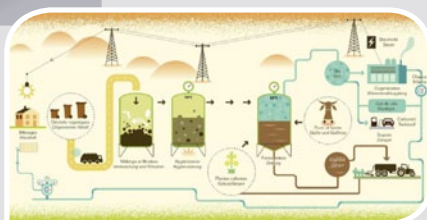
KEY PERFORMANCE INDICATORS	FISCAL 2009	FISCAL 2010	FISCAL 2011	Basis for consolidation Fiscal 2011
% of sites implementing the organic waste reduction program (1)	4.5%	4.5%	10%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites implementing initial awareness and behaviour steps to reduce their organic waste (1)	39.8%	39.8%	54.4%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites implementing heightened awareness and behaviour steps to reduce their organic waste (1)	NEW		23.5%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites which are able to accurately measure their progress (1)	NEW		28.8%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites implementing initiatives to recover organic waste (1)	52.8%	52.8%	30.6%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites where Used Cooking Oil is recovered (2)	53.8%	53.8%	84.8%	56% of inventoried sites in 48 countries representing 98% of revenues

(1) Based on learning from the Fiscal 2010 site inventory questionnaire and with the expert input of the Subject Matter Working Groups, the Fiscal 2011 site inventory questionnaire was considerably revised. The questionnaire is now more complete and more precise in its formulation.

We also reviewed our calculation rules to make the indicators more precise. With the exception of Initial Awareness and Behaviour where we kept the same indicator calculation rules, the indicators are not therefore comparable to the ones that we published last year.

(2) There is a significant increase in the % of sites recovering Used Cooking Oil. This is due to our efforts to ensure that more and more of our Used Cooking Oil is recovered and also due to a change in the denominator which now takes into account only those sites that use Cooking Oil as opposed to all Food Service Sites.

GOOD PRACTICES



LUXEMBOURG

Sodexo plans to recover organic waste by composting or by anaerobic digestion. Biogas is a natural process of transforming organic matter (animal or plant) into methane, then possibly into electricity or heat. The residuals are then used as fertilizer in agriculture. Today, 70% of the sites transform their organic waste (66% biogas and 4% composting).

AUSTRALIA

As part of the Resource Recovery program, Sodexo collects used cooking oil from our kitchen and send it away to be processed and sold as biodiesel. In our Remote Sites segment, site vehicles are currently running on 100% biodiesel, reducing carbon emissions by 95%. At sites where we have operated biodiesel vehicles, clients have commented on the improved condition of the engine and the pleasant smell of the fumes.



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Recognition

Europe

Sodexo's cooking oil recovery and conversion to biodiesel around the world was **showcased at the annual CSR Europe convention in Brussels, Belgium, in October 2010.**



Read more at
www.sodexo.com

- Environment Section
- Case studies
 - Environmental Management at ACADIA University - Canada
 - Total Waste Management - United Kingdom
 - Stop Wasting Food - United States
- "Hands On" newsletter - 2011 editions:
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PROTECT THE ENVIRONMENT

NON-ORGANIC WASTE

CONTENTS



CONTACT



Thomas JELLEY

Subject Matter Leader for
Materials and Waste

thomas.jelley@sodexo.com

Sodexo's commitment:

We will reduce non-organic waste in all the countries where we operate and at clients' sites by 2015. We will support initiatives to recover non-organic waste.



KEY FACT



Large volumes of packaging materials, including paper, cardboard, wood, plastic, metal and glass, pass through our business.

Rethinking the materials we use and how we use them, reducing consumption, reusing and recycling materials, all have a part to play in changing our approach to waste, which is often simply a resource in the wrong place.





PROTECT THE ENVIRONMENT NON-ORGANIC WASTE

STRATEGY

► Why Sodexo is engaged

The purpose of our packaging materials is to protect the goods and food we use or serve and make sure that they and the people around them remain safe. We are committed to reducing and recovering non-organic waste by engaging in initiatives with our suppliers, employees, clients and customers. For example, we buy concentrated cleaning chemicals that are diluted on site, thus **reducing the volume of plastic packaging** by up to 90% while eliminating the transportation of large volumes of water.

► How we get there

Sodexo is working on a **comprehensive waste strategy** to maximize opportunities and manage risks in the context of the Better Tomorrow Plan, which includes:

- **Collaborating with suppliers and NGOs** to identify physical, regulatory, financial, strategic and other risks and opportunities.
- **Developing associated policies and procedures** to reduce waste and leverage opportunities, including the raising of stakeholder awareness.
- Defining an **ambitious waste** program based on three sets of measures:

a. Awareness and behavioral changes (basic steps)

- **Raising employee awareness**, for example by communicating the importance of reducing and recovering non-organic waste in team meetings at least once per month and making posters or stickers available to attract employees' attention.
- **Raising consumer awareness** by displaying information on the importance of reducing non-organic waste, e.g. at self-service stands and tray/plate return points.

b. Processes and equipment (more advanced steps)

In reducing non-organic waste:

- Agreeing on a non-organic waste reduction plan with clients.
- Using reusable/recyclable service ware.
- Using dispensers.
- Using dispensing/dosing equipment.
- Using reusable/recyclable containers.
- Agreeing on a non-organic waste recovery plan with clients.

Supporting non-organic waste recovery initiatives by:

- Sorting waste for recovery.
- Compacting waste for recovery.
- Using centrally identified, authorized suppliers to collect and recycle non-organic waste.

c. Measurement and control

Measuring and communicating the impact of steps to reduce non-organic waste:

Weighing non-organic waste or receiving weight information from non-organic waste contractors; keeping non-organic waste weight records, and communicating trends to employees, clients and customers as part of an environmental management system.

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PROTECT THE ENVIRONMENT

NON-ORGANIC WASTE

CONTENTS



DEPLOYMENT

► How we implement our strategy

● In 2011, the **global Materials and Waste Working Group's** first significant task was to analyze the results of the **worldwide site inventory** of environmental activities undertaken in 2010. This analysis took place during the fall of 2010 and included:

- Identifying the countries with the strongest and weakest responses in dealing with non-organic waste.
- Identifying best practices.
- Further developing and communicating best practices.
- Reviewing progress KPI definitions, targets and measurement processes prior to validation by the Performance working group, which is dedicated to KPIs and metrics.

This survey contributed to promoting awareness and behavior, equipment and processes to reduce the volume of waste generated and increase material recovery.

● We have a considerable number of **actions and initiatives in place** to reduce the volume of waste associated with our operations and our recovery of waste throughout, in addition to the measurement of our progress indicators and the creation of a global toolkit. Our focus to date has been on basic steps to reduce non-organic waste, such as employee and consumer communication.

● We continued to build **relationships with key suppliers** on packaging redesign and waste reduction so that materials and waste are designed out of products before they even enter Sodexo operations.

● We continue to engage with **NGO stakeholders** dedicated to non-organic waste reduction and recovery.

● Many countries set **non-organic waste reduction as a priority** in their Better Tomorrow Plan country roadmap for 2011.

► What's next

2012

- Develop a comprehensive program to both reduce and recover our waste.
- All sites implement at least one action to reduce non-organic waste.
- All countries set a non-organic waste-reduction action plan
- We are working on a methodology for the measurement of non-organic waste starting with some key suppliers that have the ability to measure.

2015

- All countries engage in a non-organic waste recovery program.

GOOD PRACTICES



AUSTRALIA

Since 2007, the Resource Recovery Program has aimed to segregate and recycle as many waste streams as possible. It has now been deployed across 22 of our remote sites around Australia. Over 750 metric tons of materials have been recycled, reducing waste sent to landfills by 1,783 m³. In 2010, a facility for processing glass and cardboard in a remote site village helped collect more than AU\$95,000, with all profits going to local charities.

FRANCE

The Corporate Services division is currently carrying out a project to come up with the best dishwashing area. Consumers will be encouraged to end their meals by sorting and discarding their waste in a relatively entertaining spirit.

ITALY

RicicliAmo is the first project for ecological education in schools in Italy. It has been created to develop and raise awareness of recyclable-waste collection. We are implementing the RicicliAmo program in four municipalities in the Piedmont. (Ricicli=we recycle; Amo=we love --> we love recycling). In 2011 we involved 16 clients and 9,000 students.





PROTECT THE ENVIRONMENT NON-ORGANIC WASTE

PERFORMANCE

KPIs

KEY PERFORMANCE INDICATORS	FISCAL 2009	FISCAL 2010	FISCAL 2011	Basis for consolidation Fiscal 2011
% of sites implementing measures to reduce non organic waste (1)	4.0%	4.0%	12.3%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites implementing initial awareness and behaviour steps to reduce their non organic waste	33.9%	33.9%	27.3%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites implementing heightened awareness and behaviour steps to reduce their non organic waste (1)	NEW		30.6%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites which are able to accurately measure their progress (1)	NEW		29.1%	56% of inventoried sites in 48 countries representing 98% of revenues
% of sites implementing initiatives to recover non organic waste (1)	NEW		67.6%	56% of inventoried sites in 48 countries representing 98% of revenues
% of Motivation Solutions countries raising awareness about the importance of non organic waste reduction	NEW		90.5%	72% of Motivation Solutions Revenues

(1) Based on learning from the Fiscal 2010 site inventory questionnaire and with the expert input of the Subject Matter Working Groups, the Fiscal 2011 site inventory questionnaire was considerably revised. The questionnaire is now more complete and more precise in its formulation. We also reviewed our calculation rules to make the indicators more precise. With the exception of Initial Awareness and Behaviour where we kept the same indicator calculation rules, the indicators are not therefore comparable to the ones that we published last year.

GOOD PRACTICES

FRANCE

The city of Marseille was a pioneer in the development of a process to recover food containers: this year, some 11 tons of containers were rinsed in the various offices of the central kitchen, collected by our supplier with a sustainable system, crushed, recycled and transformed in particular transport crates. A process now allows the manufacture of containers from recycled materials.

CHINA

Sodexo cooperates with our client to launch the program of "Waste Sorting and Recycling". Plastic bottle recycling bins were set up with eco-signs to raise customers' environmental awareness.



Read more at
www.sodexo.com

- Environment Section
- Case studies
 - Environmental Management at ACADIA - Canada
 - Total Waste Management - United Kingdom
 - Resource Recovery Program - Australia
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Recognitions

Australia

- In the North West of Australia, Sodexo was recognized as **Environmental Champion** among all contractors on the project of our client, Woodside.
- Sodexo's Resource Recovery Program won the **Golden Gecko Award for Environmental Excellence** presented by the Western Australia Department of Mines and Petroleum for innovation in the mining and oil industries.

Singapore

Certificate of environmental accomplishment.





CONTACT

SODEXO GROUP CORPORATE CITIZENSHIP DEPARTMENT

255, quai de la Bataille de Stalingrad
92866 Issy-les-Moulineaux cedex 9
FRANCE

bettertomorrow.group@sodexo.com
www.sodexo.com

■ A GESTURE IN FAVOR OF THE ENVIRONNEMENT

Sodexo is committed to managing its communication in a responsible manner. For our 2011 Corporate Citizenship Progress Review, we have promoted the use of electronic version and reduced our printing needs. Using less paper and switching to sustainable paper conserves wood, water and energy and help reduce pollution and waste.

■ ABOUT THIS REPORT

Our Corporate Citizenship Progress Review is in its seventh consecutive year of publication (since 2005). In this report, we seek to provide stakeholders with an insight into how we are addressing our corporate responsibility challenges. This report relates to Sodexo's operations all over the world and covers the period from September 1, 2010 to August 31, 2011 (fiscal 2011). All references to "Sodexo" and "we" relate to the Sodexo Group.

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