

Combined Shareholders Meeting December 14, 2021

Summary minutes

The Annual Shareholders Meeting of Sodexo took place on Tuesday, December 14, 2021, at 3:30 p.m., at the Auditorium of La Seine Musicale in Boulogne-Billancourt, in strict compliance with the Covid-19 sanitary rules in force, to ensure the safety of all participants.

The Meeting was chaired by Sophie Bellon, Chairwoman of the Board of Directors. Cindy Cario, Secretary to the Board of Directors, acted as secretary of the Meeting.

Bellon SA, represented by François-Xavier Bellon, and the Group employee mutual fund *FCPE Groupe Sodexo Peps*, represented by Arnaud Bastien, acted as scrutineers.

Also present were Marc Rolland, Chief Financial Officer, as well as the majority of Board members and the representatives of the Statutory Auditors (Caroline Bruno-Diaz for KPMG and Stéphane Basset for PricewaterhouseCoopers Audit).

The agenda of this Shareholders Meeting as well as the draft resolutions were presented in the preliminary notice of meeting published on November 3, 2021 in the French *Bulletin des Annonces Légales Obligatoires* (BALO). The final notice of meeting was published in the BALO and in a Journal of Legal Notices on November 26, 2021.

Following the publication of the preliminary notice of meeting, the Company did not receive any request for the inclusion of points or draft resolutions on the agenda.

In total, 2,428 shareholders, representing 124,252,179 shares and 192,380,467 voting rights, were present, represented or voted by correspondence, i.e. a quorum of 84.89% of the shares, and 88.83% of all voting rights.

After opening the session and as an introduction, Sophie Bellon first expressed her pleasure to be able to welcome shareholders at La Seine Musicale after having exceptionally held the previous shareholders meeting behind closed doors because of the sanitary crisis.

Presentation of Fiscal 2021 results

Marc Rolland, Chief Financial Officer, presented Sodexo's results for Fiscal 2021.

The Group lost 4.6 billion euros of revenue over 2 years as a result of the Covid-19 pandemic. Both Group activities were impacted but Benefits & Rewards was more resilient than the On-Site Services activity. The recovery has been progressive since the last quarter of Fiscal 2020.

Following a 21.7% organic decline during First half Fiscal 2021, consolidated revenues were up organically 18.1% during the Second half. As a result, the organic decline for the year was 5.6%, compared to a 12% decline for Fiscal 2020.

On-site Services revenues declined by 6% in Fiscal 2021, even though activity picked up progressively quarter by quarter, reaching 87% of pre-Covid revenues by the fourth quarter. However, whereas Healthcare & Seniors and Schools picked up back their pre-Covid levels at the end of the year, Business & Administrations remained impacted by the slow return to work and the recovery in Sports & Leisure segment which only started at the end of the year.

Benefits & Rewards Services revenues were impacted by the successive closings and openings of restaurants during the year but was up 3.9% organically compared to previous year. While Europe and Asia have fully recovered, Latin America remained impacted by severe competitive pressures, particularly in Brazil.

The Underlying Operating Profit margin recovered progressively each half-year, in all Group activities. Besides the improvement in activity levels, this recovery is due to strict cost control, active management of the portfolio with the exit of certain services and countries, the positive impact of the GET efficiency program launched in July 2020 which generated more savings than expected and, for On-Sites Services, numerous contract renegotiations.

Despite the crisis, the Group's business model proved to be resilient and cash generating. Capex was maintained in IT systems and Digital, particularly for Benefits & Rewards. However, the overall level was exceptionally low during Fiscal 2021 (1.2% of consolidated revenues) due to some reimbursements, linked to contract closures. We still expect capex to revenues to run at around 2.5% in the medium-term.

As a result of a good management of free cash flow and the inaugural bond issue in the USA of about 1 billion euros in April 2021, the Group ended the year with record liquidity at 6.4 billion euros. The debt ratio, which was 1.7 on August 31, 2021, returned within the target range of 1 to 2.

As for the Sodexo share price performance, it has underperformed significantly the CAC 40 since the beginning of the Covid-19 pandemic but the share performance remains strong over the long-term.

Activity of the Group – Message from Sophie Bellon

Sophie Bellon, interim Chief Executive Officer until the appointment of a new CEO in addition to her duties of Chairwoman of the Board of Directors, first expressed her profound gratitude to the 412,000 Sodexo employees who, in a context that was still difficult this year, showed an unwavering commitment to the Group's customers and consumers.

She pointed out the Group's solid balance sheet and financial situation and the excellent level of liquidity. The organic revenue growth was better than expected and the Group net profit for Fiscal 2021 was 139 million euros, compared to the net loss of 315 million euros for the previous fiscal year.

The Board of Directors therefore proposed to resume the dividend policy this year, with the payment of a dividend of 2 euro per share, including a recurring dividend of 1.20 euro reflecting the dividend policy of a pay-out ratio of 50% of underlying net profit, and a non-recurring element of 0.80 euro reflecting the distribution of the cash related to the disposals program of around 120 million euros.

Sophie Bellon expressed full confidence in Sodexo's ability to deliver the goals that were set this year, i.e. an organic revenue growth of 15 to 18% and an underlying operating profit margin close to 5%, at constant exchange rates.

The Group's environment remains heavily affected by the pandemic and the possibility of Covid-19 becoming endemic is among the risks for which Sodexo is preparing, as well as for the other main risks on which it is especially vigilant and proactive: the retention of its clients, food inflation and the rising cost of labor, as well as talent management.

In this volatile context, with Sodexo's major advantages, we can look to the future with confidence and ambition. Its global presence, its portfolio of activities and services and its unique positioning, but also its family shareholding which guarantees stability and a long-term vision guarantee its resilience, which in turn allows Sodexo to embark upon a new stage in its development. These past two years have confirmed that Sodexo's services are essential, and the Group evaluates its market potential at over 900 billion euros.

In this context, and after Denis Machuel's departure on September 30, 2021, the search for a new CEO is progressing and the Board of Directors is now studying a short list of candidates. However, the Executive Committee and all of the Group's executives are already engaged, under Sophie Bellon's leadership, in the new step of the Group's development which will generate solid, profitable and responsible growth over the long-term.

To this end, the Group's priorities are the following:

- Accelerate the transformation of its food model, at a time of new consumer behaviors and disruptions, especially digital;
- Boost its growth in the United States, Sodexo's biggest market, representing 39% of its revenues;
- Manage more actively its portfolio, prioritizing even more its investments;
- Enhance the organization's effectiveness and in particular maintain the agility, simplicity and pragmatism that was harnessed during the pandemic.

Sodexo has a major asset in order to accelerate its transformation, which is its dual mission, *in advance of its time, at Sodexo's creation in 1966, and still perfectly relevant today:*

"To improve the quality of life of our employees and all those we serve, and to contribute to the economic, social and environmental development of the communities, regions and countries in which we operate."

The Bellon family, as the Group's controlling shareholder, ensures the perpetuation of this mission while the CSR roadmap "Better tomorrow 2025" summarizes Sodexo's commitments as an employer, service provider and corporate citizen to individuals, communities and the environment.

Today, with this heritage and faithful to the spirit of progress that is part of its founding values, Sodexo wants to go further by defining a Company Purpose and reaffirming the value of the daily action of its teams serving 100 million consumers around the world:

**"We create a better everyday for everyone
to build a better life for all."**

Sophie Bellon also presented Sodexo's new tagline:



The latter reflects Sodexo's belief that taking action on the concrete things of everyday life can significantly improve the lives of people, communities and the planet, while reaffirming a strong and committed point of view on the impact of what Sodexo does everyday, for today and tomorrow.

To conclude this presentation, a video was shown that embodies Sodexo's Company Purpose and reveals the Group's new tagline.

Other interventions and presentations

The following individuals also spoke during the Meeting:

- Jean-Baptiste de Chatillon introduced himself to the shareholders, before his appointment as Director was put to the vote of the Shareholders Meeting;
- Cécile Tandeau de Marsac, Chairwoman of the Compensation Committee, presented the components of compensation paid during or awarded for Fiscal 2021 to Sophie Bellon, Chairwoman of the Board of Directors, to Denis Machuel, Chief Executive Officer, and to the members of the Board of Directors, as well as Denis Machuel's departure package and the compensation policies proposed for Fiscal 2022;
- Stéphane Basset, PricewaterhouseCoopers Audit partner, presented the Statutory Auditors reports on the individual company and consolidated financial statements for Fiscal 2021 as well as the special report on regulated-party agreements and the reports on the financial resolutions put to the vote of the shareholders.

A video was also shown presenting Sodexo's corporate governance during Fiscal 2021 (including the composition and activity of the Board of Directors and its Committees).

Q&A session

As usual, shareholders had been given the opportunity to send in written question to the Chairwoman of the Board of Directors as from the date of the convening of the Meeting. The Company received one written question from a shareholder:

Question: In 2021, Sodexo brought forward its Annual Shareholders Meeting and dividend payment by one month. Should we consider that, in the years to come, Sodexo's financial calendar will henceforth set the Annual Shareholders Meeting and the payment of any dividend for December?

Answer: Yes, indeed, the Annual Shareholders Meeting and the payment of any dividend will now take place in December.

Before the Meeting, Sodexo also asked the members of its Shareholders' Club to submit their questions, which were answered live during the Q&A session, as follows:

Question: Sodexo Live! is the new identity of the Sports and Leisure Division, which is more in line with its international dimension. At the same time, you announced the sale of the famous Parisian cabaret Le Lido. Is it your intention to withdraw from other company venues, such as the Pré-Catelan, in the near future?

Answer: We have indeed reached an agreement with Accor on a project to sell the Lido de Paris. The Paris Lido was a separate business in the Sodexo Live! portfolio which was no longer part of the growth strategy. Sodexo Live! has chosen to refocus its investments on developing catering and services as well as on the brands Bateaux Parisiens, Batobus, Yachts de Paris and Lenôtre, which manages the Pré-Catelan. We are also fully prepared to renew the Pré-Catelan concession.

Sodexo Live! is 100% in line with Sodexo's strategy, and we remain very confident in the potential of the business which, though severely affected by Covid-19, has also demonstrated a strong capacity to rebound following the gradual easing of health measures.

More than ever, our consumers need to find time to relax and enjoy themselves, and the Sodexo Live! offer is aimed at meeting this demand.

Question: Isn't your decision to attack more aggressively the global market for "hospitality packages" on cultural, sporting, and corporate events taking place at a time when, in view of the rapid spread of the Delta variant, we are witnessing national or local lockdowns (such as the Beijing Games, which will take place in a health bubble) that could lead to a drop in this division's revenues?

Answer: Sodexo has been a key player in the major international sporting events sector for many years: the Tour de France for 30 years, Roland Garros for 25 years... We were already present at the Barcelona Olympics in 1992.

Since then, we have been actively involved with major events, like the Rugby World Cup since 2007 or the Cricket World Cup 2019. We have just signed an important hospitality contract for the Australian Open tennis tournament.

Lockdowns do have an impact on big events and therefore on these operations; nevertheless, our customers need to find moments of conviviality more than ever. The Sodexo Live! offer of hospitality packages will be even more attractive when these events can take place under normal conditions. And our strategy is to also offer our services to our regular customers such as large stadiums, especially in the United States.

Question: In December 2019, the French Competition Authority charged Sodexo with a fine of €126 million on two complaints involving information exchange and foreclosure of the meal voucher market via the *Centrale de Règlement des Titres* (French meal voucher regulation center). Because of the Covid-19 pandemic, Sodexo was able to defer payment of the penalty until December 15, 2021, while appealing this decision to the Paris Court of Appeal. Where does this case stand at the end of 2021?

Answer: Sodexo has taken note of this decision, but strongly challenges it, as it reflects a totally erroneous assessment of the practices in question and the functioning of the market. Indeed, Sodexo denies that the exchanges of information via the *Centrale de Règlement des Titres*, which were not of a strategic nature, were anti-competitive. The complaint of market foreclosure is also unjustified, especially since the market has seen the entry of several new players. As a result, Sodexo has appealed this decision to the Paris Court of Appeal. The appeal process is underway, the oral argument hearing was held on November 18, 2021, and the Court of Appeal is expected to give its decision in November 2022.

Question: After the departure of Denis Machuel at the end of September and the interim general management of the Company by Sophie Bellon in addition to her duties as Chairwoman, what is the status of the recruitment of Sodexo's fourth CEO since its founding?

Answer: Last July, we announced that we were looking for a new CEO to oversee the Group's new stage of development. The search for the future Sodexo CEO is ongoing, and we now have a shortlist of candidates we are considering. Identifying the right person to lead Sodexo is, of course, one of the Board's top priorities but this takes time. We will not be able to announce a name by the end of the year.

A chat facility was also made available to shareholders during the Meeting, to allow those on line to ask questions but there were no questions.

The live Q&A session with shareholders who were present at La Seine Musicale is summarized below:

Question: Could you possibly tell us what was wrong with Denis Machuel?

Answer: Denis Machuel has not failed since his appointment in 2018 and he has managed the crisis well! However, Sodexo is now operating in an environment that is changing rapidly and the Group must accelerate its transformation. The Board of Directors has therefore decided to build new leadership for this new phase of development.

Question: I read on the Internet that pressure from institutional shareholders were at the origin of Denis Machuel's departure.

Answer: We are fully attentive to our shareholders with whom we communicate regularly but the actions to be carried out in relation to the Group's strategy are exclusively the responsibility of the Board of Directors and the departure of Denis Machuel is a decision that was taken sovereignly and unanimously by the Board.

Question: You recently acquired 4 start-ups: Nourish, FoodChéri, Fooditude and Foodee. What do you expect from these acquisitions?

Answer: These investments aim to better respond to changes in habits and new needs of consumers who wish to benefit from a new food model, with the possibility of having a meal delivered to the office or at home or to have lunch at a restaurant using their "Restaurant Pass". They also want to have more vegetarian offers, organic ingredients and local products. The acquisitions recently made by Sodexo perfectly address these new needs.

Question: You have a tax dispute in Brazil. In Hungary, you have issues with the tax authorities. Where do we stand?

Answer: Regarding the dispute in Brazil, which is related to the deductibility of the goodwill amortization of our On-Site and Benefits & Rewards Services subsidiaries, we obtained a favorable judgment at first instance for each of those two disputes. However, final decisions will not be made for several years.

Regarding the dispute between Sodexo and the Hungarian State in the context of changes in the legislative and regulatory environment in Hungary concerning issuance of food and meal vouchers, the International Center for the Settlement of Investment Disputes (ICSID) confirmed in May 2021 the arbitral award rendered in favor of the Group in January 2019, definitively confirming the compensation owed by the Hungarian State to Sodexo (73 million euros plus accrued interest since December 2011).

Question: We are currently witnessing a price surge which may continue for the next few years. Are you going to maintain prices or do you have an alternative solution?

Answer: Our first mission is to mitigate the effects on our financial accounts of inflation and soaring prices in certain countries. Thanks to the indexation clauses contained in our contracts and to the ongoing negotiations conducted by our teams, the impact of this inflation will be passed as much as possible on to our customers.

Question: How do you see the future for Sodexo in 2 or 3 years? We are talking about a new wave of Covid contamination and we do not know when it will end. How will Sodexo be able to cope with this situation?

Answer: As shown by our latest results, our activities rebounded in the 4th quarter and some of our activities, such as Facility Management services, were above their pre-Covid level. Even during the successive waves of contamination, the Group's activity continued, in compliance with the sanitary measures put in place and with all the experience acquired over the months. The Group has been able to adapt, and, for example, Sodexo has entered into a major contract with the Department of Health and Social Care in the United Kingdom for the operation of rapid testing centers.

In addition, recourse to work from home, a trend which was already emerging before the crisis, is also an opportunity for Sodexo because in order to make their employees willing to come back to the office and share the corporate culture with them, companies now want to offer higher quality catering, stronger moments of conviviality and sharing and increased safety, which is the essence of our Facility Management activity.

Question: Are home services and childcare to remain within Sodexo?

Answer: With regard to childcare, Sodexo has entered into a partnership with the European leader Grandir, with Sodexo retaining 20% of the new group, in order to become together a European leader, or even one day a world leader. We could not do it alone.

Voting on resolutions

The Combined Shareholders Meeting approved all the resolutions proposed by the Board of Directors:

- Approval of the individual company and consolidated financial statements for Fiscal 2021;
- Appropriation of net income, determination of the dividend amount at 2 euros per share and payment on December 21, 2021;
- Reappointment of François-Xavier Bellon as Director for another 3-year term and appointment of Jean-Baptiste de Chatillon as a new Director, also for a 3-year term replacing Emmanuel Babeau who did not wish to be reappointed;
- Approval of the components of compensation paid during or awarded for Fiscal 2021 to Sophie Bellon, Chairwoman of the Board of Directors, to Denis Machuel, Chief Executive Officer, as well as to the members of the Board of Directors;
- Approval of the compensation policies applicable to the Chairwoman of the Board of Directors, the Chief Executive Officer and the Directors for Fiscal 2022;
- Approval of the components of compensation paid during or awarded for Fiscal 2022 to Denis Machuel, Chief Executive Officer until September 30, 2021;
- Renewal of the Company's share buyback program, for an 18-month period, intended to cover restricted share plans, to reduce the Company's share capital by cancelling shares, and to provide liquidity in Sodexo shares under the liquidity contract; and
- Renewal of the financial delegations granted to the Board of Directors.

The detailed voting results are available in the « Finance – Shareholders – Shareholders Meetings » section of the Sodexo website where the video of this Meeting is also available for replay, in French and in English.

Before closing the Meeting, Sophie Bellon thanked the shareholders for their participation in the Meeting and for their trust and support throughout the crisis. The next Shareholders Meeting will take place in December 2022.
