

3.2.8 Our reporting methodology

Choice of indicators

In Fiscal 2018, we have decided to disclose our Corporate Responsibility related information and data in our Integrated Report (chapter 1), chapter 2 and chapter 3 of the present report.

- As part of the Integrated Report we have presented our Value Creation Model, our Materiality Matrix and our Corporate Responsibility Roadmap Better Tomorrow 2025. These three elements are linked and interdependent.
- Chapter 2 contains information of our concrete actions responding to key issues identified in our Materiality assessment.
- Chapter 3 presents our key performance indicators and their progress compared to the previous year.

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

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

In addition, Sodexo's indicators:

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

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

Scope of consolidation

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

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

Additional restrictions may be applicable and are specified in the section below.

Fiscal 2018 workforce indicators

Workforce indicators are consolidated for all Sodexo entities (excluding Centerplate entity), Safety indicators cover On-site Services activity only, representing more than 96% of Group revenues. Other activities will join the reporting process in Fiscal 2019.

Fiscal 2018 societal and environmental indicators

Societal and environmental indicators are calculated and consolidated for entities representing at least between 70% and 98% of Group revenues.

Certain environmental indicators are applicable only to On-site Services or to Benefits and Rewards Services due to the nature of the indicator itself; for example, an indicator relating to the percentage of sustainable seafood purchased relates only to On-site Services entities which provide foodservice.

Reporting framework and tools

Sodexo's commitments to social and environmental responsibility have always been central to the Group's fundamentals. The Group reinforced its workforce and environmental reporting in 2005 with the publication of its first Corporate Responsibility Report and further developed its sustainability performance processes in 2009 when its Corporate Responsibility roadmap, the Better Tomorrow Plan was launched. At the time, the Group committed to report its progress regularly and transparently. In 2016, Sodexo reconfirmed its conviction to continued progress as an employer, a service provider and a corporate citizen through an updated version of our roadmap, Better Tomorrow 2025.

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

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

The consolidation of workforce data is performed by Group Human Resources with the exception of the Health and Safety data which is consolidated by Group Health and Safety and the consolidation of environmental data is performed by Group Corporate Responsibility.

Certain strategic workforce indicators are consolidated monthly or quarterly for a detailed follow up.

All information published in this report was also examined by the Group's external auditors.

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

- % of Group revenues of countries having implemented Sodexo's 10 People Fundamentals;
- Total Workforce, per activity and client segment;
- Retention rate for total workforce;

- Retention rate for site management;
- Group Employee Engagement Rate;
- % of women's representation on the Board of Directors;
- % of women's representation on the Executive Committee;
- % of women's representation among Group Senior Leaders;
- % of women in management positions;
- % of women's representation in total workforce;
- Number of work related accidents requiring a leave(LTSC);
- % of Group revenues of countries having one or more OHSAS 18001 or ISO 45001 certification;
- % of On-site services revenues of countries having either ISO 22000 or ISO 9001 certification for food safety;
- % of spend with contracted suppliers having signed the Sodexo Supplier Code of conduct;
- % of spend on certified sustainable paper disposables as a % of total paper disposables.

Limitations

With 432,967 employees (excluding Centerplate), Sodexo is present in 72 countries with differing regulations and operates a significant number of client sites of different sizes and types of activity.

- Certain indicators therefore require some specific explanation as follows:
 - number of work-related accidents requiring a leave:
 - excludes commuting accidents,
 - includes Sodexo workforce only,
 - excludes temporary labor, sub-contracts and other personnel who are not Sodexo employees,
 - may have insignificant differences created by the local differences in the way that work-related illness is accounted for;
 - average number of days absence:
 - includes absences for work-related accidents and illness as well as personal accidents and illness,
 - may have insignificant differences created by the variances in local legislation in accounting for the number of days of absence as some include weekend and others only working days, the minimum number of days of absence from which the absence is recorded varies according to local legislation;
 - the training indicators in the USA (46% of disclosed data) are based on estimation. The estimation is an extrapolation of actual data on 15% of the population. Solutions are under discussion in order to increase the part of actual data disclosed in the next years;
 - the indicators gathered through the Annual site survey are consolidated for a representative number of sites (more than 9,000 in Fiscal 2018), excluding:
 - sites that are closed,
 - sub sites of a main site such as an University campus or which has several restaurants, cafeterias, kiosks, etc.,
 - sites where Sodexo has a limited activity and where there is no management, supervision or site based Sodexo staff (such as: vending, delivery of meals and maintenance),
 - sites where Sodexo has a short term contract (less than 12 months).
- Certain information is extremely difficult to gather given the nature of the Group's activities:
 - Scope 1 and Scope 2 energy consumption and related carbon emissions are extrapolated for the Group based on the energy consumption and carbon emissions calculation for a set of 32 major countries representing 83% of Group revenues. Given the time and resource required for the data gathering for the calculation of energy consumption and the Scope 1 and Scope 2 carbon emissions data, the calculation of carbon emissions for Fiscal 2018 has not been prepared in time for this publication and will be reported subsequently through the CDP⁽¹⁾. We are currently working on eliminating this one year reporting gap;
 - Scope 1 includes energy consumption and carbon emissions related to the fuel consumed by vehicles used by Sodexo as well as from its consumption of natural gas for the offices and sites where Sodexo has operational control;
 - Scope 2 includes the electricity consumption for the offices and sites where Sodexo has operational control and is market-based;
 - Scope 1 and Scope 2 covers a very small part of our emissions, this is why we have started working on our Scope 3 emissions calculation, with an objective to publish the first figures in Fiscal 2019.
- One of Sodexo's missions is to improve quality of life for its employees and all who it serves. Sodexo's services are, in the majority of cases, provided by its own employees on a significant number of client sites where the Company operates throughout the world. The following information is therefore not applicable or not material for Sodexo:
 - preventive or corrective actions with regard to discharges into the atmosphere, water and soil with a significant negative impact on the surrounding environment;
 - consideration of noise and any other activity-specific pollution;
 - land usage;
 - importance of sub-contracting.

Reconciliation tables

The reconciliation tables for Grenelle II and the GRI are included in the section "Other information" of this report.

¹ CDP: formerly named "Carbon Disclosure Project" works with investors, companies and governments to promote reporting and environmental action in order to ensure a sustainable economy, avoid the effects of climate change and protect natural resources.