

3.2 EXTRA-FINANCIAL REPORTING

3.2.1 470,000 employees serving clients and consumers

3.2.1.1 Workforce by segment and activity

	WORKFORCE		BREAKDOWN	
	FISCAL 2019	CHANGE	FISCAL 2019	FISCAL 2018*
Business & Administrations <input checked="" type="checkbox"/>	275,262	+2,736	58.5%	59.2%
Healthcare and Seniors <input checked="" type="checkbox"/>	87,980	+3,369	18.7%	18.4%
Education <input checked="" type="checkbox"/>	92,109	+3,563	19.6%	19.2%
TOTAL ON-SITE SERVICES <input checked="" type="checkbox"/>	455,351	+9,678	96.8%	96.7%
BENEFITS & REWARDS SERVICES <input checked="" type="checkbox"/>	4,901	+521	1.0%	1.0%
GROUP HEADQUARTERS AND SHARED STRUCTURES <input checked="" type="checkbox"/>	9,985	-625	2.1%	2.3%
TOTAL <input checked="" type="checkbox"/>	470,237	+9,574	100%	100%

* Reclassified for inter-segment reallocation.

The total number of employees has increased by +2.1%, well below revenue growth of +7.6%, or even organic growth of +3.6%.

In Business and Administrations, the growth in headcount reflects strong growth in Asia and Latin America especially with large new openings in Brazil and Mexico. In North America and Europe the headcount is stable.

In Healthcare, the increase in workforce is mainly due to the opening of many new sites in Brazil and India, while the number of people is down slightly in Europe and in North America due

to some closures in the fourth quarter. The growth of Homecare in the U.S. and the UK also contributes to the increase in the number of employees.

In Education the increase in workforce is driven by new business with the very substantial Yvelines school contract in France, many new contracts and acquisitions in the UK, as well as the acquisition of Crèches de France (Childcare).

In Benefits & Rewards the growth in Travel and expense management (Inspirus and Rydoo) revenues explains the increase of headcounts.

3.2.1.2 Workforce by region

	FISCAL 2019	FISCAL 2018
North America	33.1%	34.1%
Europe	30.0%	29.9%
Africa, Asia, Australia, Latin America, Middle East	36.9%	36.0%
TOTAL	100.0%	100.0%

The increasing share of workforce in Africa, Asia, Australia, Latin America, Middle East is driven by the strong growth in activity in Brazil, India and Mexico. Despite the Childcare and Homecare acquisitions in France and the UK, the share in Europe remains

stable, in line with the growth in activity. The decline in North America is due to the slower growth in the region and the recent contract exits in Healthcare segment.

Note: From 3.2.1.3, all Fiscal 2018 workforce figures exclude Centerplate (27,696 employees as of August 31, 2018).

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

3.2.1.3 Workforce by category

	FISCAL 2019		FISCAL 2018	
	TOTAL	% FEMALE	TOTAL	% FEMALE
Board <input checked="" type="checkbox"/> ⁽¹⁾	10	60%	11	55%
Executive Committee <input checked="" type="checkbox"/>	20	35%	19	37%
Group Senior Executives <input checked="" type="checkbox"/> ⁽²⁾	203	37%	203	34%
Managers <input checked="" type="checkbox"/>	52,179	44%	49,743	43%
All Employees <input checked="" type="checkbox"/>	470,237	55%	432,967	55%

(1) Excluding the 2 members of the Board who are employee representatives.

(2) Group Senior Executive includes the key functions reporting directly to a Group Executive Committee member, higher level sales and operations and high potentials.

The share of women on the Executive Committee decreased slightly due to the turnover, but, remains at a healthy 35% level. On the other hand, the share of women has increased in the Group Senior Executives community which is an important talent pool for the future Executive Committee members as well as among managers.

**BETTER TOMORROW
2025
OBJECTIVE**

100% of our employees work in countries that have gender balance in their management populations

	FISCAL 2019
% of employees working in countries that have gender balance in their management populations	50.4%

3.2.1.4 Workforce by age group and average seniority

	FISCAL 2019		FISCAL 2018	
	EMPLOYEES	MANAGERS	EMPLOYEES	MANAGERS
Under 30 years	28.6%	12.1%	27.4%	11.9%
30-40 years	22.7%	29.6%	23.6%	30.7%
40-50 years	21.6%	29.1%	22.3%	29.5%
50-60 years	19.0%	22.1%	19.4%	21.9%
Over 60 years	8.1%	7.0%	7.3%	6.0%
TOTAL	100%	100%	100%	100%

(in number of years)	FISCAL 2019	FISCAL 2018
Managers	8.6	8.3
Employees	4.6	4.8
AVERAGE SENIORITY	5.1	4.8

3.2.1.5 New hires excluding acquisitions and contract transfers

	FISCAL 2019	FISCAL 2018	CHANGE
Employees	175,599	161,365	+14,234
Managers	9,353	6,117	+3,236
TOTAL	184,952	167,482	+17,470

New entrants have increased in Fiscal 2019, mainly driven by Centerplate (only consolidated in this analysis since Fiscal 2019) and the Homecare acquisitions and in countries that are growing strongly such as Brazil and India.

In some countries, new hires are slightly down in correlation with an increase in employee retention.

3.2.1.6 Departures by reason on continuous contract (excluding site loss)

	FISCAL 2019	FISCAL 2018	CHANGE
Resignations (less than 3 months)	35,297	33,353	+1,944
Resignations (after 3 months)	85,317	81,770	+3,547
TOTAL RESIGNATIONS	120,614	115,123	+5,491
Dismissals or redundancy	42,152	33,972	+8,180
Retirement and other reasons	6,638	4,093	+2,545
TOTAL NUMBER OF DEPARTURES	169,404	153,188	+16,216

3.2.1.7 Retention of talents

	FISCAL 2019	FISCAL 2018
Retention Rate for Total Workforce <input checked="" type="checkbox"/>	81.6%	80,9%
Retention Rate for Site Management <input checked="" type="checkbox"/>	87.2%	86,6%

The retention rate is calculated on the basis of resignations after more than 3 months of service. The improvement compared to Fiscal 2018 is principally in North America and India, due to retention initiatives such as ensuring timely induction of new joiners in India.

RETENTION RATE FOR SITE MANAGERS	COUNTRIES
>90%	Argentina, Belgium, Brazil, Canada, Chile, France, Germany, Italy, Netherlands, Russia, Spain
80%-90%	China, Colombia, Finland, Sweden, UK, USA
<80%	India

3.2.2 Engaged talents

BETTER TOMORROW 2025 OBJECTIVE	80% employee engagement rate
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The employee engagement rate – expressing both satisfaction, and involvement and promotion – is a key performance indicator for Sodexo, which seeks to become one of the most admired companies by its employees in the world.

In April 2018, Sodexo conducted its seventh international engagement survey for all employees with at least six months seniority, representing 386,262 employees in 55 countries. The

survey, conducted online, attracted a high participation rate of 62% (versus 57% in 2016). For the fifth consecutive survey, the employee engagement rate increased. In 2018, it reached 69%, +1 point compared to the previous survey, well above the 64% benchmark rate⁽¹⁾.

Local survey results are then shared with teams to develop tangible action plans. These plans are used to improve performance on issues such as absenteeism, health and safety and employee retention, in order to continue to enhance Quality of Life for employees, to in turn enhance quality of life for consumers and productivity for clients.

	JUNE 2018	JUNE 2016	CHANGE
Number of respondents	239,520	208,775	+15%
Employee engagement Rate <input checked="" type="checkbox"/>	69%	68%	+1 pt
% of employees rating Sodexo as the best employer in its sector	84%	88%	-4 pts
% of employees believing that Sodexo values diversity (such as age, gender, culture and origin, religion, sexual orientation and providing opportunities for individuals with disabilities) in the workplace	82%	80%	+2 pts
% of employees considering Sodexo to be a socially and environmentally responsible company	80%	80%	-

1 Aon Hewitt client companies.



3.2.3 Investment in talent development

3.2.3.1 Developing our employees

Sodexo is convinced that the satisfaction of its clients and consumers depends largely on the skills and talents of its employees. The Learning and Development Department offers Sodexo employees a wide range of professional and learning programs.

	FISCAL 2019	FISCAL 2018	CHANGE
Total number of training hours ⁽¹⁾	4,017,650	3,362,594	+19.5%
Average number of hours of training per employee ⁽¹⁾	12.4	10.9	+14.3%
% of client sites providing training on sustainable practices	-(²)	49.2%	

(1) The number of training hours excludes the USA due to data quality issues and Germany due to Work Council.

(2) This indicator is not available for Fiscal year 2019 as the site survey process is being reviewed. The indicator will be disclosed starting Fiscal year 2020, based on a new methodology.

Excluding the USA, the number of hours of training increased in Fiscal 2019 due to Responsible Business Conduct campaign.

The Learning and Development focus in Fiscal 2019 has been on supporting the strategic agenda with key programs designed to reinforce the fundamentals of the Focus on Growth strategic agenda: being clients and consumer centric, enhancing operational efficiency, nurturing talent and anchoring corporate responsibility. Notable launches in Fiscal 2019 include:

- **Unleash** – this program is an online program available, on demand to all managers worldwide to support them in developing their fundamental management capabilities. The program is available in more than ten languages and covers themes such as team feedback, team communication and objectives setting;
- **the On-Site Manager Academy** has been developed to support On-Site Managers in driving growth, managing and engaging their teams and delivering operational efficiency. This blended learning journey also supports them in their personal development and in providing them with a strong network to drive their own development and that of their business. All regions globally have launched the Academy with nearly 5,000 participants currently on the program;

- **the Digital Passport** is designed to accelerate digital transformation by providing the right mind-set, skills and specialization to Sodexo's employees. Over 8,000 have already participated in the digital passport across the first countries to go live (India, Brazil, China, Nordics).

**BETTER TOMORROW
2025
OBJECTIVE**

100% of our employees are trained on sustainable practices

Training our employees on environmental issues improves our services, raises awareness, and changes behaviors. We encourage our teams to report any issues which concern them so that we can prevent environmental incidents. This is backed by a robust compliance process to ensure we adhere to the laws, regulations, Group standards and contractual commitments that help ensure a healthier environment. In order to reach our ambitious 2025 target we have decided to implement a global training program starting Fiscal year 2020. The first indicator will be disclosed in the Fiscal 2020 reporting.

3.2.3.2 Internal promotion at the heart of Sodexo's model

The Company encourages employees to develop a career plan, to explore new professional horizons and take on new responsibilities. This is dependent upon providing multiple opportunities through continued growth, the evolution of the portfolio of activities and the variety of its professions.

	FISCAL 2019	FISCAL 2018
% of off-site managers promoted internally	7.6%	6.6%
% of on-site managers promoted internally	8.8%	8.7%
% of employees promoted internally	2.2%	2.9%

3.2.4 Flexible organization, respectful of employees, offering good working conditions

Because people work better when they work in a professionally fulfilling, stable and secure environment, Sodexo ensures that its employees are the first to benefit from its mission to improve Quality of Life. Sodexo is committed to improving the well-being of its employees.

The Group's organizational model ensures continuity of service quality, while remaining attentive to the expectations of its employees, in accordance with local regulations. Part-time work and use of fixed-term contracts provide the flexibility for business needs.

Around the world, Sodexo promotes work flexibility for its employees, taking into account their lifestyle and ways of

working. The Group facilitates a good work-life balance, improving individual performance. Committed and effective, Sodexo employees are thus able to deliver quality service to clients and consumers.

	FISCAL 2019	FISCAL 2018
% Workforce working part-time	28.4%	24.7%

The increase in the share of part-time workers in Fiscal 2019 is mainly due to the integration of Centerplate.

3.2.4.1 Ensuring employee safety

Sodexo has continued to strengthen its prevention programs for the management of workplace health and safety including providing all members of the Group Executive Committee with individual leadership coaching during Fiscal 2019. Sodexo Safety Nets (preventive controls) and Life Safety (Hazardous activities) programs provide better understanding of risks and causes of accidents, enabling focused improvement actions. The biggest LTIR improvements in Fiscal 2019 were achieved by the Energy &

Resources and Sports & Leisure segments. These outcomes are a potential source of improvement in employees' engagement and quality of life and a source of efficiency gains through reductions in work stoppages and absenteeism.

Sodexo's Health and Safety Policy guides our actions in this area by defining minimum expectations for each business entity and is based on OHSAS 18001.

	FISCAL 2019	FISCAL 2018
% of Group revenues of countries having one or more OHSAS 18001 or ISO 45001 certification [⌋]	88.4%	85.2%
Number of work related accidents requiring leave [⌋]	3,426	3,699*
Average number of work day absences per employee due to work-related accident or illness and non-work-related accident or illness	8.3	8.3
Lost Time Injury Rate (LTIR)	0.86	0.97
Best performance: Lost Time Injury Rate (LTIR) – Energy & Resources segment	0.10	-
% LTIR reduction	11.1%	6.5%
% of Group revenues of countries employing environmental experts	97.6%	96.9%

* The Fiscal 2018 Number of work related accidents requiring leave incorrectly included 173 occupational illness cases for North America. The Fiscal 2018 number has, therefore, been restated to correct this error.

Sodexo's LTIR is the frequency of accidents per 200,000 hours worked. 200,000 hours worked is a proxy for 100 full time equivalent employees working for a full year.

3.2.4.2 Collective agreements for health and safety

Sodexo develops and maintains open and constructive dialogue with duly recognized trade unions or other legal representatives of its employees on issues of mutual concern.

In France, more than 10 Committees and a dedicated team are working on the subject. All of our managers throughout the organization have been incentivized on the reduction of the Lost Time Injury Rate (LTIR).



In Sodexo's International Framework Agreement with the IUF (International Union of Food, agriculture, Hotel Restaurant Catering, Tobacco and Allied Worker's Associations), the commitments include protection of health and safety through

prevention and improvement measures while conforming with local legislation. Where appropriate, Sodexo's collective agreements may include provisions regarding health and safety.

	FISCAL 2019	FISCAL 2018
% of workforce covered by collective agreements	40.3%	43.9%
% of workforce working in countries that have collective agreements and are covered by these agreements	88.8%	89.2%

3.2.5 Running business with integrity and respect for human rights wherever Sodexo operates

Sodexo lives by its core values and its ethical principles. Every employee in the Group is expected to understand and to act in accordance with these values and principles. At the center of our ethical principles is our commitment to business integrity. To ensure integrity in all business dealings, Sodexo has adopted strict principles formulated in its Statement of Business Integrity. The statement is supported by a guide describing concrete situations that employees might encounter.

Sodexo's commitments to Human Rights and Fundamental Rights at Work are described in the Human Rights Policy and the Fundamental Rights at Work charter.

The Group's Human Rights policy is based on the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

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

Our responsible business requirements in relation to suppliers and sub-contractors are described in the Sodexo Supplier Code of conduct, to which suppliers and sub-contractors are required to commit, as a condition of doing business with Sodexo. This Supplier Code of conduct is supported by a Guide to help our suppliers understand and act on their obligations.

To further strengthen the Group's responsible business conduct and governance standards, and to review the impact of legal and regulatory developments, a Group Ethics and Compliance Committee has been established. This Committee brings together the heads of all relevant functions who will play a central role in the definition, implementation and monitoring of the systems designed to ensure that all Group activities are robust and compliant.

	FISCAL 2019	FISCAL 2018
% of workforce working in countries having the Sodexo Statement of Business Integrity available in at least one official language	98.1%	96.8%
% of Group revenues of countries having implemented Sodexo's 10 People Fundamentals ^b	87.9%	80.5%
% of workforce working in countries having the Group Human Rights policy available in at least one official language	97.4%	96.9%
% of workforce working in countries implementing action plans to integrate people with disabilities into the workplace	99.1%	-

3.2.6 Our commitments as a service provider

3.2.6.1 Provide and encourage our consumers to access healthy lifestyle choices



**BETTER TOMORROW
2025
OBJECTIVE**

100% of our consumers are offered healthy lifestyle options every day

Serving 100 million consumers each day, we recognize our responsibility to understand and respond to their specific needs and their long-term aspirations.

It is both an opportunity and an obligation for Sodexo to promote and encourage healthier choices that improve quality of life for millions of people.

	FISCAL 2019	FISCAL 2018	CHANGE
% of On-site Services revenues of countries having a system to ensure that employees with food service responsibilities are trained in compliance with local laws and regulations and Global Food Safety and Hygiene Policy	95.8%	96.0%	-0.2 pt
% of Group revenues of countries having one or more ISO 9001 certification	94.3%	94.4%	-0.1 pt
% of On-site Services revenues of countries having either ISO 9001 or ISO 22000 certification for food safety	98.6%	98.5%	+0.1 pt
% of On-site Services revenues of countries providing Health and Wellness Services including physical wellness services	83.3%	81.4%	+1.9 pt
% of North America client sites implementing actions that proactively address Sodexo's 10 Golden Rules of Nutrition, Health and Wellness	92.2%	89.1%	+3.1 pts
Number of registered dietitians employed by Sodexo	5,138	5,306	-3.2%

The number of dietitians employed by Sodexo has decreased compared to the previous year, mainly due to Seniors in the U.S. sites closure in Healthcare, and to the optimization of the number of dietitians per site.

3.2.6.2 Promote local development, fair, inclusive and sustainable business practices



**BETTER TOMORROW
2025
OBJECTIVE**

10 billion euro of our business value will benefit SMEs

Since its founding, Sodexo has worked to contribute to the economic and social development of the communities, regions and countries where it operates.

We are committed to making a positive impact on quality of life for people in local communities through our business activities. This is why we support communities, and contribute to creating positive interactions with mutual benefits.

	FISCAL 2019	FISCAL 2018	CHANGE
% of Group revenues of countries having specific initiatives to integrate SMEs (Small and Medium Enterprises) into Sodexo's Value Chain	92.3%	91.8%	+0.5 pt
Our business value benefiting SMEs (in billions of euro)	5.5	4.4	+25%
% in kg of certified sustainable coffee	58.1%	50.1%	+8 pts
% of spend with contracted suppliers having signed the Sodexo Supplier Code of conduct	95.7%	93.6%	+2.1 pts

Our business value benefiting SMEs has significantly increased in Fiscal 2019, mainly due to more robust tracking systems put in place in Asia helping to better capture the data. The increase of the reporting scope for this indicator to 83% in Fiscal 2019, from 70% in Fiscal 2018 has also helped to improve performance.



3.2.6.3 Source responsibly and provide management services that reduce carbon emissions



A rich and resourceful planet is indispensable to quality of life in the long term. This is why Sodexo strives for a healthier planet in all we do.

Sourcing responsibly and managing services that contribute to reducing carbon emissions are two major areas of our business activities that reflect our commitment to protecting the environment.

Today, more than half of Sodexo's carbon emissions come from its supply chain, primarily from carbon intensive commodities such as beef, dairy, palm oil, soy and paper that can also have an impact on deforestation.

In 2018 Sodexo co-founded the Global Coalition for Animal Welfare (GCAW), the world's first food industry-led initiative aimed at advancing animal welfare globally. The global platform unites major companies and animal welfare experts in improving animal welfare standards at scale and in meeting consumer demand for food products from animals reared in systems that promote good welfare. Sodexo measures the percentage of animal welfare certification on a species by species basis. We publicly report our progress on cage-free eggs and sustainable fish and seafood annually.

	FISCAL 2019	FISCAL 2018	CHANGE
Sustainable supplies			
% of physical certified sustainable palm oil (extended scope in Fiscal 2019) ⁽¹⁾	34.7%	n/a	
% of cage free shell eggs (of the total of shell eggs purchased by Sodexo)	56.2%	37.6%	+18.6 pts
% of cage free liquid eggs (of the total liquid eggs purchased by Sodexo)	60.8%	51.1%	+9.7 pts
% of On-site Services revenues of countries having the 2018 Sodexo Animal Welfare Supplier charter available in at least one official language	89.1%	95.5%	-6.4 pts
% of certified sustainable fish and seafood as a % of total fish and seafood	36.3%	38.7%	-2.4 pts
% of sustainable fish and seafood which is sustainable as a % of total seafood (in kg) ⁽²⁾	80.3%	80.7%	-0.4 pt
% of spend on certified sustainable paper disposables as a % of total paper disposables	67.3%	70.4%	-3.1 pts

(1) In Fiscal 2019, we have increased our palm oil data collection scope, from top 2 products to total products containing palm oil.

(2) As per Sodexo Sustainable Seafood Sourcing Guide.

Cage free shell eggs and cage free liquid eggs indicators have increased significantly compared to last year. These results reflect all the effort put in place in countries for a more responsible sourcing, including enhanced traceability and transparency throughout our supply chain.

In Fiscal 2019, we have increased our palm oil data collection scope, from top 2 products to all products containing palm oil. The previous published results based on top two commodities represented 59.5% in Fiscal year 2018.

In Fiscal 2018, Sodexo issued a new, more demanding Animal Welfare charter which is gradually deployed across the business. Countries which have not yet implemented the new charter are using the previous policy.

**BETTER TOMORROW
2025
OBJECTIVE**

34% reduction of carbon emissions

	FISCAL 2019	FISCAL 2018	CHANGE
Reduction in carbon emissions			
% of Group revenues of countries having one or more ISO 14001 certification	91.1%	90.8%	+0.3 pt
Scope 1 and Scope 2 emissions energy consumption (in MWh)	601,724	669,688*	-67,964
Scope 1 and Scope 2 (market based) emissions (tCO ₂)	126,230	144,468*	-18,238
% reduction in carbon emissions (compared to 2011 baseline) absolute	47%	40%*	+7 pts
% reduction in carbon emissions (compared to 2011 baseline) intensity	62%	53%*	+9 pts
Scope 3 Supply Chain carbon emissions (tCO ₂)	5,121,136		

* The figures reflect the 2017 results. In Fiscal 2019, we reduced the historical one-year delay in reporting and decided not to extrapolate the Fiscal 2018 data.

For the first time, Scope 3 supply chain information has been collected and verified during the annual audit process. The continued reduction in our direct Scope 1 and Scope 2 energy consumption and emissions compared to the 2011

baseline is mainly due to the implementation of efficient energy management actions such as purchase of renewable energy and equipment upgrade. In Fiscal 2019 we have surpassed our 34% carbon reduction target for Scopes 1 and 2.

3.2.7 Our commitments as a corporate citizen

3.2.7.1 Fight hunger and malnutrition



To act for a hunger-free world is to act for better quality of life. Sodexo employees in the U.S. created Stop Hunger in 1996.

Stop Hunger is a global non-profit network working towards a hunger-free world. The United Nations has set the goal of bringing the world out of hunger in a sustainable way by 2030, making a fairer and a happier world.

Thanks to Sodexo, which administratively supports Stop Hunger, 100% of donations made to Stop Hunger go directly to financing activities and sustainable solutions to support the poorest local communities by empowering women, which we believe represents the most effective way to eliminate hunger.

Up to 150 million more people could be fed by giving them access to the same resources as men. That is why Stop Hunger has made women's empowerment its priority and invested, over three years, nearly 4 million U.S. dollars in programs to support women who are taking action against hunger in their communities.

Stop Hunger relies on partnerships with 1,200 local and international NGOs, as well as on Sodexo's unique ecosystem and in particular its employees.

For more information, read the Stop Hunger activity report: http://www.stop-hunger.org/files/live/sites/stophunger/files/05-news/2019/StopHunger_ActivityReport_2019.pdf

**BETTER TOMORROW
2025
OBJECTIVE**

100 million stop hunger beneficiaries

	FISCAL 2019	FISCAL 2018	CHANGE
Funds invested in programs to empower women working to end hunger in their communities (in thousands of euro)	1,092	1,063	+2.7%

In addition to projects already launched in Fiscal 2018, in 2019 we continued our support to the WIA (Women In Africa), because we share the same vision and desire to support the empowerment of African women and the development of their businesses. A further 19 initiatives in 13 countries, recently

selected, will be co-financed for 3 years by the Stop Hunger Endowment Fund and the local Stop Hunger entity to support these women who are taking charge of the destiny of their local communities.



3.2.7.2 Drive diversity and inclusion as a catalyst for societal change



Each individual’s unique background, experience, and abilities are at the heart of our vibrant workforce and truly reflect the communities we serve. We strive to build a diverse and inclusive culture where our employees feel valued and respected as individuals. We also work closely with diverse local businesses encouraging new points of view, sparking innovation, and ultimately contributing to a positive impact on communities.

Sodexo has always placed the advancement of women at the heart of its vision for economic, social and environmental development.

Our local partnerships contribute to the social fabric of the communities, regions and countries where we operate. We actively seek to bring diverse businesses into our network of suppliers, including minority-owned, women-owned, disabled-owned or LGBT-owned companies.

From social entrepreneurship projects for underprivileged women to supporting causes that move the needle on diversity, we are committed to making a positive impact in local communities.

BETTER TOMORROW 2025 OBJECTIVE	500,000 women in communities educated through job training centers
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	FISCAL 2019	FISCAL 2018	CHANGE
% of Group revenues of countries with initiatives to improve the quality of life of women	93.8%	89.1%	+4.7 pts

% of Group revenues of countries with initiatives to improve the quality of life of women increased significantly mainly due to the implementation of initiatives in Argentina, Germany and Norway.

3.2.7.3 Champion sustainable resource usage



Given its position in the value chain, the breadth of its offer and the myriad opportunities it has to engage, Sodexo is well placed to contribute to more efficient and reduced consumption of resources. Successful action and collaboration can have significant positive impacts on the consumption of our clients, Sodexo’s operations, its industry sectors and supply chains.

Sodexo has developed a waste roadmap adopting the circular economy approach, with the following key elements:

- **value chain collaboration and leadership:** we aim to reinforce collaboration within and across the value chain as a way to drive circular economy and thus, contribute to the UN SDG 12.3 target of halving food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest, by 2030;

- **operational excellence:** we leverage the expertise of our 470,000 employees to provide our clients with best in class waste management services that will help them manage resources more sustainably. We make sure our teams are trained and encouraged to innovate, for the benefit of our clients and consumers;
- **client and consumer engagement:** With 100 million consumers served every day, we are in a unique position to drive behavior change toward waste reduction;
- **marketing & communications:** through our global actions, we help inform clients and consumers so they understand and support the waste prevention challenge;
- **measuring and public reporting:** We ensure that waste management is an integral part of site management and require our sites to measure and report their performance.

BETTER TOMORROW 2025 OBJECTIVE	50% reduction in our food waste
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	FISCAL 2019	FISCAL 2018	CHANGE
% of Group revenues of countries working to deliver on the United Nations’ food waste objective	69.2%	65.9%	+3.3 pts

The increase in this indicator is due to the active participation of Spain and Peru which have put in place initiatives such as participation in multi-stakeholder groups and taskforces like Comunidad Por El clima and CCori Optimal Cooking.

3.2.8 Our reporting methodology

Choice of indicators

In Fiscal 2019, we continue 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 progress in the areas identified as key topics following our materiality assessment;
- include measures of the tangible benefits Sodexo brings to its clients;
- enhance employee knowledge about Sodexo, increasing awareness and engagement;
- provide visibility on progress for Group and country management.

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

Scope of consolidation

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

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

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

Fiscal 2019 workforce indicators

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

- the number of training hours which excludes the U.S. and Germany data (see limitations section below);
- the average number of work day absences per employee due to work-related accidents or illnesses and non-work-related accidents or illnesses excludes accident or illness and non-work-related accident or illness for Brazil (includes work-related accidents or illnesses for Brazil).

Safety indicators cover On-site Services activity only, representing more than 96% of Group revenues and 97% of our total workforce.

Fiscal 2019 societal and environmental indicators

Societal and environmental indicators are calculated and consolidated for entities representing over 92% of Group revenues, except for:

- business value benefiting SMEs covering 83% of Group revenues;
- Scopes 1 and 2 carbon emissions covering 81% of Group revenues;
- Scope 3 Supply Chain Carbon emissions covering 65% of On-Site Services activity revenues.

The business value benefiting SMEs represents the total purchases for our On-site Services activity added to the emitted vouchers value for Benefits and Rewards activity.

In order to streamline the collection and reporting process for the societal and environmental indicators, we have changed the reporting period. The new reporting period starts on June 1, 2018 and ends on May 31, 2019.

Certain environmental indicators are applicable only to On-site Services or to Benefits & 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 Food services.

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 commitment 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 as part of STEP dashboard.

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" for 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;
- departures related to Resignation of Continuous Contract > 3 months (Excluding Site Loss)
- % 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

Sodexo employs 470,237 people, in 67 countries, with differing regulations and operates on a significant number of client sites of different sizes and types of activity.

- Certain indicators therefore require some specific explanation as follows:
 - number of work-related accidents requiring a leave:
 - excludes commuting accidents,
 - includes Sodexo workforce only,
 - excludes temporary labor, sub-contracted labor and other personnel that are not Sodexo employees,
 - may have insignificant differences created by the way that work-related illness is accounted for locally;
 - average number of days absence:
 - includes absences for work-related accidents and illness as well as personal accidents and illness,
 - may have insignificant differences created by the way the number of days of absence is accounted for locally; as some include weekend and others only working days, the minimum number of days of absence from which the absence is recorded;

- the number of hours of training in the U.S. is based on an estimation. The estimation is an extrapolation of data declared by employees representing 10% of the population. Solutions are under discussion in order to disclose this metric based on actual data in the next years.
- Certain information is extremely difficult to gather given the nature of the Group's activities.
 - total business value benefitting SMEs : Data for Sodexo On site Services USA includes non-contracted suppliers;
 - 19% of the total volume of fish and seafood purchased by Sodexo cannot be categorized as per Sodexo Seafood Guide (green, orange or red species), thus the result for Fiscal 2019 is underestimated. A process will be put in place to eliminate this limit next year;
 - 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 24 major countries representing 81% of Group revenues;
 - 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;
 - this year, for the first time, we are publishing our Scope 3 Supply Chain emissions calculation (indirect emissions), based on 65% revenue coverage, with the objective to increase the scope in Fiscal 2020 and report full Scope 3 emissions (also including client sites footprint).
The calculation of carbon emissions related to the supply chain takes into account the following elements:
 - the emissions of the 30 most important commodities for Sodexo (in terms of volume of purchase and carbon impact). These products represent 85% of our purchases,
 - transportation from the last point of processing to the delivered site,
 - emission factors by product.
- 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 table is included in the section "Other information" of this report.

3.2.9 Report by one of the Statutory Auditors appointed as an independent third party, on the consolidated non-financial performance statement in the Management Report

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

For the year ended August 31, 2019

SODEXO

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

To the Annual General Meeting,

In our capacity as the Statutory Auditor of your company (hereinafter the "entity") appointed as the independent third party, certified by the French Accreditation Committee (*Comité Français d'Accréditation* or COFRAC) under number 3-1049⁽¹⁾, we hereby report to you on the consolidated non-financial performance statement for the year ended August 31st 2019 (hereinafter the "Statement"), included in the Group Management Report, in accordance with the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the entity

It is the Board of Directors' responsibility to prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators.

The Statement has been prepared applying the procedures of the entity (hereinafter the "Guidelines"), the most significant aspects of which are presented in the Statement and available upon request at the entity's headquarters.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for statutory auditors (*Code de déontologie*). Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable ethical rules, professional standards, laws and regulations.

Responsibility of the Statutory Auditor appointed as independent third party

On the basis of our work, it is our responsibility to express a limited assurance opinion about whether:

- the Statement complies with the provisions of Article R. 225-105 of the French Commercial Code (*Code de commerce*);
- the information provided (hereinafter the "Information") is fairly presented in accordance with Article R. 225-105-I(3) and II of the French Commercial Code (*Code de commerce*) concerning policy outcomes, including key performance indicators and actions relating to the main risks.

It is our responsibility to express, at the request of the entity and outside of the scope of accreditation, reasonable assurance that information selected⁽²⁾ by the entity and identified with the symbol V has been prepared, in all material respects, in accordance with the Guidelines.

However, it is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory provisions, particularly relating to Duty of Care and the fight against corruption and tax evasion;
- the compliance of products and services with applicable regulatory provisions.

1 Accreditation scope available at www.cofrac.fr.

2 Refer to the list of key indicators in Appendix 1 of this report.



Nature and scope of our work

We performed our work described below in compliance with Article A. 225-1 *et seq.* of the French Commercial Code (*Code de commerce*), defining the conditions under which the independent third party performs its engagement, and with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes* or CNCC) relating to this engagement and with ISAE 3000 (international standard on assurance engagements other than audits or reviews of historical financial information).

We conducted work to form an opinion on the Statement's compliance with legal and regulatory provisions and the fair presentation of the Information therein:

- we gained an understanding of the activity of all companies in the consolidation scope, of the Entity's exposure to the main social and environmental risks relating to the business activity and, of its effects on respect for human rights and the fight against corruption and tax evasion, including any related policies and their outcomes;
- we assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, the sector's best practices;
- we verified that the Statement covers every category of information required under Article L. 225-102-1, Paragraph III concerning social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion;
- we verified that the Statement presents the business model and the main risks relating to the activity of all companies in the consolidation scope, including – if relevant and proportionate – risks due to its business relationships, products or services, as well as policies, actions and outcomes, including key performance indicators;
- we verified that the Statement presents the disclosures required under article R. 225-105, Paragraph II, of the French Commercial Code if they are relevant given the main risks or policies presented;
- we obtained an understanding of the process for selecting and validating the main risks;
- we enquired about the existence of internal control and risk management procedures implemented by the entity;
- we assessed the consistency of the outcomes and key performance indicators with the main risks and policies presented;
- we verified that the Statement covers all companies in the consolidation scope in accordance with Article L. 233-16 within the limits specified in the Statement;
- we assessed the data collection process implemented by the entity to ensure the completeness and fair presentation of the Information;
- For key performance indicators and the other quantitative outcomes⁽¹⁾ that we considered the most important, we set up:
 - analytical procedures to verify that collected data is correctly consolidated and that any changes to the data are consistent,
 - tests of details based on sampling to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents. The work was carried out with a selection of entities contributing⁽²⁾ to the reported data and represents between 39% and 57% of consolidated data of key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative disclosures (actions and outcomes) that we deemed the most important⁽³⁾;
- we assessed the overall consistency of the Statement based on our understanding of all companies within the consolidation scope.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance opinion. A higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work drew on the skills of seven individuals and was conducted between May and November 2019 for a total working time of approximately twelve weeks.

To assist us in conducting our work, we called on our firm's sustainable development and corporate social responsibility (CSR) specialists. We conducted around ten interviews with the individuals responsible for preparing the Statement.

1 See the list of key performance indicators and other results in Appendix 1 of this report.

2 Entities selected in the context of legal limited assurance:
- Sodexo On-Site Services: Sodexo France, Sodexo USA, Sodexo Chile.
Complementary entities selected under reasonable assurance, outside the scope of accreditation:
- On-Site Services: Sodexo India, Sodexo Italy.
- Sodexo Benefits & Rewards: Sodexo India.

3 See the list of key performance indicators and other results in Appendix 1 of this report.

OPINION

Based on our work, we have no material misstatements to report that would call into question the compliance of the non-financial performance statement with the applicable regulatory provisions, or the fair presentation of the Information, taken as a whole, in accordance with the Guidelines.

COMMENTS

Without qualifying our opinion, in accordance with article A. 225-3 of the French Commercial Code, we draw your attention to the following matters:

Training and Scope 3 greenhouse gas emissions indicators, related to year ended August 31st, 2019, respectively cover 57% and 65% of the group turnover, as mentioned in chapter "3.2.8 Our reporting methodology" of the Statement.

Reasonable assurance on a selection of non-financial information

Nature and scope of our work

With regard to the information selected by the entity and identified with the symbol V in chapter 3, we conducted the same procedures as those described in the paragraph "Nature and scope of our work" (for the most important non-financial information). However, these procedures were more in-depth, particularly regarding the number of tests.

Consequently, the selected sample represents between 51% and 58% of the information identified with the symbol V.

We believe that these procedures enable us to express reasonable assurance regarding the information selected by the entity and identified with the symbol V.

Conclusion

In our opinion, the information selected by the entity and identified with the symbol V in chapter 3 has been prepared, in all material respects, in accordance with the Guidelines.

French original signed by:

Paris-La Défense, November 6, 2019

KPMG SA

Fanny Houlliot
Partner
Sustainability Services

Caroline Bruno Diaz
Partner
Audit

Appendix 1

SOCIAL INDICATORS	ASSURANCE LEVEL
Total employees	Reasonable
Total employees per activity and client segment	Reasonable
Retention rate for total workforce	Reasonable
Retention rate for site management	Reasonable
Number of Departures related to Resignation of continuous employment > 3 months excl. site loss	Reasonable
Total New Hires Excluding Acquisitions & Transfers	Limited
Number of work days absence due to work-related accident or illness and non-work-related accident or illness	Limited
Total number of training hours	Limited
Average number of hours of training per employee	Limited
% of total workforce participated in at least one training during the fiscal year	Limited
% of women's representation on the Board of Directors	Reasonable
% of women's representation on the Executive Committee	Reasonable
% of women's representation among Group Senior Leaders	Reasonable
% of women in management positions	Reasonable
% of women's representation in total workforce	Reasonable
% of Group revenues of countries having implemented Sodexo's 10 People Fundamentals	Limited
HEALTH & SAFETY INDICATORS	
ASSURANCE LEVEL	
Number of work related accidents requiring a leave	Reasonable
Lost Time Injury Case	Limited
% of LTIR reduction	Limited
% of Group revenues of countries having one or more OHSAS 18001 or ISO 45001 certification	Reasonable
ENVIRONMENTAL INDICATORS	
ASSURANCE LEVEL	
Scope 1 and Scope 2 emissions energy consumption	Limited
Scope 1 and Scope 2 (market-based) emissions	Limited
% reduction in carbon emissions (compared to 2011 baseline) absolute	Limited
% reduction in carbon emissions (compared to 2011 baseline) intensity	Limited
Scope 3 Supply Chain carbon emissions	Limited

SOCIETAL INDICATORS	ASSURANCE LEVEL
% of Group revenues of countries employing environmental resources	Limited
% of On-site Services revenues of countries having either ISO 9001 or ISO 22000 certification for food safety	Reasonable
Our business value benefiting SMEs (in billions of euro)	Limited
% of spend with contracted suppliers having signed the Sodexo Supplier Code of conduct	Reasonable
% of physical certified sustainable palm oil	Limited
% of cage free shell eggs (of the total of shell eggs purchased by Sodexo)	Limited
% of cage free liquid eggs (of the total liquid eggs purchased by Sodexo)	Limited
% of sustainable fish and seafood which is sustainable as a % of total fish and seafood	Limited
% of spend on certified sustainable paper disposables as a % of total paper disposables	Reasonable

Appendix 2

QUALITATIVE SOCIAL INFORMATION

Sodexo's Health & Safety policy

Programs and other measures in favour of the development of talents skills and the results

QUALITATIVE ENVIRONMENTAL INFORMATION

Innovative environmental actions implemented to fight against climate change and to reduce greenhouse gas emissions

The « WasteWatch » program related to organic waste prevention and the results

QUALITATIVE SOCIETAL INFORMATION

Actions implemented to promote transparency and business integrity

The food offers and other promoting measures for a healthy food balance towards the consumers

The Group Human Rights policy

The actions of partnership and sponsorship

3.3 CONSOLIDATED FINANCIAL STATEMENTS AS OF AUGUST 31, 2019

3.3.1 Consolidated income statement

(in millions of euro)	NOTES	FISCAL 2019	FISCAL 2018
Revenues	3	21,954	20,407
Cost of sales	4.1	(18,756)	(17,320)
Gross profit		3,198	3,087
Selling, General and Administrative costs	4.1	(2,000)	(1,963)
Share of profit of companies consolidated by the equity method that directly contribute to the Group's business	4.9	2	4
Underlying operating profit	3	1,200	1,128
Other operating income	4.1	11	10
Other operating expenses	4.1	(152)	(141)
Operating profit		1,059	997
Financial income	4.2	44	46
Financial expense	4.2	(144)	(136)
Share of profit of other companies consolidated by the equity method	4.9	4	2
Profit for the year before tax		963	909
Income tax expense	4.3	(277)	(245)
Net profit for the year		686	664
Of which:			
Attributable to non-controlling interests		21	13
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		665	651
Basic earnings per share (in euro)	4.4	4.56	4.40
Diluted earnings per share (in euro)	4.4	4.50	4.34

3.3.2 Consolidated statement of comprehensive income

(in millions of euro)	NOTES	FISCAL 2019	FISCAL 2018
NET PROFIT FOR THE YEAR		686	664
Components of other comprehensive income that may be reclassified subsequently to profit or loss			
Change in fair value of cash flow hedge instruments	4.16 and 4.14		
Change in fair value of cash flow hedge instruments reclassified to profit or loss	4.16 and 4.14		
Currency translation adjustment	4.14	190	(245)
Currency translation adjustment reclassified to profit or loss	4.14	(3)	
Tax on components of other comprehensive income that may be reclassified subsequently to profit or loss	4.14		
Share of other components of comprehensive income (loss) of companies consolidated by the equity method, net of tax	4.14 and 4.9	(7)	(1)
Components of other comprehensive income that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan obligation	4.17.1 and 4.14	4	79
Change in fair value of financial assets revalued through other comprehensive income	2.1.2, 4.11.2 and 4.14	175	
Tax on components of other comprehensive income that will not be reclassified subsequently to profit or loss	4.14	(5)	(13)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), AFTER TAX		354	(180)
COMPREHENSIVE INCOME		1,040	485
Of which:			
Attributable to equity holders of the parent		1,021	471
Attributable to non-controlling interests		19	14

3.3.3 Consolidated statement of financial position

Assets

(in millions of euro)	NOTES	AUGUST 31, 2019	AUGUST 31, 2018
NON-CURRENT ASSETS			
Property, plant and equipment	4.5	684	619
Goodwill	4.6	6,158	5,664
Other intangible assets	4.7	801	704
Client investments	4.8	626	558
Companies consolidated by the equity method	4.9	62	83
Financial assets	4.11	999	190
Derivative financial instrument assets	4.16	5	3
Other non-current assets	4.12	20	18
Deferred tax assets	4.20	99	105
TOTAL NON-CURRENT ASSETS		9,455	7,944
CURRENT ASSETS			
Financial assets	4.11	58	36
Derivative financial instrument assets	4.16	7	15
Inventories		294	280
Income tax receivable	4.12	125	176
Trade and other receivables	4.12	4,626	4,121
Restricted cash and financial assets related to the Benefits & Rewards Services activity	4.11	1,120	1,042
Cash and cash equivalents	4.13	1,781	1,666
TOTAL CURRENT ASSETS		8,012	7,336
TOTAL ASSETS		17,467	15,280

Shareholders' equity and liabilities

(in millions of euro)	NOTES	AUGUST 31, 2019	AUGUST 31, 2018
SHAREHOLDERS' EQUITY			
Share capital		590	590
Additional paid-in capital		248	248
Reserves and retained earnings		3,618	2,445
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		4,456	3,283
NON-CONTROLLING INTERESTS		42	45
TOTAL SHAREHOLDERS' EQUITY	4.14	4,498	3,328
NON-CURRENT LIABILITIES			
Borrowings	4.15	3,902	3,537
Derivative financial instrument liabilities	4.16	7	-
Employee benefits	4.17	403	389
Other non-current liabilities	4.19	171	190
Provisions	4.18	88	88
Deferred tax liabilities	4.20	151	126
TOTAL NON-CURRENT LIABILITIES		4,722	4,330
CURRENT LIABILITIES			
Bank overdrafts	4.13	35	28
Borrowings	4.15	182	420
Derivative financial instrument liabilities	4.16	0	1
Income tax payable		99	98
Provisions	4.18	58	73
Trade and other payables	4.19	4,892	4,222
Vouchers payable		2,981	2,780
TOTAL CURRENT LIABILITIES		8,247	7,622
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		17,467	15,280

3.3.4 Consolidated cash flow statement

(in millions of euro)	NOTES	FISCAL 2019	FISCAL 2018
OPERATING ACTIVITIES			
Operating profit of consolidated companies		1,057	993
Elimination of non-cash and non-operating items			
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		365	317
Provisions		(39)	(15)
Disposal (gains) losses and other non-cash items		37	20
Dividends received from companies consolidated by the equity method	4.9	10	19
Interest paid		(129)	(117)
Interest received		42	51
Income tax paid		(204)	(128)
Operating cash flow		1,139	1,140
Change in working capital from operating activities			
Change in inventories		(3)	(6)
Change in trade and other receivables		(384)	(160)
Change in trade and other payables		406	193
Change in vouchers payable		164	194
Change in financial assets related to the Benefits & Rewards Services activity		(53)	(228)
NET CASH PROVIDED BY OPERATING ACTIVITIES		1,268	1,133
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment and intangible assets		(400)	(329)
Disposals of property, plant and equipment and intangible assets		17	31
Change in client investments	4.8	(31)	11
Change in financial assets and share of companies consolidated by the equity method		(94)	(40)
Acquisitions of subsidiaries		(308)	(683)
Disposals of subsidiaries		7	11
NET CASH USED IN INVESTING ACTIVITIES		(809)	(1,000)
FINANCING ACTIVITIES			
Dividends paid to Parent company shareholders	4.14	(403)	(411)
Dividends paid to non-controlling shareholders of consolidated companies		(19)	(13)
Purchases of treasury shares	4.14	(11)	(371)
Sales of treasury shares		4	25
Increase in share capital		1	1
Change in non-controlling interests		(1)	(5)
Proceeds from borrowings (excluding leasing)	4.15	278	645
Repayment of borrowings	4.15	(257)	(215)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		(408)	(345)
CHANGE IN NET CASH AND CASH EQUIVALENTS			
Net effect of exchange rates and other effects on cash		58	(130)
Net cash and cash equivalents, beginning of year		1,638	1,980
NET CASH AND CASH EQUIVALENTS, END OF YEAR	4.13	1,746	1,638

3.3.5 Consolidated statement of changes in shareholders' equity

(in millions of euro)	TOTAL SHAREHOLDERS' EQUITY							
	NUMBER OF SHARES OUTSTANDING	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	RESERVES AND COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENT	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
Notes	4.14			4.14				
Shareholders' equity as of August 31, 2018	147,454,887	590	248	3,375	(930)	3,283	45	3,328
Impact of IFRS 9 & IFRS 15 first-time application ⁽¹⁾				530		530		530
Shareholders' equity as of September 1, 2018	147,454,887	590	248	3,905	(930)	3,813	45	3,858
Net profit for the year				665		665	21	686
Other comprehensive income (loss), net of tax				166	190	356	(2)	354
Comprehensive income				831	190	1,021	19	1,040
Dividends paid				(403)		(403)	(22)	(425)
Capital reduction by cancelling treasury shares								
Treasury share transactions				(7)		(7)		(7)
Share-based payment (net of income tax)				33		33		33
Change in ownership interest without any change of control				(5)		(5)	0	(5)
Other ⁽²⁾				4		4	0	4
SHAREHOLDERS' EQUITY AS OF AUGUST 31, 2019	147,454,887	590	248	4,358	(740)	4,456	42	4,498

(1) See note 2.1.2 "New accounting standards and interpretations required to be applied".

(2) Including the effects of hyperinflation, recognition of commitments to repurchase non-controlling interests.

(in millions of euro)	NUMBER OF SHARES OUTSTANDING	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	RESERVES AND COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENT	TOTAL SHAREHOLDERS' EQUITY		
						ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
Notes	4.14			4.14				
Shareholders' equity as of August 31, 2017	150,830,449	603	534	3,084	(685)	3,536	34	3,570
Net profit for the year				651		651	13	664
Other comprehensive income (loss), net of tax				65	(245)	(180)	0	(180)
Comprehensive income				716	(245)	471	14	485
Dividends paid				(411)		(411)	(16)	(427)
Capital reduction by cancelling treasury shares	(3,375,562)	(14)	(286)	300				
Treasury share transactions				(348)		(348)		(348)
Share-based payment (net of income tax)				44		44		44
Change in ownership interest without any change of control				(0)		(0)	14	13
Other*				(10)		(10)	0	(9)
SHAREHOLDERS' EQUITY AS OF AUGUST 31, 2018	147,454,887	589	248	3,375	(930)	3,283	45	3,328

* Including the effects of hyperinflation and the recognition of put options written over non-controlling interests other than in connection with business combinations.