

Sustainability  
Environment



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# ENVIRONMENT

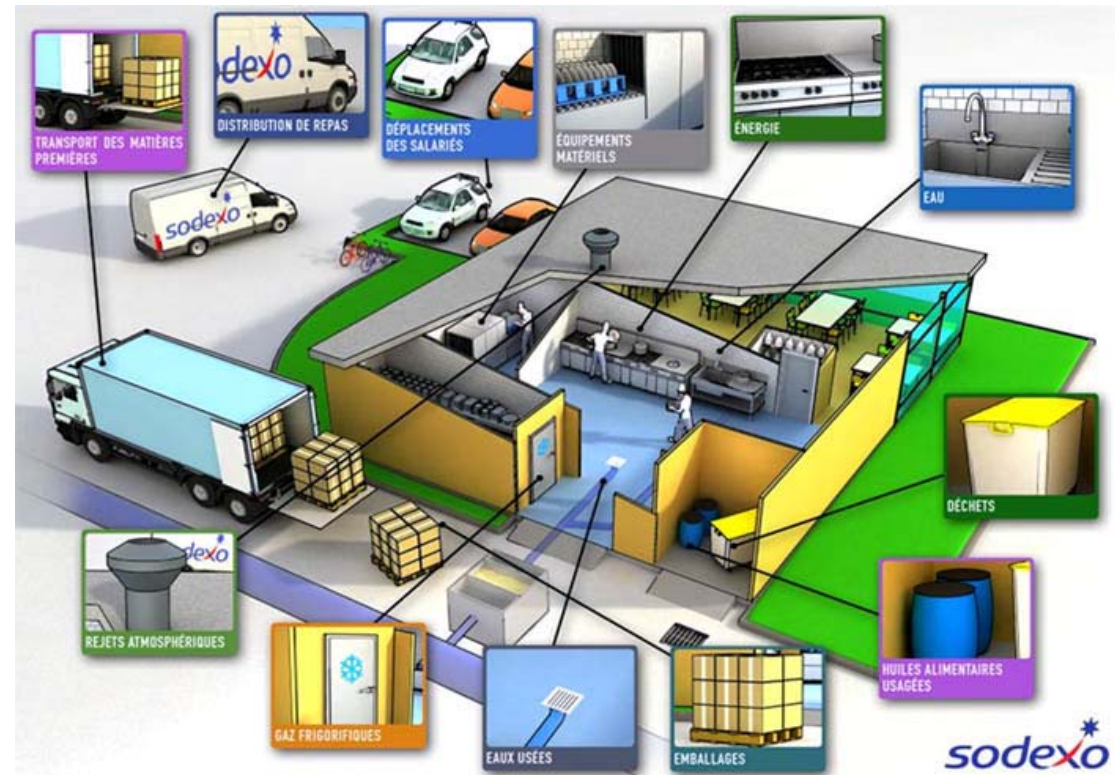
“Act as a Corporate Citizen” is part of our everyday business practices. By protecting the environment, we strive to enhance the Quality of Life of the communities in which we all live, while responding to our stakeholders' expectations for a more sustainable planet.

Although Sodexo is considered a low polluting company, we have a responsibility to minimize our environmental footprint. Our greatest impact is through our use of fuel, energy and water, and the waste associated with our businesses.

Sodexo's Corporate Citizen policy is today highly decentralized and we favor actions at the local level within our host countries. These local actions, however, form part of a Group strategy. Although it is very important for Sodexo to retain the local character of its initiatives, we will increasingly be placing individual local actions under broader regional umbrellas aimed at:

- Reducing climate change factors
- Managing waste
- Monitoring the use of water
- Implementing environmental management systems
- Providing green services

Impacts on Food Services at operations



## Reducing climate change factors

“ We are taking steps to tackle aspects of our business activities that contribute to climate change and see our commitment as an opportunity. The challenge for a large organisation like Sodexo is complex, but we continue to increase our understanding of climate change impacts and how they can be reduced.

”  
**Philip Jansen**  
 Group Chief Operating Officer  
 Chief Executive Officer Europe, Food and Facilities  
 Management services  
 Member of the Group Executive Committee

## Controlling energy use

### STRATEGY

At our Food and Facilities Management Services sites, we consume energy to serve the needs of our clients and consumers. As we work at our clients' facilities, we need their approval for installing independent meters to control our energy use.

The work we have already accomplished at many of our client sites demonstrates great promise for further improvements in the future. We also believe that it is possible, through education and awareness, to gradually develop the desire of communities to emulate similar good practices.

Green renewable energy uses natural resources such as sunlight, wind, tides and geothermal heat, which are naturally replenished. By incorporating green power purchases into our operations where appropriate, we can further reduce the environmental impact of our operations.

### PERFORMANCE

#### Netherlands

At Schiphol Airport, Sodexo is responsible for energy management in all KLM buildings. The gas, water and electricity consumption of almost 80 buildings is continuously monitored and analyzed. All energy purchased by the procurement team of KLM and Sodexo is 'green.' With support from Sodexo, KLM was able to improve its energy efficiency index in 2007 by 2.6% with respect to 2006. In 2008, Sodexo will execute more of these projects at KLM.

#### United Kingdom

- Sodexo has started to use the eCube, a device that reduces energy consumption of food refrigeration units by as much as 30%. As of October 2008, we have installed 140 eCubes at Sodexo sites, which should result in annual reductions of approximately 180,000 kWh of electricity consumption and some 70 tonnes of CO<sub>2</sub>.
- Tillery Valley Foods (TVF), our leading supplier of chilled and frozen meals to the healthcare sector, has implemented an environmental improvement strategy to reduce energy consumption. The way refrigeration units on all distribution vehicles are charged while on site has also been switched from diesel to electricity. This change has saved TVF 500 liters of diesel per week. In 2008, TVF implemented a dynamic route management system. It is estimated that this will result in a 10% reduction in the mileage of delivery vehicles.

#### United States

- Providing support services at remote sites requires the transportation of food and supplies over hundreds of miles offshore in the Gulf of Mexico and over 2,000 miles to Prudhoe Bay, Alaska. Reducing the volume of shipments helps to reduce the volume of waste generated by end users. This also benefits the environment by reducing the energy cost of transporting supplies to remote sites and shipping waste products back. Sodexo's annual savings were estimated to be US\$259,000. By consolidating shipments, Sodexo realized an estimated annual savings of 92,500 gallons of fuel in FY08.

## Sweden

- The issue of climate change is high on every agenda. In 2007, Sodexo convened a number of lunches for 75 clients on the theme of climate change and Facilities Management Services.

**Energy use is actively managed at 48% of our sites through implemented measures to reduce consumption (basis for consolidation: 80% of Group revenues).**

## Reducing food miles

### STRATEGY

Raw materials are delivered by our suppliers to our Food and Facilities Management Services sites for processing. Supplier deliveries consume gasoline and generate carbon dioxide emissions. We have identified actions to reduce CO<sub>2</sub> emissions from delivery trucks:

- Consolidation of deliveries through a reduction in the number of suppliers.
- Introduction of multi-temperature delivery vehicles to reduce the number of deliveries made.
- Introduction of minimum order quantities to discourage 'little and often' delivery patterns.
- Ongoing review of ordering patterns to drive efficiency.
- Beginning to quantify the environmental impacts of our supply chain and evaluating the results of initiatives undertaken with suppliers.

### PERFORMANCE

#### Netherlands

- In 2004, we started the project 'One wholesaler for everything.' By increasing the load volume of trucks to at least 85% capacity and by planning more efficient delivery routes, we were able to reduce the number of deliveries necessary for supplying our restaurants to fewer than three a week for each location.

#### United Kingdom

- Sodexo is working closely with primary distributors to simplify and strengthen the supply chain. In 2007, the number of deliveries to Sodexo sites was reduced by over 100,000, resulting in the prevention of over 360,000 road miles and 400 tonnes of CO<sub>2</sub> emissions compared with 2006.



## Promoting the use of environmentally friendly products

### STRATEGY

Our activities involve the use of large quantities of disposables such as glasses, cups, plates, forks, and knives. Whenever possible, we seek to replace materials and products with recycled or biodegradable products.

### PERFORMANCE

#### Europe and North America

We are introducing biodegradable disposables manufactured with 100% compostable and renewable raw materials. Our target will be to replace all plastic disposables with biodegradable options.

#### Australia

- Ethanol/E10 is a renewable sustainable bio-fuel that can replace fossil fuels in vehicles and reduce air pollution from carbon monoxide and greenhouse gasses. We have conducted trials in the vehicle fleet in the North Queensland contract and have seen a rapid usage uptake. Sodexo plans to conduct further E10 trials in other regions.
- In 2007, Sodexo tested the use of a Returnable Plastic Crate System for the shipment and storage of hospitality supplies. Color-coded plastic crates are used to replace cardboard boxes for freight transportation and storage of fruit and vegetables, meat and chicken. We are expecting to reduce our generation of cardboard waste by over 25,000 boxes per year.

#### France

- In partnership with Henkel Ecolab, 4 pilot-sites were designated to evaluate initiatives to reduce the impact of kitchen facilities on the environment. Through the use of biodegradable cleaning-products and best practices at food washing and disinfection stations, we are evaluating reductions in water and energy consumption. In addition, Sodexo promotes the use of steam-cleaning in our kitchens to reduce the quantity of chemicals and water used, and improve our teams' working environment.
- In 2008, Sodexo launched the first natural gas fuelled refrigerated vehicle.



# Managing waste

## STRATEGY

Our suppliers deliver raw materials to our Food and Facilities Management Services sites for processing. Inevitably we generate waste in the form of packaging materials associated with our raw materials, even if this waste is not particularly hazardous.

Through its activity, Sodexo Service Vouchers and Cards produces paper and plastic-based media. We are addressing our concern to reduce the use of these resources and to promote dematerialized solutions to our clients and customers.

### Reducing the volume of waste

Sodexo implements initiatives aimed at reducing waste disposal to landfills through sound purchasing practices and appropriate food preparation methods:

- Use of refillable containers where possible
- Purchase in bulk containers to reduce packaging requirements
- Purchase of products that utilize recycled materials
- Reduction in the number of cleaning supplies and detergents
- Utilization of concentrated product to reduce shipping weight
- Reduction in paper products through the use of electronic communication means.

## PERFORMANCE

### China

- In the pharmaceutical industry, the use of shoe covers is mandatory in all facilities. We successfully worked with our client GlaxoSmithKline to replace disposable shoe covers with reusable, washable craft shoes to decrease the generation of daily waste by the Tianjin unit.
- In 2008, Sodexo reduced the average amount of waste generated per person in our cafeteria from 150 grams to 100 grams. In addition to collecting trays for reuse, exhibit boards and posters around the cafeteria promote awareness of world grain shortage.

### United States

- On Earth Day 2008, Sodexo and Bank of America launched an initiative to promote the use of reusable mugs and decrease the amount of disposable cups. As a result 3,100 reusable mugs were distributed, representing a waste reduction of 35%.

### Australia

- The Zero-Waste philosophy aims to minimize the generation of waste and, where this is not possible, to reduce, reuse or recycle the material in remote locations around Australia, to reduce waste disposal to landfills by 80%. To date, waste reduction rates have been 15-20% by focusing on recyclable materials.

## Separating waste

### STRATEGY

Of our total waste, 95% consist of organic waste and packaging materials such as cardboard, paper, aluminum, plastic, glass, metal and wood. The remaining 5% are composed of greasy waste and detergent residue.

#### Organic waste

We can optimize the disposal of organic solid waste generated on-site by transforming it to create fertilizer through biological processes such as composting.

#### United Kingdom

Land Technology, our subsidiary which provides grounds maintenance, helps clients benefit from reduced landfill fees by recycling green waste on-site through composting and using it as fertilizer in shrub beds, hedge bases and other planted areas.

#### Plastic, paper, iron, glass, wood, etc.

We look at ways of sorting and recycling the non-organic waste generated from our activities.

#### Europe

Sodexo has signed a new contract for the supply of rice and pasta. The new supplier uses a pallet with one big carton to transport the bulked goods instead of one carton per 2 plastic bags. For the rice and the last year, savings represent 134 tons of plastic bags.

#### Canada

We have implemented the Xpressnap system at 90 client sites. This one-at-a-time system for dispensing napkins reduces the number of napkins used by each patron in addition to being more hygienic. Results indicate a usage decrease of 30 -50%.

#### United States

During FY 2008, 109 Sodexo campus operations removed trays from their dining facilities. This "Going trayless" initiative reduced the amount of food wasted by 60%, as well as energy and water used. The program is being expanded to additional locations.

#### France

Since 2007, Sodexo has been recycling aluminum containers in our central production units. So far, 10 tons of aluminum have been recycled at our units in Marseilles.

#### Australia

Sodexo is increasingly transitioning from the use of small soap bars to liquid soap dispensers at its remote site locations. In a 300-man camp, this can result in a saving of over 2,000 kg of wasted soap bars being sent to the landfill.

#### Used cooking oil (UCO)

As a major user of cooking oil, we are implementing programs to optimize the collection and recovery of UCO at all our restaurant kitchens. Specialized companies now reconvert the used cooking oils into biodiesel. The collection of waste canola cooking oil not only results in less material going to the landfill, but also in the generation of a useful alternative fuel for vehicles. Over its lifecycle, biodiesel from UCO emits 78% less CO<sub>2</sub> than petroleum diesel.

#### United Kingdom

Working in partnership with Honda in 2007, the Sodexo team at the Swindon manufacturing facility installed a plant to convert UCO into biodiesel for use in Sodexo vehicles. The plant is expected to generate a maximum of 5,000 liters of biodiesel annually and eliminate the need for an equivalent amount of diesel, thereby reducing CO<sub>2</sub> emissions and costs. A Sodexo vehicle is currently powered by 100% biodiesel and a trial was successfully conducted with a Honda CRV model car.

## Australia

Sodexo is conducting trials to determine the viability of using 100% bio-fuel in site-based vehicles at remote sites.

## Effluent waste

We look at ways of reducing the amount of waste that is generated during the production process.

## United Kingdom

In 2001, Tillery Valley Foods, our meal production unit for the Healthcare sector re-designed the plant integrating environmental considerations. Originally all factory trade effluent and domestic effluent were combined and discharged to the sewer without monitoring. TVF was advised that a reduction in the quantity of food solids being discharged by these means was required. An effluent treatment plant was installed on the site, which was designed to remove food solids and thereby preventing it from entering the sewer system. The effluent management project has provided an estimated saving of £175,000 per annum in charges that would have been accrued if food solids had continued to be discharged to the sewer.

## Office waste

The amount of office waste can be lowered through source reduction, that is, by using less to begin with and thereby reducing the amount of material for recycling and disposal.

At the Group level, as well as at numerous subsidiaries, we are printing 100% of our corporate documents on environmentally friendly paper (recycled fiber paper or paper produced using sustainable forest management).

## Electronic waste

Over 97% of the contents of electronic products can be reused or recycled. We currently have initiatives underway to manage the generation of e-waste.

## Hazardous waste

Chemicals can endanger people's health and sometimes even threaten their lives. Sodexo is helping its clients introduce innovative and environmentally protective behavior. We have slowly reduced the available choice of chemicals in our operations. We are now working with our suppliers to train our staff in proper dosing to further reduce the amount of chemicals used, and thereby also reduce the amount of packaging for disposal.

## PERFORMANCE

### Awards

#### 2008 – Australia

Sodexo's waste management program was a finalist in the Golden Gecko Award, which is presented by the Department of Industry and Resources in Western Australia. The award recognizes businesses in the mining, oil and gas industries for environmental innovations and initiatives that are beyond the general requirements of operation. Sodexo's entry was one of nine finalists and was described by the judges as an 'innovative approach to waste management at accommodations in remote sites.'



# Monitoring the use of water

## STRATEGY

We are attempting to increase the awareness of clients and customers on the importance of careful use of drinking water, while working to improve our wastewater treatment techniques. In emerging countries, our focus is on the use of clean and healthy water.

As we work at our clients' facilities, we cannot measure separately water use linked to our activities and need their approval for installing independent meters to measure our water consumption.

## PERFORMANCE

**Water consumption is actively managed at 49% of our sites through implemented measures to reduce consumption (basis for consolidation: 80% of Group revenues).**

### United States

Sodexo's reusable water bottle program is transitioning from plastic bottles to stainless steel, partly in response to health concerns about potential chemical hazards from the plastic. In addition, users are less likely to throw away stainless steel containers. A portion of the proceeds from each bottle is donated to an environmental organization. In 2008, Sodexo donated US\$12,500 to the National Fish and Wildlife Service under this program.

### Australia

The Westpac Conference Center managed by Sodexo includes 56 guest rooms, 6 conference rooms, a commercial kitchen, dining facilities, bar, swimming pool, gymnasium and a large outdoor lawn area. The Conference Center has reduced

its water consumption by over 80% through changes in irrigation practices and the installation of various water conservation measures such as:

- Pool cover.
- Flow regulators in the showers and sinks of guest rooms.
- Flow regulators in the commercial kitchen as well as low-flow high-pressure hand nozzles for rinsing.
- Reduced flush volumes in the toilets of guest rooms.
- Waterless urinals in the public restrooms of the conference rooms.
- Low-flow dual flush toilets in the public restrooms.
- Installation of the Smart Water Meter to monitor water consumption and track atypical water consumption patterns including the detection of leaks.

Water consumption at the site has decreased significantly from 22 kL/day to 3.8 kL/day over the last two years.

Water harvesting projects have also been installed at 3 corporate Westpac offices in Sydney to reduce the use of raw potable water resources in the buildings' numerous toilets.



# Implementing environmental management systems

## STRATEGY

We help our clients incorporate greater environmental responsibility into their operations. To this end, we are setting up procedures, implementing measures, obtaining certifications and labels, and in an increasing number of cases, applying for certification under the international environmental management standard, ISO 14001. As part of this process, we are conducting environmental risk analyses and carbon audits, as well as implementing environment management systems and environmental office systems.

Many programs are already being deployed around the world and managed at the local level. Our Group objective, however, is to expand the reach of our global umbrella programs.

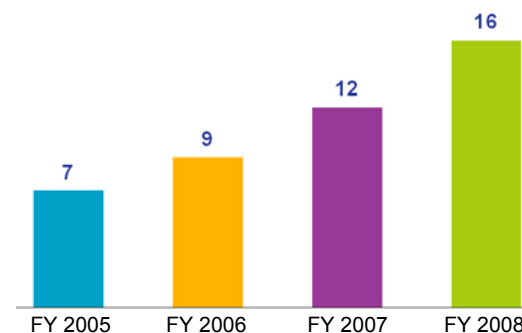
## PERFORMANCE

### ISO 14001 Certification

We have received ISO 14001 certification at several sites, reflecting the environmental progress made by our subsidiaries. ISO 14001 certification has been obtained at sites in 16 countries:

• Australia	• Finland	• Italy*	• Turkey*
• Belgium	• France	• Netherlands	• Sweden
• Brazil*	• Hong Kong	• Peru	• United Kingdom
• Denmark	• India	• Romania	• United States*

4 new countries since last fiscal year



### Finland

An Environmental Management System that has received ISO 14001 certification is implemented at all Sodexo sites and headquarters. This management system helps provide safe and healthy food through sound purchasing practices and logistics; reduce energy and water consumption; separate waste for recovery and recycling; hygiene and cleaning; communication and training; and work safety and well-being. The system is audited both internally and externally. 2,500 Sodexo employees and people working at our clients' sites benefit from the program.

### France

Altys, our Facilities Management Services' subsidiary, obtained ISO 14001 certification for all maintenance and technology management activities in office and industrial buildings. Through this environmental certification, Sodexo in France commits to preventing all forms of pollution and controlling significant impacts to air, soil and water.

## Awareness and training efforts

### STRATEGY

Developing awareness is a critical component for disseminating responsible environmental behavior. We are promoting educational programs for schoolchildren and other young people, and training our employees to protect the environment and biodiversity.

#### France

Sodexo is deploying a new program called Le Geste So.Eco, which involves the implementation of three environmental practices at all 3,000 of its restaurants: reprocessing waste, reducing effluent and other discharges, and saving water and energy. The program includes the distribution of best practices guides, information posted on the intranet, distribution of So.Eco kits to each site to educate local teams and the installation of water-saving equipment at the restaurants.

#### North America

In FY08, Sodexo launched a training program for its managers to increase employee awareness of sustainability and the ways in which we can effect change in our world. In the United States, more than 1,500 managers and sales executives have participated in the training. In Canada, the sustainable dining offer PLANit is currently being piloted at 4 units and the training program for managers has been available on-line since October 2008.

## Partnering with stakeholders

Consistent with our global policy, we are multiplying our partnerships with clients and civil society to find solutions that benefit the environment. Sodexo participates in institutional projects and partners with non-governmental organizations and associations in many regions of the world. We favor partnerships with suppliers and producers who show similar concerns for the environment as Sodexo.

#### Canada

Since 2008, Sodexo has partnered with Chef Michael Smith to develop sustainable culinary practices, increase employee training and development, and gain support for Sodexo's STOP Hunger Foundation. Chef Smith is starring in a new show, "Chef Abroad," on the Food Network in Canada, which had its debut in Fall 2008.

### PERFORMANCE

#### Awards

##### 2008 – United Kingdom

Sodexo was recognized by the British Hospitality Association (the national trade association for the hospitality industry) for its company-wide environmental best practices.

##### 2009 (Targets)

- Promoting ISO 14001 certification: we are encouraging our subsidiaries to implement environmental management systems in their countries and obtain ISO 14001 certification. Because we cannot obtain this certification independently of our clients, we are raising the awareness of our clients on the importance of responsible environmental management and the value of ISO 14001 certification to their site.

## Providing green services

### STRATEGY

Today, we are witnessing a strengthening of green legislation, and we will have to anticipate implications for our company and industry and become more proactive.

Sodexo is developing and rolling out an innovative range of Green Facilities Management Services around the world to meet our clients' expectations for more environmentally sustainable solutions.

#### North America

Sodexo purchased Apex dish-washing system from EcoLab to replace the current system in all of its North American accounts. The system saves water and energy, decreases the impact of the product on the environment, measures quantities used, requires much less packaging and is smaller to transport. During FY08, 6,000 people have benefited from the program.

#### Sweden

GreenBacks is a complete solution for processing waste and providing cleaning services, enabling clients to meet environmental and recycling goals. Sodexo developed GreenBacks in partnership with Ragn-Sells, a Swedish recycling waste specialist, and currently has 10 GreenBacks contracts with clients. One of our long-term clients is Lärarförbundet (the Swedish Teachers Union), which has benefited from the GreenBacks concept since it was implemented at their Stockholm headquarters in 2001.

#### Australia

Sodexo launched Ecomentum to integrate the various sustainability programs that are being conducted at clients' sites. The very successful resource recovery program has now been deployed at 12 of our remote sites, with 8 being deployed in just the last financial year. The program has diverted approximately 15% of waste generated on-site by Sodexo to recycling facilities. Realizing its benefits, several clients have now also joined the sustainability program. As a result of this resource recovery program, A\$ 20,000 were donated back to the community last year, in the form of essential medical equipment for children.

#### Thailand

The Bangkok Medical Center is the largest private hospital with over 59,000 outpatients and 8,700 in-patients each month. In 2006, we recommended a three-month audit of the principal energy consumption areas to identify inefficiencies and waste. We identified potential savings that amounted to a 27%-reduction in the annual electricity charge. The audit highlighted the importance of a well-designed preventive maintenance plan.

### PERFORMANCE

**92% of our subsidiaries have implemented an environmental program (basis for consolidation: 97% of Group revenues).**

#### Awards

##### 2008 – United States

The Princeton Review gave three of our university clients perfect scores in green campus ratings, among only 11 universities throughout the United States receiving perfect scores.

## Issytizens at our new headquarters

At Issy-les-Moulineaux, we moved our headquarters in March 2008 and we intend to act in a sustainable manner by upholding our ethical principles, with particular attention to the environment. To fight against global warming and reduce our environmental footprint, we have put together an action plan for our new headquarters facilities, which includes measures designed to protect the environment. This action plan was designed in collaboration with Altys, Sodexo's subsidiary, specialized in facilities management and ISO 14001 certified.

### We act as issytizens by adopting some measures for:

#### Separating office waste through employee involvement

- Bins to collect and recycle used paper at each work station and copy-machine.
- Use of multi-function equipment (printer/copier/scanner/fax) to reduce paper consumption, preset to print in black and white, in duplex mode and on 100 % recycled paper. It also helps to reduce energy consumption.
- Recovering batteries and bottle caps.
- Replacing plastic cups with biodegradable and compostable cups.
- Sorting ink cartridges for recycling by the manufacturer.

#### Reducing our energy consumption:

- Separating heated areas from non-heated areas (ground-floor equipment rooms).
- Using insulating glass to lower air-conditioning costs.
- Orienting offices to benefit from natural light.
- Separating offices from glassed areas and exterior walls to provide better thermal comfort.
- Using Class-A energy-saving office equipment.



- Adjusting heating and air-conditioning setting automatically in response to outside temperature.
- Setting air-conditioning system to a maximum of 5° C below the outside temperature, with a minimum of 25° C.
- Performing regular equipment maintenance (filters, cleaning, etc.).
- Centralizing lighting control.
- Using low-energy compact fluorescent lamps and fluorescent tubes.
- Light-colored walls to enhance benefits of natural lighting.
- Annual cleaning and maintenance of light bulb.

#### Reducing our water consumption:

- Training personnel on environmentally friendly practices to reduce water consumption.
- Optimal adjustment of water temperature.
- Optimal adjustment of water-heater operating times, with shutdown one hour before closing time.
- Adapting hot-water quantities to average needs.
- Using water meter to detect any unusual water-consumption patterns.
- Water-saving flush systems and push-button taps on toilets.

#### Read more on:

- [http://www.sodexo.com/group\\_en/corporate-citizenship](http://www.sodexo.com/group_en/corporate-citizenship)
- Read our booklet: Corporate Citizenship in action for the Planet
- Our So.Eco environmental policy at offices
- Issytizens (our environmental action plan for the Headquarters of Sodexo)

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*Making every day a better day*