

SODEXO

INCLUSIVE BUSINESS WITHIN COMMUNITIES >>>>>



IMPROVING

QUALITY OF LIFE >>>>>>>>>>

Small and medium enterprises, or SMEs, are key engines of growth and job creation in developing economies, where they account for 60-70% of GDP and 70-95% of total employment. These enterprises provide a sustainable income for families and increase quality of life for the communities in which they operate.

In the U.S., there are 28 million small businesses, accounting for 54% of all sales in the country. When companies effectively integrate SMEs into their supply chains, the benefits for those companies, the SME owner, and the communities in which they operate, can be significant.

Furthermore, 1/3 of the world's SMEs in the formal sector are run by women. Promoting equal opportunities for women and men is an important part of strengthening the economies and communities where we work.

SMALL BUSINESS, BIG IMPACT



In 2014, Sodexo **committed to purchasing globally \$1 billion in products and services over three years from micro, small, and medium sized enterprises, especially those owned and operated by women.** By 2017, the commitment is expected to benefit as many as 5,000 small businesses in 40 countries including 1,500 women owned and operated businesses and more than a million people. This Commitment to Action is part of our membership with the Clinton Global Initiative.

Sodexo's operational footprint presents an immense opportunity for small and diverse suppliers.

MORE THAN
400,000
EMPLOYEES

REPRESENTING
MORE THAN
100
NATIONALITIES

**SERVING
CUSTOMERS IN
80
COUNTRIES**

More than
**100 TECHNICAL
SERVICES**
ranging from facilities
management to food service.

SMALL BUSINESS, BIG IMPACT

SMEs can have difficulty working with large organizations due to the perceived complexity of operations, the stringent health and safety requirements and the scale necessary to be a supplier. Sodexo has a global **Supply Chain Inclusion Program** addressing the barriers for SMEs wanting to access our supply chains, by:

TRAINING AND INCENTIVIZING
OUR SUPPLY MANAGEMENT TEAMS TO SOURCE FROM SMEs.

PROVIDING TRAINING FOR SMEs
to help them work more effectively with Sodexo and become more competitive in the marketplace overall.

**WORKING WITH LOCAL COOPERATIVES,
NGO PARTNERS AND SME EXPERTS**
to quickly understand local issues, devise solutions and expand opportunities for local businesses.

TRACKING GLOBAL SPEND WITH SMEs
to identify additional opportunities and expand best practices in SME sourcing to new countries.

BENEFITS FOR COMMUNITIES

- In developing countries, the SME size class provides more jobs than large enterprises. We estimate that the businesses Sodexo will be partnering with will **employ 250,000 skilled workers in their communities.**



- SMEs provide paid employment, which generates income for the employed and thus helps to reduce poverty and increase **economic resilience in the community.**

BENEFITS FOR VENDOR PARTNERS

- Entrepreneurs working with Sodexo may be offered opportunities to grow within the company's network and **expand their businesses to reach more customers.**
- We educate small entrepreneurs about what needs to be done to qualify as a supplier.
- Sodexo helps vendors expand their businesses with mentoring, training and resources so they can grow.
- The backing of a big brand like Sodexo can help suppliers launch into food distribution channels, which gives them opportunities to win more business with other corporate clients.



BENEFITS FOR SODEXO

- Our diverse suppliers **REFLECT THE DIVERSE CONSUMERS AND CLIENTS WE SERVE.**
- By dealing with smaller, more agile suppliers, we are **closer to market trends and innovations**, allowing us to bring new products to market quicker.



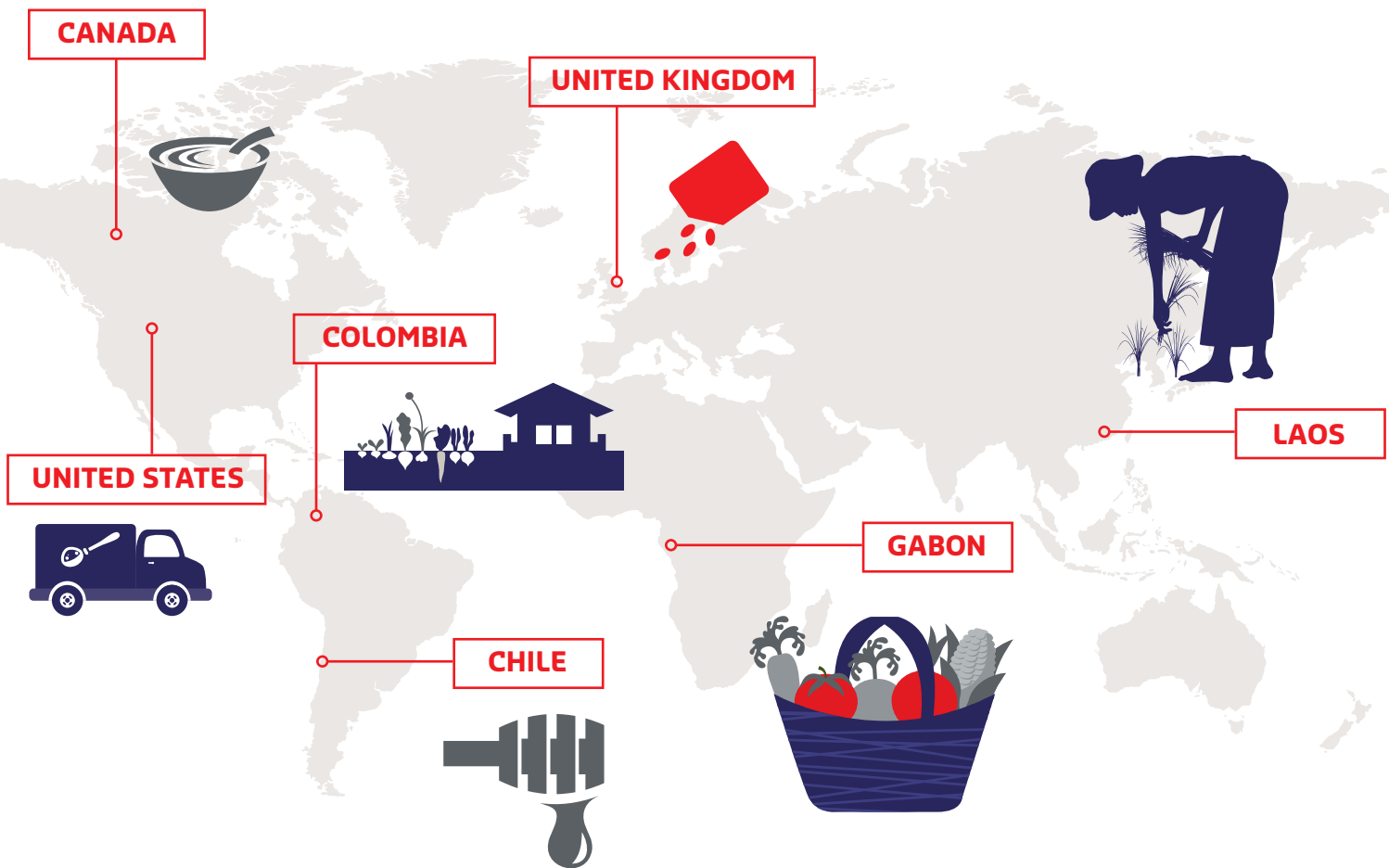
- **FOR MANY OF OUR CLIENTS, DIVERSITY AND SUSTAINABILITY ARE KEY PRIORITIES** and a focus of reporting on key performance indicators. Many of our clients are responsive to how we integrate diversity into supply management and are able to fulfill traceability requirements due to our own reporting.
- Businesses with effective **supplier diversity programs have an opportunity to achieve significant returns** on their investment in terms of access to new customer groups and stronger, more productive relationships with their suppliers. According to a 2015 report by Ernst & Young, leading procurement organizations that have a higher adoption rate of supplier diversity programs generate 133% greater return on the cost of procurement operations than average performers. That translates to an additional \$3.6 million to their bottom line for every \$1 million in procurement operations costs.

"I'm absolutely convinced that placing people at the heart of business strategy is the only way to create sustainable value. Innovation, financial strategy – these are pointless if they aren't also backed up by a long-term vision of how we need to contribute to the global progress of the local communities and societies in which we operate."

Michel Landel, CEO Sodexo

IMPACT

With more than 4,700 SMEs currently engaging with Sodexo, there are thousands of great stories. Here is a sampling demonstrating how we are making a Big Impact on people's quality of life within communities.



IMPACT ON THE GROUND

CANADA

Sodexo has mentored Kelly Beaulieu, the aboriginal founder of Prairie Garden Purees (CPG) in Canada, to help grow the line of vegetable purées from her **Aboriginal women-owned business**. Sodexo's marketing department guided and supported Kelly with pricing and marketing point-of-sale materials. Our corporate chef developed recipes using her purées in recipes such as soups, smoothies and hummus before connecting her with a food broker to bring her line into the food distribution channels that Sodexo operators buy from. She was also coached on food safety standards set by the third-party auditors that decide which foods are approved for purchasing, **helping her to launch into larger markets.**

"Sodexo is a strong partner for our Aboriginal company"
- KELLY BEAULIEU, FOUNDER OF CPG.

CANADA

UNITED STATES

In 1990, Lois Gamerman founded Soft Stuff Distributors, Inc., one of the largest independent specialty foodservice distributors servicing the Baltimore, Washington, D.C., Virginia and Philadelphia markets. Lois' company is a diverse regional distribution partner and in its first year of the partnership, they worked hard to **grow business with Sodexo 500%**. They continue to increase their sales year over year. Located in Jessup, Maryland, the company has gone from selling ice cream supplies to stocking and featuring over 3,200 items, including ice cream, soups, hors d'oeuvres and bakery products. **Soft Stuff is a Certified Woman-Owned business through the WBENC.**

UNITED STATES



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SOFT STUFF DISTRIBUTORS WON THE DIVERSE VENDOR OF THE YEAR AWARD FROM SODEXO, NOT JUST FOR THE GREAT SERVICE THEY PROVIDE TO SODEXO ACCOUNTS, BUT BECAUSE LOIS IS A MENTOR TO OTHER DIVERSE VENDORS IN THE REGION. SOFT STUFF CURRENTLY DISTRIBUTES PRODUCT FROM FOUR WOMEN OWNED BUSINESSES AND LOOKS TO EXPAND AND HELP OTHER SMALL AND DIVERSE BUSINESSES BY PROVIDING A MEANS TO DISTRIBUTE THEIR PRODUCTS.

IMPACT ON THE GROUND

GABON

Since Sodexo was established in Gabon, we have been focused on introducing women owned businesses into our supply chain. In 2011, we partnered with Akouvi DJOBOKOU. By purchasing vegetables, fruits and spices from her three times a month, **we spent over \$200,000 with her business, La Maison des Fruits, in 2015 alone.**

"Sodexo remains the partner that introduced me to the catering industry as well as enabling me to increase my production capacity, and therefore enlarge my structure."

- AKOUVI DJOBOKOU, LA MAISON DES FRUITS

We met Jeanne MBENG MENGUE in 2012 and are purchasing fruits and vegetables from her business, Jeanne Services, **three times a month, spending over \$35,000 in 2015.**



"Sodexo helped me to grow my business and become a high-volume supplier to an organized structure. I make a good profit with Sodexo."
- JEANNE MBENG MENGUE, JEANNE SERVICES



CHILE

In Chile, Sodexo is bringing economic empowerment to small honey producers, working with them to provide honey in the breakfasts of nearby miners. Initially, the partnership incorporated 51 honey producer families from the region. They had 385 beehives and produced no more than 13 tons of honey a year. Two years later, **over 150 families have benefited from the project** and increased production to 1,500 beehives and 45 tons of honey a year. To get to this point, a joint business plan was developed with the community in order to include the honey product in other Sodexo locations throughout the country. The families were able to form a beekeeping association and industrialize their production, **improving the quality of products, prices and volume**, allowing them not only to provide for Sodexo in the region, but ultimately export to the EU.



WEConnect
INTERNATIONAL >>>>

SODEXO HAS WON AN AWARD FROM WECONNECT INTERNATIONAL IN CHILE FOR OUR OUTREACH TO WOMEN OWNED BUSINESSES IN THE REGION.

IMPACT ON THE GROUND

UNITED KINGDOM

The Good4U story began in 2004 when Bernie Butler and her daughter Michelle, a certified dietitian and nutritionist, were introduced to the nutritional benefits of seed sprouts and decided to make more sprouted food products available to all. As of 2016 this **women-owned, family-run producer of super healthy seeds snacks has five of its healthy snacks listed at over 130 Sodexo locations across the United Kingdom.** The listing supports employment in their community while complementing Sodexo's Better Tomorrow commitment to health and well-being.



"As an SME, being able to work with a large organization such as Sodexo has always been an aspiration we have worked towards. This program is truly fantastic in terms of garnering a better understanding of Sodexo's business model, company ethos and supply expectations and requirements. We are delighted to be involved in this program and hope that it will result in a bright future together."

LAURA O'SULLIVAN, SALES AND MARKETING DIRECTOR AT GOOD4U AND BERNIE'S DAUGHTER

UNITED KINGDOM

LAOS

LAOS

Through the support of SNV, a development organization, Sodexo is purchasing rice, various fruits and vegetables, fish, goat and pork from a group of small farmers participating in local farming cooperatives in Laos, many of which are headed by women. SNV worked to grow local capacity for good quality milled rice, which is used in our food service for a local mining operation. Sodexo is now sourcing an annual value of over \$1 million from more **than 500 smallholders, including suppliers that are owned and operated by women, in Vilabouly District, one of the poorest districts in Laos.**



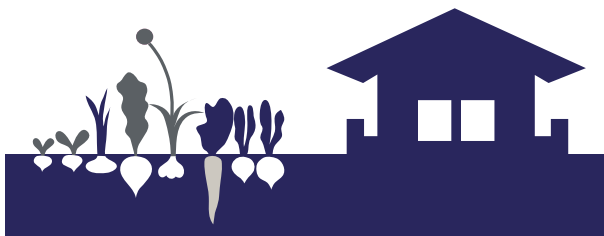
IMPACT

ON THE GROUND



COLOMBIA

Sodexo is supporting 60 families in Cartagena, Colombia through a unique partnership with the Granitos de Paz Foundation. Through the Foundation, **we have connected with poor families in Cartagena that produce organic food in their backyards to sell to hotels and restaurants across the city.** Sodexo is supporting the commercialization of these family gardens so they can work with both Sodexo and other hotels and restaurants in the region. We are promoting food safety practices necessary to sell to the marketplace; supporting the increased productivity of the specific products hospitality businesses tend to need, including basil, thyme, bay leaf and spinach; and have donated nearly \$11,000 for upgrades and maintenance to their small production systems.



In 2014, these families generated an additional **\$10,000 in income** as a result of our partnership. Granitos de Paz currently works with 500 families, so the partnership has tremendous potential for expansion.

BY THE NUMBERS >>>>>>>>>>>

have been forged with local communities, clients, NGOs and associations to build connections to local SME suppliers.

has been spent with
SMEs in the 14 countries
where Sodexo is
tracking SME spend.

have initiatives to
integrate SMEs.

or small-scale producers,
have gained access to
inputs, supports,
and markets.

