

Sodexo's Commitment to Protect Forests and Peatlands

In July 2020, Sodexo formalizes its commitment to protect Forests and Peatlands, within the framework of our Better Tomorrow 2025 roadmap, with an initial focus on palm oil, paper, soy and beef. For more information on Better Tomorrow 2025 roadmap and commodity specific commitments and actions please refer to the section at the end of the document.

What's the specific context?

Importance of Forests and Peatlands

Forests cover 31% of Earth's surface and are critical to the survival of every living thing on Earth. They clean the air, filter water, absorb greenhouse gas emissions, and stabilize the climate—both globally and locally. Forests provide a habitat for 80 percent of the world's land-based biodiversity and contribute to the livelihoods of 1.6 billion people.

While peatlands only cover 3% of Earth's surface (an estimated area of 400 million hectares), they are important carbon sinks, storing one-third of the carbon in the world's soil. In addition, they help maintain both water quantity and quality and support biodiversity.

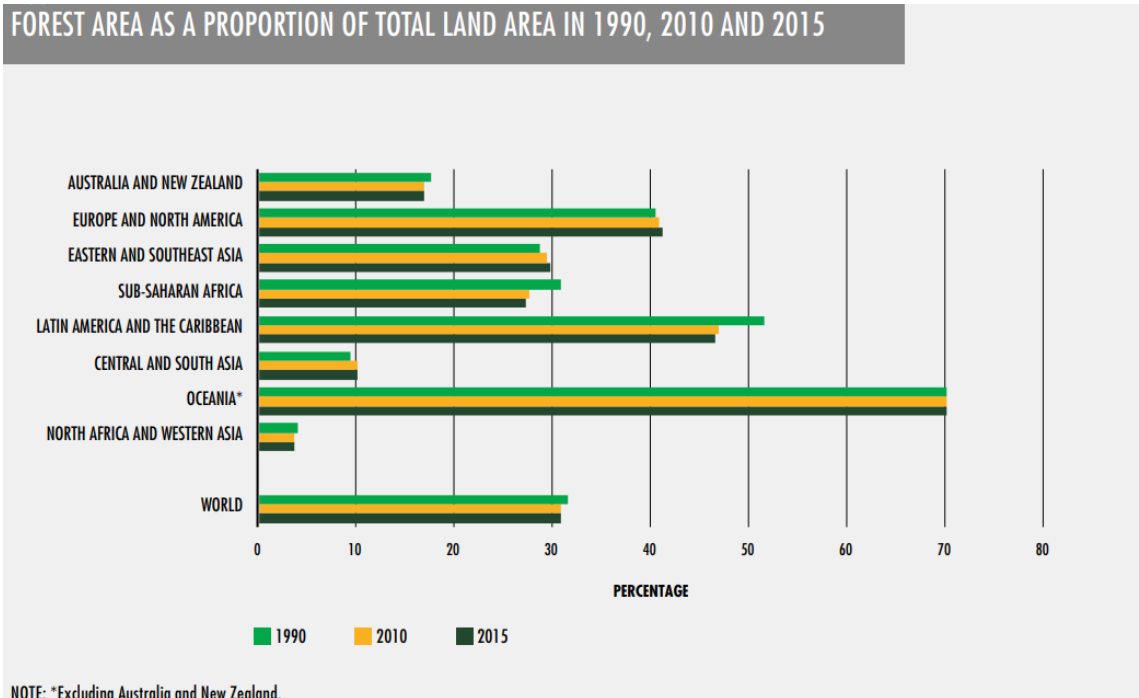
Healthy forests and peatlands are one of the best and only proven methods to remove and store carbon from the atmosphere at scale.

Causes of Deforestation, Conversion and Peatland Destruction

The growing population and global economy have dramatically increased the amount of land and resources required by humans. Between 1990 and 2015, the world lost 128 million hectares of forest, an area more than 2 times the size of France. Commercial agriculture is the primary driver (particularly soy for animal feed, cattle ranching, palm oil and trees for pulp and paper) and is responsible for around 70% of tropical deforestation.

In addition to agriculture, other drivers of deforestation include:

- Illegal and unsustainable logging
- Fires (manmade and wildfires)
- Fuelwood harvesting
- Mining
- Infrastructure development



Impacts of Deforestation

Deforestation is the second leading cause of climate change, responsible for 20% of global GHG emissions, according to the FAO, and it is the main driver of biodiversity loss. From a climate change perspective, keeping forests intact is just as important as eliminating the use of fossil fuels.

In addition, deforestation contributes to drought, soil degradation and erosion, water pollution, the spread of disease and disrupts the fragile balance of ecosystems.

There are also significant social impacts associated with deforestation:

- Land rights conflicts
- Bonded and child labor
- Displacement of indigenous cultures
- Deterioration of water quality for drinking and fish, the most common source of protein in many affected areas

Why Sodexo Engages

A stable climate and rich biodiversity are indispensable to quality of life and human prosperity in the long term. As a responsible company, we have a duty to act.

We have committed to reducing our carbon emissions by 34% by 2025. This commitment was approved by the Science Based Target Initiative (SBTi) in July 2019, making Sodexo the first food services company to align its objective to limit global temperature rise to 1.5°C above pre-industrial levels.

To achieve this commitment, Sodexo has defined four priority actions:

1. Sourcing Responsibly
2. Promoting Sustainable Eating
3. Preventing Food Waste

4. Providing innovative energy management solutions

Within the Responsible Sourcing Strategy, protecting natural ecosystems, with a specific emphasis on sustainable agriculture, has been identified as a priority because it is one of the key climate solutions in our supply chains. Eliminating deforestation and conversion is central to our sustainable agriculture approach.

For Sodexo’s business, the agricultural commodities that have the strongest link to forest and peatland conversion are beef, soy, palm oil and paper. While Sodexo does not directly produce these products and only directly sources small volumes of palm oil and soy, we still have a responsibility to engage our suppliers on these topics.

Beyond carbon emissions, the social and environmental impacts associated with deforestation and peatland destruction, mentioned above, are incompatible with Sodexo’s values and mission.

Sodexo’s Commitment to Protect Forests and Peatlands

Recognizing that a rich and resourceful planet is indispensable to quality of life in the long-term, and building on the progress we’ve already made in responsibly sourcing palm oil and paper products, **Sodexo is committed to a deforestation and conversion free¹ supply chain globally by 2030 for the following priority commodities: palm oil², soy, beef and paper products.**

Commodity Roadmap – Next Steps

	Commodity specific position paper	Public reporting	Target
Palm Oil	<ul style="list-style-type: none"> ▪ First palm oil position paper published in 2012 (commitment achieved in 2015) ▪ Revised position paper published in 2019 (including a commitment for 2025) 	Since 2012	2025: 100% physical certified palm oil by 2025 for the most significant purchased products (cooking oil, margarine and frying oil purchased)
Paper	<ul style="list-style-type: none"> ▪ Position paper with detailed definitions and actions will be published 2021 	Since 2013	2025: 100% certified sustainable paper disposables ³
Soy	2021	2022	Intermediate targets will be announced in commodity specific position papers
Beef	2022	2023	

The four high-risk commodities were selected as priorities by considering both level of risk and Sodexo footprint. The present global commitment on deforestation and conversion free supply chain has been developed within a partnership with WWF. As these commodity specific commitments and strategies are rolled out, we will publicly report on our global progress on an annual basis.

The list of priority commodities will be regularly reviewed.

We view the following as essential to responsibly sourcing commodities at high-risk of causing deforestation:

¹ See the Glossary at the end of the document for definitions.

² Sodexo’s 2025 palm oil commitment is still valid.

³ Paper disposables are defined as single use paper products that are used once and thrown away. This includes paper hand towels, toilet paper, paper napkins, paper kitchen wipes. Sustainable paper disposables are defined as products which are either produced from recycled materials or from certified renewable resources such as wood and paper from managed forests. Renewable sources may be certified by: FSC, PEFC, SFI, CSA EU Flower, Nordic Swan.

- The compliance with the laws of the country of origin for produced and purchased commodities;
- For all commodities produced in critical landscapes, the existing sector-specific cut-off dates must be respected. Any commodities coming from regions without a specific cut-off date must not come from ecosystems that have been converted or degraded after the signing of the present document. A non-exhaustive list of critical landscape includes: natural forests, High Carbon Stock (HCS), High Conservation Value (HCV), or peatland, any natural ecosystem (e.g. savannah, scrubland, wetland, grasslands);
- The recognition of customary, tenure, use, and other associated rights of local communities and indigenous peoples;
- The request for Producers to obtain FPIC prior to delineation of new plantations or initiation of new field operations;
- The prohibition of human or labor rights violations in line with international standards or respective country law (whichever standard is higher).



This is aligned with the United Nations Sustainable Development Goal 15 and the Accountability Framework.

Sodexo's Implementation Strategy for its commitment to protect forests and peatlands

Sodexo has a two-pronged approach to deforestation: (1) reduce pressure on natural ecosystems from agriculture (2) improve sourcing verified deforestation-free products.

1. Reduce pressure on natural ecosystems from agriculture

Sodexo is engaged by:

- Emphasizing local sourcing, where appropriate
- Creating and promoting delicious plant-based meals to our guests
- Reducing the volume of paper disposables, using recycled paper and ensuring 100% of paper is recycled
- Reducing food waste by 50% by 2025

2. Improve sourcing of verified deforestation-free products

At the Group level, we will develop, refresh and regularly update commodity specific policies and strategies for the following high-risk commodities: palm oil, soy, beef and paper products. And we will ensure that these policies are part of the group supply management requirements and addressed in suppliers' contractual specifications wherever appropriate by having our suppliers sign the relevant Sodexo Supplier Charters.

While every commodity's supply chain is unique, the responsible sourcing strategy for each will include, but is not limited to, the following actions:

- Supply chain mapping and traceability for each commodity at the global and country level
- Internal engagement with and training of the Supply Management, Sales, Service Platforms

and Operations teams

- Supplier engagement and assessment (evaluation, verification, improvement, grievance mechanism)
- Use appropriate verification method for each commodity to credibly demonstrate progress
- Data collection and regular reporting on progress for each commodity at the group level (including disclosure of Sodexo Group's footprint, etc.)
- Cross-industry and cross-sector collective action to drive systemic change in priority commodity supply chains

What has been accomplished?

Deforestation

- Use of the Accountability Framework to develop Sodexo's approach to achieving a deforestation-free supply chain.
- 2016-present: Sodexo has been reporting through the CDP Forests Program.
- 2020: Sodexo became a signatory of the Cerrado Manifesto Statement of Support.

Palm Oil

- 2010-11: Sodexo defined a time bound strategy for sustainable palm oil
- 2011: Sodexo became a member of the RSPO, the first in its industry.
- 2012: First palm oil position paper published
- Since 2015, 100% of the palm oil contained in the cooking oil, margarine and frying oil purchased by Sodexo is sustainable (first in our industry to achieve this). Any non-RSPO certified volumes have been compensated through a book and claim process.
- In 2016, as a part of our Better Tomorrow 2025 roadmap, Sodexo took a new commitment to move to 100% RSPO certified palm oil from physical supply chain by 2025
- In Fiscal Year 2019:
 - 34.7% of the palm oil contained in the cooking oil, margarine and frying oil purchased by Sodexo is now physically certified sustainable.

Paper

- 2010: Sodexo selected single-use paper products and office paper in the framework of its efforts to promote sustainable supplies
- 2013: Sodexo began publicly reporting on progress at Group level
- Fiscal Year 2019: 67% of spend on paper disposables was certified sustainable⁴
- Examples of actions to reduce pressure on natural ecosystems from unsustainable forestry:
 - The TakeONE initiative in napkin dispensers is deployed globally. By better controlling napkin dispensing, it reduces napkins consumption by up to 55%.
 - WasteLess Week is an annual event in all Sodexo countries, which encourages teams to generate as little trash as possible along the week. This has worked in building awareness around such topics as responsible paper use.
 - Benefits and Rewards services is actively transitioning away from paper vouchers. Currently 81% of vouchers globally are not paper based.

Soy

- Sodexo has been a part of WWF France's soy initiative since October 2018. This initiative brings together several actors in the French soy supply chain (distributors, processors, etc.).

⁴ See footnote 3 above for definition and scope.

The common goal is to identify the best actions our industry can take to achieve a zero-deforestation supply chain.

- For actions related to reducing demand for animal proteins, see below section on beef

Beef

- Actions to reduce pressure on natural ecosystems from animal agriculture:
 - Sodexo principally relies on local sources of beef for its food services
 - Sustainable food offers, for example: Green & Lean, Mindful, Modern Recipe, Origo
 - Innovative recipes: 200-plant based recipes developed in North America, Future 50 Foods
 - Investment in start-ups: FoodCheri, a French food delivery company that promotes healthy, vegetarian and sustainable food.
 - Innovative suppliers: Impossible Burger, JUST eggs
 - Consumer awareness initiatives, for example: Meatless Mondays (started in 2011)
 - Sodexo is committed to reducing food waste by 50% by 2025. By implementing WasteWatch, Sodexo's global food waste prevention program, Sodexo has avoided 2,242,870 kg of food waste, the equivalent of 4,984,174 meals saved and 15,592 metric tons of CO₂

Related Documents and Links

- **Sodexo Palm Oil Position Paper:** <https://www.sodexo.com/files/live/sites/com-wwd/files/02%20PDF/PalmOilPositionPaper.pdf>
- **Carbon action plan:** <https://www.sodexo.com/home/positive-impact/sustainability/reducing-carbon-emissions.html>
- **Sodexo and the Circular Economy (including waste prevention):** <https://www.sodexo.com/files/live/sites/com-wwd/files/02%20PDF/Case%20Studies/Sodexo-Circular-Economy-Paper.pdf>
- **Accountability Framework Initiative:** www.accountability-framework.org

Background information:

- [Food and Agriculture Organization of the United Nations: State of Forests 2018](#)
- [United Nation's Sustainable Development Goal "Life on Land"](#)
- [UN Food and Agriculture Organization: Forests and Poverty Reduction](#)
- [WWF Living Forests Report: Chapter 5 – Saving Forests at Risk](#)
- [Report for Policymakers: Drivers of Deforestation and Forest Degradation](#)

GLOSSARY

We adopt the definitions of the Accountability Framework Initiative and OECD.

Deforestation: Loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.

Deforestation-free: (Synonym: no-deforestation) Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation.

Conversion: Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function.

- Deforestation is one form of conversion (conversion of natural forests).
- Conversion includes severe degradation or the introduction of management practices that result in substantial and sustained change in the ecosystem's former species composition, structure, or function.
- Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal

Natural forest: A forest that is a natural ecosystem.

- Natural forests possess many or most of the characteristics of a forest native to the given site, including species composition, structure, and ecological function. Natural forests include:
 - Primary forests that have not been subject to major human impacts in recent history
 - Regenerated (second-growth) forests that were subject to major impacts in the past (for instance by agriculture, livestock raising, tree plantations, or intensive logging) but where the main causes of impact have ceased or greatly diminished and the ecosystem has attained much of the species composition, structure and function of prior or other contemporary natural ecosystems.
 - Managed natural forests where much of the ecosystem's composition, structure, and ecological function exist in the presence of activities such as:
 - Harvesting of timber or other forest products, including management to promote high-value species
 - Low intensity, small scale cultivation within the forest, such as less-intensive forms of swidden agriculture in a forest mosaic
 - Forests that have been partially degraded by anthropogenic or natural causes (e.g., harvesting, fire, climate change, invasive species, or others) but where the land has not been converted to another use and where degradation does not result in the sustained reduction of tree cover below the thresholds that define a forest or sustained loss of other main elements of ecosystem composition, structure, and ecological function.

Tropical Forest: A tropical forest is a type of forest found in areas with high regular rainfall and no more than two months of low rainfall and consisting of a completely closed canopy of trees that prevents penetration of sunlight to the ground and discourages ground-cover growth. Today, most deforestation and conversion occurs in tropical forests.

Peatland: A peatland is an area of land with layers of accumulated organic surface material in a state of decay (known as peat). Peat develops in waterlogged conditions. Peatlands represent a huge terrestrial carbon reserve.

Grasslands: Grasslands have many names — but they are all places where there is too little rain for trees to grow in great numbers. Instead, these lands are covered in grasses and grass-like plants that have growing points close to the soil and can keep on growing even after being nibbled on by animals.

Minimal level (of deforestation or conversion): A small amount of deforestation or conversion that is negligible in the context of a given site because of its small area and because it does not significantly affect the conservation values of natural ecosystems or the services and values they provide to people.

- *Minimal levels of deforestation or conversion at the site scale do not necessarily violate no-deforestation or no-conversion commitments. However, this provision does not sanction substantial conversion of forests or natural ecosystems to enlarge commodity production areas.*
- *To be considered consistent with no-deforestation or no-conversion commitments, minimal levels must generally meet the following conditions:*
 - *Not exceed cumulative thresholds that are small both in absolute terms (e.g., no more than a few hectares) and relative to the area in question (e.g., no more than a small proportion of the site). Levels of conversion or deforestation should be assessed cumulatively over space and time; multiple small instances of conversion may lead to a producer being considered non-compliant with commitments.*
 - *Not result in the loss of important biological, social, or cultural values, for instance as defined by the High Conservation Value framework.*
 - *If planned in advance, be specified as a result of an integrated and participatory land-use planning process that follows good practices for achieving positive environmental and social outcomes (e.g., as specified in [Core Principle 7](#)).*
 - *If not planned in advance (e.g., if resulting from unauthorized encroachment or other unforeseen activities), are addressed through effective actions to prevent non-repetition and to remediate harms and restore lost conservation values to the extent necessary.*
- *Even when minimal levels of deforestation or conversion may not be cause for exclusion from ethical supply chains, they may still require remediation (including restoration and/or compensation) to the extent that they result in negative impacts to conservation values or human rights.*

High Conservation Value (HCV): an exceptional or critical ecological attribute, ecosystem service or social function of forests and other biomes, defined by the FSC as follows:

- HCV1 – Species diversity: Concentrations of biological diversity including endemic species, and rare, threatened or endangered species, that are significant at global, regional or national levels.
- HCV 2 – Landscape-level ecosystems and mosaics: Large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.
- HCV 3 – Ecosystems and habitats: Rare, threatened or endangered ecosystems, habitats or refugia.
- HCV 4 – Critical ecosystem services: Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.
- HCV 5 – Community needs Sites and resources fundamental for satisfying the necessities of local communities or indigenous peoples (for example for livelihoods, health, nutrition, water), identified through engagement with these communities or indigenous peoples.
- HCV 6 - Cultural values: Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or indigenous peoples, identified through engagement with these local communities or indigenous peoples.