

SODEXO, INC.

**STATEMENT OF THE HONORABLE MICHAEL MONTELONGO
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**BEFORE
THE COMMITTEE ON COMMERCE, SCIENCE, AND
TRANSPORTATION
SUBCOMMITTEE ON OCEANS, ATMOSPHERE, FISHERIES AND
COAST GUARD
UNITED STATES SENATE**

**ON
THE ROLE OF CERTIFICATION IN REWARDING SUSTAINABLE FISHING
Subcommittee Hearing
Tuesday, September 24, 2013 10:30 a.m.**

Introduction

Good morning Chairman Begich and members of the subcommittee. I am Michael Montelongo, Senior Vice President for Public Policy and Corporate Affairs at Sodexo. I am responsible for our government affairs and public policy activities at Sodexo. On behalf of our 125,000 employees who live and work in the US and the states you represent, I am honored to testify before you today on how Sodexo is playing an important role in marine sustainability. While I regret that our subject matter expert could not be here with us today, I will do my best to address this esteemed committee and provide a general overview of our comprehensive sustainability efforts, guided by what we call the *Better Tomorrow Plan* and how it plays a role in promoting sustainable seafood. We believe sustainability impacts the quality of life for people every day, and will continue to do so well into the future, so thank you, Mr. Chairman for your leadership on this important matter.

About Sodexo

Sodexo is the global leader in services that improve quality of life. As one of the largest integrated services companies in the world, providing more than 100 types of services, Sodexo touches the lives of 75 million consumers in 80 countries every day. In North America alone, our 125,000 employees serve more than 15 million consumers daily at 9,000 client sites across Canada, Mexico and all 50 states in the U.S.

Headquartered in Gaithersburg, MD, we at Sodexo see ourselves as strategic partners with our clients – and we are experts at helping our clients improve their performance and the well-being of their people and their customers.

Our range of diversified quality of life services spans facilities management – from building design, space planning and construction, to energy management and waste water treatment – and also includes integrated business strategy development, employee benefits and rewards solutions, in-home services and our traditional on-site foodservice operations.

We serve a wide variety of customer segments including hospitals, senior living communities, colleges and universities, school districts, corporate environments, federal government facilities, and military bases. At the University of Tampa, for example, Sodexo is helping students and administrators create a carbon-neutral campus – designing LEED-certified buildings, implementing renewable energy and water conservation strategies. Similar work led by Sodexo takes place at thousands of the sites where we operate all over the U.S.

Sodexo also cares about its local communities and ending childhood hunger in America. The company fully funds all administrative costs for Sodexo Foundation, an independent charitable organization that, since its founding in 1999, has made more than \$20 million in grants toward this cause, mainly funded by the efforts and donations of the company, its employees and other stakeholders. Sodexo further supports local community development in other ways including our focus on increasing locally-sourced, community-based purchases and programs like our joint

venture with NANA Management Services which creates business and job opportunities in native Alaskan communities.

As a corporate leader in nutrition, health and wellness, we are proud to partner with First Lady Michelle Obama in her “Let’s Move Initiative.” In addition, as a top employer seeking top talent, we are also honored to partner with the First Lady’s “Joining Forces Initiative” to hire veterans, especially those returning from recent conflicts abroad.

We believe that by improving the quality of life for organizations and people, we help our clients, their customers and the communities where we live and serve to grow and succeed.

Sodexo’s Better Tomorrow Plan

Adopting and incorporating the best thinking about sustainability into our procurement practices is consistent with that mission. In fact, Sodexo just received a 2013 best-in-class ranking for social, environmental, and economic responsibility from the Dow Jones Sustainability Indexes (DJSI) for the 9th straight year. A common theme in our approach to sustainability is our *Better Tomorrow Plan*. We operate in a manner that treats sustainability, not as a separate business offer, special program, or a stand-alone marketing campaign, but rather as a key element woven into the very fabric of our business. Included in our *Better Tomorrow Plan* is a very specific commitment by Sodexo to source 100% sustainable seafood in North America by 2015.

As seafood consumption significantly increases, Sodexo's clients and customers are also increasingly demanding assurances that their seafood is sustainable.

Seafood consumption worldwide has doubled since 1973; by 2020 it is estimated there will be an additional need of 32 million tons. In the United States alone, per capita consumption of seafood has increased over 26% since 1980. This tremendous increase in seafood consumption is placing a major stress on our oceans' natural resources.

Seafood is also an important component of a healthy diet. In fact, according to the USDA's 2010 Dietary Guidelines and MyPlate, fish and shellfish should be the main protein on our plates twice a week.

The way we source this seafood has an important impact on the health of our oceans, the survival of our fish stocks, our clients, customers, and communities, as well as the livelihoods of those working in the seafood industry. Our ongoing support for local communities, including fishing communities, compels us to be better stewards of the oceans' resources. We know the challenge is a tremendous one that we cannot solve alone and are therefore committed to working with a variety of well-respected organizations to best define and enact our policies.

Sodexo's Seafood Purchasing

Sodexo's commitment to sustainable seafood purchases is manifest through our buying power and our reach with the millions of individuals we serve each day. We purchase over \$200 million in seafood each year spanning a wide variety of both wild-caught and aquaculture fisheries. For each fishery and fishing community that

we support, our purchasing decisions are guided by our customers' demands and our principles. While we source seafood from a number of states, Sodexo has and continues to make considerable purchases of seafood from the state of Alaska. In fact, in 2012 Sodexo purchased more than \$22 million in seafood from "The Last Frontier" state. That's 6 million pounds of seafood, including nearly 119 tons of Alaska Salmon.

Delivering Sustainable Seafood

Sodexo's expertise is *not* in seafood certification or fishery management practices, but in delivering the best quality food service to our discerning customers. For this reason, we rely on, and engage with several third parties and certifying bodies to inform our strategy around sustainable seafood. We also work with a variety of advisory bodies to help us determine which species and fisheries are considered at risk and should be considered for controls such as certification.

In North America we continue to advance Sodexo's global sustainable seafood initiative to protect our seafood supply and ocean ecosystems for future generations. In 2011, we removed 15 "at risk" species from our catalogues and menus. In addition, over the last two years we made a number of enhancements to our sustainable seafood initiative, including bringing new supplier partners on board. Sustainable seafood will continue to be a focus of our sustainability effort in North America and we expect to see total sustainable seafood purchases, including certified fish and seafood, increase significantly through 2015.

Validating Sustainable Seafood

As noted previously, Sodexo works with third parties and certifying organizations to advise us and help us meet our sustainability commitments. We work globally with a consortium of stakeholders to get the best practices and developments in the industry to better inform our sustainability and purchasing policies. Sodexo is a founding partner and has active representation on the Board of Directors of the recently launched Global Sustainable Seafood Initiative (GSSI). GSSI is a strategic alliance of businesses, government bodies and NGOs that work to improve clarity and transparency around the issue of sustainable seafood. GSSI's primary objectives aim to 1) create flexibility in the use and re-combination of different standards and verification schemes in the different stages of the supply chain; 2) create flexibility in the use of different standards and verifications for meeting different market requirements, and 3) mobilize synergies among compliance standards and improve the overall standards system. We understand the goals of this initiative are well-aligned with the concerns of this subcommittee – to improve the overall system of standards.

Sodexo recognizes that the needs of its clients and customers vary and it has always made every effort to accommodate those needs without straying from its sustainability objectives. We review our sustainability criteria for each species on an annual basis and make determinations about whether or not we serve those species; if they should be certified; or if there should be other types of controls in place. To that end, Sodexo is willing to consider alternative strategies in conjunction with other external organizations that help ensure our commitment to sustainability is based on robust science and addresses customer demands.

Closing

In closing, I would like to reiterate that through our comprehensive *Better Tomorrow Plan* we, at Sodexo, see sustainability not as a programmatic undertaking, but as a key element woven into the fabric of our business and mission to improve the quality of daily life of our clients, customers, and the communities where we live and serve; we remain committed to sourcing 100% sustainable seafood in North America by 2015.

We clearly recognize that the way we source seafood plays an important role in the health of our oceans, the survival of our fish stocks, and impacts all those we serve and the lives of those working in the seafood industry. Given these facts, our ongoing support for local fishing communities requires us to be responsible stewards of the oceans' resources. Thank you again for your leadership on this important issue and we look forward to working more with you on this in the future.