



OPTIMAL GENDER BALANCE IMPROVES PERFORMANCE

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CASE STUDY

SODEXO ANALYSES THE IMPACT OF GENDER BALANCE ON PERFORMANCE

Sodexo has long since considered gender balance as a strategic issue," says Michel Landel, Sodexo CEO. "While it has always been our conviction that a clear link exists between gender balance and performance, our internal study gives us the numbers to provide an in-depth understanding of the range of this impact."

all levels of its management impacts both financial and non-financial performance. Gathering data from 50,000 Sodexo managers in 80 countries – from C-Suite to site management – Sodexo is now able to clearly demonstrate how management teams that are gender-balanced impact growth, profit and cash generated, but also employee engagement and client retention.

ACHIEVING THE RIGHT BALANCE

This study is based on the premise that gender balance impacts performance only when the optimal balance is reached. The results clearly confirm that this balance corresponds to a male-female ratio between 40 and 60 percent.

The management teams that fit within this gender balance "zone" generate, on average, results that are more sustained and predictable than those of teams with less than 40 percent or more than 60 percent of either gender.

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Gender balance studies to date have looked extensively at the correlation between women in top-tier management positions and financial performance. Sodexo takes a step further by looking at how gender balance at

The breadth of the data collected and the geographical diversity of the study sample confirm that the results are solid and shed new light on the strategic importance of gender diversity within the Group.

OPINION

Where gender balance meets Quality of Life

Sophie Bellon, Sodexo Group Special Advisor for Research, Development and Innovation; Vice Chairman of the Board of Directors; Co-lead of SWIFT.



"IMPROVING QUALITY OF LIFE STARTS WITH DIALOGUE."

When I tell people that gender balance improves the Quality of Life of everyone in the workplace, some find it hard to believe. And yet, these two ideas are intrinsically linked.

Improving employees' Quality of Life starts with meaningful dialogue. It's the only way of understanding people's needs, difficulties and expectations. Gender balance encourages different points of view and creates a space within an organization where this conversation can take place. When women are appointed to new positions, or when they join new teams, their arrival leads to a new sort of dialogue among people and, naturally,

years of established practices are brought into question.

First of all, gender balance has started the conversation about work-life balance. Flexible working hours, initially an objective sought by women, has now become a major aspiration for all employees. This means that a man today can feel free

to leave the office to pick up his child from school, and then continue to work from home. This was unthinkable 25 years ago! For the younger generations, the freedom to work anytime, anywhere is expected. With flexibility, everyone wins: 72 percent of companies report an increase in productivity when flexible work arrangements are offered.¹ 6 o'clock meetings are no fun for anyone – and moreover are not necessarily very effective. Employees who spend too long at work may be less productive, more prone to errors, communicate less frequently or poorly and neglect personal health – leading to burnout.

Gender balance also changes how we manage and how we interact with each other. I don't want to stereotype the abilities of either sex, but I have often noticed that women have a

1 - "Flexibility drives Productivity", Regus, February 2012.

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GENDER BALANCE IN MANAGEMENT CASE STUDY¹

AMONG **50,000** MANAGERS



IN **90** ENTITIES²

WHAT ARE THE KEY FINDINGS?

THE OPTIMAL BALANCE

BETWEEN 40% TO 60% MEN AND WOMEN



EFFECTIVE GENDER BALANCE IN MANAGEMENT

PERFORMANCE INDICATORS IMPACTED FOR GENDER-BALANCED ENTITIES

BETTER EMPLOYEE ENGAGEMENT



+4 POINTS

in employee engagement between 2010 and 2012.

STRONGER BRAND IMAGE



+5 POINTS

in client opinion between 2010 and 2012.

GROSS PROFIT



23%

Entities with gender-balanced management were 23% more likely to show an increase in gross profit over the past three consecutive years.

ORGANIC GROWTH



13%

Entities with gender-balanced management were 13% more likely to show consistent organic growth over the past three consecutive years.

1 - Source: Sodexo.

2 - Every Sodexo entity was included except entities with less than 25 employees in order to avoid misinterpretations.



“GENDER BALANCE
LEADS TO **MORE
STEADY,
PREDICTABLE AND
SUSTAINABLE
GROWTH AND
PRODUCTIVITY.”**

MICHEL LANDEL, SODEXO CEO

from page 1

→ FOCUSING ON NON-FINANCIAL INDICATORS

While studies of this kind commonly link gender balance with performance on a purely financial level, Sodexo’s study also reveals impacts on non-financial performance indicators such as employee engagement rate – which is key for a company such as Sodexo that places people at the heart of its mission.

Teams within the optimum gender-balanced zone have experienced on average

an increase of four points of the global engagement rate versus only one point for other teams between 2010 and 2012. Similar correlations are found with other business metrics, including client satisfaction and retention.

This case study reinforces Sodexo’s conviction that gender balance is a significant driver of performance and only delivers results if it is embedded in the global strategy and systematically addressed at all levels of the organization.

“In order to achieve this optimal gender balance ratio, organizations must have a proactive policy in terms of recruitment

and promotion, but also offer a healthy work environment conducive to the development and advancement of women,” says Elisabeth Carpentier, Sodexo Group Chief Human Resources Officer.

“Our commitment to gender balance pushes us in the right direction, fortifies our pipeline of female managers and leads to more steady, predictable and sustainable growth and productivity. In this landmark year where we approach our goal of 25 percent of women in our top 300, this study reinforces our efforts to become an even more inclusive company”, notes Michel Landel.

INTERVIEW

ON-TARGET RESULTS



ROHINI ANAND,

Senior Vice President and Global Chief Diversity Officer and Co-Lead of Sodexo Women’s International Forum for talent (SWIFT)

HOW DOES THIS STUDY IMPACT WHAT WE ALREADY KNOW ABOUT GENDER BALANCE?

♦ **ROHINI ANAND:** The analysis has shown that Sodexo’s gender-balanced management entities consistently outperform entities without gender balanced management. It also suggests that the key to linking gender balance and financial and nonfinancial performance is reaching the optimum level of gender balance.

HOW WILL THESE FINDINGS INFLUENCE SODEXO’S FUTURE GENDER BALANCE POLICIES?

♦ **R.A.:** The findings will impact Sodexo’s future efforts by assisting us in establishing gender balance targets for leaders. Currently, 56 percent of our employees work in an entity considered gender-balanced in terms of management. One of our future objectives will be to bring more entities into this optimal gender-balanced management zone as it impacts our business performance. As 60 percent of today’s college graduates are women, we must attract, retain and engage the best pool of female talent in order to meet our growth targets.

The goals and actions of Sodexo Women’s International Forum for talent (SWIFT), an advisory board created in 2009 to accelerate the attainment of gender balance, continue to focus on the leadership development and mentoring needed across Sodexo to cultivate the talent pipeline and foster a culture of inclusion and success. ■

AN EXPERT POINT OF VIEW

Fianna Jurdant, OECD senior policy analyst, comments on Sodexo’s Gender Balance in Management Case Study.

Given your background of working on the OECD gender initiative, do any of the findings from this study strike you as particularly interesting?

FIANNA JURDANT: The fact that the study takes a look at all levels of management, versus just the C-suite level, is something I find noteworthy. I haven’t seen this a lot in the other studies that I’ve looked at. Also, some of the performance indicators that this study takes into account are not

necessarily elements that we, at the OECD, tend to look at in depth – so it gives a new perspective. For example, I find it interesting that Sodexo looks at better employee engagement as well as client retention. We find this sort of study valuable because we believe that it is important for a company to voluntarily examine the impact of their gender balance. To the extent that the more companies can get their act together voluntarily, the less need there is for policy measures.



**QUALITY OF LIFE
OBSERVER**

Read more on Quality of Life Observer, a Sodexo digital hub open to expert contributors and organizations proactively engaged in improving Quality of Life.

qualityoflifeobserver.com





Sodexo supports women-owned businesses to improve production quality and maintain standards to satisfy clients.

HOW SUPPORTING WOMEN-OWNED BUSINESSES HELPS THE ENTIRE COMMUNITY THRIVE

Today, only one-third of small and medium-sized enterprises (SMEs) are run by women," said Sodexo Senior Vice President and Global Chief Diversity Officer Rohini Anand as she addressed the audience at the 10th Clinton Global Initiative Annual Meeting. "By investing in these women-owned businesses, we can improve the Quality of Life of their families and empower communities so they can continue to flourish."

Sodexo committed to increasing its spending with SMEs to reach 1 bil-

lion dollars by 2017. The effort will benefit up to 5,000 businesses in 40 countries - with 1,500 of those SMEs being owned and operated by women.

This commitment aligns with the mission of Sodexo's Supply Chain Inclusion Program (SCIP). "For Sodexo, supporting SMEs is a priority. By sharing our knowledge, we are able to help them drive a more dynamic economy; in return we can tap into some of the best, most agile and innovative companies," says Neil Barrett, Sodexo Group Vice President for Sustainable Development.

The SCIP is part of the Sodexo Corporate Responsibility roadmap, the Better Tomorrow Plan, which supports diverse and inclusive businesses where Sodexo operates.

THE REWARDS OF FEMALE LEADERSHIP

Supporting SMEs committed to diversity and inclusion brings benefits to the communities where they are based. On a global scale, better gender balance in business could increase the per capita income across all emerging markets by 14 percent by 2020. In this respect, supporting women-owned and operated SMEs

is particularly important to achieving better gender balance. Nearly 85 percent of women-owned SMEs have women in senior management compared to approximately 10 percent of men-owned companies.¹

As of today, Sodexo entities in 32 countries are part of the SCIP, 16 of which have specific initiatives related to women-owned businesses.

MANY CHALLENGES TO OVERCOME

Women entrepreneurs face many challenges worldwide. For example, their businesses often tend to be less stable as a result of being operated out of their homes or centered on low-growth activities such as textile production, knitting or dressmaking. Additionally, women typically have less access to the necessary financial and marketing services, technology and assistance with government procedures. The culmination of these factors results in the higher likelihood of closure for women-owned businesses.

In light of these challenges, Sodexo has never been more committed to supporting women-run SMEs. In Gabon for example, Sodexo teams are committed to working with four of these companies to help them improve the quality of their production and better meet the needs of their clients. In Mexico and Canada, Sodexo is working with the International Global Association known as "WEConnect" which identifies, educates and certifies business enterprises that are at least 51 percent owned, managed, and controlled by one or several women.

Sodexo has always placed the advancement of women at the heart of its economic, social and environmental development. For this reason, it is imperative that Sodexo supports female-owned and operated SMEs - for the success of their businesses and for the development of the local communities they serve.

¹ - The World Bank 2014.

OPINION



Sophie Bellon, from page 1

"GENDER BALANCE CHANGES HOW WE INTERACT WITH EACH OTHER."

"collective" mindset about all aspects of their professional lives. When managing a team, women never fail to promote collaboration, consensus and the building of new solutions.

I'm also convinced that gender balance has an impact on the work environment. A woman will often draw the attention of male colleagues to the collective well-being of their teams, which seems to be less of a focus for them.

Paying careful attention to the layout of the workspace, fostering an open environment that stimulates interactions between people, being flexible about adapting the space to how teams function best—these are recognized factors of Quality of Life at work.

Finally, by encouraging gender balance, we foster career development opportunities for everyone, along with the ability to attract and retain the most talented people.

Gender balance, and diversity in general, changes everything—and all for the better! Younger generations are already onboard as gender balance is a given. For others, however, this change requires strong support. Now it's up to us to show how just much everyone stands to gain from increased gender balance!

ADVANCEMENTS IN GENDER BALANCE

▶ SODEXO AMONG THE TOP COMPANIES FOR DIVERSITY
In 2014, Sodexo ranked #1 among all French publicly quoted companies for its global achievements in gender balance and feminization of the Group's leadership. This year also marked the fifth consecutive year that the company ranked first or second on DiversityInc's Top 50 Companies for Diversity. These awards recognize Sodexo's significant progress and deep commitment to gender balance at all levels of the organization.

▶ SWIFT LEADS THE DISCUSSION ON GENDER BALANCE
In February 2015, the Sodexo Women International Forum for talent (SWIFT) met up in Rotterdam for a two-day conference dedicated to furthering gender balance at all levels of the organization and strengthening Sodexo's female talent pool. Created in 2009 by Michel Landel, SWIFT is Sodexo's cornerstone of its gender balance strategy. SWIFT brings together 35 senior leaders representing 17 different nationalities and all areas of the organization.

▶ EUROPE AND MEDITERRANEAN ZONE: 12 FEMALE CEOs AT SODEXO

▶ NETWORKING ENHANCES WORKPLACE DIVERSITY
Today, 13 networks dedicated to gender balance provide networking opportunities, build awareness around gender diversity issues, share best practices and enhance members' professional and personal growth. Roughly 3,000 members—both men and women spread across the five continents—gather with the goal of creating diverse and inclusive workplaces.

▶ PROMOTING FLEXIBILITY
Sodexo believes that employees who feel a greater sense of control over their work and lives are more engaged. In order to preserve existing talent and allow all employees to flourish, the company created the Flexibility Awareness Toolkit. With this toolkit, all employees can discover a way of working that takes into account their personal responsibilities. While many flexible work measures, such as telework, flexible hours, parental leave and so on, were originally requested by women, today, these also benefit their male counterparts.

Inspiring Role Models: Setting an example worth following

Role models have the ability to inspire change among their colleagues and throughout organizations. Meet four Sodexo leaders whose actions have encouraged others to make gender balance a global priority.



MARTINA BREZÍNOVÁ
CEO, Sodexo Czech Republic
Benefits and Rewards Services

“AT THE BEGINNING OF MY CAREER, I FACED SOME PREJUDICES REGARDING MY PROGRESSION AS A WOMAN. That said, I am convinced that the best thing to do when you disagree

with something is to change it! Throughout my career I have been active in promoting the advancement of women. My participation in the Sodexo Women's International Forum for talent (SWIFT), in particular, accelerated my journey to becoming an ambassador of diversity.

Currently, in the Czech Republic, while there is no legislation supporting the advancement of women, many companies have already established targets to achieve equal representation of men and women in leadership and this makes me proud.

At Sodexo, we are very active. We continue to offer successful mentoring and leadership programs

for women. We have also enforced a strict rule to diversify our shortlists—at least one woman on the shortlist for any leadership position.

We also support and encourage the collaboration between women and men to foster better working relationships. With this in mind, we are launching our first gender network this year. It welcomes all Sodexo Czech employees with the goal of raising the awareness of diversity as well as the understanding of its impact on the business. I am convinced this network will not only support us in reaching our gender balance targets, but it will also enhance synergies between our teams.



SUNIL NAYAK
CEO, Sodexo India
On-site Services

“CULTURALLY, INDIAN WOMEN ARE AN IMPORTANT PART OF SOCIETY. We worship Goddesses like Lakshmi, Saraswati and Durga. In the family, mothers and wives are regarded with deep respect. We also have women who have been very successful in the fields of politics, business and sport. Even though we see the advancement of women in our society, the gender imbalance still exists. We have seen, however, some great measures in the past few years to encourage gender balance.

different perspective and adapt to the changing world. Creating gender balance at the leadership level is smart economics: it improves organizational performance and drives greater operating results. It also promotes innovation at work and increases our understanding of our clients and consumers.

As a leader, I've seen the value of gender balance and inclusion in the workplace and have been personally involved in creating awareness about the need for this balance. I have hired women leaders on my executive committee and continue to encourage my teams to onboard women across the country.

I also take an active leadership role on boards and forums that facilitate cross-industry dialogue and awareness on empowering and retaining women in the workplace. My focus on embedding diversity and inclusion into our business strategy with clearly defined progress metrics has also helped support these efforts.

“INITIALLY, I DIDN'T REALLY CONSIDER GENDER BALANCE AS A PARTICULARLY IMPORTANT PRIORITY. I didn't think we needed to define specific programs, because I thought it occurred quite naturally. When I started working in Central Europe there were a lot of women with good careers. When I moved to Brazil, it was the same situation—there were several women executives.



SATYA MENARD
CEO, Sodexo South America
On-site Services

But my opinion changed after Sodexo acquired Puras in Brazil. I realized the importance of strong diversity and inclusion policies—particularly those concerning gender balance. In fact, it was the policies Sodexo already had in place and the reputation that the Group had built around this topic that helped the

Puras integration run smoothly. In the end, our strategy on gender balance resonated very well with them, so much so that the women executives of Puras have become strong ambassadors for integration within Sodexo. I am very proud to say that

among our top executives today in Brazil, we have former women executives from Puras.

I realize now that gender balance is not something that occurs naturally—it is something we need to fight for in order for it to carry on in the organization.

As we now focus more and more on developing our expertise in Facilities Management services and expanding our technical competencies, we know this activity attracts far less women. If we want to achieve gender balance in our teams, we must have a very strong strategy and action plan in place.

For example, all listed companies are now required to have at least one woman on the Board of Directors. These types of initiatives will only continue to gain importance as diversity—in both thought and leadership—is extremely important for the success of an organization. It enables people to see things in a

In the coming year our focus must remain on encouraging women to build careers and investing in leadership programs that will create a pipeline of female talent. In India, we will continue to develop flexible work arrangements that help us build an inclusive culture that brings together both male and female colleagues.



JANET AWAD
CEO, Sodexo Chile
On-site Services

“IN CHILE THERE ARE STILL VERY MARKED GENDER DIFFERENCES IN THE LABOR MARKET. As a female decision maker, I take it upon myself to push for the inclusion of women in the workplace. I am convinced that gender balance contributes to the growth and competitiveness of our business. It improves the Quality of Life of our employees, consumers and

the community around us. But this balance can only be achieved by being an “activist”, not a “spectator”.

I personally got involved with this issue when I was invited to be a part of SWIFT when it was first formed in 2009. My participation has helped me understand the importance of being an active promoter of these issues. For me, being involved in gender balance initiatives presents the opportunity to help other women visualize their potential and build their own development path. In Chile, efforts to increase visibility have helped to make managers more aware of the topic of gender balance. After three years of work, the diversity engagement rate has increased from 54 to 71 percent.

At Sodexo, we have a team dedicated to implementing diversity and inclusion plans, improving internal gender

balance and identifying the barriers that can slow down the development of gender balance. We promote key initiatives such as mentoring, networks and work flexibility. In the second year of our mentoring program, we have balanced the participation of men and women as mentees but also as mentors.

I believe that gender balance will only happen if we can make companies aware of their own corporate, cultural and personal barriers. At Sodexo Chile, we strive to become a reference on the issue of gender balance by applying to and receiving awards that make our company and leadership visible. We will soon become the first company in Chile to receive the NCH 3262 certification, a Chilean standard for gender equality which recognizes our company-wide balance between work, family and personal life.

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EXPLORING THE NEW FRONTIERS OF PERFORMANCE

PURSUE THE DISCUSSION ON GENDER BALANCE AND QUALITY OF LIFE
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