

GENDER PAY GAP REPORT 2017



Transparency the key to closing gender pay gap

At Sodexo we believe achieving gender balance is not only the right thing to do, it also enables people and our business to perform better. This belief is supported by global internal research which found our own gender-balanced management teams outperform those that are not across a number of key performance indicators.

Visibility is crucial. We are proud to be included in *The Times* Top 50 Employers for Women for the last four years. We have signed up to the United Nations Women's Empowerment Principles. But there is still so much more to do.

Sodexo's mission is to improve quality of life for people. Publishing our gender pay gap is one step on the journey to creating an inclusive culture in which everyone can flourish.

Sodexo has a long-term commitment to gender balance, both in the UK and globally. We have a number of programmes and initiatives to make Sodexo a more gender-balanced organisation. Gender is a key pillar of Sodexo's sustainability strategy Better Tomorrow 2025.

As part of our Public Service Pledge in 2015 we committed to undertake a gender pay audit. In November 2016 we published our gender pay gap using the Office of National Statistics methodology ahead of any legislative requirement to do so.

As a large employer in the UK, we believe it is critical for organisations to be transparent about any gender pay gap that exists as part of building an inclusive culture.



Andy Rogers
HR director, Sodexo UK & Ireland



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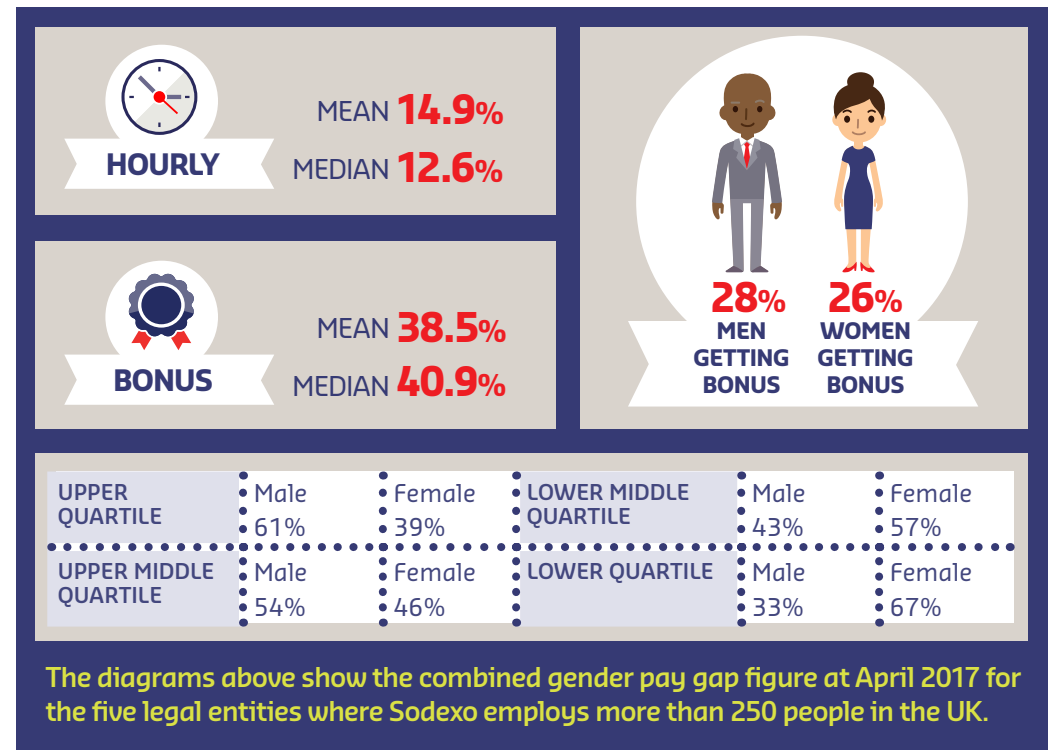
Sodexo's overall gender pay gap in the UK

The primary cause of the gender pay gap is an imbalance in the number of men and women throughout the organisational hierarchy, because inevitably people in more senior positions receive the highest pay.

We aspire for a 40-60% representation of women because our own internal gender balance business case research shows this is the range in which better business outcomes are achieved (see page 5).

Occupational segregation is another issue. As a facilities management service provider with 34,000 employees, our experience is often men or women are over-represented in specific roles. For example, cleaning roles, which tend to be lower paid, are traditionally dominated by women whilst engineering is higher paid and tends to be dominated by men.

We look to encourage better gender balance throughout the organisation through our HR processes and our gender balance employee network, which regularly highlights women in senior leadership positions and people in non-traditional roles. We aim to give people internally and externally visibility of these role models to raise aspirations and challenge gender stereotypes.



Sodexo's commitment to gender balance

Sodexo Women's International Forum for talent



Sodexo's commitment to gender balance started in 2009 with the formation of the Sodexo Women's International Forum for talent (SWIFT).

SWIFT is made up of 30 Sodexo senior leaders around the world, men and women, who are visible role models committed to gender balance.

SWIFT is co-chaired by Sodexo chief diversity officer Rohini Anand and Sophie Bellon, Sodexo's global executive committee chair (pictured above). Sophie

is the only female chair in the CAC40 (the top 40 companies on the French stock exchange).

SWIFT is committed to driving gender balance in leadership across the world. Currently 33 per cent of leadership positions worldwide are held by women. We have aspirational targets to increase this figure to 36 per cent by 2020 and 40 per cent by 2025.

Gender is one of three pillars of Sodexo's corporate sustainability strategy Better Tomorrow 2025, along with reducing waste and tackling malnutrition.

Four SWIFT members are from Sodexo UK & Ireland:



Janine McDowell
CEO JUSTICE, SODEXO
UK & IRELAND



Paul Anstey
CEO EDUCATION, SODEXO
UK & IRELAND, BENELUX
AND THE NORDICS



Susan Elston
SENIOR VP OFFSHORE
AND MARINE, SODEXO
ENERGY & RESOURCES



Margot Slattery
COUNTRY PRESIDENT,
SODEXO IRELAND

Sodexo Women's
SWIFT
International Forum for talent

Sodexo's commitment to gender balance

Gender balance employee network

The Sodexo gender balance employee network group in the UK and Ireland, Women Work, was founded in 2011. Women Work is made up of men and women who champion gender balance at Sodexo.

Women Work organises development and networking opportunities for members, such as access to senior leaders and skills workshops with industry experts.

Live and recorded interviews with women and men in senior leadership positions and non-traditional roles are run by Women Work. Podcasts and blogs of these interviews are shared with the network, the wider group of Sodexo employees and outside the company.

Interviewees range from Women Work executive sponsor James Taylor, CEO Healthcare, Sodexo UK & Ireland to England and Manchester City footballer Izzy Christiansen (both pictured).

Women Work held five annual conferences around the UK from 2012 (last year's panel debate pictured), before joining other employee networks to host the first Sodexo Inclusion Conference in May this year.

Following feedback from network members, Women Work launched a support programme for those with childcare responsibilities. The group offers peer support to men and women employees.

To celebrate International Women's Day this year, Women Work members joined a number of SWIFT webinars on flexible working, communications skills, influencing remotely, unconscious bias and building personal brand.



James Taylor
CEO HEALTHCARE,
SODEXO UK & IRELAND



Izzy Christiansen
MANCHESTER CITY
FOOTBALLER



womenwork
STRIVING FOR GENDER BALANCE

Sodexo's commitment to gender balance

External engagement

Our commitment to gender balance has seen Sodexo named in *The Times* Top 50 Employers for Women for the last four years. Engaging with external partners and clients has been essential to this achievement.

For example, to promote the benefits of gender balance in the oil and gas industry, we organised a networking event this year with delegates from across the sector. The event was hosted by SWIFT member Susan Elston and included a keynote address from executive director of Catalyst Europe Allyson Zimmerman (pictured second from left with panel discussion participants).

This year our head of diversity and inclusion Megan Horsburgh gave evidence at the Scottish Parliament Economy, Jobs and Fair Work committee in a session on large organisations and the gender pay gap.

The same week Megan explained our approach to the gender pay gap at an event organised by the Fawcett Society, a charity campaigning for gender equality and women's rights.



Aberdeen gender balance networking event in May 2017



Gender balance business case

Many studies of gender balance focus on the correlation between women in top-level positions and financial performance.

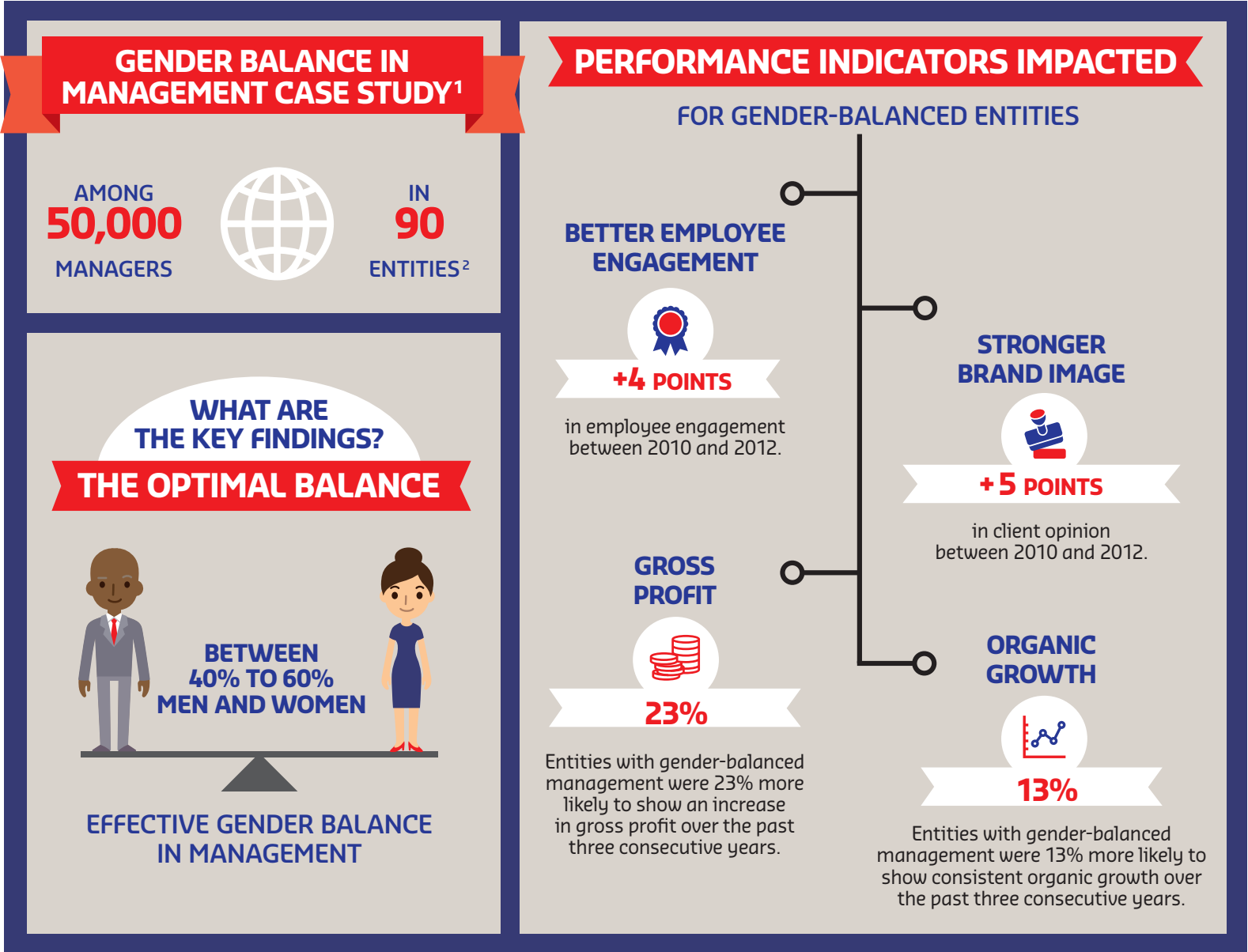
Sodexo took the research a step further in 2014.

The performance of 50,000 Sodexo managers around the world, from executive- to site-level, was compared between units with a 40-60% gender split and those without.

The findings were compelling, both financially and non-financially.

Not only was growth, profit and cash flow more positive in those gender-balanced entities, but better employee engagement, higher client retention and a stronger brand image were also recorded.

This strategic importance of gender balance was shared throughout Sodexo to encourage employees around the globe to embrace diversity.



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

The future of Sodexo relies on our people

If we are to grow, we recognise that we need engaged employees performing at their best.

Historically, reward practices at Sodexo have varied geographically and across the global business segments. Sodexo has reviewed its total rewards strategy and developed a model that drives consistency and fairness across the global business.

This model is guided by the following global principles:

- Our employee's package will be reviewed from a Total Rewards perspective. Not just compensation but everything of measurable value provided to an individual employee
- We will use market-driven third party survey data, aligning our salary midpoints to general industry market medians
- Pay for performance and results will require a more robust performance management system
- Transparency includes communication and relies heavily on the involvement of the line manager
- Equity and fairness is the result of doing the first four well, with a focus on not discriminating for any reason

The promotion of these core principles, the recently developed and deployed global pay and incentive policies (both short and long term), and imminent reduction targets will assist in driving down our gender pay gap in future years.



Talent management

The diversity of Sodexo's business as a service provider means we can offer employees a wide range of careers.

We are running an anonymous CV pilot. Early indications show the pilot has been successful in eliminating bias, including gender bias, when bringing people into Sodexo.

While the anonymous CV pilot can just move the point of discrimination rather than preventing it, we are also piloting resourcing champions. All resourcing champions take training to challenge with humility, and they take a conscious and unconscious bias learning day. No hiring manager in the pilot can make an appointment without the input of a resourcing champion.

Apprenticeships are a crucial element of Sodexo's people strategy. Working with external training providers, we ensure we have gender balanced representation, particularly for roles in technology, engineering and facilities management.

In the last year we've seen more than 700 employees take up apprenticeship qualifications and we will track this talent and support their ongoing careers.

We are piloting an on-site supervisor academy to identify and develop team leaders, again focused on a positive gender split.

At the next level, we partnered with the British Institute of Facilities Management to introduce the Sodexo IFM Academy so our most talented facilities managers can achieve industry-recognised accreditation (first cohort pictured).

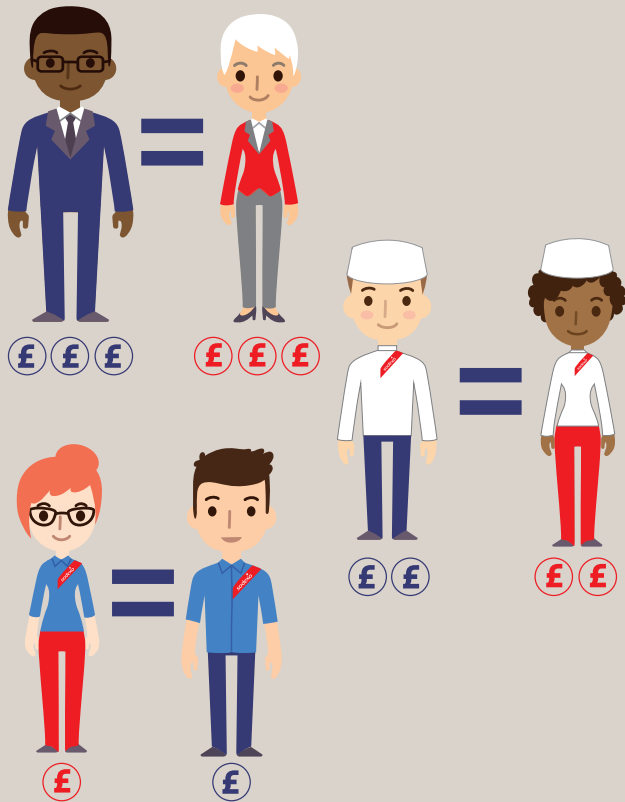
Through all our talent management activity we look to track and promote gender balance.



The difference between equal pay and the gender pay gap

EQUAL PAY...

is men and women being paid the same for the same work



THE GENDER PAY GAP...

is the difference between the gross hourly earnings for all men and the gross hourly earnings for all women



Sodexo's overall gender pay gap is 12.6%*



* Sodexo's overall median average hourly gender pay difference based on the five legal entities.

Gender pay gap data for Sodexo's five legal entities

Sodexo legal entity of 250 or more employees	Hourly gender pay difference - mean (%)	Hourly gender pay difference - median (%)	Proportion of men/women in lower quartile pay band (M%/F%)	Proportion of men/women in lower middle quartile pay band (M%/F%)	Proportion of men/women in upper middle quartile pay band (M%/F%)	Proportion of men/women in upper quartile pay band (M%/F%)	Bonus gender difference - mean (%)	Bonus gender difference - median (%)	Proportion of employees receiving bonus (M%/F%)
Sodexo Ltd	13.61	11.24	32/68	42/58	53/47	60/40	39.2	43.36	29/27
Bedfordshire Northamptonshire Cambridgeshire and Hertfordshire Community Rehabilitation Company	2.45	3.86	21/79	24/76	36/64	22/78	0	0	0/0
Cumbria & Lancashire Community Rehabilitation Company	7.04	3.85	24/76	34/66	33/67	38/62	28.26	80	9/18
Sodexo Remote Sites Scotland Ltd (Sodexo Energy & Resources)	16.71	18.72	54/46	63/37	84/16	82/18	56.6	0.46	10/27
Tillery Valley Foods	8.79	3.23	81/19	37/63	74/26	81/19	11.12	34.46	84/82
Overall	14.9	12.6	33/67	43/57	54/46	61/39	38.5	40.9	28/26

The data in this document is accurate and in line with Government reporting regulations.



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