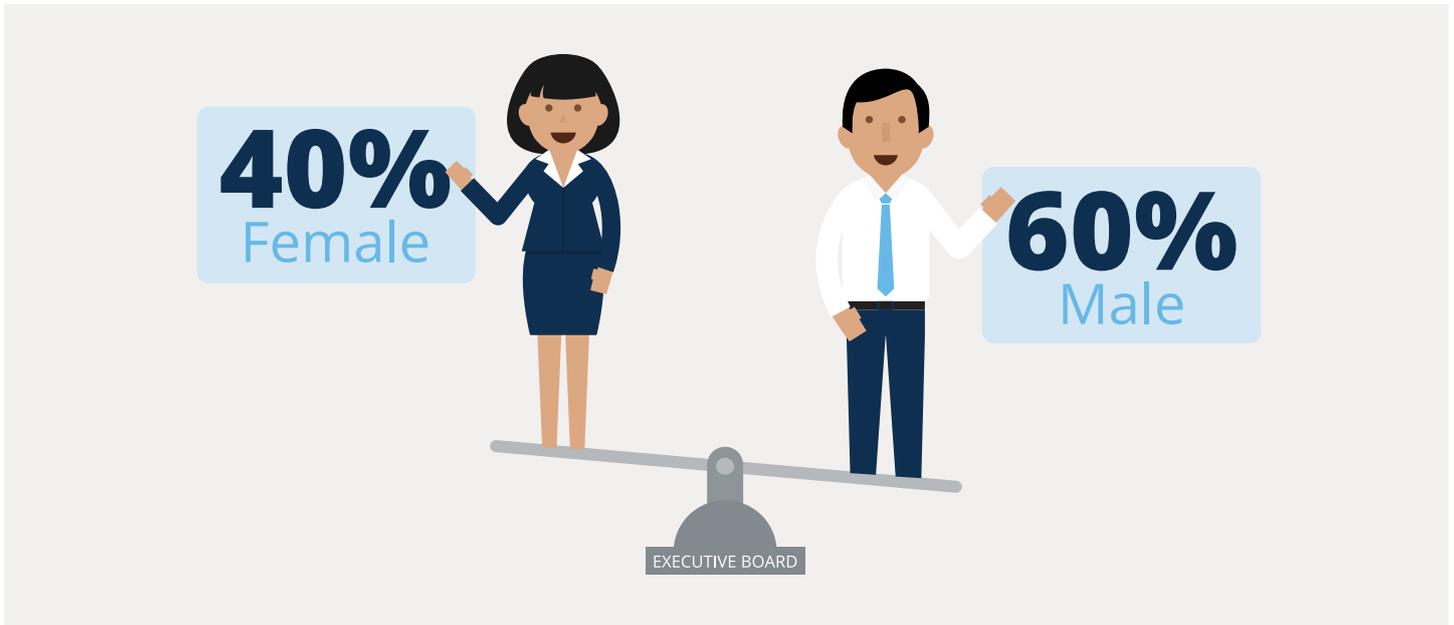


April 2018

GENDER PAY GAP REPORT

Introduction



Our vision is to become the world's greatest service organisation, providing a set of services as part of an integrated offering delivered by our people. Our people, are the heart of our business and are our key assets in driving the successful execution of our strategy and delivering our vision.

An essential element of our culture is people empowerment, which we have defined within our corporate responsibility strategy, ThinkForward@ISS.

We strongly believe that the long term success of our company depends on the balance of social, environmental and economic aspects of our business. Included in our ThinkForward@ISS strategy is an ambition to recruit from a broad talent pool, building a diverse and inclusive environment and developing and growing our people.

We are proud to have an Executive Board in the UK and Ireland which is 40% female and to be reporting a gender pay gap that is substantially lower than the national average and compares favourably with our competitors, which is a reflection of our commitment to deliver this ambition and to ensure that ISS remains a fair employer, with a culture that continues to embrace diversity and inclusion in all aspects.

Our white paper and independent research has shown, and we recognise that, diversity within our workforce at all levels of the organisation enables us to better facilitate our customers' purpose - a more engaged workforce whose needs are realised drives innovation, continuous improvement and performance.

Our aim is to continue to ensure that everyone is able to build a successful career at ISS, by working on a systematic approach to talent management, talent pipelines, visible role models and a programme of employee agile working processes, we are working to create a positive disruption to the status quo in our business. We are creating an environment where our range of services are delivered by a diverse group of people that are supported by our values of respect and honesty, where everyone is able to thrive in a diverse and inclusive culture.



ISS Gender Pay Gap figures

The gender pay gap figures set out below have been calculated in this report using the methodologies set out in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Equal pay v gender pay gap

Under the law, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

ISS is committed to the principle of equal pay, equal opportunities and fair treatment for all employees, regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation or any other personal characteristic and has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above).

ISS is confident that its gender pay gap does not stem from paying men and women differently on the grounds of their sex for the same or equivalent work. Rather our gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

What are the underlying causes of the gender pay gap?

Across the UK economy as a whole, men are more likely than women to be in senior roles (especially in very senior roles at the top of organisations) and more likely to be in technical roles, which attract higher rates of pay than other roles at similar levels of seniority. Conversely, women are more likely than men to be in front-line roles at the lower end of the organisation including within the "five Cs" occupations (catering, clerical, cleaning, caring and cashiering).

Women are also more likely than men to have had breaks from work that have affected their career progression and are also more likely to work part time with many of the part time jobs that are available across the UK being relatively low paid.

This pattern from the UK economy as a whole is reflected in the make-up of ISS' workforce, where the majority of front-line positions such as cleaning and catering are held by women, while the majority of middle and senior manager positions and higher paid roles such as in engineering and security positions are held by men.

This can be seen in the table depicting pay quartiles by gender. This shows ISS' workforce divided into four equal-sized groups based on hourly pay rates, with Band 1 covering the highest-paid 25% (the upper quartile) and Band 4 including the lowest-paid 25% of employees (the lower quartile). Within ISS, 64% of the employees in Band 4 (the lowest quartile) are women compared with 46% in Band 1 (the upper quartile).

ISS MEDICLEAN LTD & ISS FACILITY SERVICES LTD

(combined data of legal entities with over 250 employees)

Difference between men and women

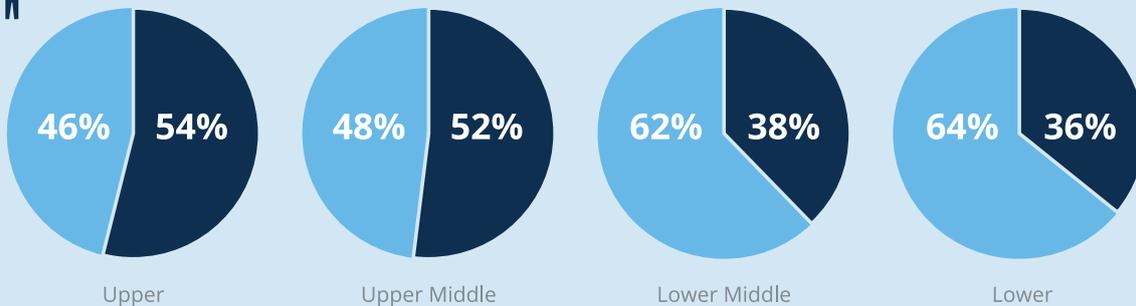
	Mean	Median
Pay gap	8.7%	10.3%
Bonus gap	67%	18.8%

The gender pay gap figures set out have been calculated using the methodologies set out in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017



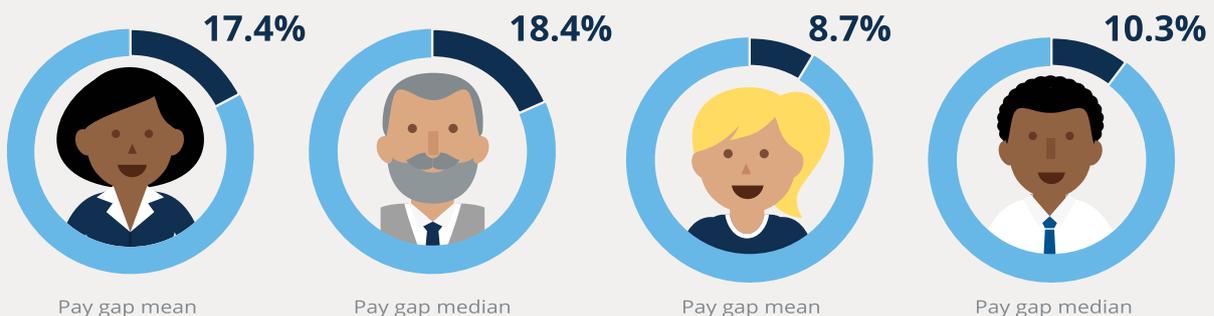
Proportion of men and women who received a bonus in the preceding 12 months

PROPORTION OF MEN AND WOMAN IN EACH PAY QUARTILE



ANNUAL SURVEY OF HOURS AND EARNINGS

According to the October 2017 Office for National Statistics



WHOLE ECONOMY

ISS

How does ISS's gender pay gap compare with other organisations?

The vast majority of organisations have a gender pay gap.

According to the October 2017 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures the mean gender pay gap for the whole economy is 17.4% and the median pay gap is 18.4%. At 8.7% and 10.3%, ISS's mean and median gender pay gaps are, therefore, significantly lower than that for the whole economy.

Bonus

The mean gender bonus gap and the median gender bonus gap for ISS are at 67.5% and 18.8%.

The proportion of men at ISS who received a bonus in the 12 months up to 5 April 2017 was 12%, while for women this was 11%.

The reason for our bonus gap relates to the fact that there is a higher proportion of men than women in senior management roles which attract an annual performance bonus and a higher proportion of women in cleaning roles with smaller hourly paid incentive bonus. A vast majority of the bonuses paid to women in ISS Mediclean (83%) were small amounts given in recognition of buddying someone on work experience.

In addition in ISS Mediclean there are more men than women in senior management positions, in particular at General Manager and Board Level, where bonuses are awarded as a percentage of salary based on meeting annual business targets.

What is ISS doing to address its gender pay gap?

Whilst ISS' gender pay gap compares favourably with that of organisations across the whole UK economy and within our industry, this is not a subject about which ISS is complacent. We are committed to reducing the gap further.

However, we also recognise that our scope to act is limited in some areas - for example we have no direct control over the subjects that individuals choose to study or the career choices that they make.

We recognise that men and women are multifaceted and gender is not their only identity.

We are therefore committed to providing multifaceted solutions that will enable all of our employees to realise their full potential and ambitions.

ACTIONS THAT HAVE BEEN IDENTIFIED

Developing and growing our Inclusivity Networks



Mentoring & sponsorship programmes



Measuring & improving the movement of talent



Expanding unconscious bias training and removing bias from company processes in areas of recruitment, selection, promotion, project allocation and time with senior leaders

Providing more visible role models of people whose personal characteristics are underrepresented



Providing opportunities for secondments & work experience for people whose personal characteristics are underrepresented



Driving apprenticeships



Implementation of a remuneration committee

Required Data by Legal Entity



Mediclean Limited

	Mean	Median
Overall pay gap	-3%	3%
Bonus gap	78%	21%

Quartile		
	Men	Woman
Upper	32%	68%
Upper Middle	38%	62%
Lower Middle	36%	64%
Lower	28%	72%

Proportion of men and women who received a bonus in the preceding 12 months		
	Men	Woman
Bonus	8%	7%



Facility Services Limited

	Mean	Median
Overall pay gap	19%	12%
Bonus gap	63%	61%

Quartile		
	Men	Woman
Upper	71%	29%
Upper Middle	57%	43%
Lower Middle	40%	60%
Lower	38%	62%

Proportion of men and women who received a bonus in the preceding 12 months		
	Men	Woman
Bonus	14%	15%

Matt Brabin - Chief Executive Officer,
ISS UK and Ireland

