RESOLVED: that shareholders of Aramark request that the Board of Directors oversee the preparation of a “Living Wage Compensation Philosophy” report (the “Report”), which should be prepared at reasonable cost and should omit confidential and proprietary information. The Report should include discussion of the roles that the concept of a living wage and living wage data play, if any, in Aramark’s approach to workforce compensation. The Report should be made available on Aramark’s web site.

Nearly 700 million people live in extreme poverty, as defined by the World Bank. A living wage should reflect the true cost of living and cover the needs of workers and their families. Beyond that, a living wage should also allow some extra money to provide security and improve lives.[1] The International Labour Organization (ILO) concurs, stating “taking into account both the needs of workers and their families - which is what the notion of a living wage refers to - as well as economic factors.”[2]

The World Benchmarking Alliance, a partnership measuring progress on the United Nations’ Sustainable Development Goals, finds that only 4% of the world’s top 1,000 companies are paying their workers a living wage or have targets to do so.[3]

In the UK, 3.7 million employed workers, or almost 13% of the workforce, struggle to make ends meet, according to the Living Wage Foundation. In the United States, almost 23% of the workforce work in low-paying jobs, more than twice the level found in Chile, France or Japan.[4]

In 1977, famous management thinker Peter Drucker asserted that the appropriate ratio between the CEO’s pay and that of the average worker be no greater than 25-to-1. “*Widen the pay gap much beyond that, he said, and it makes it difficult to foster the kind of teamwork and trust that businesses need to succeed.”**[5]***

Unilever developed a Framework for Fair Compensation in 2014[6], featuring five basic principles for fair and livable wages, including an understanding that the standards are market-based, not static for all regions.

According to Axios Philadelphia, Aramark’s John Zillmer was paid 880 times the average worker, who made $15,154 in 2022. Additionally, his compensation increased from $5.1 million in 2021 to $13.3 million in 2022.[7]

This proposal asks the Board to develop a compensation philosophy that ensures a living wage for all employees. This can be achieved through collaboration with organizations such as the Living Wage for US initiative[1], utilization of the MIT living wage calculator[2], and commitment to full transparency of its compensation features for each job category. The UN Global Compact’s Forward Faster initiative offers a guidance for businesses to ensure the human rights of workers through the provision of a living wage for all workers.[3]

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[1] https://www.nationalgeographic.com/environment/article/paid-content-toward-a-living-wage

[2] https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_protect/@protrav/@travail/documents/briefingnote/wcms_857876.pdf

[3] https://www.weforum.org/agenda/2024/05/why-companies-must-pay-living-wages/

[4] https://www.weforum.org/agenda/2024/05/why-companies-must-pay-living-wages/

[5] https://deming.org/peter-drucker-advocated-a-ratio-of-20-to-1-for-ceo-to-average-worker-pay/

[6] Unilever Framework for Fair Compensation 2022.pdf

[7] https://www.axios.com/local/philadelphia/2023/06/05/highest-paid-ceos-salaries-2022

[8] https://livingwageforus.org/becoming-certified/

[9] https://livingwage.mit.edu/

[10] https://forwardfaster.unglobalcompact.org/living-wage