



Danone UK

Gender Pay Gap Report

2020

Danone – leaders in sustainable values

Since publication of our last Gender Pay Gap report, Danone has become the first listed company to have adopted the “Entreprise à Mission” business model which means we anchor our ‘One Planet, One Health’ vision, along with our social, environmental and health objectives in our Articles of Association. This shows true commitment to our vision of positive transformation.

We are also committed to obtaining worldwide B Corp certification within the next 5 years showing shareholders that our brands and subsidiaries serve the interests of society.

Once again, this year’s publication reports on the combined gender pay gap for our entire UK business. We took a choice to go beyond the Gender Pay Gap regulations which require reports for organisations with more than 250 people. Our Alpro business features for the second time reinforcing our commitment to fairness and equity across our full UK operation and tracking progress across all our locations.

“At Danone, we understand the value of an engaged and passionate workforce. Our UK Danoners come from over 40 nationalities, bringing us creative and innovative ways of thinking that contribute to the ongoing successes of our business. The findings from our annual Gender Pay Gap reporting support our global commitment to internal equity. We are committed to ensuring that there are no barriers to our talent, allowing them to thrive and succeed in a diverse and inclusive environment while at the same time fulfilling their own career aspirations.”

Liz Ellis
HR Director, UK & Ireland

Danone Gender Balance Facts

Since our last report:

56%

of our combined UK workforce is female

56%

of our Director and Executive positions are held by women

48%

of internal promotions between April 2019 and April 2020 went to women, including 3 women promoted at Director grade

About Danone

Dedicated to bringing health through food to as many people as possible, Danone is a leading food company built on three business lines – Essential Dairy and Plant Based Products, Special Nutrition, Waters.

Through our mission and dual commitment to business success and social progress, we aim to be part of building a healthier future. This is underlined by our One Planet One Health signature, our way of showing our commitment to inspiring healthier eating and drinking habits. We want to do this for all of our stakeholders – our employees, consumers, customers, suppliers, shareholders and all the communities we work in.

*In this report you will see these businesses referred to by their legal entities in the UK – Nutricia Ltd (Specialised Nutrition), Danone Ltd (Fresh Dairy Products), Danone Waters (UK & Ireland) Ltd (Waters), SHS International Ltd (Specialised Nutrition), Alpro (UK) Ltd (plant-based products) and Danone Holdings (UK)

The regulations only require us to report our gender pay gap for organisations with more than 250 people. For us, this would include two organisations in our group – Nutricia Ltd and SHS International Ltd.

The Gender Pay Gap

Measuring the gender pay gap

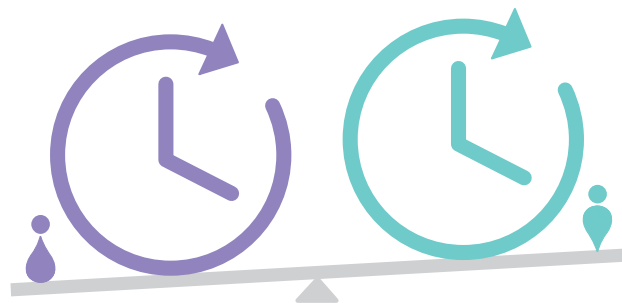
In 2017 the Government introduced regulations that require organisations with 250 or more employees to report annually on their gender pay gap. This measures the difference in mean and median average pay between men and women across the organisation regardless of their role.

It does not measure equal pay which relates to what women and men are paid for the same or similar jobs or work of equal value.



The Mean Gender Pay Gap

The mean gender pay gap is the difference between the average hourly rate of pay for women compared to men in the organisation



The Median Gender Pay Gap

The median gender pay gap is the difference between the hourly rate of pay and bonus earnings between women and men at the mid-point of each gender group in the business.



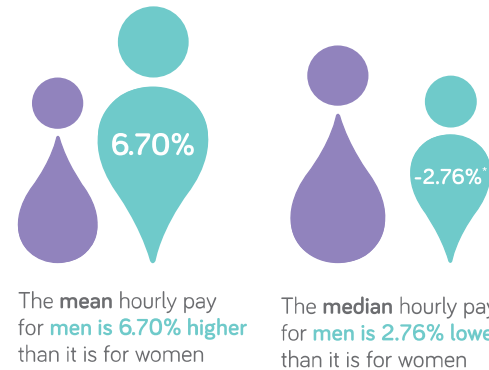
Key ● Male ● Female

Our Results

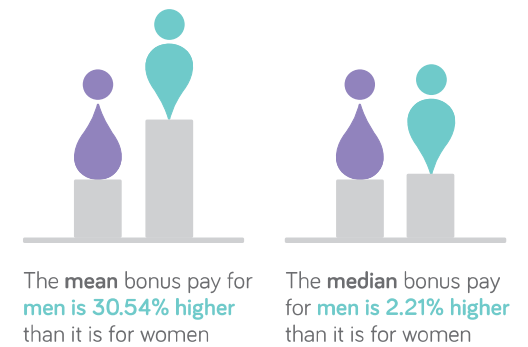
Danone's global commitment to equity and fairness is a core element of our HR processes. Gender distribution and pay levels across all grades are key considerations in our pay strategy.

Our transparent pay policy rewards people predominantly on sustainable performance and the ability to grow, ensuring we pay in a fair and impartial manner across the business.

Danone UK Gender Pay Gap 2020

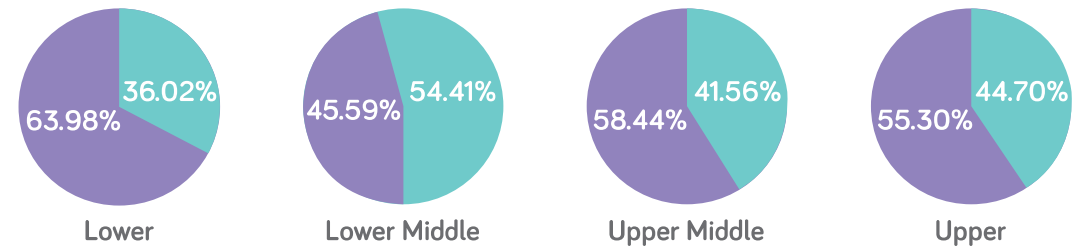


Danone UK Bonus Pay Gap 2020



Population by Pay Quartile 2020

We are required to report on the distribution of **men** and **women** across our business when the population is split into four equal pay quartiles.



Proportion of Men and Women Receiving a Bonus in 2020



Analysing the Gap

Our overall mean gender pay gap increased slightly from 5.27% in 2019 to 6.70% in 2020. Across our component businesses, the mean pay gap closed between 2019 and 2020 apart from in our Dairies business where the proportion of men in higher paid roles increased.

There is a significant difference in gender representation in roles at the lower end of our grading structure. Nursing and Customer Care roles are predominantly filled by women, whereas manufacturing and operations roles – where pay is enhanced by shift premiums - are predominantly filled by men.



Pay gap

The distribution of men and women in specific functions and at specific levels impacts our overall gender pay gap:

- Men and women are fairly evenly represented across all of our UK businesses (56% women, 44% men).
- The proportion of women in our Director level roles remains at 56%.
- At the lower end of our grading structure, there is also a relatively even split of male (49%) to female (51%) employees.
- Manufacturing and Warehousing roles tend to attract more men than women and this is evident in our two manufacturing operations in Kettering and Liverpool where men make up 80% and 84% of the respective workforces. These types of role attract shift premiums which impact the pay gap at this level.
- By contrast, Nursing and Customer Service roles attract more women with 95% of such roles being filled by women.
- We will continue to work on ensuring parity and closing the gap between men and women across all grades.

Bonus gap

The bonus gap is - like the pay gap - linked to the distribution of men and women across the business. Bonus entitlement across our male and female populations has remained consistent year-on-year in terms of the proportions of both groups receiving a pay-out.

Because reporting requirements ask for actual bonus payments to be reported, the bonus gap is heavily influenced by the higher number of women in part-time positions. Across the business we have 161 women working part time hours compared to just 6 men.

In addition, we calculate our bonuses *pro rata* for those joining part-way through the performance year. In 2020, 68% of the new joiners receiving *pro rata* bonus payments were women.

What we've been working on



Throughout 2020, we've furthered our commitment to **flexible working opportunities** by refreshing our recruitment briefing process to identify flexible working possibilities for each role, and we explicitly encourage applicants to Danone to explore these options as part of the recruitment process.

2020 has seen the launch of our **apprentice route** which has welcomed employees to work towards nationally recognised professional qualifications, opening opportunities for talent to 'earn as they learn' and grow into their full potential whilst contributing to our business success. We also conducted extensive research into how we can better attract and support individuals with diverse backgrounds to join and thrive within our business. We are now working towards piloting a new approach to enable us to identify and welcome individuals from a variety of backgrounds and life circumstances, with the intention to expand in the coming years.

We continue to expand our phased action plan to **address potential barriers to diversity** and realise our belief that candidates should have a great experience. We are investing in building a **technology solution which will allow us to mitigate bias** in the pre-selection of candidates, with a focus on assessing their learning agility and by using video interview and assessment technology for a more robust and inclusive candidate experience. This is as well as continuing to **up-skill our line managers to make evidence-based hiring decisions** based on a candidate's demonstration of job-specific competencies, irrespective of their background or demographic profile through our Recruitment Excellence Programme.

Supporting our employees to be at their best is important to us and in 2020 we launched an **internal coaching programme** to enable more people to benefit from a business coach to support their development and career path. This matching programme develops both coachees and coaches to develop skills and insights which benefit the individual and the business.



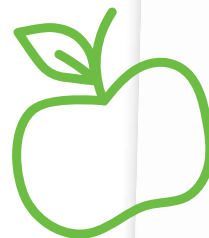
This year we launched a **bite-sized modular approach** to ensure an inclusive and accessible approach to all learning programmes. All our programmes are offered virtually and are modular – this means sessions are no more than 3 hours per day making it easier to fit in around workload and also to give participants the opportunity to put learning into practice throughout the programme. All facilitators are trained in neuro-diversity and participants have the opportunity to confidentially disclose if they have a specific learning disability.

"Studying my apprenticeship through Danone over the last year has provided me with the opportunity to develop my knowledge and skills through a 'hands on' approach encouraged by the business. Learning 'on the job' whilst studying for a professional qualification has offered me a great balance at work between coursework and the responsibility of a full-time role. I'm excited about what the future holds for my career prospects within Danone!"

Aiden Pring
Finance Apprentice

"Danone empowered and supported me in creating an employee resource group to celebrate those from diverse communities. Having this open community of Danone colleagues allowed us to have open and meaningful discussions on the topic of culture and race. As a group, we ran volunteering events, provided educational opportunities to learn more and invited external speakers, all with the aim of fostering an inclusive environment at Danone."

Yinka Alli-Errington
RISE Ambassador and Category Manager



Statutory Information

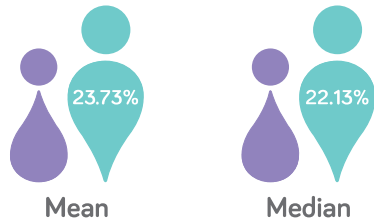
The information below is the statistical data we are required to publish on our gender pay gap. It comprises the mean and median gender pay gap, the mean and median bonus gap, the proportion of men and women receiving a bonus payment and the proportion of men and women in each pay quartile.



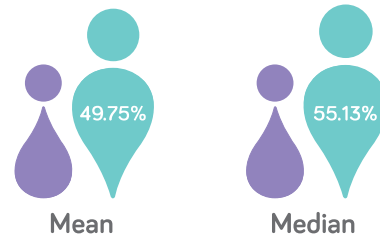
Nutricia Ltd

Nutricia Ltd is the legal name for our Specialised Nutrition business and has circa 650 employees in office-based and field-based roles.

Gender Pay Gap



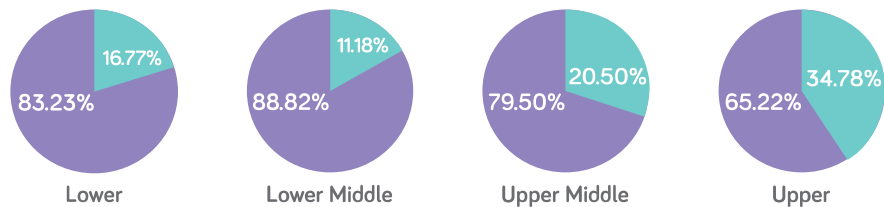
Gender Bonus Gap



Proportion of Men and Women Receiving a Bonus



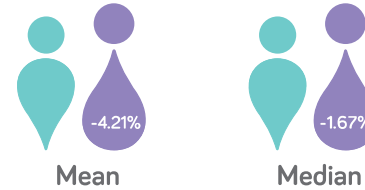
Population By Pay Quartile



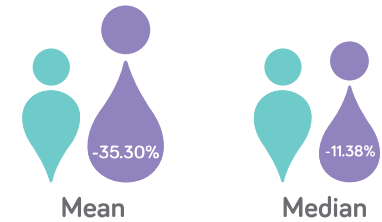
SHS International Ltd

SHS International Ltd is one of our manufacturing sites, which employs circa 310 people, the majority in production and warehouse roles.

Gender Pay Gap



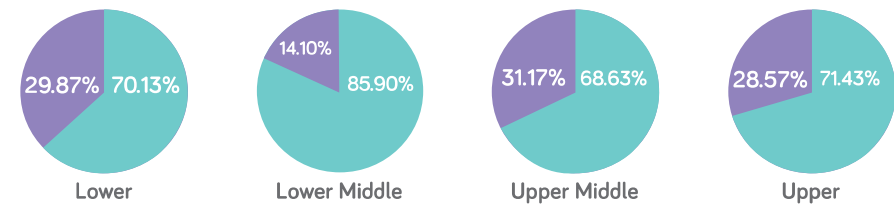
Gender Bonus Gap



Proportion of Men and Women Receiving a Bonus



Population By Pay Quartile



Declaration

We confirm the information and data reported are accurate as of the snapshot date 5 April 2020.

Liz Ellis

Liz Ellis
HR Director UK & Ireland



James Pearson
General Manager

