

EXTERNAL REPORT

GENDER PAY GAP REPORT

— 2022 —



DANONE
ONE PLANET. ONE HEALTH

DANONE UK
& IRELAND



DANONE – LEADERS IN SUSTAINABLE VALUES

As the first top 10 branded food and healthcare manufacturer in the UK & Ireland to certify as a B Corp, we are committed to giving people and environment the same priority as shareholder value. Our commitments to using business as a force for good are integral to Danone’s global ambition to obtain worldwide B Corp certification within the next 5 years.

Globally, Danone continues to be a leading company with the adoption of 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.

In the UK & Ireland, health - first and foremost – is our purpose, uniting us and guiding our decision making. We stand for delivering better health through better nutrition for people in a sustainable way, whether that be through making our packaging circular, reducing the carbon emissions involved in making and selling our products, or working with government to promote the adoption of healthy & sustainable diets, including plant-based options.

Certifying as a B Corp involves a rigorous assessment of a company’s governance and impact on its workers, customers, community, and environment. It indicates that a company is meeting high standards of social and environmental performance, accountability and transparency. Our B Corp certifications echo our commitments to our vision of positive transformation and ensuring a sustainable future for our communities, as we know the health of people and the planet are interconnected.

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



DANONE GENDER BALANCE FACTS

Since our last report:

56%

of our combined UK workforce is female

60%

of our Director and Executive positions are held by women

66%

of internal promotions between April 2021 and April 2022 went to women.

ABOUT DANONE

Danone is a leading health-focused food and beverage company dedicated to bringing health through food to as many people as possible, employing more than 1,100 people in the UK.

Danone's portfolio of market-leading food and drink products supports the health of millions of consumers and patients worldwide throughout all stages of their lives. Danone's health-focused food and beverage portfolio includes a mix of yogurts, beverages and plant-based food and drinks, with our best-known global brands including Actimel, Activia, Alpro and Evian.

Backed by scientific research and expertise, Danone is also the market leader in early-life nutrition, owning the top two brands – Aptamil and Cow & Gate, supporting over one million parents to feed their children. Danone is also a market leader in medical nutrition products and services through our Nutricia brand.

Danone aims to inspire healthier and more sustainable eating and drinking practices, and in the UK and Ireland, millions of people eat or drink one of Danone's products every day.

Globally, Danone holds itself to the highest standards in doing business, as reflected by its ambition to become one of the first multinationals certified as B Corp and its 2030 Goals aligned to the United Nations' Sustainable Development Goals (SDGs).



"The gender pay gap is driven by the percentage of women (56%) in the business. I'm happy to see an even gender representation across our UK businesses, and we are not concerned with the results as we continue look at equity across the business while being transparent with our results. We remain committed to equity in our workplace and ensuring that our talented people can thrive in a diverse and inclusive environment"

Nora Iskandar
VP HR, UKIRL

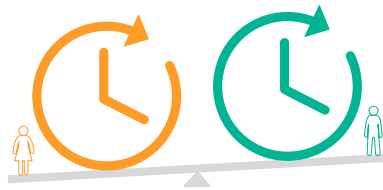
THE GENDER PAY GAP

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.

MEASURING THE GAP - WHAT IT MEANS



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

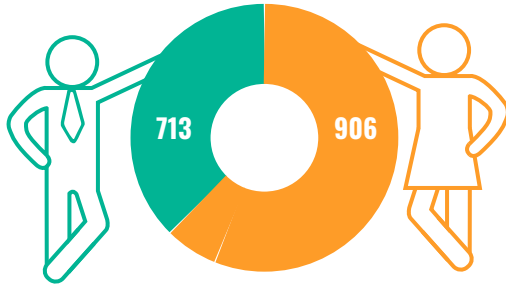


The median pay gap is the difference between the hourly rate of pay and bonus earnings between women and men at the mid-point of each gender group in the business.



DANONE UK RESULTS

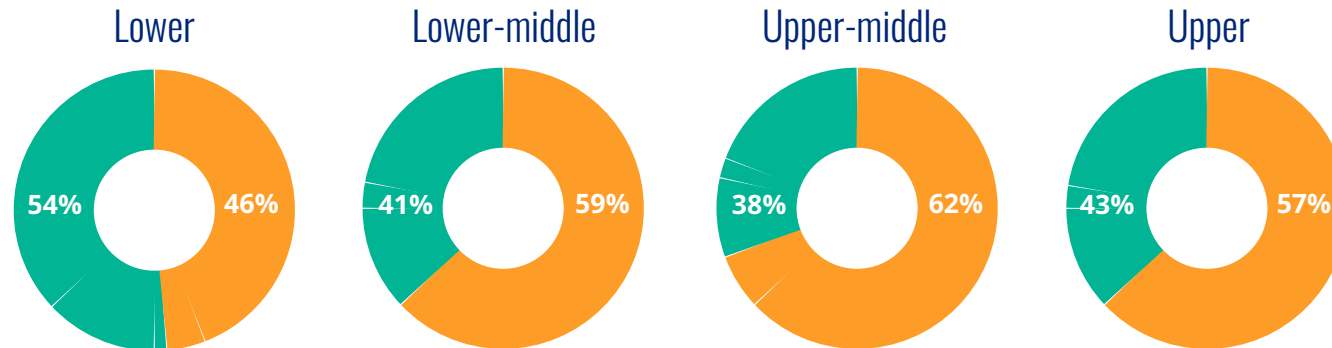
Danone UK **Population 2022**



Danone UK **Gender Pay Gap 2022**



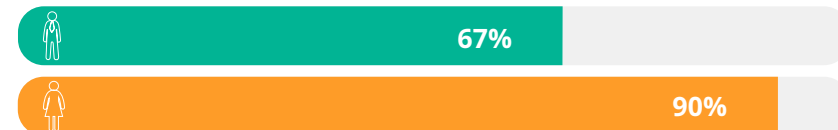
Population by Pay Quartile 2022



Bonus Pay 2022



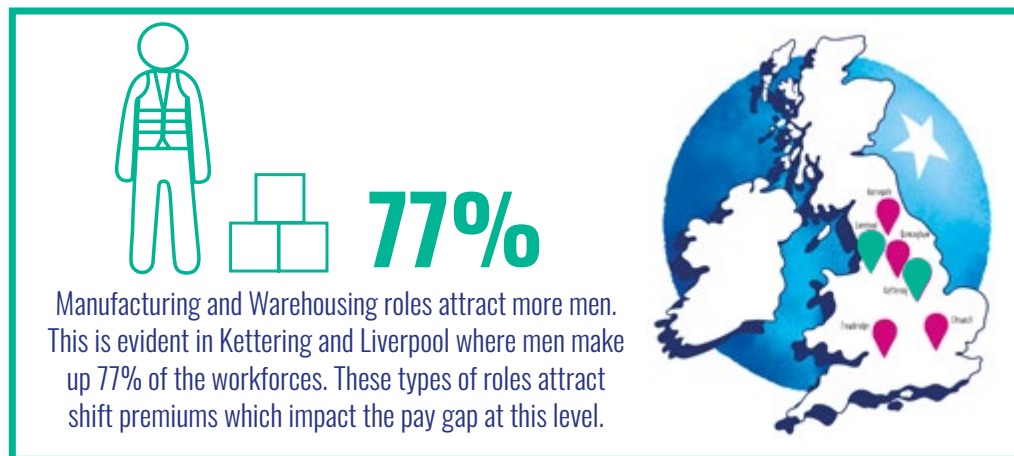
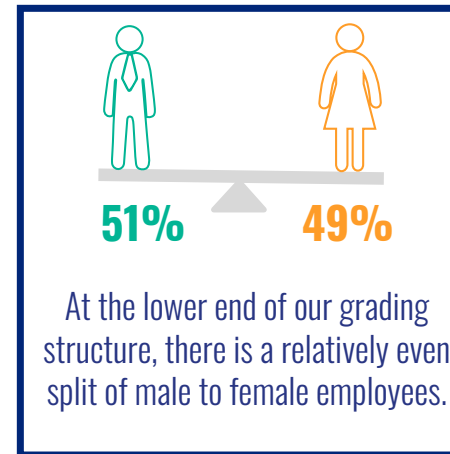
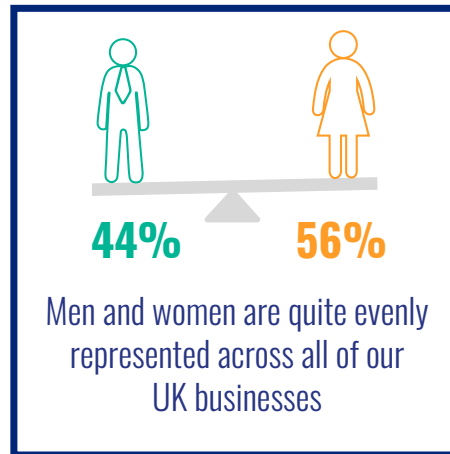
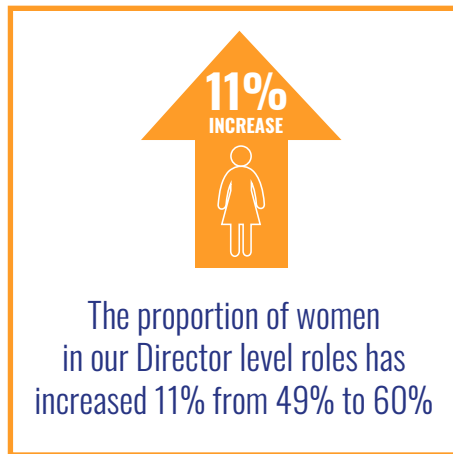
Proportion of Men and Women **Receiving a Bonus**



ANALYSING THE PAY GAP

Our overall mean gender pay gap has decreased significantly from 5.18% in 2021 to -3.81% in 2022.

The main driver of this is the Global restructuring project, named “Local First”, which was announced in 2020 and implemented in October 2021 (read more about this on the [Danone website](#)). In October 2021 we went live with the combining of our four category businesses – Specialised Nutrition, Plant-Based, Dairy and Waters – into one unified company and this has impacted the overall pay gap reporting sample sizes.



As a reminder, a pay gap in minus figures shows that the average hourly rate of pay for women is higher than the average hourly rate of pay for men.



ANALYSING THE BONUS GAP

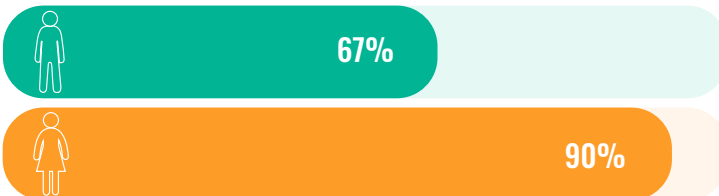
In 2022 our bonus pay gap has decreased significantly to -3.35%.

The bonus gap is – like the pay gap – linked to the distribution of men and women across the business.

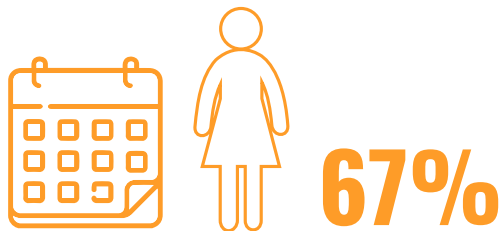
Bonus entitlement across our male and female populations has remained consistent year-on-year in terms of the proportions of both groups receiving a pay-out.

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.

Proportion of men and women receiving a bonus in 2022



Not all male employee are eligible for bonus within our manufacturing and operation roles and hence the proportion of men versus women earning a bonus is significantly different.



We calculate our bonuses pro rata for those joining part-way through the performance year. In 2022, 67% of new joiners receiving pro rata bonus payments were women.



As a reminder, minus figures shows that the average bonus gap for women is higher than the average bonus gap for men.

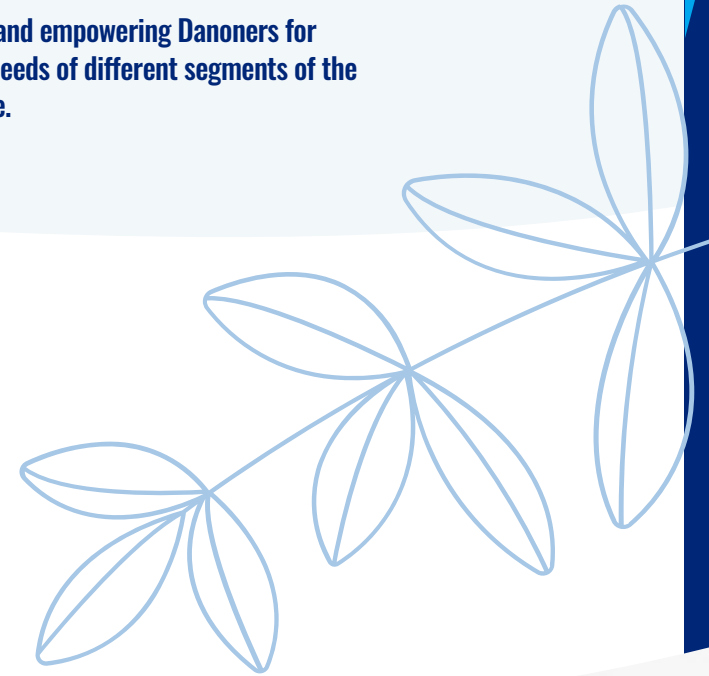
WHAT WE'VE BEEN WORKING ON

Our ambition is to make Danone a force for good by fostering a unique, inclusive & diverse culture and empowering Danoners for positive impact. We know that a diverse workforce can enable organisations to better understand the needs of different segments of the population and deliver to them which helps drive business performance.

A focus on Inclusive Diversity (ID) also helps to attract better talent, as candidates consider a diverse workforce to be an important factor when evaluating companies and job offers. A more inclusive workplace and diverse workforce is in our DNA and can be a strong driver of business performance. We aim to run a self-ID campaign in the future to collect data on how diverse our business is. This will be the first time such data is collected through self-declaration. This will enable us to identify areas of opportunity to inform our ID ambition and roadmap. To stay up to date with relevant changes and how other businesses are driving their ID ambitions, we are part of the LEAD Network and Diversity in Grocery network, where we can network and collaborate with other business.

During 2021-22 we have continued to build a culture of smart working at Danone UK. Smart working creates a way for employees to shape the way in which they work, within their core weekly hours. This will vary depending on the nature of each individual's role, business needs and preferences, all of which are to be mutually agreed with their people manager. Our smart working ambition is to build a more equal, inclusive and sustainable people powered business that leaves no one behind.

In 2021 we also built and launched a new inclusive teams' intervention. This was focused on celebrating team diversity and building awareness of the importance of inclusion. We also continued to roll out our new AON assessments which we transitioned to in 2021 to ensure reduced bias in our recruitment process. These new assessments focus on intellectual agility (not educational intelligence) - something that everyone has in varying degrees regardless of their educational background.



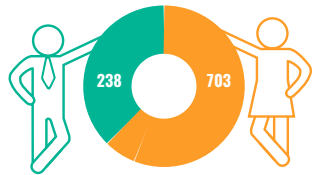
STATUTORY INFORMATION

The information below is the statistical data that we are required to publish on our gender pay gap. This 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 business post the restructure and has circa **941 employees** in office-based and field-based roles.

Danone UK Population 2022



Danone UK Gender Pay Gap 2022



Bonus Pay 2022

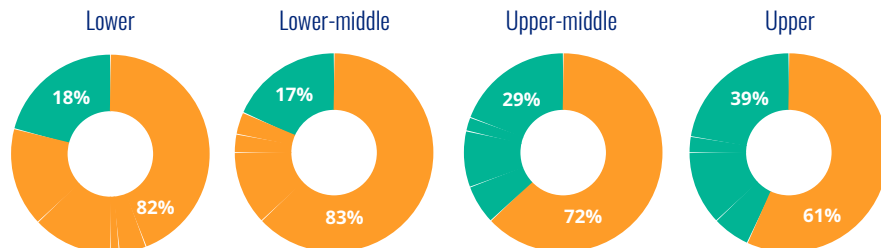
Danone UK Bonus Pay Gap 2022



Proportion of Men and Women Receiving a Bonus



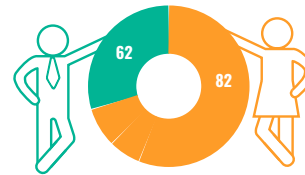
Population by Pay Quartile 2022



DANONE HOLDINGS

Danone Holdings is the Legal name for our business with circa **144 employees** in our Finance & HR Shared Services business as well as our IT & Data Teams.

Danone UK Population 2022



Danone UK Gender Pay Gap 2022



Bonus Pay 2022

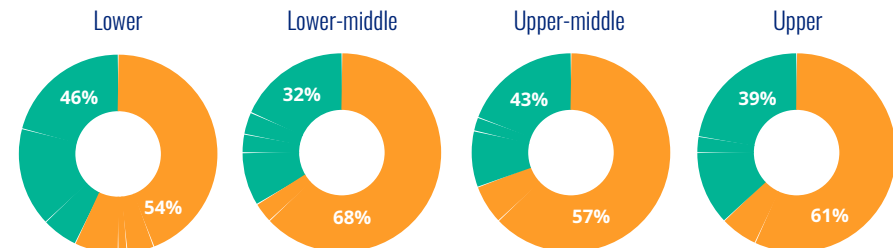
Danone UK Bonus Pay Gap 2022



Proportion of Men and Women Receiving a Bonus



Population by Pay Quartile 2022



KEY
 Green = Male Orange = Female

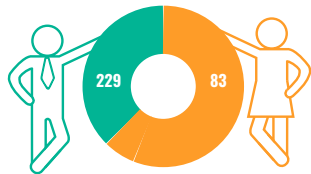
STATUTORY INFORMATION



SHS INTERNATIONAL LTD

SHS International Ltd is one of our manufacturing sites, which employs circa **312 employees**, the majority in production and warehouse roles.

Danone UK **Population 2022**



Danone UK **Gender Pay Gap 2022**



Bonus Pay 2022

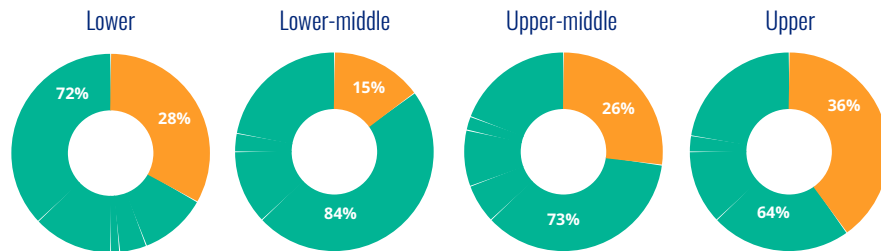
Danone UK **Bonus Pay Gap 2022**



Proportion of Men and Women **Receiving a Bonus**



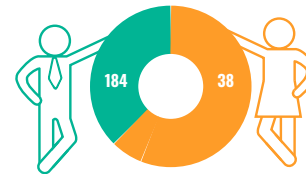
Population by Pay Quartile 2022



ALPRO

Alpro is the name of our plant-based food and drinks company with a manufacturing site and a small commercial team, employing about **274 employees** across both.

Danone UK **Population 2022**



Danone UK **Gender Pay Gap 2022**



Bonus Pay 2022

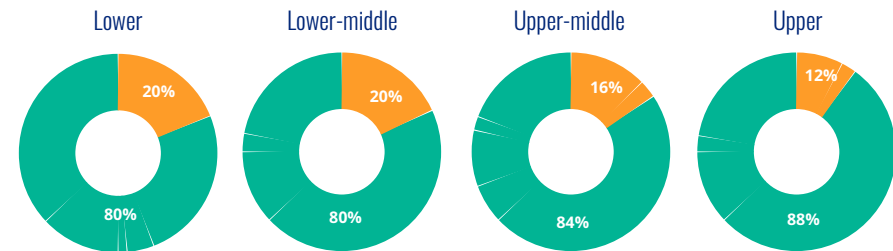
Danone UK **Bonus Pay Gap 2022**



Proportion of Men and Women **Receiving a Bonus**



Population by Pay Quartile 2022



KEY



DECLARATION

We confirm the information and data reported are accurate as of the snapshot date 5 April 2022.



Nora Iskandar, VP HR, UKIRL



James Mayer, General Manager, UKIRL

