



Danone UK
Gender
Pay Gap
Report

2021

Danone – leaders in sustainable values

Since publication of our last Gender Pay Gap report, we have made considerable progress towards our target of 100% of our UK business' becoming BCorp certified, with our Waters business, Harrogate Spring Water achieving certification and our Essential Dairy Business gaining re-accreditation. 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.

We remain committed to obtain worldwide Bcorp certification within the next 5 years showing shareholders that our brands and subsidiaries serve the interests of society.

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. This shows true commitment to our vision of positive transformation.

This year's publication reports on the combined gender pay gap for our entire UK business once again. 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:

55%
of our combined
UK workforce is
female

54%
of our Director and
Executive positions
are held by women

75%
of internal promotions
between April 2020
and April 2021 went
to women.



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 Liverpool), 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. However, we have chosen to include all our legal entities.

"During 2020-21 the world faced unprecedented challenges in the face of the Corona virus pandemic. Maintaining food supplies, for the healthy and those requiring medical support, was never more important. It's a huge testament to the passion, commitment and creativeness of our Danoners that we were able to keep producing and supplying our products throughout the crisis. The findings in our annual Gender Pay Gap report support our on-going commitment to equity in our workplace and ensuring that our talented people can thrive in a diverse and inclusive environment."

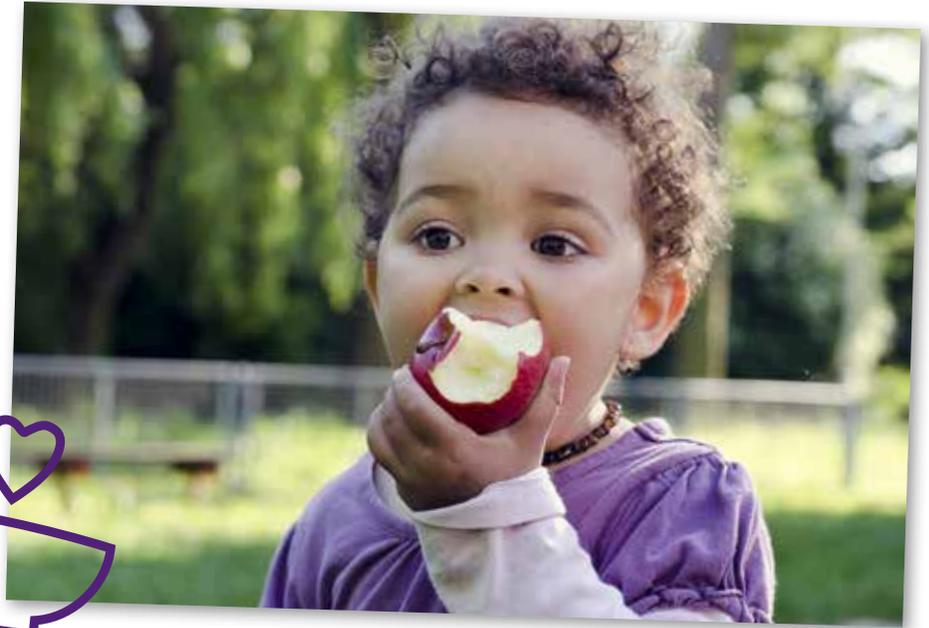
Nora Iskandar
VP HR, UKIRL

The Gender Pay Gap

Measuring the gender pay gap

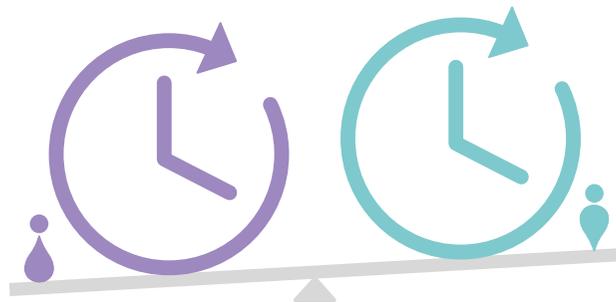
In 2017 the Government introduced regulations that require organisations with 250 or more employees to report annually on their gender pay gap. This measures the difference in mean and median average pay between men and women across the organisation regardless of their role.

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.



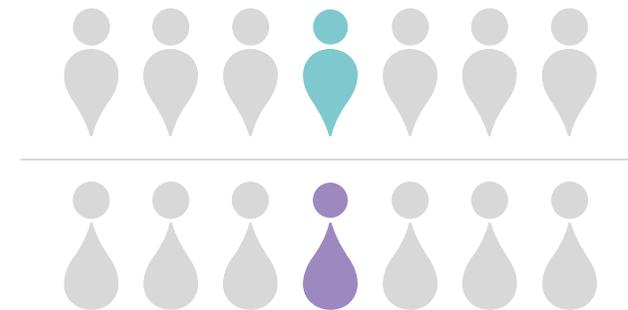
The Mean Gender Pay Gap

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.



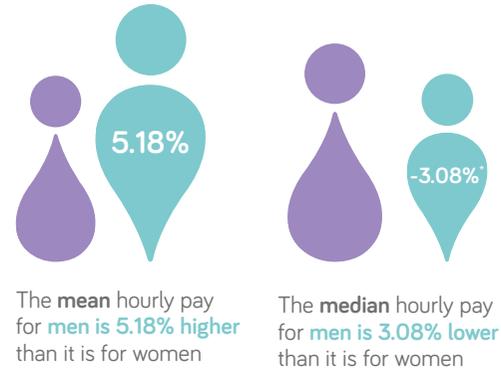
Key Male Female

Our Results

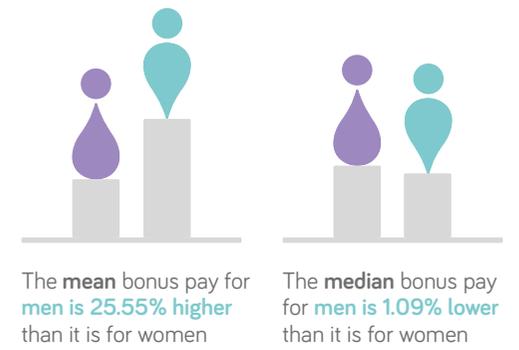
Danone's global commitment to equity and fairness is a core element of our HR processes. Gender distribution and pay levels across all grades are key considerations in our pay strategy.

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 2021

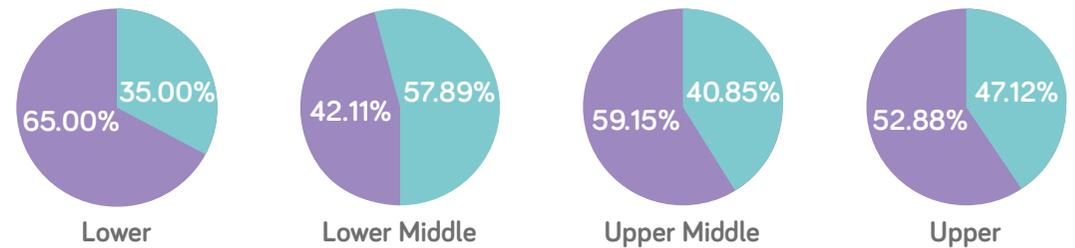


Danone UK Bonus Pay Gap 2021



Population by Pay Quartile 2021

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 2021



Analysing the Gap

In 2021 our overall mean gender pay gap decreased slightly from 6.70% in 2020 to 5.18% in 2021.

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, 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 impact our overall gender pay gap:

- Men and women are quite evenly represented across all of our UK businesses (55% women, 45% men).
- The proportion of women in our Director level roles has decreased slightly to 54%.
- At the lower end of our grading structure, there is an even split of male (50%) to female (50%) employees.
- Manufacturing and Warehousing roles tend to attract more men than women and this is evident in Kettering and Liverpool where men make up 74% of the workforces. These types of roles 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.

The bonus gap is heavily influenced by the higher number of women in part time positions because reporting requirements ask for actual bonus payments to be reported. Across the business we have 147 women working part time hours compared to just 5 men.

In addition, we calculate our bonuses pro rata for those joining part-way through the performance year. In 2021, 63% of new joiners receiving pro rata bonus payments were women.

What we've been working on



During 2020-21 our focus was on the continued roll-out and embedding of policies and practices launched in 2020. We maintained our efforts to deliver our 2020 Inclusive Diversity action plan and expanded to include more of our UK based employees.

In 2021 we launched our 'smart working' ambition as the culmination of considerable exploration into flexible working options. This new approach, which became even more relevant with the need to work from home during the Coronavirus pandemic, offers flexibility and allows employees to find the best working pattern that suits both them and their job requirements. This broadens opportunities to recruit and retain more diversity in our workforce as the majority of roles are no longer tied to one office-based location.

Also in 2021 our Dairy business began 10 mentoring partnerships for young, black, talent with Psalt Rise. Psalt Rise is a community dedicated to under-represented talent, providing careers support, job opportunities and access to our network of leading global brands. Not only did this enable Danone to support and equip young black talent but it also helped us identify areas for improvement.

We continued to address potential barriers to diversity in our recruitment process as we embedded our new agility-based testing approach and continued to upskill managers to make evidence-based hiring decisions based on job-specific competencies through our Recruitment Excellence programme. Beyond this we worked to ensure that all our learning programmes are more accessible by adapting our training for neurodiversity and ensuring that our facilitators have been trained to offer a neurodiverse approach. In our internal HR processes and tools we introduced unconscious bias checks and also upskilled our people managers to build awareness.



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.



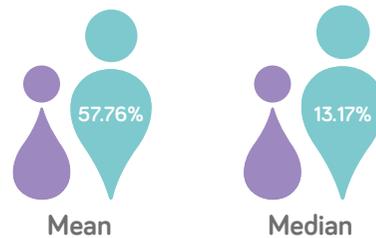
Nutricia Ltd

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

Gender Pay Gap



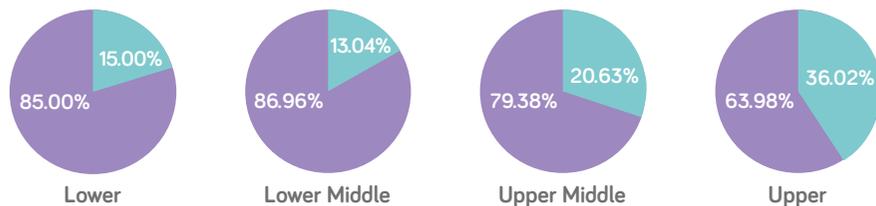
Gender Bonus Gap



Proportion of Men and Women Receiving a Bonus



Population By Pay Quartile



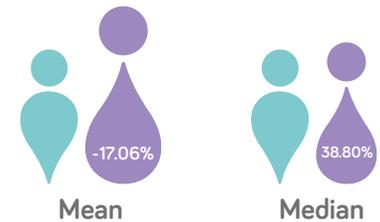
SHS International Ltd

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

Gender Pay Gap



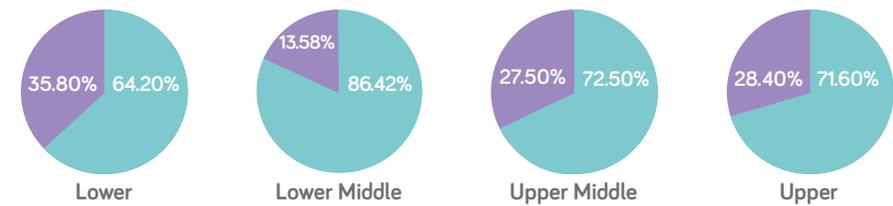
Gender Bonus Gap



Proportion of Men and Women Receiving a Bonus



Population By Pay Quartile



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.

Gender Pay Gap



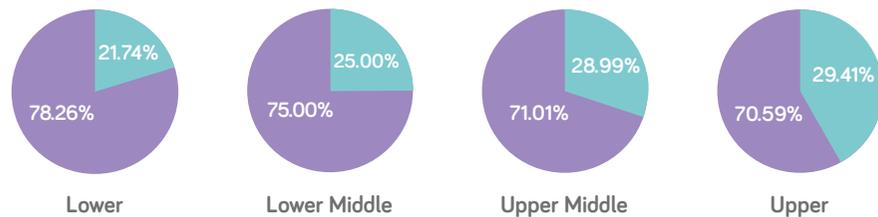
Gender Bonus Gap



Proportion of Men and Women Receiving a Bonus



Population By Pay Quartile



Key Male Female



Declaration

We confirm the information and data reported are accurate as of the snapshot date 5 April 2021.



Nora Iskandar
VP HR, UKIRL



James Mayer
General Manager, UKIRL

