



Danone UK

Gender Pay Gap Report

Valuing each Danoner's individuality

At Danone we believe in a diverse, equal environment where people are supported to grow and realise their individual potential. Each person's unique contribution and the value that their differences bring to our business is very important to us.

In the UK we have circa 1300 employees and have always been committed to openness. So, when it comes to looking at topics like pay, bonus earnings and diversity policies, it's normal for us to be transparent about exactly where we stand.

We place a great emphasis on equity in our business and we've invested in processes and initiatives that underpin this commitment. Preparing the Gender Pay Gap Report has given us an even deeper insight to better understand where we feel that change could be beneficial

“For us GPG is about gaining insights to help us in our commitment to ensure we create an environment that allows our people to thrive as individuals. We work hard to ensure that through our culture, development routes and recruitment we understand and celebrate our differences, and value each individual's contribution.”

Liz Ellis
HR Director, UK & Ireland

Danone Gender Balance Facts – since our last report:

60% of our population are women.

49% The number of female directors has risen to 49%.

63% of the external recruits into our senior leadership roles between April 17 and April 18, have been women.

66% of internal promotions between April 17 and April 18 went to women, an increase of 15%.



About Danone

Dedicated to bringing health through food to as many people as possible, Danone is a leading food company built on four business lines: Essential Dairy and Plant-based Products, Early Life Nutrition, Waters and Advanced Medical Nutrition.*

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 new One Planet, One Health signature, our way of showing our commitment to inspire healthier eating and drinking habits. We want to do this for all 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 entity names in the UK - Nutricia Ltd (Early Life Nutrition and Medical Nutrition), Danone Limited (Fresh Dairy Products), Danone Waters (UK & Ireland) Ltd (Waters), SHS International Ltd (medical nutrition)

The Gender Pay Gap

Measuring the gender pay gap

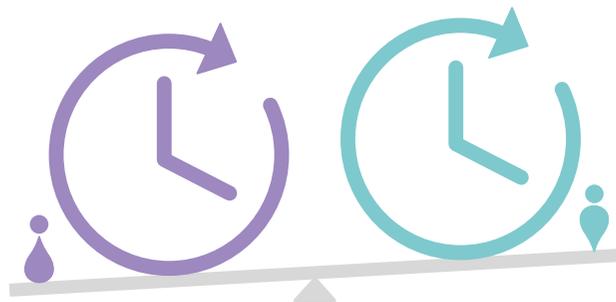
In 2017 the government introduced regulations that require organisations with 250 or more employees to report annually on their gender pay gap. This measures the difference in mean and median average pay between men and women, across the organisation, regardless of their role.

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.



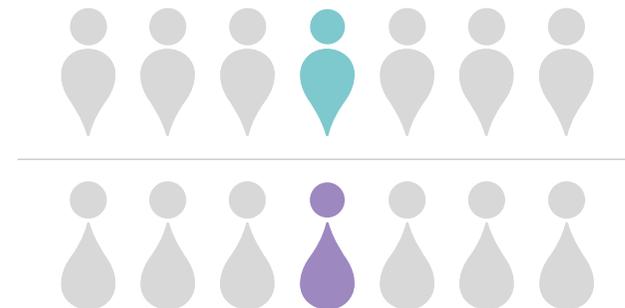
The Mean Pay Gap

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

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



Our Results

At Danone we take our commitment to equal pay very seriously and we are proud of the long standing processes we have in place to monitor the internal equity of pay across our grading structures.

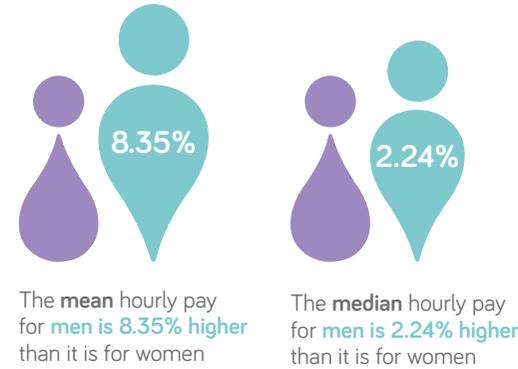
For many years now a key part of both our annual salary review and talent processes has been to analyse the makeup of our business, including the career progress of men and women and the distribution of pay awards across genders. Danone has always had a transparent policy when it comes to pay and processes and our people are rewarded predominantly based on their sustainable performance and their ability to grow.

We are committed to openness as a business and that's why this year we have again published the combined data for all our UK entities, not just those captured under the Gender Pay Gap regulations*.

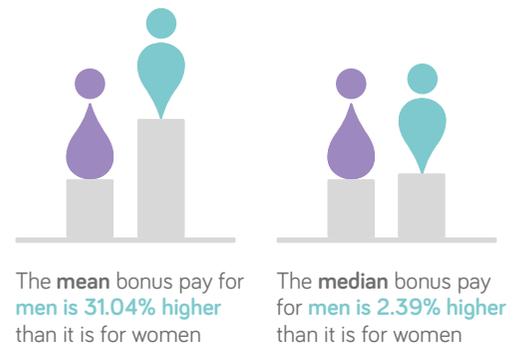
*The regulations only require us to report our gender pay gap for organisation with more than 250 people. For us this would include two organisations in our group, Nutricia Ltd (which comprises two businesses, Advanced Medical Nutrition and Early Life Nutrition) and SHS International Ltd (the manufacturing branch of our medical business).



Danone UK Gender Pay Gap 2018

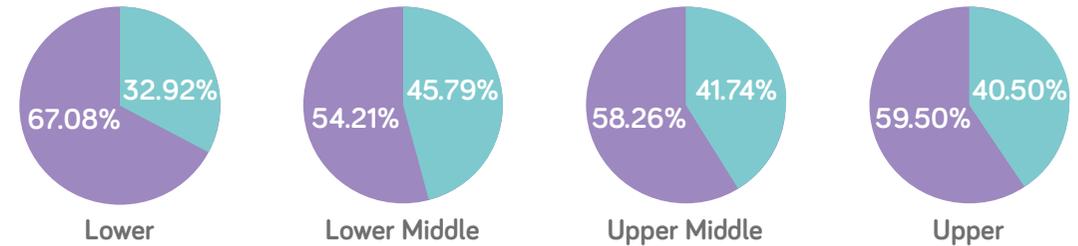


Danone UK Bonus Pay Gap 2018



Population by Pay Quartile 2018

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 2018



Analysing the Gap

We recognise that as a fast moving, global business our Gender Pay Gap figures are impacted by employees joining, leaving and moving within Danone and these factors mean that our annual figures will not necessarily show linear improvement. For us, the value of this report comes in how it gives us a new perspective and data set to analyse to help us ensure we are giving all our people what they need to develop in the way that works best for them.



Pay gap

The pay gap at Danone UK is, principally, to be the result of the uneven distribution of men and women across parts of our business. We continue to employ a higher proportion of women than men and, while the overall make up of our business is similar to last year, we have seen an increase in female representation at director levels since 2017, with the number of director positions held by women growing to 49%.

Our most senior General Manager roles, however, continue to be more often held by men. While our more junior grades, including customer services and nursing professions, continue to be populated by a higher proportion of women though we have seen an increase in the proportion of males in these roles in the last 12 months. Where we do see a larger proportion of men at more junior grades, in our operations teams, for example, those roles include additional shift and overtime premiums, which also impacts our pay gap.

Bonus gap

The clustering of males in our most senior management roles and higher proportion of women in more junior positions is also the main driver of the bonus gap. In addition, we see more women making an active choice to invest all or part of their bonus into their pension scheme, and more women receiving pro rata bonus payments either because they are recent starters or owing to part time working. (30 people paid bonus into pension – 68% female, 133 part timers – 96% female, all new starters receiving pro rata bonus – 71% female).

What we've been working on



Culture

- We've invited people from across our businesses who are passionate about diversity and inclusion to come together as D&I ambassadors. Our D&I forum meet regularly to help shape our agenda and ensure that as a business we have a real understanding of the topics that are important to our people so that we can keep them front of mind.
- We've embarked on a partnership with Timewise to start to understand how we can better enable flexible working. Our aim is to ensure that everyone feels that they can utilise the policies and programmes that we offer in a way that works for them.
- We are actively tracking Shared Parental Leave take up and are analysing flexible working requests so that we can understand better whether there are populations who feel less able to utilise these policies. This will allow us to put plans in place to help everyone fully access what we offer as a business.

Personal Development

- We trained all of our line managers in how to have great development conversations with their teams, focused on encouraging people to think about their own unique career path in Danone and the support they need to create their own success.
- We launched a new career portal to help our people think through the possibilities available to them. They can also find stories of people in our organisation who have achieved successful career moves at Danone where traditionally this would have been difficult. For example women who have returned from maternity leave into promotions and females holding senior roles in our UK factory.
- We've continued to invest in coaching skills for our line managers, equipping them to have the right conversations with their teams about development. Over 200 Danoners have completing coaching skills training or accreditation since our last GPG report in 2017.

Recruitment

- With the support of Timewise we will be running workshops in 2019 to support our line managers to think differently about flexible job design. We'll be seeking to ensure that our organisation design and infrastructure enables us to better identify roles at all levels that support flexible working
- We continue our commitment to eliminating bias in recruitment through ongoing training for all recruiting managers
- We are bringing more recruitment in house to make sure we are broadening and diversifying our talent pools.



“I think there’s no better way for a company to show commitment to diversity and inclusion than to invite the people who are passionate about it to be involved in a forum to discuss the topic. The forum is an open space where you can discuss topical issues, raise any queries and begin to roadmap tangible actions.

So many of the behaviours that underpin diversity and inclusion are at the heart of our culture and ethos and we should celebrate that. However, there are other areas we need to continue to focus on and by asking all Danoners for their input it gives a well-rounded, honest viewpoint and ensures that the business’ agenda for diversity and inclusion remains relevant and representative.”

Rebecca Lovelady

Sustainability Manager and diversity and inclusion Ambassador

“The Danone Shared Parental Leave (SPL)* gave me an amazing opportunity to spend in-valuable time with my daughter in her early months. Being with her every day & seeing her develop was both rewarding & eye opening. I now advise everybody at Danone to embrace the opportunity to take SPL as it’s possibly one of the most rewarding things you as a Dad will do in the first 12months of their life.

Personally, it has also really helped me as a leader – patience levels are now at a new high, listening skills have been honed to a new level and it has even helped me improve my levels of calmness under pressure, mainly due to the fact you have a different perspective on work/life balance, it really helps.”

Craig Read

UK Market Director, Danone Essential Dairy and Plant Based

* At Danone we have enhanced our SPL pay to well above the statutory levels to ensure we offer all parents in our business the same opportunities

Statutory Information

The information below is the statistical data that we are required to publish by the government on our gender pay gap.



Nutricia Ltd

Nutricia Ltd represents two of our six businesses, Advanced Medical Nutrition and Early Life Nutrition, and has circa 670 employees in office based and field-based roles.

The pay gap in Nutricia is largely driven by the fact that the General Manager roles in the businesses are held by men. Additionally, in our Advanced Medical Nutrition business women are overrepresented at the lower grades, with teams such as nursing being highly female dominated.

Gender Pay Gap



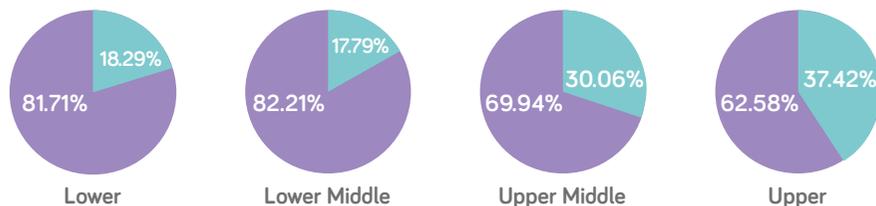
Gender Bonus Gap



Proportion of Males and Females Receiving Bonus



Population By Pay Quartile

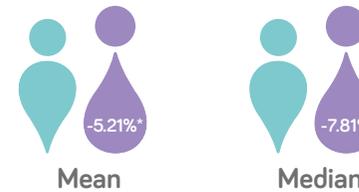


SHS International Ltd

SHS International Ltd is our only UK production site, which employs circa 300 people, the majority in production and warehouse roles.

The pay gap in SHS reflects the distribution of men and women in the SHS organisation. In the factory the operational, lower grade roles are more densely populated by men, while women are better represented in office-based and manager roles. Additionally, the Factory Director role is held by a woman

Gender Pay Gap



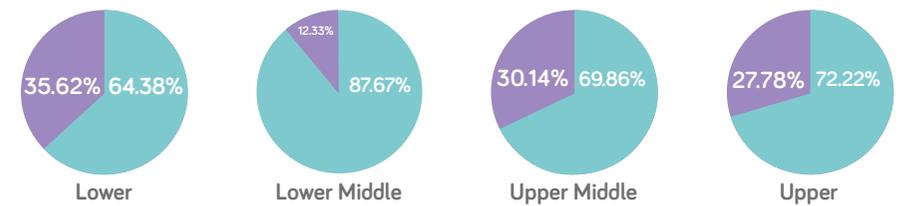
Gender Bonus Gap



Proportion of Males and Females Receiving Bonus



Population By Pay Quartile



* a gender pay gap in minus figures means that women, on average, are earning more than men

Declaration

We confirm the information and data reported is accurate as of the snapshot date 5th April 2018.

Liz Ellis

Liz Ellis
HR Director UK & Ireland



James Pearson
General Manager

