



Danone UK  
Gender  
Pay Gap  
Report

2019

# Danone – where everyone can grow and flourish

At Danone, we recognise that people are at their best when they are free to be themselves. We believe in creating an environment that allows people to contribute in the way that works for them, using their diverse backgrounds and unique experiences, to help us better meet the needs of customers and patients.

We have always focused on equity and fairness and chose to align our global 2030 company ambitions with the UN Sustainability Goals. In 2019 Danone invited all 100,000 employees to share their views on our company goals, enabling us to make the most of the richness of views from across the workforce.

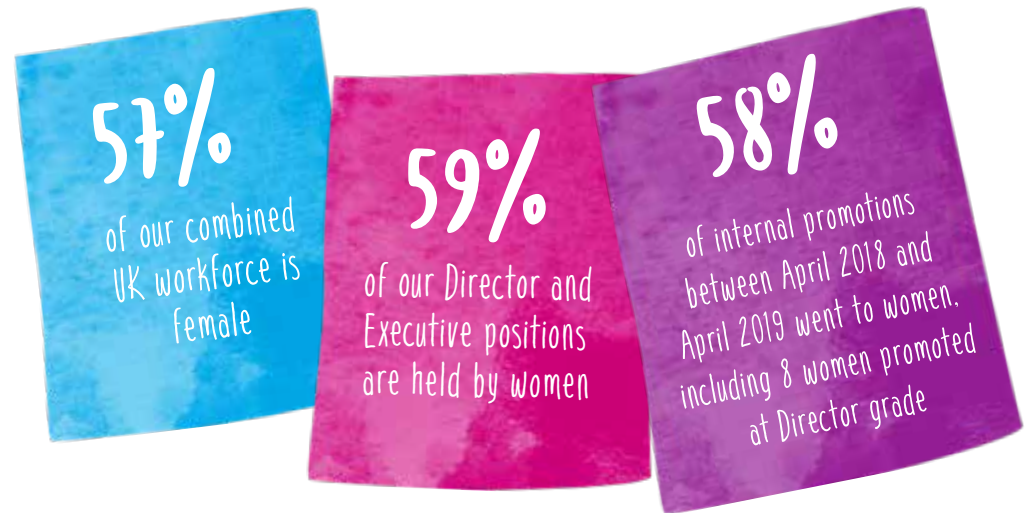
Once again, this year's publication reports on the combined gender pay gap for our entire UK business. We took a choice to go beyond the Gender Pay Gap regulations, which require reports for organisations with more than 250 people.

Our Alpro business features for the first time. While this makes a year on year comparison of the pay gap more challenging, it reflects our commitment to fairness and equity across our full UK operation and tracking progress in all our locations.

*"We know that people join Danone because they are passionate about our core purpose and want to build a meaningful career where they can bring their own unique contribution. As a business we are committed to creating an inclusive culture, where everyone's voice counts. The transparency of the Gender Pay Gap reporting fits our ethos and we believe that it encourages us to keep questioning how we continue to evolve a diverse and inclusive workplace."*

**Liz Ellis**  
HR Director, UK & Ireland

## Danone Gender Balance Facts



### 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, Specialised 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 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 (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.

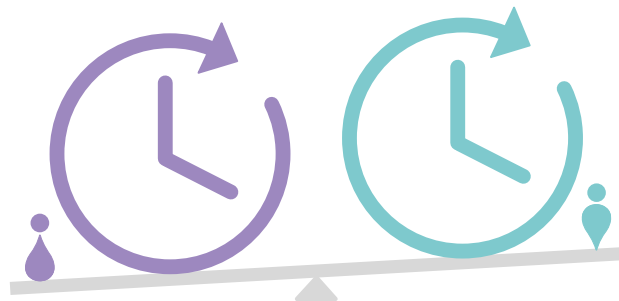
It does not measure equal pay, which relates to what women and men are paid for the same or similar jobs or work of equal value.

We take our commitment to equal pay very seriously. The objective is always to be fair, which is why we rigorously and regularly measure our annual performance assessments and pay awards.



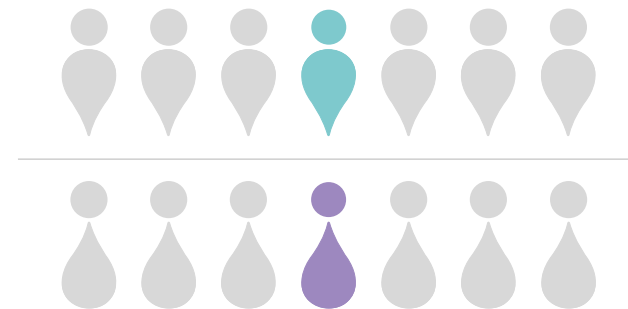
## The Mean Gender Pay Gap

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

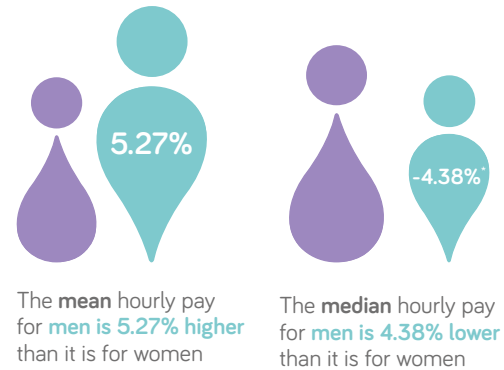


# Our Results

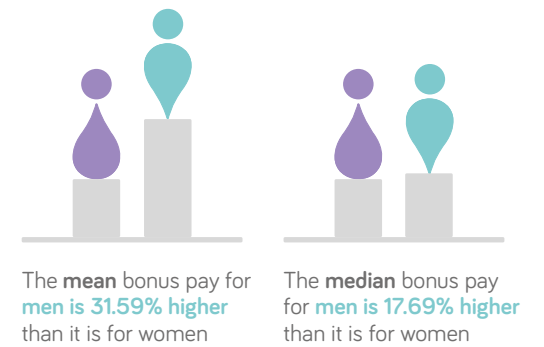
Danone's commitment to equity and fairness is ingrained in our career, salary and talent processes. For many years we have analysed gender distribution across our roles and monitored the pay of men and women across grading structures.

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 2019

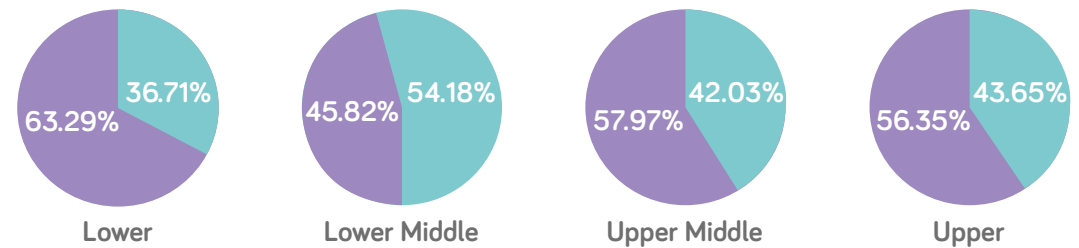


## Danone UK Bonus Pay Gap 2019



## Population by Pay Quartile 2019

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 2019



# Analysing the Gap

In 2019 our mean gender pay gap reduced to 5.27% from 8.35% in 2018. The inclusion of Alpro in the Danone UK analysis this year changes the makeup of roles and functions in our population.



## Pay gap

Our pay gap continues to be primarily driven by two factors:

### 1. Representation of women in our most senior roles

Men continue to hold more of our most senior General Manager roles. We have, however, seen an increase in the proportion of women in Director level roles for the second year running, growing to 56% in 2019 up from 49% in 2018.

### 2. Distribution of men and women in specific job functions

At the lower end of our employee grading scale, we see significant difference in gender representation in job functions. Our Nursing and Customer Service roles are predominantly filled by women. In contrast, in our two manufacturing operations in Liverpool and Kettering, we have a predominantly male workforce. The total numbers of men and women at this level of our organisation are roughly the same; however, roles in our 24-hour manufacturing sites include shift premiums. It is the higher proportion of men in these roles that contributes to the pay gap at this level.

## Bonus gap

As with the pay gap, the bonus gap is linked to the distribution of men and women across our business. Our senior positions have higher bonus targets for individual and business performance, and with more men in these senior roles, this contributes to the bonus gap.

Our bonus gap figure is also influenced by the number of women in part time positions. Across the business, we have 153 women working part time hours, compared to nine men. The gender bonus gap is calculated without adjusting for pro rata payments for part timers.

Additionally, the way we calculate bonus payments for people joining our business part-way through the year also amplifies the gap. In 2019, 71% of the new joiners who had a bonus paid pro rata were women.

# What we've been working on

The gender pay gap is part of a much broader issue of diversity and inclusion (D&I) and we are proud of our work in these areas to ensure fairness and equity. We work hard to deliver a culture and practices that support people to grow and realise their potential.

Our activities relating to D&I, and through that gender balance, are built on three pillars.



## Culture

- We continue to expand our diversity and inclusion ambassador forum with volunteers from across our businesses. This year's week-long activities focused on a range of topics, to raise awareness and drive engagement in D&I.
- With Timewise, a UK flexible working consultancy, we ran focus groups to understand the enablers and barriers to flexible working. We are now piloting a flexible job evaluation process to support our employees and people managers to consider flexible working options.
- We've partnered with the LEAD (Leading Executives Advancing Diversity) Network to continue the advancement of women leaders in the FMCG industry.

## Personal Development

- We've launched a new digital learning channel so people can drive their personal development and access learning activities that meet their unique needs and interests.
- A new internal coaching programme enables more people to benefit from a business coach to support their development and unique career path in Danone.
- We continue to address unconscious bias in the workplace. Our leadership behaviour programme features inclusive diversity and our line manager excellence programme shares tips on eliminating bias from recruitment and people processes.

## Recruitment

- Our recruitment briefing process is adapted to identify flexible working possibilities for each role and explicitly encourage applicants to Danone to explore these options as part of the recruitment process.
- Our new apprentice scheme is launching this year across our UK businesses, with the first intake in 2020.
- We are piloting a recruitment approach that will remove CV screening and increase focus on candidates' learning agility, to help broaden our talent pool and enable more diversity.



"Danone's approach to flexible working means that anyone can ask to work differently to suit their personal needs and ambitions. In my case, being given the opportunity to job share means I am able to spend more time with my grandchildren and continue with my hobbies whilst still working."

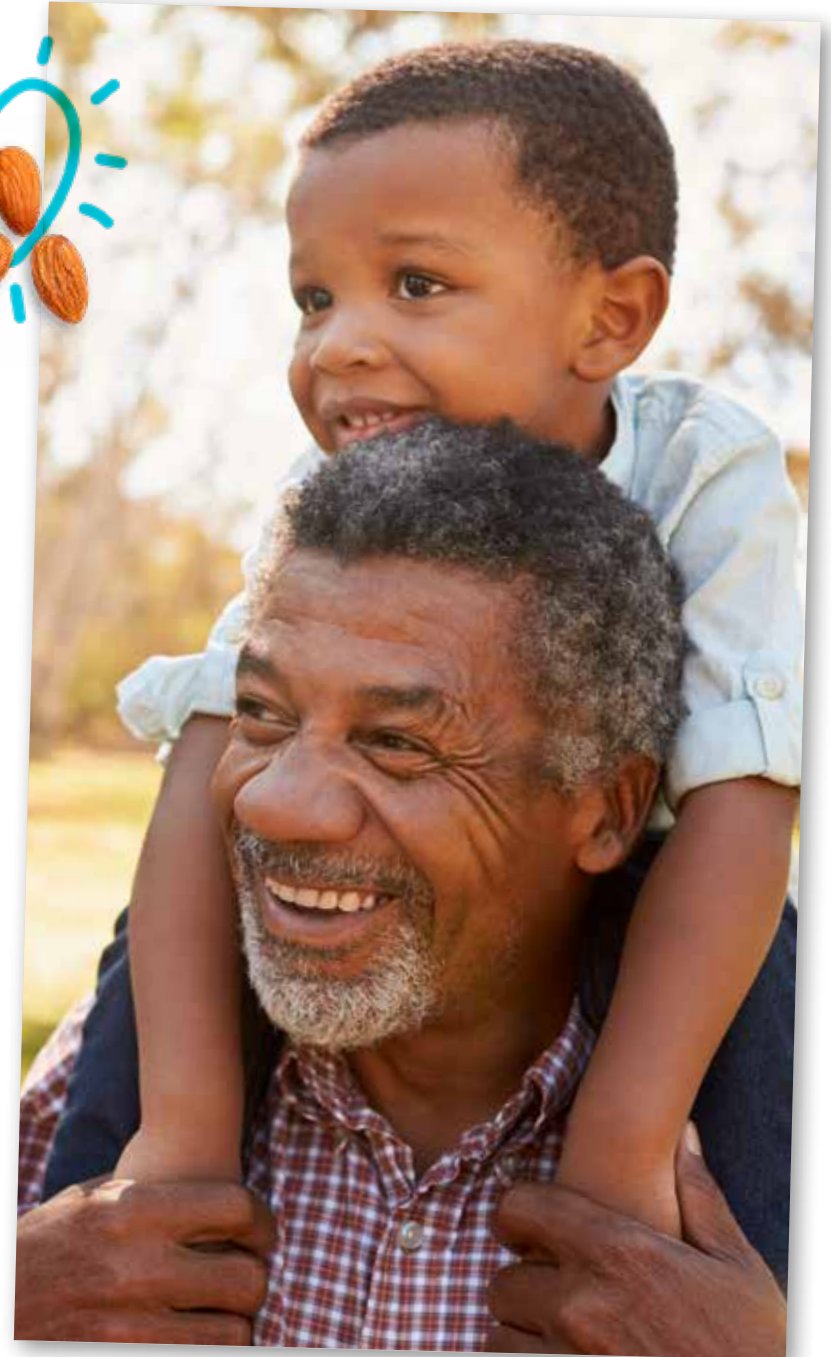
**Ste Locke**  
Warehouse Operator,  
SHS International Ltd

"Inclusivity in the workplace is really important to ensure we can all be the most authentic, genuine and happy version of ourselves at work. D&I week was a great way to show the business all the great things Danone has to offer as well as educating and involving people on the topic. The engagement in the week shows how important D&I is to everyone here."

**Hannah Gilbert,**  
National Account Manager,  
Danone Specialised Nutrition

"Danone's flexible job design process allowed me to explore the type of flexible working pattern that would work for me personally, but also fit with the nature of my role. After 23 years in the business I've changed the way I work, meaning I have more time to do the things that are important to me, whilst making sure, at the peak periods, I'm available."

**Ruth Bodley**  
Head of Payroll & Admin, Danone Holdings



# Statutory Information

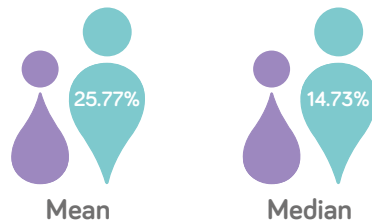
The information below is the statistical data we are required to publish on our gender pay gap. This comprises the mean and median gender pay gap, the mean and median bonus gap, the proportion of men and women receiving a bonus payment and the proportion of men and women in each pay quartile.



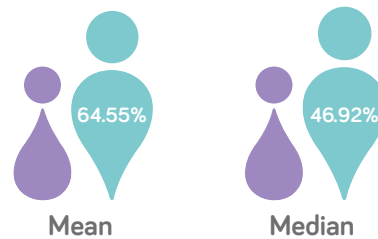
## Nutricia Ltd

Nutricia Ltd is the legal name for our Specialised Nutrition business and has circa 680 employees in office-based and field-based roles.

### Gender Pay Gap



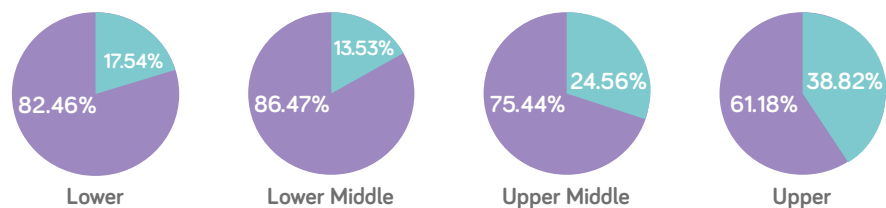
### Gender Bonus Gap



### 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 300 people, the majority in production and warehouse roles.

### Gender Pay Gap



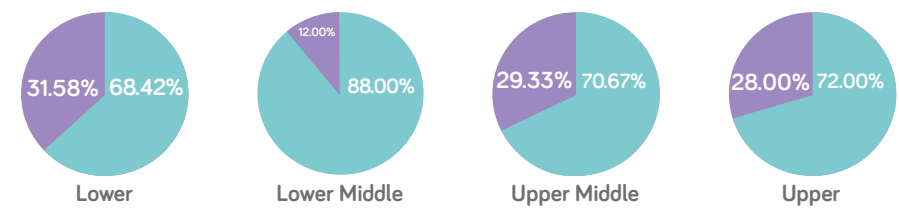
### Gender Bonus Gap



### 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 2019.

Liz Ellis

Liz Ellis  
HR Director UK & Ireland



James Pearson  
General Manager

