

UK GENDER PAY GAP REPORT

EXTERNAL REPORT 2023



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 also 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 contributing to the debate on how the Government's healthy eating policy could encourage the adoption of better diets and improved public health.

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 fourth time, reinforcing our commitment to fairness and equity across our full UK operation and tracking progress across all our locations.

"We take pride in our gender pay gap which is influenced by our 54% female workforce. We have a balanced gender representation in our UK business and remain committed to equity and transparency. Our goal is to ensure that our diverse and inclusive environment allows all employees to thrive."

Nora Iskandar
VP HR, UKIRL



DANONE GENDER BALANCE **FACTS**

Since our last report:

54%

of our combined UK workforce is female

59%

of our Director and Executive positions are held by women

62%

of internal promotions between April 2022 and April 2023 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).



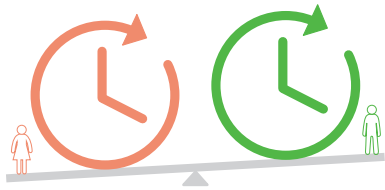
THE GENDER PAY GAP

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.

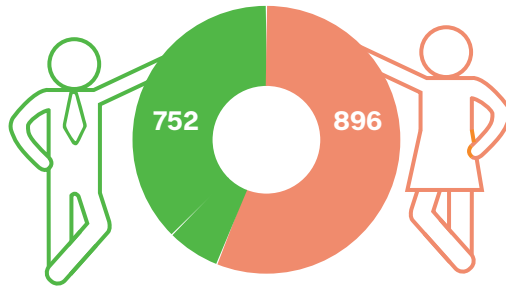


The median pay gap is the difference between the hourly rate of pay and bonus earnings between women and men at the mid-point of each gender group in the business.



DANONE UK RESULTS

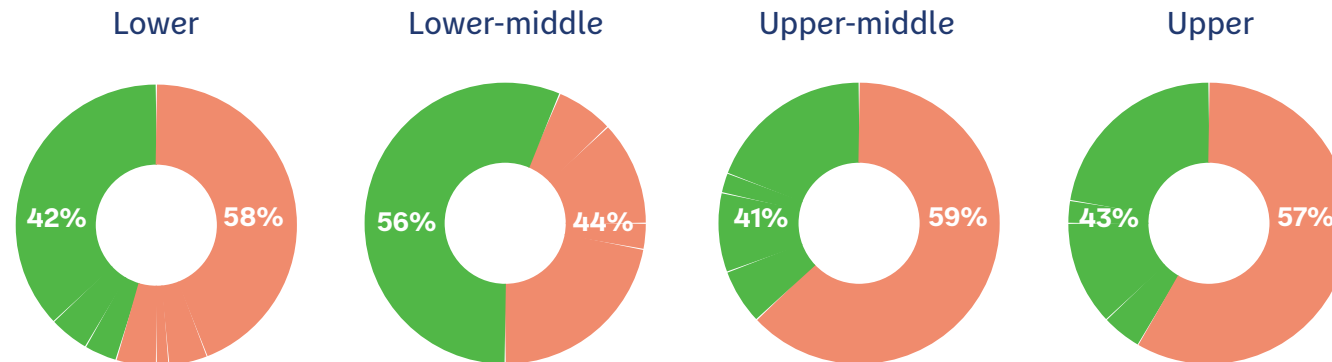
Danone UK **Population** 2023



Danone UK **Gender Pay Gap** 2023



Population by Pay Quartile 2023



Bonus Pay 2023



Proportion of Men and Women Receiving a Bonus



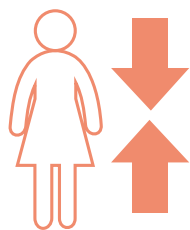
KEY

Green = Male Peach = Female

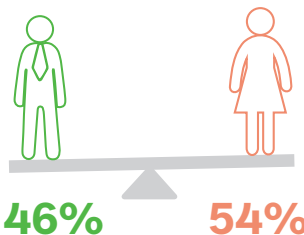
ANALYSING THE PAY GAP

Our overall mean gender pay gap has decreased from -3.81% in 2022 to -4.87% in 2023.

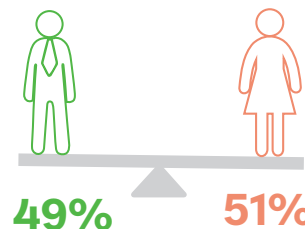
In October 2021 we went live with the combining of our four category businesses – Specialised Nutrition, Plant-Based, Dairy and Waters – into one unified company and this has impacted the overall pay gap reporting sample sizes.



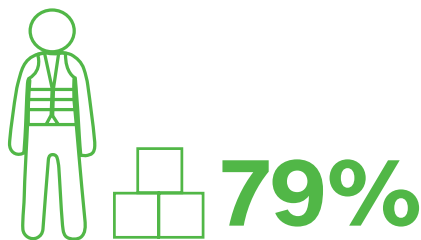
The proportion of women in our Director level roles remained at 60%



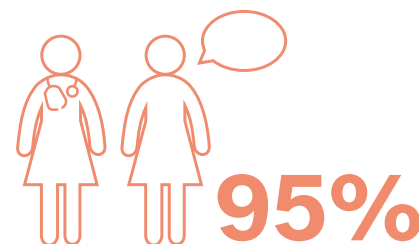
Men and women are quite evenly represented across all of our UK businesses



At the lower end of our grading structure, there is a relatively even split of male to female employees.



Manufacturing and Warehousing roles attract more men. This is evident in Kettering and Liverpool where men make up 79% of the workforces. These types of roles attract shift premiums which impact the pay gap at this level.



Nursing and Customer Service roles attract more women

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.

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Green = Male Peach = Female

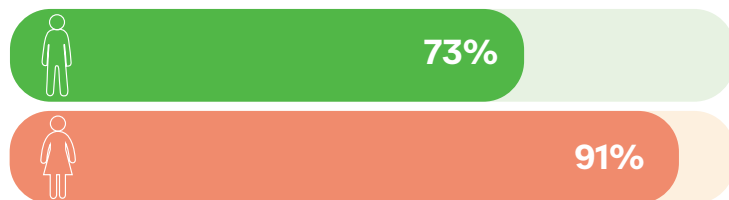
ANALYSING THE BONUS GAP

In 2023 our bonus pay gap has decreased to -2.33%.

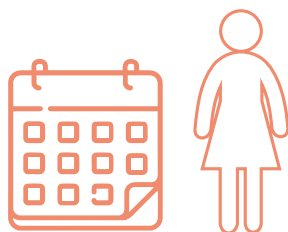
The bonus gap is – like the pay gap – linked to the distribution of men and women across the business. Bonus entitlement across our male and female populations has remained consistent year-on-year in terms of the proportions of both groups receiving a pay-out.

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 2023



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.



78%

We calculate our bonuses pro rata for those joining part-way through the performance year. In 2023, 78% 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.

KEY

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WHAT WE'VE BEEN WORKING ON

Across the UK & Ireland, as Danoners we are united in our differences by a common purpose - to bring health through food to as many people as possible. When our teams reflect the diversity of our patients and consumers, we can truly understand and serve their needs; fuelling performance and enabling innovation and growth.

Our ambition is for every Danoner to feel included, heard and valued for the unique contribution they bring.

Inclusive Workplace: Our Employee Network Groups (ENGs) aim to build inclusive communities and drive change. There are six self-formed groups, each with director-level sponsorship, focused on women's empowerment, LGBTQIA+, BAME, working parents, carers and those with disabilities.

Smart Working Culture: We have a smart working ambition to build a more equal, inclusive and sustainable people powered business that leaves no one behind. 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.

Embedding Inclusive Talent Practices: We have been working with Talent Mapper to integrate diversity, equity and inclusion (DEI) considerations in our talent practices. We shifted our approach to focus on candidates capabilities and potential to ensure opportunities are accessible to a more diverse talent pool. A new job advert template removes potentially biased language, prioritises skills over experience, and includes transparent salaries and deadlines. We have adopted more robust assessment tools and all hiring managers complete inclusive hiring training. The next phase of this project will improve the accessibility of our careers site for neurodiverse candidates and involve working with our BAME ENG group to attract candidates from under-represented ethnic groups.

Pioneering Inclusive Brands: Marketing and advertising have a large impact on the decisions consumers make and we have an important responsibility to engage respectfully with all audiences. We enlisted the support of the Diversity Standards Collective (DSC) to create our Danone Production Charter which guides how we recruit consumer research groups, cast brand marketing campaigns and develop products. For example, the DSC helped us ensure that our recent Cow & Gate advertising campaign did not re-enforce gender stereotypes.



STATUTORY INFORMATION

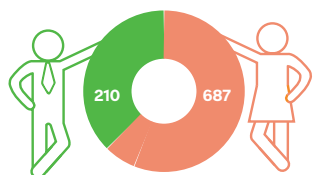
The information below is the statistical data that we are required to publish on our gender pay gap.

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 **897 employees** in office-based and field-based roles.

Danone UK Population 2023



Danone UK Gender Pay Gap 2023



Bonus Pay 2023

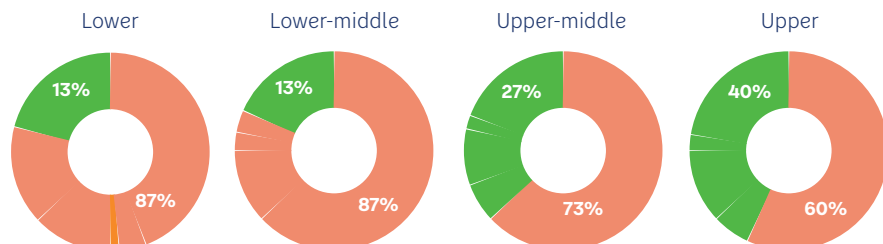
Danone UK Bonus Pay Gap 2023



Proportion of Men and Women Receiving a Bonus



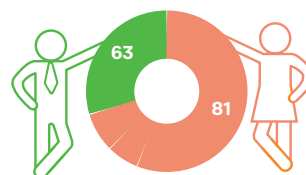
Population by Pay Quartile 2023



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 2023

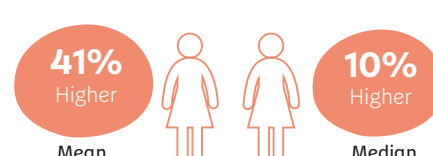


Danone UK Gender Pay Gap 2022



Bonus Pay 2023

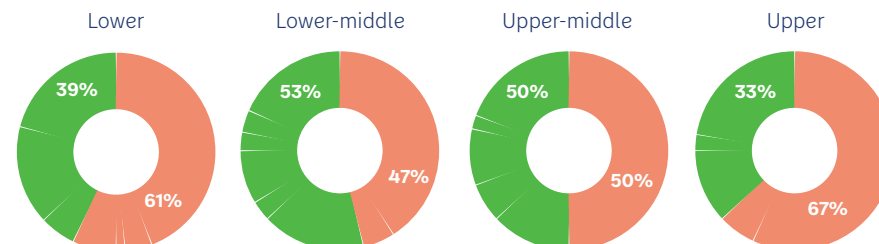
Danone UK Bonus Pay Gap 2023



Proportion of Men and Women Receiving a Bonus



Population by Pay Quartile 2023



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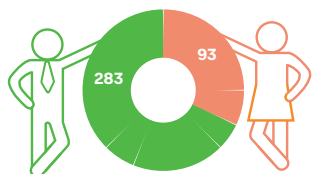
Green = Male Peach = Female

STATUTORY INFORMATION

SHS INTERNATIONAL LTD

SHS International Ltd is one of our manufacturing sites, which employs circa **376 employees**, the majority in production and warehouse roles.

Danone UK **Population 2023**



Danone UK **Gender Pay Gap 2023**



Bonus Pay 2023

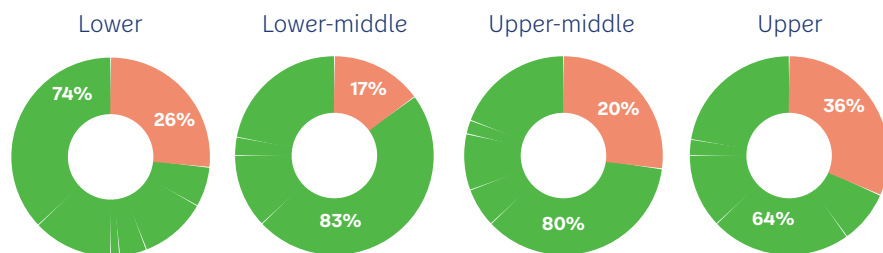
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Proportion of Men and Women Receiving a Bonus



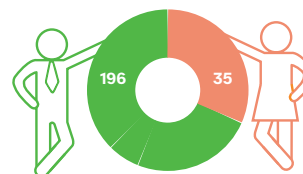
Population by Pay Quartile 2023



ALPRO

Alpro is the name of our plant-based food and drinks company with a manufacturing site and a small commercial team, employing about **231 employees** across both.

Danone UK **Population 2023**



Danone UK **Gender Pay Gap 2023**



Bonus Pay 2023

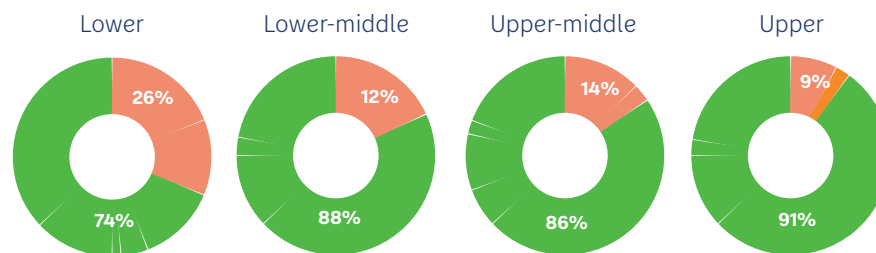
Danone UK **Bonus Pay Gap 2023**



Proportion of Men and Women Receiving a Bonus



Population by Pay Quartile 2023



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DECLARATION

We confirm the information and data reported are accurate as of the snapshot date 5 April 2023.



Nora Iskandar, VP HR, UKIRL



James Mayer, General Manager, UKIRL

