



Danone in the UK  
Gender  
Pay Gap  
Report

# Celebrating individuality in a diverse company

Danone believes in the benefits of working 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 who share our core value of openness. So, when it comes to looking at topics like pay, bonus earnings and diversity policies, it's normal for us to be open 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 let us better understand what's working and where we feel change would be beneficial.

“Reporting on the gender pay gap gives us an opportunity to look at what we do through a different lens, but it's only part of the story and we are firmly focused on fair treatment and on developing all of our people across our businesses”.

Liz Ellis  
HR Director, UK & Ireland

## The Danone Gender Balance Facts

60% of our people in the UK are women

47% of our directors are women, up from 25% in 2008

60% of new starters have been female, since April 2016



### 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: Fresh Dairy 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 manufacturing) and Danone Holdings (UK) (our centralised business functions). In this report, "Danone UK" refers collectively to all of these Danone companies.

# The Gender Pay Gap

## Measuring the gender pay gap

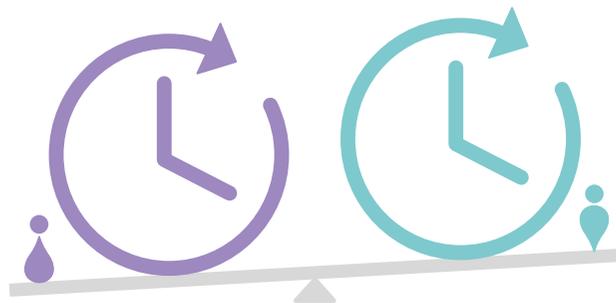
In 2017 the government introduced regulations that require organisations with 250 or more employees to report annually on their gender pay gap. This measures the difference in mean and median average pay between men and women, across the organisation, regardless of their role.

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.



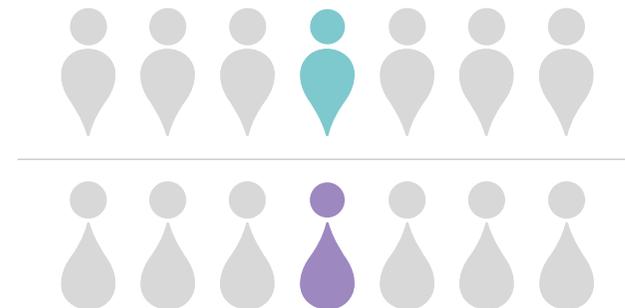
## The Mean Pay Gap

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 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

Danone has 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.

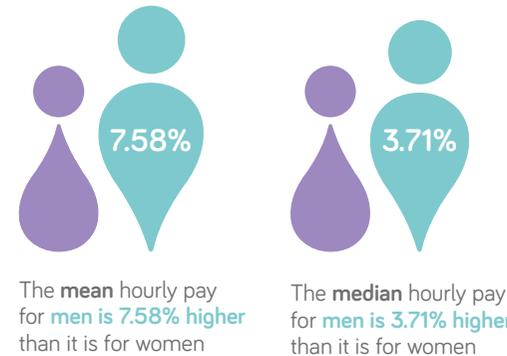
We take our commitment to equal pay very seriously. The objective is always to be fair, which is why we rigorously, and regularly, measure our annual performance assessments and pay awards.

The regulations require us to report our gender pay gap for 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). We want to be fully transparent, so we are publishing the combined data for Danone UK, which also includes our additional three businesses. These are Danone Waters UK & Ireland) Ltd, Danone Limited and Danone Holdings (UK).

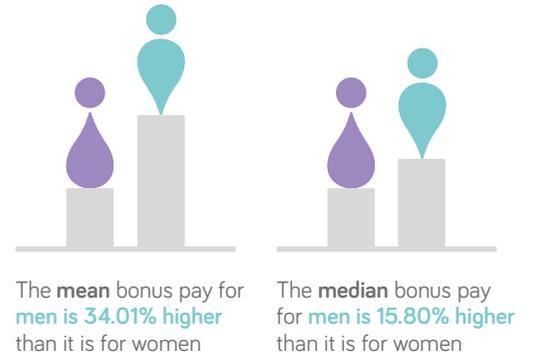
**Why do this?** By looking at the gender pay gap across the whole Danone UK operation, we get a full picture so we can identify the right actions to benefit our business. We believe it is the right thing to do and it's what our people would expect.



## Danone UK Gender Pay Gap

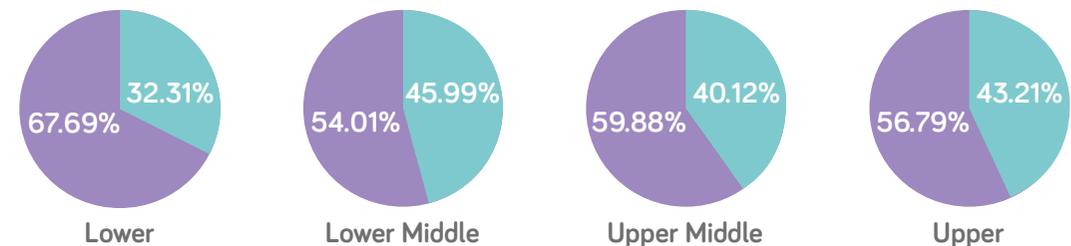


## Danone UK Bonus Pay Gap



## Population by Pay Quartile

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.



The pay quartiles show that we have a higher overall number of women in our business. While the greatest proportion of women appear in the lower quartile, females are well distributed across our entire organisation and we have more females than males in the upper and upper middle quartiles.

## Proportion of men and women receiving a bonus



# Analysing the Gap

## Pay gap

In our company, the pay gap is driven by the distribution of women and men in certain parts of the business, combined with the nature of their roles.

We have good distribution of women across our business, demonstrated by the split of our organisation by pay quartiles. In fact, across Danone UK, 47% of director roles are occupied by women, with the number of female directors at Danone rising by 25% over the last ten years.

20% of our general manager population is female. This means that the majority of our general managers, who make up our more senior and highest paid positions, are men.

In contrast, significantly more women occupy the roles at the lower end of our employee grading scale. The largest populations of females sit within nursing and healthcare customer service roles, mirroring the demographic of the healthcare sector, which is known to be heavily dominated by women. Danone UK is no exception, with 93% of nursing staff and 76% of healthcare customer service staff being women.

## Bonus gap

All of our employees qualify for an annual bonus. Our bonus levels relate to position, and the achievement of bonus is based on performance, meaning that our bonus schemes are gender neutral by design.

As with the pay gap, the bonus gap is linked to the distribution of males and females across our business. As discussed earlier in the report, we have a higher proportion of male general managers than female, and these positions have significantly higher bonus targets than those at lower grades.

The Gender Pay Gap report expects bonus payments to be included without taking into account the pro-rating of payments to reflect part-time or flexible working or people joining the business part-way through the year. At Danone, we try to support each of our people's needs, so 150 people are employed on a part-time basis, of which, 96% are women. In 2017, 243 new joiners to Danone had their bonus pro-rated, 60% were women. The effect of this is that their pro-rated bonuses amplify the bonus gap between men and women.



# Our areas of focus

We know that when it comes to fairness and equity, we are already doing many things well. We focus on getting our recruitment, culture and personal development right, enabling our people to achieve as individuals.

We always want to stretch our ambitions further and analysing our data for the Gender Pay Gap Report has given us new insights to help us do this.



## What are we already doing about...recruitment?

- Mandatory online training programmes and a multi-step recruitment process to combat unconscious bias and subjectivity
- Setting the right mindset for recruiting line managers
- Ensuring fairness by using an independent recruitment team for management roles
- Checking job offers to ensure equal pay is not influenced by external bias

## and what are our plans...?

- To drive greater gender balance in all areas of our business, even if that means thinking differently about where and how we source people to encourage a wider and more diverse set of applicants

## What are we already doing about...personal development?

- At Danone our people own their own career, therefore we give people access to tools and support to help them to manage their own career choices
- All our people have regular career and personal development conversations with their managers
- We run annual talent reviews which are equal and robust and based on individual performance and leadership qualities

## and what are our plans...?

- To support line managers so they can help their people to realise their own unique ambitions and follow the career paths that are right for them
- To challenge all barriers to career progression, particularly linked to working patterns or geographical locations

## What are we already doing about...our culture?

- We are actively living Danone's global parental policy. In the UK we are focused on giving men the same access as women to time out to support their families
- To support a diverse work-force we offer leading edge maternity, adoption, surrogacy, paternity and shared parental leave opportunities to all of our employees
- We have a commitment to ensure careers continue and flourish following parental leave, that's why year end reviews and pay awards assume continued performance at the same level following parental leave
- We support individual needs by making flexible arrangements including part-time, compressed hours, job sharing and remote working available for all employees to request

## and what are our plans...?

- To continue to identify roles at all levels of our business which support flexible working and to proactively advertise them on our internal career portal
- To increase the take up of existing initiatives, including shared parental leave and flexible working arrangements, to benefit all of our people

“My background is in finance but after expressing an interest in gaining more commercial experience I have been offered the opportunity to take on a new sales role. I am really pleased the business took a chance on me as someone who didn't have previous sales experience. It's great for my career development because I can broaden my knowledge and insight and I believe it will challenge me personally, helping me to improve my decision making, strategic thinking and negotiation skills. I'm excited to be given an opportunity to move around the business as this will open up a broader range of future career moves.”

**Stathia Papazoglou**  
National Account Executive



“I went on maternity leave to have my first baby in 2014 and had ten months out of the business. I kept in regular touch with my line manager, who continued to talk to me about my career aspirations even though I was out of the business. While I was off, a promotion opportunity came up and the business held the job open for me until the end of my maternity leave and allowed me to come into the role four days a week. There was no pressure to return to work early - it was about what was right for me and my family. It was great to know that my personal development and career progression were still important to the business even though I was away focusing on being a new mum.”

**Helen Whalley**  
HR business partner

# Statutory Information

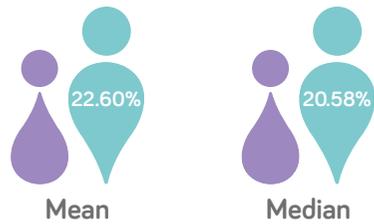
The information below is the statistical data that we are required to publish by the government on our gender pay gap. This comprises the mean and median gender pay gap, the mean and median gender bonus gap, the proportion of males and females receiving a bonus payment and the proportion of males and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



## 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.

### Gender Pay Gap



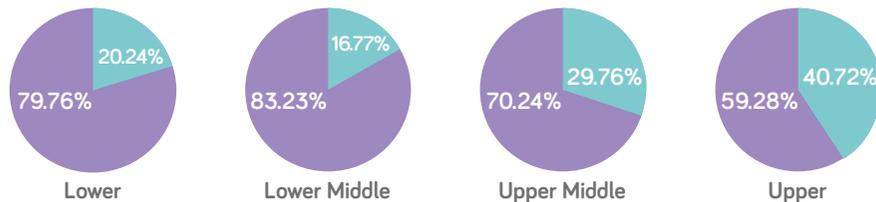
### Gender Bonus Gap



### Proportion of Males and Females Receiving Bonus



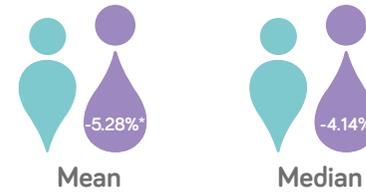
### Population By Pay Quartile



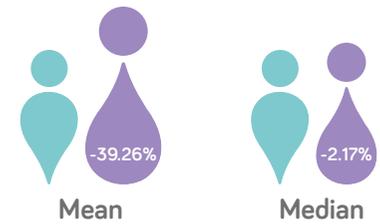
## SHS International Ltd

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

### Gender Pay Gap



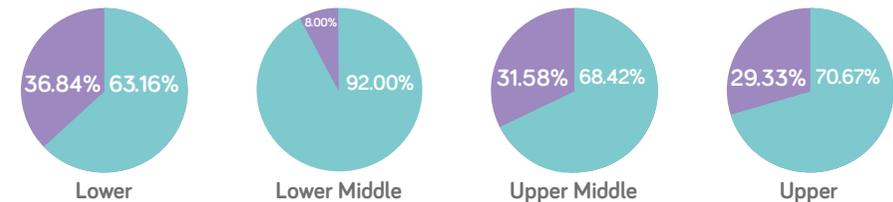
### Gender Bonus Gap



### 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 2017.

Liz Ellis

Liz Ellis  
HR Director UK & Ireland



James Pearson  
General Manager

