

OUR DIFFERENCES WILL MAKE THE DIFFERENCE



POSITION PAPER – OCTOBER 2019



INCLUSIVE
DIVERSITY

I. OUR DIFFERENCES WILL MAKE THE DIFFERENCE

As a global company, Danone serves a huge array of different communities, with different cultures, local tastes and habits. Our brands and products reflect the needs of people across the world – be it AQUA providing access to safe and reliable drinking water in Indonesia or YoPRO fueling athletes in Australia, to Aptamil supporting parents and their baby’s development in the UK. Our teams need to represent the diversity of the millions of people who use our products to recognize and serve their needs, and ensure the success of our mission and our business. Truly diverse teams fuel performance and enable us to continue innovating and growing.

Danone has more than 100,000 people in over 55 countries around the world working together to embrace the food revolution. Through our ‘One Planet. One Health’ vision, we are uniting the diverse range of talent within Danone behind a stronger sense of purpose. Supporting every person to grow and lead change will accelerate our mission of bringing health through food to as many people as possible.

Our ambition is to have each and every one at Danone feel included and able to contribute with their uniqueness, entrusting them to create new futures and drive the food revolution across the world. Inclusive Diversity is a key part of the Danone 2030 Goals.

“Creating inclusive and diverse teams is at the heart of Danone’s future. The diversity of our teams represents the diversity of our customers, and by creating an environment in which everyone is valued for their experiences and perspectives, we can serve our customers better” - Emmanuel Faber, Chairman & CEO.

II. OUR 2020 ROADMAP

In order to achieve our ambition to be one of the most inclusive and diverse companies in the world, we launched our 2020 Global Inclusive Diversity roadmap at the beginning of 2017.

This consists of three global priorities:

A. Promoting Inclusive Behaviors

We aim to create an environment where our 100,000+ employees feel that they can be true to themselves and where their different views, perspectives and uniqueness are valued.

We are working to achieve this by equipping our people with training on inclusive and collaborative behaviors, which is a key part of our leadership competencies.

- **Global 2020 target:** 90% score on the Inclusion Index (= the average of two questions in the Danone People Survey¹)
- **Global 2018 status:** 86% score on the Inclusion Index

B. Gender Balance

We know that it is important to offer equal opportunities for women and men in all roles and at all job levels. Supporting women's rights and gender equality is a widely proven recipe for more sustainable growth. Our ambition is to have a truly gender-diverse representation of employees at every level.

We are working to achieve this by: implementing robust HR processes and policies (such as recruitment and talent review); closely monitoring and working to close the gender pay gap; and by providing specific development programs for our female talents. An example of such an initiative is the EVE program, an intercompany leadership seminar created by Danone in 2010, launched in Europe and also more recently in Asia and Africa.

We are also working to implement a gender-neutral, global parental policy worldwide by 2020, as part of Danone's commitment to health and nutrition in the first 1,000 days², to support our employees as parents particularly during the first 1,000 days – from the start of a pregnancy to the baby's second year of life. The parental leave goes beyond the legal framework present in many countries, as it provides 18 weeks paid leave for primary caregivers, and 10 days for secondary caregivers.

- **Global 2020 target:** 42% female at Director level and 30% female at Executive level
- **Global 2018 status:** 40% female at Director level and 26% female at Executive level

C. Culture & Nationality

Our ambition is to have culturally-diverse teams that represent the cultural diversity of the countries in which we operate and the communities we serve. Each of us has a role to play to ensure that, as teams, we act inclusively towards employees from diverse backgrounds, and that we offer equality of opportunity to all.

We are working to achieve this by ensuring that every employee has a clear development plan, with growth opportunities that can come in the form of regional exchanges, international assignments, global leadership programs and other local talent development programs.

- **Global 2020 target:** 50% Directors and 30% Executives from under-represented nationalities³
- **Global 2018 status:** 48% Directors and 28% Executives from under-represented nationalities

¹ The Danone People Survey is sent to every employee worldwide every two years, to consolidate feedback on a variety of topics like health & wellbeing at work, among others. The Inclusion Index is an average of 2 questions which asked employees if:

- The management of the entity they work in supports Inclusive Diversity in the workplace (recognizing and respecting the value of human differences)
- They feel able to openly and honestly communicate their views to their boss

² Learn more about Danone's commitment to health and nutrition in the first 1,000 days in our [2016 position paper](#)

³ Under-represented nationalities are nationalities within the Africa, Asia, Americas, Oceania, and Eastern Europe regions.

In addition to the 2020 global priorities, we are also addressing the topics below at local level:

A. Generational divide

We recognize that more and more people are entering the workforce at all ages and believe that this variety of life and work experiences is incredibly valuable. We are ensuring that we leverage the expertise of each people through a variety of initiatives, including:

- Talent Development programs for high potential young employees (20-35 years old)
- Talent Development programs for senior people (> 55 years old)
- Training and awareness sessions to understand how different generations can work most effectively together

An example of this is our OCTAVE Program, an intercompany learning seminar focused on change management in the digital era, taking advantage of the variety of generations in the workplace.

B. LGBTI (Lesbian, Gay, Bisexual, Transgender and Intersex)

We respect each person's sexual orientation, gender expression or gender identity and want everyone to bring their whole and true self to our workplace. We empower our local teams to address this topic through clear policies, the creation of an internal network group and/or active participation in external events.

For example, Danone North America achieved 100 per cent on the Human Rights Campaign Foundation's annual scorecard on LGBTQ Workplace Equality in 2019, earning the designation of "Best Place to Work for LGBTQ Equality."

C. Disability

We aim to source and recruit people with disabilities wherever we operate. Training and awareness programs are provided to those with disabilities based on the job descriptions and core competencies. We are addressing this topic through the recruitment process, awareness sessions and by ensuring that all of our buildings are fully accessible.

For example, in Brazil, we are partnering with the non-profit organization 'Ser Especial' to empower people with disabilities by preparing them for labor market challenges and recruiting them in jobs which are relevant to their skills.

Our journey towards becoming one of the most inclusive and diverse companies in the world is an ambitious one, and our 2020 roadmap is the first step in getting there. We are working on our 2030 global roadmap and KPIs to lay down key milestones that we will need in order to bring us closer to achieving this ambition.

III. ACHIEVING OUR AMBITION

A. It starts with our PEOPLE

Valuing diversity and fostering inclusion is all about recognizing, respecting and leveraging human differences. By encouraging employees to be their best selves, and creating an environment in which their different personalities, views and perspectives are embraced, we fuel collective performance. At Danone, we believe that creating an inclusive and diverse environment will in turn create high performing teams that deliver breakthrough results and continue developing innovative solutions.

HOW WE PUT IT IN PLACE - Making each employee's voice count

Through our 'One Person, One Voice, One Share' program, we are creating an inclusive environment by giving a voice to each of our employees so that they can co-create and co-own the strategic goals of the company. This program is an innovative governance and employee engagement model which engages all 100,000 employees in an annual strategic routine, during which they participate in a worldwide digital consultation to share their views on what Danone should be prioritizing at local and global levels. Twenty-six volunteers across different regions have been designated to amplify the voices of all employees by meeting with the Board and Executive Committee of Danone. The objective of the program is to co-build the company's future in a transparent and inclusive way. Additionally, each Danone employee is granted one Danone share and a dividend-sharing scheme, fostering an ownership mindset for all.

B. It resonates through our BRANDS

Danone's portfolio includes global and local brands, all of which are encouraged to embed diversity and inclusivity. As part of this, our brands can choose to support causes and initiatives that help promote Inclusive Diversity in the different countries and communities within which they operate.

HOW WE PUT IT IN PLACE – Making Inclusive Diversity part of a brand's purpose

In their quest to become what we call [Manifesto brands](#) – purpose-led brands that act beyond their product and profit – all of our business units are encouraged to assimilate the Inclusive Diversity cause as part of their brand purpose. They can choose to support initiatives aimed at tackling various inequalities including gender, disability, religion and LGBTI. Our bottled water brand Bonafont in Mexico has put gender equality at the core of its brand purpose and is taking an active stand towards furthering this cause. For the past two years, Bonafont has partnered with UN Women to launch a program supporting female entrepreneurs. This included the creation of limited edition HeForShe bottles and the donation of all profits to the program.

C. Creating sustainable impact across our ecosystem with our PARTNERS

We believe that growing in an inclusive way, empowering our people and working with partners will create sustainable value for everyone within our ecosystem, from our 100,000+ employees, to the 140,000 farmers we work with, to our millions of consumers. We do this by leveraging partnerships on a local and global scale, participating in events and forums to promote and develop initiatives and by collaborating with and learning from our peers. We also join with others to sign pledges and seek external recognition and certification opportunities for our efforts in this field.

OUR PARTNERS:



OUR INDEXES & CERTIFICATIONS⁴:



Driving change with a coalition: in 2019, Danone spearheaded the Business for Inclusive Growth (B4IG) initiative in coordination with the OECD, a first-of-a-kind coalition of thirty-four leading global firms committed to reduce inequalities linked to opportunity, gender and territory, and to build greater synergies with government-led efforts. With an impact on Inclusive Diversity, together we have pledged to play our part in advancing the G7 agenda, taking action to: advance human rights in direct operations and supply chains; build inclusive workplaces (e.g. through training, re-skilling and up-skilling of our employees); and strengthen inclusion in company value chains and business ecosystems (e.g. by strengthening inclusive sourcing). Discover more [here](#).

⁴ - Gender Equality & Diversity for European & International Standard (GEEIS-DIVERSITY): Danone Italy, Singapore, Poland subsidiaries and Paris headquarters only

- Corporate Equality Index: Danone North America only

IV. OUR INCLUSIVE APPROACH

We believe that to embrace Inclusive Diversity, it must be approached across different job functions and across local teams within our business units. For this reason, since 2017, all of Danone's business units and job functions worldwide have been encouraged to address a wider variety of Inclusive Diversity topics relevant to them, in addition to the three global priorities listed above.

In addition, we have committed sponsors at the most senior positions, and we are also creating a bottom-up movement in which passionate people act as champions and agents of change within their scope of influence.

Over 200 champions worldwide are driving changes at local level and within our different job functions, together with our HR and the leadership team, to bring us closer to reaching our ambition. These champions are committed to help making Inclusive Diversity a reality in Danone, and most are doing so voluntarily on top of their daily jobs. They are doing this by supporting the implementation of our local and global Inclusive Diversity priorities, as well as promoting behavioral changes within their teams.

We believe that this approach will ensure that our differences will make the difference.