

GENDER PAY GAP REPORT 2019

.....
NESTLÉ IN THE UK



TOGETHER

WE'RE A FORCE FOR GOOD

At Nestlé, our values are rooted in respect – for our employees, our customers and our consumers.

Championing inclusion and belonging is so important to us. When we embrace different perspectives and give everyone the chance to be the best they can be, we can think in new, creative ways that grow

our people and our business. Improving gender balance is a crucial part of our ongoing commitment to inclusion and belonging, and we're glad to be a part of this positive movement.

SINCE OUR LAST REPORT...

Our gender balance acceleration plans have been focussed on:



OUR LEADERSHIP



OUR CULTURE



THE WAY WE DO THINGS



In last year's report, we committed to improve gender balance, review how we support employees at different life and career stages, build learning into our attraction strategy and continue broadening our approach to inclusion beyond gender. In the following pages, we share some of the actions we've been taking to improve our gender balance.

“I am pleased to see this report and the transparency we bring to this very important area. Gender balance is critical for our company. Creating an inclusive and dynamic work environment makes a huge difference to all of us as individuals, and will help us be a more successful business. It also reinforces our Nestlé values, which are rooted in Respect.”



ARIS PROTONOTARIOS

Group Technical Director, Nestlé UK & Ireland
and Gender Balance Sponsor

“These results do highlight that women are often underrepresented in more senior managerial positions and across our factories. Improving our gender balance and driving inclusivity more broadly will be fundamental to the continued success of Nestlé.”



MARK MAURICE-JONES

General Counsel, Nestlé UK & Ireland
and Gender Balance Sponsor

OUR LEADERSHIP

In a business like ours, where we have more men than women, we must continue to champion gender balance. We're proud to have male board members as sponsors who are committed to accelerating change.

- ✓ We're committed to improving the number of females overall and in our factories and senior team. We have made improvements at board level and in succession planning. There's more work to do. In our factories, we are developing this plan in partnership with our Trade Unions.
- ✓ We have trained our leaders to combat unconscious bias.
- ✓ To give us new ideas and perspectives, as well as challenging our thinking, we're continuing to work with trusted partners like the 30% Club and the LEAD network.
- ✓ We are collaborating with industry partners and the charity Grocery Aid to improve diversity and inclusion across our industry.



OUR CULTURE



- ✓ We have improved our parental leave policy to make it more inclusive and better reflect modern families. Helping our people to balance caring responsibilities enables more career choice and flexibility. We are also committed to providing breastfeeding facilities to support our returning parents and offer a peer to peer mentoring network at our office sites.
 - ✓ We have been raising awareness of the effects of the menopause through learning sessions, resources and informal networks.
 - ✓ We have celebrated diversity throughout the year including International Women's Day when we shared inspiring stories from some of our talented leaders.
- Our values are rooted in
RESPECT.





THE WAY WE DO THINGS

- ✦ We want to encourage a diverse range of people to come and work with us. So we have reviewed our job adverts for gender bias, we have advertised our jobs in additional places and we have improved the way we share our job opportunities and stories with early career talent.
- ✦ To give greater transparency of opportunities which are available across our organisation, we openly advertise the majority of our roles.
- ✦ Helping our people to grow and develop is important to us. This is one way of increasing potential for future roles, particularly more senior ones, so we have improved female representation on key development programmes.
- ✦ We want career progression to be fair and objective. So we have reviewed our talent management practices, to make sure that unconscious bias is not impacting our decisions. As a result we have changed the way we calibrate personal performance and potential.

IN THE SPOTLIGHT



Our people tell us they are inspired by personal stories and want to be able to see what's possible. Here's two of the talented women who work with us.



LINDSEY KNOX

Factory Manager

"In the 20 years I've been with Nestlé, I've had fantastic opportunities in a variety of roles. Being pushed out of my comfort zone and given a range of roles has been challenging, but so rewarding. I've worked with great leaders, who've given me great opportunities and coached me throughout.

At times I feel like I don't fit the stereotypical mould of a leader, but I'm always supported to lead with my own style. And as my personal circumstances have changed over the years, such as becoming a mum, there's been flexible working to support my work/life balance. Nestlé empowers me to be the best I can be – both at work and at home."



KATYA SIMMONS

Business Executive Officer,
Nestlé Professional

"Nowadays, businesses can't thrive without creating an inclusive workplace. This involves many aspects and supporting people during their life-changing periods is absolutely vital. It ensures that we understand how work can be adapted depending on our particular needs, and feel more inspired to contribute and drive business performance without feeling vulnerable.

I received incredible support from my line managers and peers when becoming a mum. While pregnant, I was offered a fantastic opportunity to take on a senior leadership role and was hugely supported through maternity leave. When it was time to come back to work, Nestlé were flexible and understood that one size doesn't fit all. This required a lot of concentration, openness and commitment from my side, but being able to combine becoming a parent with an exciting professional journey makes it all worth it! Going through this stage of my life allows me to capture lots of learnings that I bring back to Nestlé, so we're becoming better and better at supporting young parents and inspiring them to grow."

2019

OUR GENDER PAY GAP REPORT

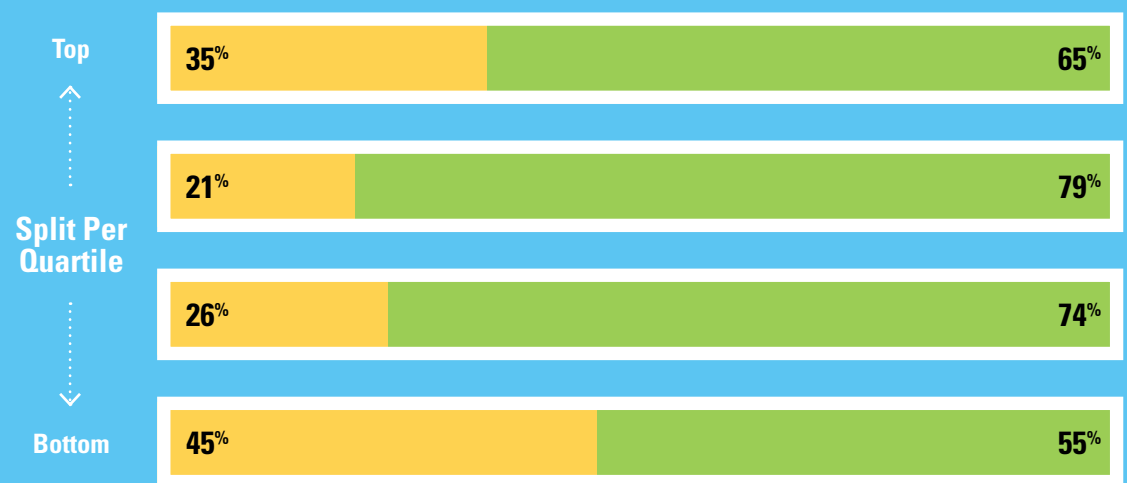
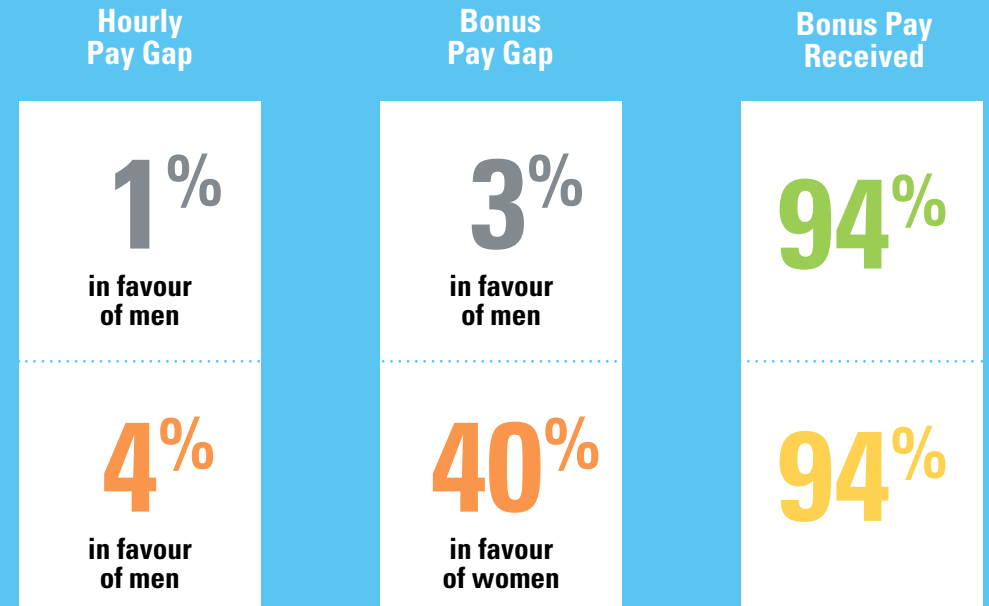
When we refer to Nestlé in the UK, this includes Nestlé UK Ltd (our Nescafé, Nestlé Confectionery, Nestlé Food & Dairy, Nestlé Nutrition, Nestlé Health Science and Nestlé Professional businesses as well as factories and corporate functions such as Group Supply Chain and HR), Nespresso UK Ltd, Nestlé Purina Petcare (U.K.) Limited, Cereal Partners UK, Nestlé Waters UK Limited and Nestec York Ltd.





These businesses share a common approach to pay and bonuses.

This report covers approximately 7500 people across a range of offices, factories, coffee boutiques and our product technology centre.

Footnote: In 2017 and 2018 we included leavers in our bonus pay gap calculations. In this report we have not included leavers in the bonus pay gap calculations. This will be our approach going forward.

NESTLÉ IN THE UK



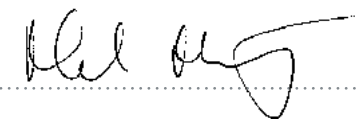
	Nestlé UK Ltd	Nestlé Purina Petcare (U.K.) Limited	Cereal Partners UK	Nespresso UK Ltd	Nestlé Waters UK Limited	Nestec York Ltd
Hourly Pay Gap	0%	14% in favour of women	24% in favour of women	11% in favour of men	5% in favour of women	9% in favour of men
	3% in favour of men	8% in favour of women	31% in favour of women	3% in favour of men	14% in favour of women	25% in favour of men
Bonus Pay Gap	8% in favour of men	41% in favour of women	44% in favour of women	24% in favour of men	10% in favour of men	6% in favour of men
	33% in favour of women	236% in favour of women	105% in favour of women	19% in favour of men	51% in favour of women	54% in favour of men
Bonus Pay Received	95%	91%	94%	92%	91%	98%
	96%	92%	94%	89%	88%	95%
Split per Quartile	Top 					
						
						
	Bottom 					

The mean gender pay gap is a measure of the difference between women's average hourly pay and men's average hourly pay, as calculated across the whole business. The median is calculated by ranking all employees from the highest paid to the lowest paid and taking the person in the middle. The median gender pay gap is the difference between women's median hourly pay (the middle-paid woman) and men's median hourly pay (the middle-paid man). Pay quartiles are calculated by splitting all our people into four even groups according to their level of pay.

Declaration of accuracy: I confirm that this statement is true to the best of my knowledge and belief.

Mark Maurice-Jones
 General Counsel Nestlé UK & Ireland and Gender Balance Sponsor

Signed:



OUR DATA EXPLAINED

A small gap or zero doesn't mean we've achieved gender balance, and we know we have work to do. We still have more men than women in our factories, and while there's a stronger female representation in office roles, we have more men in our most senior roles. Whilst the data for each individual legal entity may look different, the challenges we face are the same.

OUR 2019 REPORT



68%

MEN IN NESTLÉ IN THE UK.



32%

WOMEN IN NESTLÉ IN THE UK.

- ✓ Our factories have more men than women, who are on similar pay and bonus levels.
 - ✓ Our offices have a better balance, but we'd like to see women equally represented at all levels in our offices through to our most senior team.
 - ✓ As you can see from our acceleration plan, our senior team is a key area of focus.
 - ✓ If we are more successful at driving balance in our office-based roles than in factories, we'll continue to see gender pay gaps in favour of women, as a greater proportion of women will sit at levels commanding higher pay and bonus.
- ✓ Some of our bonus gap figures are quite big. Although bonus gaps reflect the same issues, they are often much bigger than hourly pay gaps. They reflect annual bonus payments as opposed to hourly pay rates, resulting in greater differences and fluctuations. Bonuses are also subject to more variations such as individual business area results and personal performance. These fluctuations can influence the median more than the mean, so we can see wider gaps at the median.

WHAT'S NEXT?

WHAT WE'RE WORKING ON...

- ✓ We need to improve gender balance at senior levels and so we have committed to proactively having gender diverse candidate shortlists and interviewers for these roles.
- ✓ We also need to improve gender balance in our factories. We're developing plans together with our Trade Unions. The first step is rolling out Respect at Work training across all our factories.
- ✓ More flexibility in how we work is an enabler of better gender balance. We will continue to look for ways to encourage this to happen.
- ✓ We want everyone to know they are welcome at Nestlé and that we are committed to gender balance, inclusion and respect. So we will be looking at this with people from across our business from recruitment to our marketing teams to make sure we actively demonstrate this commitment.



We've been working hard, but we don't have as much progress to report in our gender balance as we would like. Our gender balance and broader inclusion plans remain important to us and we will continue to take action throughout 2020 and over the long term to improve our position.

Championing inclusion and belonging is so important to us. Gender balance is an important area of focus as part of our wider approach to inclusion and belonging at Nestlé. We are all a unique blend of different characteristics, and that's why it's important we keep going with our broader work. In 2019:

- ✓ We marched with Pride in York, Dublin and Brighton, and helped people understand how to be a great LGBT+ ally.
- ✓ We celebrated National Inclusion Week and World Mental Health Day. Our Respect campaign in October encouraged our people to bring their whole self to work and share their inspiring stories across our factories and offices.
- ✓ Through our internal networks, amazing individuals in our business shared moving and inspirational personal stories about their unique experiences of LGBT+ and of mental health.
- ✓ Our IT team shared top tips on digital accessibility.

IN 2020 WE WILL CONTINUE THIS IMPORTANT WORK.

AT NESTLÉ
EVERYONE'S VALUED
EVERYONE'S INCLUDED
EVERYONE'S RESPECTED

and everyone's supported to be the best they can be. It takes all of us to create an inclusive culture, so we each have important work to do.

Together, we're a force for good.

