



REPORT ON DANONE'S COMMITMENTS IN THE EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

SUBMITTED ON 17 MAY 2024

| Type of business/ sector (E.g. retail, dairy) | Sustainability dimension (E.g. environmental, nutritional, social) | Code aspirational objective* (1-7) | Individual commitments with baseline | Progress on KPIs and goals [+ comments] |
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| l | Nutritional | 1 | We strive to offer tastier and healthier food and drinks and commit to : <ul style="list-style-type: none"> - 85% volume of dairy, plant-based and aquadrinks rated 3.5 stars by Health Star Rating by 2025 globally - 95% volume Kids dairy and plant-based with less than 10g total sugars/100g by 2025 globally - 95% volume toddlers milk (1-3 yo) with less than 1.25g added sugars/100kcal by 2025 globally. | <ul style="list-style-type: none"> - In 2023, 89.2% (compared to 88.0% in 2022) of product volumes sold scored \geq 3.5 stars under the Health Star Rating system - In 2023, 62.2% (compared to 58.0% in 2022) of the volume sold of Dairy and Plant-Based products aimed at children between 3 and 12 years old had a maximum of 10g of total sugars per 100g - In 2023, 99.3% of the volume sold of Danone's toddler milks aimed at children between 1-3 years old had a maximum of 1.25g of added sugars per 100kcal |
| | Nutritional | 1 | We commit to increase the number of products with a meaningful amount of positive nutrients: <ul style="list-style-type: none"> - 85% volume of Kids dairy fortified with relevant vitamins & minerals by 2025 globally. | <ul style="list-style-type: none"> - In 2023, 83.2% of the volumes sold of the Group's Dairy portfolio aimed at children was fortified with relevant vitamins and minerals |
| | Nutritional | 1 | We commit to 95% volumes sold of dairy, plant-based and aquadrinks products with on pack/online interpretative nutritional information by 2025 globally. | <ul style="list-style-type: none"> - 40.5% of Danone product volumes had on-pack/online interpretative globally - For the EU market specifically, we call on EU policymakers to adopt EU-wide harmonised nutrient profiles as well as a common EU-wide interpretative nutritional labelling. |

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| | Environmental and nutritional | 1 | We are committed to promoting a shift to flexitarian diets, which consist of plenty of plant-based foods (cereals, fruits, vegetables, legumes, nuts, seeds) along with good quality dairy products, but lower amounts of meat. | <ul style="list-style-type: none"> - We continue to actively promote the shift to flexitarian diets, notably through advocacy - Our EU Call to Action notably calls on EU policymakers to promote, through the EU School Scheme, the EU Framework on Sustainable Food Systems and public procurement rules, the uptake of plant-based foods and the role of flexitarian diets. |
| | Nutritional | 1 | As part of its Specialized Nutrition business, Danone is specifically committed to the health and nutrition of mothers and infants from the youngest age. We support the World Health Organization's view of the importance of breastfeeding for infant health, namely the nutritional recommendation for exclusive breastfeeding for the first six months of age and continued breastfeeding up to two years and beyond, combined with the safe introduction of appropriate complementary foods. We believe Danone has a role to play in supporting this recommendation while empowering parents and caregivers to make informed feeding decisions for their babies. We aim to work with the UN, governments, civil society organizations, as well as pediatric / medical societies to develop an evidence-based, shared policy agenda focused on increasing breastfeeding rates, supporting parents and the improved nutritional health of infants and mothers. | <ul style="list-style-type: none"> - We have continued to actively support the health and nutrition of mothers and infants, both as Danone and with partners. - For example, in Romania, in 2023, SAMAS Association, a nonprofit organization dedicated to health and perinatal education and created in 2013 by Nutricia Foundation of Danone Romania together with the Red Cross Sector 6, the White Cross Foundation and Danone Ecosystem, continued its work to encourage breastfeeding at national level. In more than 10 years of partnership, SAMAS Association with Danone Romania support has developed the first national network of perinatal educators from Romania by specializing more than 2500 nurses and midwives to provide education to parents about breastfeeding, healthy nutrition and perinatal care. 83% of mothers from those who gave birth since 2013 benefited directly or indirectly of perinatal health education and information from SAMAS Perinatal Educators through their day to day work or through SAMAS activities, campaigns and social programs across the country. Breastfeeding education and support was one of the long term objectives of SAMAS & Danone. According to Socio-anthropological aspects of infant nutrition up to 6 months, National Institute of Mother and Child Health Study 2023) (link), "Romanian |

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| | | | | <p>mothers supported through the SAMAS dedicated breastfeeding service are twice as likely to exclusively breastfeed at 6 months compared to others”.</p> <ul style="list-style-type: none"> - Danone also set up a project to support women’s choice of breastfeeding in Spain, with the Danone Ecosystem impact platform acting as a key partner. Noting that parents are often eager to breastfeed but lacking adequate support, the ‘Best Chance at Breast’ project will engage 50,000 healthcare professionals and other partners to support 75,000 families. It aims to increase breastfeeding initiation rates in the country by 15%. - In France, Laboratoire Gallia launched an awareness campaign around the postpartum period and the need to care for new parents, based on an Ipsos study revealing that a majority of parents (79%) experience exhaustion during postpartum. Gallia’s target is to support up to 200,000 new parents by 2025 to deal with their post-partum journey. - <i>In our 2024-2029 EU Call to Action, we specifically call on EU policymakers to encourage “family first” healthcare systems and societies, notably when it comes to infant feeding. We call for the revision of the EU Pregnant Workers Directive to support breastfeeding (providing minimum 18 weeks of fully paid parental leave for the primary caregiver, mandating the presence of breastfeeding rooms for companies over 50 employees, recognising breastfeeding breaks for workers). We also call for continued access to nutritional information during pregnancy and for infants and young children, via healthcare professionals and parents, including about baby formula. Finally, we advocate for the recognition of</i> |
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| | | | | <i>maternal and peripartum mental health within the EU Commission's mental health Communication.</i> |
| | Environmental | 3 | <p>We commit to net zero carbon emissions by 2050 across our full supply chain including the following interim targets:</p> <ul style="list-style-type: none"> - CO2 reduction by 2030 in line with 1.5°C SBTi target - 30% reduction in methane emissions from fresh milk in 2030 - 30% improvement in energy efficiency by 2025. | <ul style="list-style-type: none"> - Danone's target to reduce annual net emissions from 21.9 million metric tons of CO2 eq in 2020 to 14.3 million tons by 2030, was approved by SBTi and Danone achieved a 7.5% CO2 reduction between 2023 and 2020 - Danone's absolute methane emissions reduction vs 2020 was 13.3% in 2023 - Improvement of energy efficiency: -1.3% in 2023 vs 2020 |
| | Environmental | 3 & 6 | We commit to purchase 30% of its volume of agricultural ingredients directly from farms that have begun to transition to regenerative agriculture by 2025. | <ul style="list-style-type: none"> - 38% of key ingredients sourced directly by Danone in 2023 came from farms that have begun to transition to regenerative agriculture |
| | Environmental | 7 | <p>We commit to zero deforestation & conversion on key commodities by 2025:</p> <ul style="list-style-type: none"> - 100% recycled or certified virgin paper (FSC, PEFC or equivalent). Top five direct suppliers, by weight will match our commitments by 2025. 80% of secondary and tertiary packaging by weight contains recycled material by 2025 - 100% traceable soy to trader and sub-national region by 2023 for our plant-based products. Farm-level traceability for all direct soybeans by 2025 in high risk regions for deforestation and conversion - 100% RSPO Segregated palm oil by 2025. 100% traceability of palm oil to plantation by 2023 - 100% of cocoa verified deforestation and conversion free cocoa by 2025. Top three direct suppliers and their progress towards our goal, and associated risk assessment. Third party farm level traceability for all forms of cocoa - 100% mapping and risk assessment of animal feed by 2025. | <ul style="list-style-type: none"> - 84% of our key commodities were certified zero deforestation & conversion in 2022 - Danone updated its Forest Policy in December 2022 to better track and implement full traceability and verified deforestation and conversion free supply chains globally - Data collection for 2023 was ongoing at time of publication |

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| | Environmental | 3 | <p>We commit to protect watersheds:</p> <ul style="list-style-type: none"> - 4R approach (reducing, reusing, recycling, reclaiming) to be deployed in all production sites by 2030 - Watershed preservation/restoration plans to be developed in highly water-stressed areas by 2030. | <ul style="list-style-type: none"> - 94.8% of facilities had 4R action plans (compared to 86% in 2022) - 53% of the total water intake of production sites located in water-stressed areas had an effective watershed preservation action (up 16% compared to 2022) - <i>In our EU Call to Action, we call on policymakers to enable and support the development of water reuse systems in the food and drink industry's production sites across Europe, to help address water scarcity. We also support the enforcement of the EU Water Framework Directive and the swift implementation of the EU Nature Restoration Law, to ensure Member States reach healthy watersheds.</i> |
| | Environmental | 4 | <ul style="list-style-type: none"> - We commit to make our packaging 100% reusable, recyclable or compostable by 2025. In 2022, 84% of the packaging used by Danone was reusable, recyclable or compostable - We commit to halve the use of virgin fossil-based packaging by 2040, with a 30% reduction by 2030, accelerating reuse and recycled materials - We commit to lead the development of effective collection systems to recover as much plastic as we use by 2040. | <ul style="list-style-type: none"> - In 2023, 84% of Danone packaging was reusable, recyclable and compostable - 16% reduction in the use of virgin plastic packaging from fossil resources between 2018 and 2023; and a 3% reduction between 2020 and 2023 - In 2023, 58% of the plastic that the Group placed on the market was recovered; the recovery rate for plastic waste at Danone production sites amounted to 99% - Danone participates in financing the collection of waste by paying Extended Producer Responsibility (EPR) fees in markets where this is regulated, and participates actively in the promotion of deposit return schemes for water bottles, and runs pilot initiatives to demonstrate their effectiveness to decision-makers - 14.6% recycled materials on average in its plastic packaging (compared with 11.9% in 2022) - Absolute reduction of 8% in the use of plastic packaging between 2018 and 2023 |

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| | | | | <ul style="list-style-type: none"> - Our EU Call to Action supports the set-up of deposit-return schemes across the EU as a key enabler to improve collection, increase quality and availability of recycled content, and, when mixed, enable the uptake of reusable packaging. We call for closed loops and a priority access to food-grade recycled materials to the food and drink sector to avoid downcycling. In addition, we call for measures that will support the uptake of reuse systems. |
| | Environmental | 2 & 6 | We commit to achieve SDG 12.3—reduce food waste within our operations and supply chain by half by 2030 (vs. 2020). | <ul style="list-style-type: none"> - In 2023, Danone has achieved a reduction of 19.8% in the total quantity of food waste per metric ton of product sold, excluding waste intended for animal feed and the processing of biomaterials since 2020 |
| | Social | 5 & 7 | <p>We aim to meet the following targets:</p> <ul style="list-style-type: none"> - 100% of Danoners trained on Danone’s Human Rights Policy by 2025 - Danone Responsible Sourcing Policy to be deployed to 100% suppliers by 2030. | <ul style="list-style-type: none"> - Number of employees trained in human rights and forced labour: 5,750 Danone employees - Danone implements responsible sourcing due diligence towards its Tier 1 suppliers other than for raw milk (i.e., processed raw materials such as prepared fruit products and powdered milk, packaging, production machinery and transportation and other services) through its RESPECT program |
| | Social | 5 | <p>We commit to foster a unique, diverse & inclusive culture and empower Danoners for positive impact:</p> <ul style="list-style-type: none"> - All Danone employees covered by B Corp certification by 2025 - Achieve gender balance in management globally by 2030 - Drive equity and close gender pay gap by 2025 - Maintain inclusion index above peers. | <ul style="list-style-type: none"> - 68% of Danone’s employees and 82.5% of its global sales are now covered by B Corp certification - 43% of people in senior management positions (executives and senior managers) identified as women - 20% of people on the Executive Committee identified as women - Gender Pay Gap: 2.1 points in manager, director and executive positions - Inclusion Index: 79% (2 points above peers) |