

## **Danone's commitments to the EU Code of Conduct**

At Danone, we believe that each time we eat and drink, we can vote for the world we want to live in. Over the years, Danone has continued to innovate to meet consumers' needs. What has never changed is our commitment to our mission: **bringing health through food to as many people as possible**. Across our business and brands, health continues to be our North Star, and the cornerstone of our impact. It requires a systemic and holistic approach embedding all environmental and social aspects throughout the entire value chain from farmers and their communities to consumers and families.

The **Danone Impact Journey**, launched in 2023, is a blueprint for defining our sustainability priorities and our transformation ambition built on 3 pillars: Health; Nature; and People & Communities. As a result of the Danone Impact Journey, **we are renewing and realigning our commitments and ambition for the EU Code of Conduct** – outlined below. In addition, while the EU is rapidly progressing on a number of topics, we believe there is still tremendous efforts to be made for greater impact, as many objectives of the Farm to Fork strategy still have to be met and implemented.

### **I- Promoting and leading health through food for consumers and patients**

We aim to support consumers to shift their consumption habits towards more sustainable and healthier diets, ensuring they can access a broad and attractive offer of products.

- The nutritional profile of our brands' portfolio has always been a priority for Danone. In 2022, 91% volumes of product were sold in healthy categories and 82% of volumes of products sold without added sugars. We strive to offer tastier and healthier food and drinks with the following commitments:
  - 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.
- We believe that everyday product should provide a positive contribution to diet beyond just energy. We commit to increase the number of products with a meaningful amount of positive nutrients:
  - 85% volume of Kids dairy fortified with relevant vitamins & minerals by 2025 globally.
- We are also committed to help consumers make informed choice for a healthy, balanced diet and we strongly call for the adoption of an harmonised front-of-pack nutritional labelling scheme at EU level. In the meantime, we have made the following global commitment:
  - 95% volumes sold of dairy, plant-based and aquadrinks products with on pack/online interpretative nutritional information by 2025 globally.
- We remain 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.
- 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.

## II- Preserve and regenerate nature

Food has a critical role to play at the forefront of many environmental threats and solutions, from climate change and biodiversity to water protection. Our ambition at Danone is to make food a solution that preserves and regenerates nature.

- Tackling our GHG emissions, direct and indirect, is central. Our Science Based Targets for 2030 were approved in 2022, and Danone was one of the first companies in the world to set an SBTi approved 1.5°C FLAG target, as well as the first global food company to set a methane target.
  - We commit to net zero carbon emissions by 2050 across our full supply chain including the following interim targets:
    - 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.
- For Danone, agriculture is the biggest source of greenhouse gas emissions and the main source of its water use. Given the importance of agriculture in addressing climate change, Danone is firmly committed to regenerative agriculture. Regenerative agriculture is an outcome-based, holistic approach with three dimensions – people, planet and animals – which can maximise the benefits of agriculture by protecting and improving soil health, biodiversity, water resources and climate, while promoting animal welfare and supporting farming resilience and long-term profitability. While we take commitments to source from regenerative agriculture, there is a need for additional financing mechanisms (banking guarantees, new financing tools, public-private partnerships) to successfully and rapidly support and embark farmers in on the transition.
  - Danone commits to purchase 30% of its volume of agricultural ingredients directly from farms that have begun to transition to regenerative agriculture by 2025.
- Danone commits to zero deforestation & conversion on key commodities by 2025:
  - 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.
- There is a lot we can collectively do to protect watersheds and create value for people and the ecosystems they live in. At Danone, we are determined to play our part, building on decades of experience in water stewardship and collective action. For ingredients grown in highly water stressed areas, Danone commits to the following by 2030:
  - 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.
- Packaging is essential to provide safe food and drinks, minimising food waste and preserving quality – and we strive to improve the sustainability and circularity of our packaging and to reduce its environmental footprint.
  - We commit to make our packaging 100% reusable, recyclable or compostable by 2025.
  - Halve the use of virgin fossil-based packaging by 2040, with a 30% reduction by 2030, accelerating reuse and recycled materials.
  - Lead the development of effective collection systems globally to recover as much plastic as we use by 2040.
- We note that these commitments are dependent on the availability at scale of collection, sorting and recycling infrastructure as well as the availability of recycled content. Policy at EU and Member States level must ensure that collection is improved (notably through deposit-and-return schemes

for beverage bottles and cans and through national collection targets for all packaging types) and must avoid the downcycling of recycled materials from food to non-food packaging (through priority access to recycled materials for the food and drink industry).

- As a food company we strongly support SDG 1-2.3 objective to reduce food waste by half by 2030 (vs. 2020). We recognise that we have a role to play in eliminating food waste in our own operations and supply chains.
  - We commit to achieve SDG 12.3—reduce food waste within our operations and supply chain by half by 2030 (vs. 2020).

### **III- Thriving people and communities**

Danone has a strong legacy of social impact from the launch of Danone’s Dual Project to the integration of social objectives into our company bylaws as an Entreprise à Mission. Our social heritage has forged a unique culture within Danone, where purpose is deeply integrated into how we do business from suppliers to retailers, and across our communities, from local to global.

- We adopted a new Danone Human Rights Policy in 2022 and aim to meet the following targets:
  - 100% of Danoners trained on Danone’s Human Rights Policy by 2025.
  - Danone Responsible Sourcing Policy to be deployed to 100% suppliers by 2030.
- Our ambition is to make Danone a force for good by fostering a unique, diverse & inclusive culture and empowering Danoners for positive impact, with the following commitments:
  - 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.

## TABLE OVERVIEW: DANONE COMMITMENTS TO THE EU CODE OF CONDUCT

Type of business/ sector <i>(E.g. retail, dairy)</i>	Sustainability dimension <i>(E.g. environmental, nutritional, social)</i>	Code aspirational objective*  <i>(1-7)</i>	Individual commitments with baseline
Food and drink: dairy, plant-based alternatives, waters and specialized nutrition	Nutritional	1	<p>We strive to offer tastier and healthier food and drinks and commit to :</p> <ul style="list-style-type: none"> <li>- 85% volume of dairy, plant-based and aquadrinks rated 3.5 stars by Health Star Rating by 2025 globally.</li> <li>- 95% volume Kids dairy and plant-based with less than 10g total sugars/100g by 2025 globally.</li> <li>- 95% volume toddlers milk (1-3 yo) with less than 1.25g added sugars/100kcal by 2025 globally.</li> </ul>
	Nutritional	1	<p>We commit to increase the number of products with a meaningful amount of positive nutrients:</p> <ul style="list-style-type: none"> <li>o 85% volume of Kids dairy fortified with relevant vitamins &amp; minerals by 2025 globally.</li> </ul>
	Nutritional	1	<p>We commit to 95% volumes sold of dairy, plant-based and aquadrinks products with on pack/online interpretative nutritional information by 2025 globally.</p>
	Environmental and nutritional	1	<p>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.</p>
	Nutritional	1	<p>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.</p>

	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"> <li>- CO2 reduction by 2030 in line with 1.5°C SBTi target.</li> <li>- 30% reduction in methane emissions from fresh milk in 2030.</li> <li>- 30% improvement in energy efficiency by 2025.</li> </ul>
	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.
	Environmental	7	<p>We commit to zero deforestation &amp; conversion on key commodities by 2025:</p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- 100% RSPO Segregated palm oil by 2025. 100% traceability of palm oil to plantation by 2023.</li> <li>- 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.</li> <li>- 100% mapping and risk assessment of animal feed by 2025.</li> </ul>
	Environmental	3	<p>We commit to protect watersheds:</p> <ul style="list-style-type: none"> <li>o 4R approach (reducing, reusing, recycling, reclaiming) to be deployed in all production sites by 2030.</li> <li>o Watershed preservation/restoration plans to be developed in highly water-stressed areas by 2030.</li> </ul>
	Environmental	4	<p>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.</p> <p>We commit to halve the use of virgin fossil-based packaging by 2040, with a 30% reduction by 2030, accelerating reuse and recycled materials.</p> <p>We commit to lead the development of effective collection systems to recover as much plastic as we use by 2040.</p>
	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).
	Social	5 & 7	We aim to meet the following targets:

			<ul style="list-style-type: none"> <li>○ 100% of Danoners trained on Danone’s Human Rights Policy by 2025.</li> <li>○ Danone Responsible Sourcing Policy to be deployed to 100% suppliers by 2030.</li> </ul>
	Social	5	<p>We commit to foster a unique, diverse &amp; inclusive culture and empower Danoners for positive impact:</p> <ul style="list-style-type: none"> <li>○ All Danone employees covered by B Corp certification by 2025.</li> <li>○ Achieve gender balance in management globally by 2030.</li> <li>○ Drive equity and close gender pay gap by 2025.</li> <li>○ Maintain inclusion index above peers.</li> </ul>