

# Danone's Compliance Policies

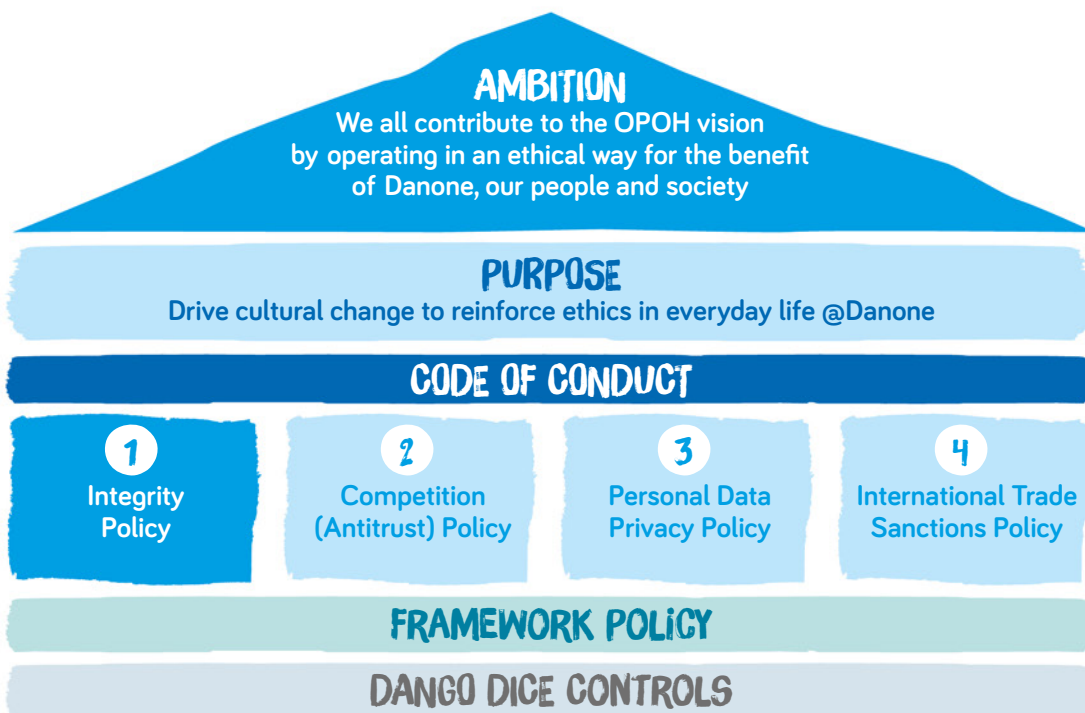
# INTEGRITY POLICY



DANONE  
ONE PLANET. ONE HEALTH

COMPLIANCE

EVERY DAY WE GO FURTHER WITH YOU



This Integrity Policy is a core pillar of Danone's Compliance Program and applies to all employees.



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# INTRODUCTION FROM OUR CEO AND OUR CHIEF COMPLIANCE OFFICER



**A**t Danone, we promote a set of values and attitudes deeply rooted in our Company identity and history: the dual project and One Planet . One Health are more than words on paper, they drive the way we behave and work.

The Danone Integrity Policy reflects our values and our strong belief that the best companies are the ones built on trust, integrity and respect for all stakeholders. Operating with high ethical standards is a key condition for truly sustainable growth.

Every Danone employee is an ambassador of our company. The reputation of our company and of our brands, as well as our current and future success, depends on each of us.

This Integrity Policy sets forth principles and guidelines for behavior and is complemented by our Code of Business Conduct, corporate and local policies and regulations. Our Integrity Policy applies to all Danone employees worldwide. It is the responsibility of each employee to uphold its principles. We encourage employees to seek advice and to raise questions or concerns at any time with their manager, HR and/or Compliance team, at the local or global level.

**Antoine de Saint-Affrique**  
Danone CEO



**T**his Integrity Policy, along with our Danone Code of Business Conduct, reflects our values, culture of trust, integrity and respect for all of Danone's stakeholders.

Because Compliance can't be without Ethics, we need to ensure we always act in an appropriate and ethical way. We must understand the choices we make and the consequences they could have on each of us and for Danone.

Our culture of ethics and social commitments must be at the center of our operational decision-making.

Operating with high ethical standards is a key condition for sustainable growth by ensuring we protect the reputation of our Company and brands.

In the spirit of our 'dual project', Compliance is instrumental to ensure our Company's good governance, drive Danone's One Planet . One Health vision and deliver long-term growth and performance.

**Pierre Armangau**  
VP, Chief Compliance Officer



April 2022



A woman with blonde hair, wearing a blue knit sweater and pearl earrings, is smiling and holding up a large teal speech bubble. The speech bubble contains the text 'COMPLIANCE AT DANONE' in white, bold, uppercase letters. The background is a solid light blue color.

**COMPLIANCE  
AT DANONE**



## WHO DOES THIS POLICY APPLY TO?

The Integrity Policy applies to all employees, (including temporary workers, interns, corporate officers and COMEX members) at Danone across all geographies, subsidiaries and controlled Joint Ventures.

All employees must ensure they

- ➔ Know and understand the Integrity Policy
- ➔ Comply with the Integrity Policy
- ➔ Operate within Danone's Ethical Standards
- ➔ Apply the Code of Business Conduct and the Integrity Policy in all activities and interactions



For full details of all the Roles and Responsibilities in relation to Compliance at Danone, please refer to the **Compliance Framework Policy**.

## HOW TO USE THIS POLICY

This Integrity Policy is one of Danone's Codes of Conduct.

Danone operates in multiple geographies with different cultures, laws and political systems. This Policy outlines the ethical standards Danone expects from every employee. In certain cases, the local laws and regulations will be stricter than this policy and where this is the case, the local laws and regulations must be followed.

This document does not intend to outline every possible situation. If you are ever in doubt, contact your Local Compliance Officer (Local CO) in your Legal and Compliance team to discuss further.



More details can be found at the **Corporate Compliance Library** as part of the Knowledge Library in workplace or in the **Compliance Fundamentals E learning course on Campus X**.



## RAISING A CONCERN

As Danone employees we are all responsible for ensuring that we adhere to the Code of Business Conduct and other Compliance Policies, including this Integrity Policy. Any suspicion of misconduct in relation to these policies should trigger a concern.

Raising a concern or “whistleblowing” is where a Danone employee or an external party informs Danone of suspected wrongdoing. Anyone may raise a concern using the secure Danone Ethics Line (‘DEL’) [www.danoneethicsline.com](http://www.danoneethicsline.com) and benefit from protection of their identity. They may also if they wish, remain anonymous.



The scope of whistleblowing for Danone includes any alleged violations of our Code of Business Conduct, the Integrity Policy, any of our other Compliance Policies, or any non-ethical conduct. It also covers any unlawful behavior, financial malpractice, environmental or human rights violations and any activity which could pose a risk to Danone or anyone working at Danone.

Should any Danone employee have a concern, they should promptly contact their N+1, HR, Finance and/or Local CO or alternatively report on the secure DEL.

Raising a concern in good faith will not expose the person who raised it to any retaliation. Any concern reported in bad faith may however result in disciplinary actions as per the Disciplinary Code for Business Conduct Breach.

All concerns will be impartially and objectively examined. Internal investigations will be conducted as necessary.



More details on internal investigations are provided in the Internal **Investigations Policy**.

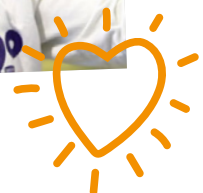
For full details of our whistleblowing policy please refer to the **Compliance Framework Policy**.

## NON-COMPLIANCE WITH THE POLICY

Non-compliance with the Integrity Policy will not be tolerated and may result in disciplinary sanction and / or legal action. The disciplinary action will vary according to the severity of the non-compliance but could include the cancellation of the employee’s bonus, postponement of promotion, suspension without pay, termination of employment and being reported to the authorities.



For full details please refer to our **Disciplinary Code for Business Conduct Breach**.

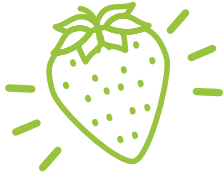




A man with short dark hair and a beard, wearing a blue button-down shirt under a dark blue cardigan, is smiling and holding a large teal speech bubble with his right hand. The speech bubble contains the text "OUR CORE BELIEFS" in white, bold, uppercase letters. The background is a solid light blue color.

**OUR CORE  
BELIEFS**





**A**t Danone, we aim to inspire healthier and more sustainable eating and drinking practices, in keeping with our One Planet . One Health vision. This vision reflects our conviction that the health of people and the health of the planet are interconnected.

Achieving our **One Planet . One Health** vision means we have to operate and be seen to operate to the highest ethical standards.

Compliance, or business ethics, is therefore a strategic means to protect our **business performance** and strengthen the **trust** of our employees, our consumers and society as a whole, in a **sustainable** way.



**“ EVERY EMPLOYEE IS AN AMBASSADOR  
OF DANONE. ”**

**Antoine de Saint-Affrique**

Respecting Danone’s compliance and ethical standards is not optional. We each have a responsibility to drive cultural change so that ethics and compliance are embedded in the daily operations of our business.

This Integrity Policy sets out the standards to which each Danone employee must adhere, in order to conduct business ethically, honestly and in full compliance with the law. More details are provided in the following pages.



A woman with short brown hair, wearing a blue and white plaid button-down shirt, is smiling and holding a large teal speech bubble with her right hand. The speech bubble contains the text "INTEGRITY AT DANONE" in white, bold, uppercase letters. The background is a solid light blue color.

**INTEGRITY  
AT DANONE**



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## BRIBERY AND CORRUPTION

**Corruption** in general means the abuse of power for personal gain. The most common form of Corruption is Bribery.

**Bribery (including Kickbacks)** is offering, giving, promising or receiving any undue advantage for the purpose of:

- obtaining or retaining business
- securing an advantage
- influencing or rewarding someone for providing a commercial advantage or
- more generally doing or refraining from doing any act of someone's function, mission or mandate.

Such advantages can be either financial or non financial benefits such as, offers of employment, gifts, gift cards, meals, entertainment or any other services, such as hiring a customer's relative.

**Influence peddling** is offering, giving, promising or receiving any advantage for the purpose of abusing someone's real or supposed influence in order to obtain distinctions, jobs, contracts or any other favorable decision from a public authority or administration (such as public procurements, authorizations, etc.).

**Facilitation payments** are a type of Bribery. They are typically small payments, or other non-financial or non-monetary benefits made to speed up non-discretionary, routine government actions. Low level government officials typically ask for these payments to expedite a routine government process or action.

➔ While acts of Bribery, Corruption, Influence peddling or Facilitation payments ("Bribery and Corruption") are often carried out directly by a company's employees, they can also be conducted by a Third Party working on a company's behalf, such as a sales agent, consultant or intermediaries. A company is often equally liable whether the bribery or corruption was committed by the employee or by a Third Party associated with it.

### OUR POLICY

➔ Danone has a **zero-tolerance** policy on all forms of Bribery and Corruption, whether directly or indirectly. This is not only because Bribery and Corruption are illegal, with heavy penalties for both individuals and companies, but also because Bribery and Corruption undermine the economic and social development of countries. Any bribe passed through an intermediary can lead to even further risk for Danone in the form of blackmail and extortion.

➔ Any Bribery and Corruption would also undermine Danone's 'dual commitment' to achieve not only business success but also social progress through our operations.

➔ Facilitation payments are also strictly prohibited by Danone. Exceptions may be made in circumstances that involve an imminent threat to an individual's life or safety. In this instance only, the payment may be made but must be reported immediately to the Local CO and Security representative.





## IN PRACTICE?

“ A customs official requests a payment to speed up the customs clearance process. He insists and tells you that the products will be blocked for weeks if you do not pay. ”

➔ This is a request for Facilitation Payment. Such payments are prohibited by Danone, except if there is an imminent threat for your life or safety. Refuse politely by indicating that Danone prevents you from paying and inform your Local CO.

“ You would like to ask a Healthcare Professional to present at an event on Danone’s products. He asks excessive fees for giving the lecture and promoting Danone’s products. ”

➔ Overpaying a Healthcare Professional in return for promoting Danone’s products is prohibited. Ask your Local CO if you have any doubt or concern about this situation and refer to the Healthcare System Policy and Directive for more guidance about rules applicable to HCPs.

“ Danone is going through an important certification. You would like to offer an invitation to the certifying officer to a sporting event that you know they would enjoy, while a decision on Danone’s certification is expected. ”

➔ Offering gifts and invitations when expecting a decision (certification, authorization, contract, etc.) is prohibited as it could influence this decision. In some cases, it could even be considered as Bribery. In this case, you must not offer this invitation to the certifying officer.



## WE MUST

- ✓ Report to your manager or your Local CO if you see something which does not look right
- ✓ Ask for assistance from your Local CO if you have any doubt

## WE MUST NOT

- ✗ Offer gifts or invitations in return for business or better conditions
- ✗ Propose or give any advantage that could unduly influence someone’s decision
- ✗ Accept any advantage that could unduly influence your decision



**IF YOU ARE UNSURE ABOUT A SITUATION, PLEASE CONTACT YOUR LOCAL CO.**



## GIFTS AND HOSPITALITY

**Gifts** are something of nominal value given willingly and openly to someone who is not a Danone employee without anything received or expected in return

**Gimmicks** are inexpensive items for professional usage (e.g. a pen or post-it-notes)

**Hospitality** includes meals and refreshments in the course of normal business relationships without anything received or expected in return



For more information in relation to Gifts and Hospitality or Events within the **Healthcare System**, please refer to the **Healthcare System Policy and Directive** where additional rules apply. For information on **Government Officials** in relation to Advocacy please refer to the **Advocacy Policy**.

This section **does not apply** to:

➔ Any Gifts or Hospitality from Danone to their employees or their families. Please contact your local HR team for further guidance.

➔ For Gifts given to consumers via customer carelines, please contact your local legal team for further guidance.

### OUR POLICY

➔ Any giving or receiving of Gifts or Hospitality to external Third Parties must be legal under all applicable laws and regulations. They must be reasonable and proportionate and always without anything expected or received in return.

➔ They must only be given or received on an infrequent basis as part of a normal business relationship and **never** given or received during any tender, commercial, regulatory or other negotiations. The only exception would be food or refreshments provided during a working meeting.

➔ Gifts given or received must be of nominal value and are strongly recommended to be restricted only to food or flowers.

➔ Hospitality given or received must be in line with Danone's Global Travel & Expenses Policy and any applicable local travel or office policy. As a matter of principle, Danone employees are not permitted to allow suppliers to pay for our travel or overnight accommodation.

➔ Gifts and Hospitality must **never** be given or received as cash or a cash equivalent (e.g. gift voucher, lunch voucher etc.). No exceptions are permitted.

➔ Gifts and Hospitality must **never** be given to family or friends of Third Parties. An exception based on risk can be made for Hospitality relating to certain Danone sponsored events (such as a sporting event). In such a case, the Hospitality can only be offered to a Third Party's family or friends under certain restricted conditions to restricted populations (**never** to HCPs or GOs) and only with the express written pre-approval of the Local CO and GM.





- ➔ The Local Compliance Committee (CC) must set appropriate limits and approvals for their respective entities considering local and cultural norms. The Local CO must pre-approve above the lowest thresholds set by the Local CC or where one or more risk factors exists e.g. where the recipient is a GO.
- ➔ Special attention must be made regarding Gifts or Hospitality to Government Officials (GO) or Healthcare Professionals (HCP), both in terms of the types and limits of Gifts or Hospitality offered. In general, the value will be lower for a GO than another recipient.

- ➔ All Gifts and Hospitality must be properly recorded in:
  - The expense forms with associated receipts and clearly detailing the recipient
  - The books and records
  - The Gift and Hospitality register for GOs or HCPs.

### IN PRACTICE?

“ You want to thank a supplier for their performance and consider offering them gift-vouchers. ”

- ➔ Gifts must never be given in cash-equivalent, including gift-vouchers. It is possible to offer reasonable and proportionate gifts of nominal value to this supplier, such as chocolate or flowers for instance.

“ During submission on a new tender, the potential customer suggests that they would be interested in having an invitation for an event sponsored by Danone. ”

- ➔ No invitation must be given to this potential customer as a decision is expected on a tender, in order to avoid unduly influencing in any way the potential customer's decision. During the course of your relationships with customers, it is possible to offer invitations outside any period of negotiations, as long as it remains reasonable, proportionate and occasional.

### WE MUST

- ✓ Demonstrate responsibility and common sense in offering/receiving Gifts and Hospitality
- ✓ Find out about thresholds, limits and approval procedures set by the Local CC
- ✓ In case of doubt, consider whether you would be comfortable if the media or the public knew about it
- ✓ Comply with specific rules applicable to GOs and HCPs
- ✓ Ask the Local CO in case of any doubt about giving or receiving any Gift or Hospitality

### WE MUST NOT

- ✗ Provide Gifts or Hospitality of any kind to a Third Party when a decision is expected (tender, contract, authorization, license...)
- ✗ Accept Gifts or Hospitality from a Third Party that would put you into such a position that something would be expected in return



**IF YOU ARE UNSURE ABOUT A SITUATION, PLEASE CONTACT YOUR LOCAL CO.**



## SPONSORSHIP

**Sponsorship** is a financial or in-kind support of an activity in return for a marketing or promotion opportunity for Danone. Examples of Sponsorship can include a booth or stand at a symposium, exhibit spaces, branding banners or materials paid for by Danone at an activity or event.



For Sponsorship within the **Healthcare System**, please refer to the **Healthcare System Policy and Directive** where additional rules apply.

### OUR POLICY

- ➔ All Sponsorships must be in line with our values and the principles set out in our Code of Business Conduct and must be permissible under all applicable laws and regulations.
- ➔ The value of the Sponsorship provided by Danone must be reasonably proportionate to the promotional and marketing benefits for Danone and in line with the expected market value.
- ➔ We only consider Sponsorships with verified bona fide organizations or institutions which have been approved through the Third Party Vetting digital tool.
- ➔ All agreements must be made in writing in line with the local Contract and Compliance Policy for Third Party Vetting including audit rights where required based on risk. The agreement must clearly outline in sufficient detail the purpose, the value and the promotional opportunity for Danone.
- ➔ We never sponsor individuals. Sponsoring social media influencers or professional athletes to advertise Danone's brands is not considered Sponsorship and a normal service agreement should be used. Please contact your local legal team for guidance.



- ➔ We never engage in Sponsorship activity where there is a perceived or real perception of a conflict of interests. Any potential conflict of interests, either for a Danone employee or Danone, must be declared in writing to the employee's N+1 and HR Manager or Local CO.
- ➔ The Local CC must set appropriate thresholds and approvals for their respective entities. The Local CO must pre-approve any Sponsorship above the lowest thresholds set by the Local CC or where one or more risk factors exist.
- ➔ All Sponsorship must be properly recorded in the books and records and a register must be kept.



## IN PRACTICE?

“One of your relatives asks you if Danone could provide a Sponsorship to their association.”

➔ Your relative can apply to the sponsorship but you must be transparent about this risk of conflict of interests and inform your Local CO. Mitigating actions may be decided, for instance ensuring that you do not participate or influence the decision making about this application.

“A long-time beneficiary of Danone’s Sponsorship tells you that there is no need to assess them through the Third Party Vetting digital tool as you know well each other’s values and work.”

➔ You must assess any Sponsorship through the Third Party Vetting digital tool, even if you already know the beneficiary. You may not have an exhaustive knowledge about them and their situation may change over time.

## WE MUST

- ✓ Ensure any project that we sponsor is in line with Danone's values and proportionate to the expected benefits and market value
- ✓ Find out about local thresholds and procedures set out by the Local CC
- ✓ Exercise Danone’s right to request information and audit in case of any risk or red flag on the use of the Sponsorship

## WE MUST NOT

- ✗ Sponsor a partner that has not been approved through the Third Party Vetting digital tool
- ✗ Sponsor an organization without setting up a detailed contract, regardless of the amount of the Sponsorship



**IF YOU ARE UNSURE ABOUT A SITUATION, PLEASE CONTACT YOUR LOCAL CO.**





## DONATIONS AND GRANTS

**Donations** are financial or in-kind contributions to help a **non-profit entity** to support the communities in which we work (e.g. for emergency aid or disaster relief, support for underprivileged communities or charitable groups) to an Eligible Recipient.

**An Eligible Recipient** is a legal entity established as a not-for-profit organization, such as a foundation, an association, a public hospital, a state university, or a non-governmental organization. An Eligible Recipient is always a legal entity, never an individual, whether HCP or others.

**Grants** are financial or in-kind contributions to a **non-profit entity** to support the advancement of scientific research or education, whether or not Danone is publicly disclosed as a grantor.



For Donations or Grants in the **Healthcare System**, please refer to the **Healthcare System Policy and Directive** where additional rules apply.

### OUR POLICY

- ➔ Donations and Grants are only allowed where permissible under applicable laws and regulations and where there is a clear and legitimate purpose, which is in line with Danone's values and principles.
- ➔ Donations can take the form of
  - Financial support
  - Danone products or
  - Other types of equipment (Flocare pumps, personal protective equipment appropriate for use in the medical setting, or medical books and journals)
- ➔ The amount / value of the Donation's or Grant requested must be proportionate to the Donation's purpose.
- ➔ Any equipment which is donated must be of an acceptable quality, purchased from a reputable company and be directly related to the intended use.
- ➔ All Danone products which are donated should meet Danone's quality standards in accordance with our supply chain rules on dispatching to customers, including traceability. The product shelf life shall be sufficient for the usage or purpose of the products donated. For Donation of Danone products with a close-to-expiry date (or any other relevant date: best before end etc.), the Danone employee in charge shall pay special attention and satisfy him/herself that the quantity of donated products will reasonably be consumed before such date. Any exception must be approved by the Local General Counsel.
- ➔ We only consider Donations or Grants to verified bona fide legitimate non-profit entities. Donations or Grants to other kind of beneficiaries (such as Grants to individuals) can only be considered under limited and exceptional circumstances. Please contact your Local CO for more guidance.
- ➔ We never make Donations to political parties, political candidates or associations or foundations owned or controlled by such.
- ➔ We never engage in Donation or Grant activity where there is a perceived or real perception of a conflict of interests. Any potential conflict of interests, either for a Danone employee or Danone, must be declared in writing to the employee's N+1 and HR Manager or Local CO.
- ➔ Donations and Grants are never used to obtain undue influence and never dependent directly or indirectly on, or a reward for, a current, future or past decision, purchase, prescription or recommendation of Danone's products.
- ➔ Donations to Food Banks, whether to support a reduction in Food Waste or to support the communities with whom we work, in addition to the requirements outlined in this policy, must also meet all the local legal requirements (e.g. food and environmental laws). Such donations must be made to recognized and authorized organizations.



- ➔ Special attention must be paid to Donation requests for overseas purposes, particularly those made for humanitarian reasons (e.g. earthquake, pandemic etc.) which require speed. The Local CO should contact their respective counterpart in the destination geography for advice to ensure the Donation will be permitted under local laws and to ensure all necessary documentation is in order.
- ➔ Any beneficiary of Danone's Donation or Grants has to be approved through the Third Party Vetting digital tool.
- ➔ All Donations and Grants agreements must be made in writing and properly recorded in the books and records and a register must be kept.

- ➔ The Local CC must set the thresholds and approvals for Donations and Grants for their respective entities and the Local CO must pre-approve any Donation or Grant above the lowest threshold set or where one or more risk factors exist.



**Special conditions apply to Donations of Breastmilk Substitutes (Covered Products).** Please refer to the Danone Policy for the Marketing of Breast-Milk Substitutes.

## IN PRACTICE?

“ A customer asks you to make a Donation to an association. They insist and tell you that this is “important” to do business with them. ”

- ➔ Donations must never be provided in exchange for business. This may be considered as Bribery and is thus prohibited by Danone. Inform your Local CO of such a request.

“ A mayor asks you to make a Donation to a local association in order to secure Danone's request for an authorization or a permit issued by the municipality. ”

- ➔ Donations must never be provided in exchange for authorizations or permits. This may be considered as Bribery and is thus prohibited by Danone. Inform your Local CO of such a request.



**IF YOU ARE UNSURE ABOUT A SITUATION, PLEASE CONTACT YOUR LOCAL CO.**

## WE MUST

- ✓ Check local laws and regulations as well as any specific applicable rules (for instance for Breastmilk Substitutes, food banks, etc.) before issuing Donations and Grants
- ✓ Make sure that you know who the actual beneficiary is and that they are approved through the Third Party Vetting digital tool even when the circumstances of the Donations or Grants require speed (earthquake, pandemic, etc.). Do contact the local CO of the recipient country
- ✓ Properly record any Donations or Grants in the books and records and provide relevant justifications

## WE MUST NOT

- ✗ Engage and speak in the name of Danone about providing a Donation or Grant before obtaining the necessary approvals
- ✗ Accept to make a Donation or Grant if its conditions (beneficiary, purpose, use of the products/Grants, milestones...) are not clearly defined and transparent



## INTERACTIONS WITH GOVERNMENT OFFICIALS & HEALTHCARE PROFESSIONALS

**Government Officials (GO)** are defined by the OECD as any person holding a legislative, administrative or judicial office, whether appointed or elected; any person exercising a public function for a country, including for a public/state-owned agency or public enterprise; and any official or agent of a public international organization.

**Healthcare Professionals (HCPs)** are individuals who practice a medical, dental, pharmaceutical, midwifery, dietetic, nutritional or nursing profession or any other person who, in the course of their professional activities, may prescribe, purchase, supply, recommend or administer on behalf of a patient, a nutritional product, or provide healthcare services. HCPs can be KOLs and/or GOs.

**Healthcare Organization (HCO)** means any legal entity:

- That is a healthcare, medical, or scientific association or organization (irrespective of the legal or organizational form) such as hospital, clinic, foundation, university or other teaching institution or learned society (except for Patient Organizations); or
- Through which one or more HCPs provide healthcare services.

**Key Opinion Leaders (KOLs)** are individuals operating in the medical and scientific areas and recognized for their ability to influence HCPs' medical practice, including but not limited to their knowledge or advising/prescribing behaviors. An HCP can also be a KOL.


### OUR POLICY - GOs

- ➔ While Danone follows the OECD definition, each Local CC must define and clearly communicate the local definition of a GO to their employees.
- ➔ Meetings may be organized with GOs as part of Danone's normal business operations to discuss legitimate Danone business such as regulatory changes, product approvals, registrations, regulatory inspections, etc.
- ➔ Any meeting with GOs that would happen with competitors and/or clients for a legitimate specific purpose must be done in compliance with the local legislation and our Anti-Trust Policy.



- ➔ All meetings must be held in an open and transparent manner, ideally at the local government offices to ensure that there is no actual or perceived impropriety, corruption and/or competition rules breach.
- ➔ Danone strongly discourages contracting with Government Officials. This can only be done in exceptional circumstances where the knowledge and expertise are considered to be of unique value, unobtainable elsewhere and where permitted under applicable local laws, regulations and codes. Please contact your Local CO for further guidance.
- ➔ Any contractual engagement with a GO must have the following prior to the services being rendered:
  1. Written approval from the GO's employer;
  2. Prior approval from the Local CO;
  3. A written agreement outlining in detail, the remuneration, details of the services and duration of the contract.
- ➔ The remuneration must be strictly in line with the local Fair Market Value and payment made only on the contractual deliverables having been met.

## OUR POLICY - HCPs, HCOs & KOLs

 For interactions with **HCPs** or **KOLs** (including if they are considered as **GOs**), please refer to the **Healthcare System Compliance Policy and Directive**

➔ Where HCPs or KOLs could be classified as GOs, an additional assessment must be made given the specificity of the rules applicable to relationships with HCPs. Where there is any doubt as to the definition due to a particular market context, contact your Local CO. External legal advice may be sought, if necessary.



### IN PRACTICE?

“ A local consultant proposes to act as an intermediary to ease relationships with GOs in relation to a local product approval. ”

➔ Be careful when dealing with intermediaries in relation with GOs as there is a high risk of Bribery and Influence Peddling. Intermediaries can only be engaged if there is a legitimate business purpose. Ask your Local CO to make sure that this intermediary is approved through the Third Party Vetting digital tool and complies with this Policy.

“ A GO asks you whether Danone could hire one of their relatives. They suggest that this would help Danone in a public tender process. ”

➔ Danone does not hire people in return for business or favorable treatment. This could be considered as Bribery or favoritism. The decision to hire someone must be made in an impartial manner and without any ambiguity about the absence of expectation in return. Inform your Local CO of any such request.

## WE MUST

- ✓ Be aware of the status and position of the person you are dealing with and whether they might be a GO or not, especially when they are HCPs or KOLs
- ✓ Make sure that meetings with GOs, HCPs or KOLs are always held in an open and transparent manner
- ✓ Check local laws and regulations as well as any specific applicable rules with your Local CO
- ✓ Always determine the local Fair Market Value before contracting with a GO or an HCP or an HCO

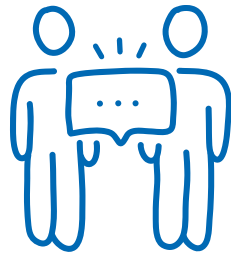
## WE MUST NOT

- ✗ Ask for approvals for your contract with a GO or HCP at the last minute
- ✗ Encourage or ask GOs, HCPs or KOLs to infringe the rules applicable to them



**IF YOU ARE UNSURE ABOUT A SITUATION, PLEASE CONTACT YOUR LOCAL CO.**





## ADVOCACY

**Advocacy** refers to building common ground and action with stakeholders by fostering an open and transparent dialogue with a variety of actors, to help deliver positive outcomes for both business and society.

**Advocacy Activities** are generally recognized as a legitimate and necessary part of our democratic

processes where individuals, associations and corporate entities reasonably want to influence decisions that may somehow affect them. Such groups are generally external-facing non-governmental or nonprofit organizations such as NGOs, trade associations, trade unions, single-interest groups or “think tanks.”

### OUR POLICY

- ➔ Danone participates in policy development as a company or industry member to fulfill its mission of ‘bringing health through food to as many people as possible’. Where Danone does engage in Advocacy Activities, this is with the interests of consumers in mind and to meet public health goals.
- ➔ As such we endeavor to work with governments, regulators, scientific societies, trade associations, experts, consumers, NGOs and other businesses on the development of regulations, policies, procedures and related programs that balance continued innovation and development while improving outcomes for consumers as well as the central role of governments in policy making.

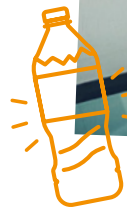
- ➔ Partnering with public policy and Advocacy groups is a key element of our work and selecting the right groups and associations to partner with is important. We ensure any work with our partners is conducted transparently, legitimately and ethically.
- ➔ Furthermore, any Advocacy Activity conducted by Danone, its employees or agencies working on behalf of Danone must fully comply with all applicable national and international laws and regulations.
- ➔ Before engaging with any Advocacy partner, we ensure that:
  - They share our ethical values and standards of integrity
  - The partner (and any of its members) is legitimate, credible and highly recognized in their field of expertise
  - There is a clear legitimate purpose to the engagement
  - A strong governance framework exists with the partner organization (in particular, we ensure full compliance with all applicable competition and anti-trust laws and regulations when and where they exist)
- ➔ Third Parties used in the course of Advocacy campaigns, such as Public Affairs consultants, must be approved in compliance with Danone’s Third Party Vetting Policy.



- ➔ We do not support or fund political parties, candidates or any groups that promote a political party's interests.
- ➔ Where funds are provided by Danone, including any transfer of value such as a payment of a consultancy fee, a written agreement must be put in place clearly outlining the purpose of the funds and including all necessary compliance clauses and audit rights as required based on risk.
- ➔ All Advocacy Activities and groups / individuals engaged by Danone must be pre-approved by the responsible Public Affairs Manager and adhere to the Advocacy Policy.
- ➔ Local Public Affairs must maintain a register of all engagements at the local level (including with Government Official and other partners)



For more information please refer to **Danone's Advocacy Policy**.



## IN PRACTICE?

“ An Advocacy partner is strongly recommended to you. In accordance with these recommendations, you assess them favorably through the Third Party Vetting digital tool. ”

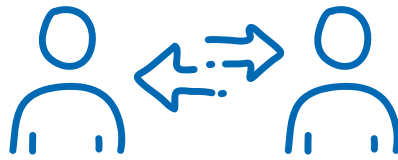
- ➔ Approvals through the Third Party Vetting digital tool must be conducted in an impartial and rigorous manner, regardless of the recommendations you may receive. If an Advocacy partner is considered as presenting Corruption or Bribery risks, it is important to ensure that these risks are properly identified and addressed.

## WE MUST

- ✓ Ensure we work with partners with proven expertise and integrity, who share the same values as Danone
- ✓ Ensure that any work conducted by Danone or its partners is transparent, legitimate and ethical
- ✓ Ensure compliance with local laws and rules on lobbying activities, when applicable
- ✓ Report any concerns or red flags to the Local Public Affairs or the Local CO

## WE MUST NOT

- ✗ Work with Advocacy partners without clearly determining their role and remuneration
- ✗ Keep an incomplete or inaccurate local register



## CONFLICTS OF INTERESTS

**Conflicts of interests** occur when the impartiality or motivation (**potential, perceived or actual**) for taking decisions in relation to a person or organization may be questioned due to a personal interest.

A Conflict of interests may arise for Danone and/or for a Danone employee and may have legal and/or regulatory consequences.

➔ Common examples of Conflict of interest situations involving **Danone employees** include:

- **Workplace relationships** involving the hiring or management of family or friends
- **External engagements** such as consulting, advising, serving on the board of directors of a Danone customer, supplier, competitor, or on a committee assessing Danone's products or activities, or on a governmental or regulatory body with which Danone interacts
- **Additional employment** outside of Danone such as having a second job with a Danone customer, supplier, competitor, university with which we conduct clinical studies, or as an HCP involved in the prescribing of products in the categories in which Danone operates

- **Direct family members who are Government Officials** and who hold a decision making position with a governmental or regulatory body with which Danone interacts
- **New Danone employees who have been Government Officials** if a new employee is joining Danone having held a previous Government Official position – in which case the Advocacy Policy must be followed
- **Promoting personal or financial interests** (including those of close relatives) such as owning a substantial share (>10%) with a Danone partner, supplier or customer
- **Communicating in an individual** or personal capacity on Danone-related matters

➔ Commons examples of Conflicts of interests situations involving **Danone** include:

- Engaging a person to support Danone in a personal consultancy capacity when that person is at the same time employed by a Danone third party
- Engaging a third party's employee to sit on a Danone board or in an advisory capacity where such third party is a business partner of Danone.

### OUR POLICY

- ➔ Danone employees are expected to avoid any personal situation that may create or be perceived as a Conflict of interests.
- ➔ All Danone employees are expected to declare any risk of a personal conflict of interests (whether actual or perceived) as soon as the risk arises. For new employees this would start at the time of joining.
- ➔ Declarations must be made in writing to the employees' N+1 and HR Manager or Local CO. If you are unsure about a situation, please contact your Local CO.

- ➔ Such situations must be formally assessed to evaluate their impact on Danone and the outcomes must be clearly communicated to the Danone employee as to whether:
  - a) No conflict exists
  - b) Potential conflict exists and specific mitigating actions may be required to avoid the conflict (e.g. ensuring the employee does not participate in the decision making or direct management) or
  - c) Actual conflict exists which is not in line with applicable laws and/or Danone's values
- ➔ The N+1 is responsible for ensuring any mitigating actions are fully implemented.
- ➔ Danone employees must ensure that any decision they make on behalf of Danone does not put Danone in a conflicted situation either potential, perceived or real.





## IN PRACTICE?

“ In the course of your duties within Danone, you work with a supplier where you have personal interests (family, financial interests, etc.). ”

➔ There is a risk of a Conflict of interest as your personal interests could influence or appear to influence the impartial exercise of your duties within Danone. You must inform your N+1 and HR Manager or Local CO, who will assess whether there is a Conflict of interests and whether mitigating measures should be taken, such as ensuring that you do not participate or influence decisions in relation with this supplier.

“ In parallel to your duties at Danone, you are being proposed to work as a consultant for a research project on the same subjects as Danone. ”

➔ There is a risk of a Conflict of interest as this work could influence or appear to influence your work for Danone on the same subjects. You must inform your N+1 and HR Manager or Local CO, who will assess whether there is a Conflict of interest and whether mitigating measures should be taken.

## WE MUST

- ✓ Ensure you complete in a transparent and exhaustive manner the declaration of any potential Conflicts of interests
- ✓ Inform the N+1 and HR Manager or Local CO if there is a change in circumstances that raises any risk of Conflict of interests during the employment contract

## WE MUST NOT

- ✗ Decide on your own whether you should disclose a Conflict of interests and implement mitigating measures or not



**IF YOU ARE UNSURE ABOUT A SITUATION, PLEASE CONTACT YOUR LOCAL CO.**





## MONEY LAUNDERING

**Money Laundering** is concealing illegally obtained funds or assets by introducing the proceeds of crime into a legal financial system and hiding their true source.

Common examples of **red flags** in relation to Money Laundering can include the following:

- A request to pay or be paid in a significant amount of physical cash (e.g. over 10,000 Euro equivalent) or to begin to be paid in cash when that has not been the usual means of payment to date;
- A request for the payment to be made in a different currency than the currency specified in the contract;
- When the identity of the payment recipient is unclear, e.g. the payment account name and address are different from the contracting third party;
- The bank location of a third party is different from the location where the services are being provided and there is no legitimate reason for this;
- Payments to known tax havens without a legitimate reason;
- When there is the involvement of an intermediary without a legitimate reason;
- When a supplier overpays and then asks for the money back or a request to cancel a previous payment without a legitimate reason.

### OUR POLICY

- ➔ Money Laundering is illegal, and in some instances failure to report suspicion of Money Laundering can also be illegal. At Danone we reject any attempt to use our business to launder money and will only work with legitimate third parties.
- ➔ Employees must remain alert to possible red flags in relation to our interaction with third parties and perform additional due diligence to verify the legitimacy of any requests. In case of doubt please contact your Local CO.





## IN PRACTICE?

“ A Third Party provides you with an invoice for payment to a bank account other than their bank account. The indicated bank account is located in a country which is not the Third Party’s country or the one where the services are rendered. ”

➔ These are important red flags of Money-Laundering and you must not accept to make payments without additional checks. Contact your Local CO to make sure that there is a clear or legitimate reason for the payment and that these red flags can be duly justified before making any payment.



**IF YOU ARE UNSURE ABOUT A SITUATION, PLEASE CONTACT YOUR LOCAL CO.**

## WE MUST

- ✓ Ask for additional information when something is unclear or seems to lack transparency
- ✓ Report any doubt, concern or red flag on Money Laundering to your Local CO
- ✓ Inform the Local CO immediately if any employee believes Money Laundering may have occurred or been attempted

## WE MUST NOT

- ✗ Engage with Third Parties without additional due diligence if there are inconsistencies in terms of identity, role, bank location or currency as they may indicate a risk of Money-Laundering
- ✗ Accept making/receiving cash payments
- ✗ Refrain from reporting a red flag because you don’t want to slow down or undermine the transaction





## FRAUD

**Fraud** occurs when people use dishonest methods or unauthorized acts which result directly or indirectly in financial gain. This can happen for example when an employee takes Company money or assets by deception, fakes or forges documentation for their own benefit, the companies or a Third Party.

**Embezzlement** is a form of fraud and occurs when an individual is entrusted with Company assets or funds and abuses that trust and steals part or all of those funds or assets.

Some of the **most common** types of fraud are:

- Fake or forged documentation (invoices, event documents, hospitality support documentation, travel and expense receipts, etc.)
- Inaccurate books and records (misleading or incorrect information, manipulation of financial or sales numbers, etc.)
- Faking official documents (e.g. safety certificates, licenses etc.)
- 'Fraud on the president' schemes (fraudsters impersonate someone within Company management to ask for urgent payments to new suppliers or accounts)
- Fraud on payments (fraudsters attempt to change payment details to divert Company funds to their own accounts)

## OUR POLICY

- ➔ Fraud is illegal and not permitted under any circumstances at Danone.
- ➔ As fraudsters can target both Danone and its employees, employees must always remain vigilant to this potential risk and follow all applicable policies and procedures.
- ➔ Heightened vigilance and attention are required in particular with respect to any:
  - Payments
  - Change of bank details either for Danone or for our Third Parties
  - Unusual invoicing
  - Unusual/unexpected requests (during the holiday period, etc.)
  - Requests by unknown people to access your emails (e.g., through a link that they would send you)
- ➔ If in doubt, do not proceed.
- ➔ Immediately verify the source of the request through other legitimate communication means (e.g. calling the person directly).



## IN PRACTICE?

“ A relative asks you to provide confidential information on Danone products and strategies. You exceptionally bypass IT procedures to provide them with a summary document on the products and strategies they are interested in. ”

➔ This is a case of fraud because you bypassed applicable procedures and gave Danone's confidential information to Third Parties. This may result in disciplinary sanctions and/or legal action against you.

“ A supplier sends you an email to change their bank account's details during the holidays. Due to everyone being out of the office, you make the change yourself to make sure business continues. ”

➔ Bypassing processes can put the company at significant risk. It is important to follow all procedures to ensure that we independently verify the source and any change in bank details, even if such changes occur during holidays.

“ A high-level Danone executive sends you a message asking you to make an immediate payment for a highly confidential acquisition. ”

➔ Danone has clear processes and procedures for major transactions. You would never be asked to make payments in such circumstances. Inform your Local CO of this request.

## WE MUST

- ✓ Stay updated regularly on applicable rules and policies
- ✓ Keep information about payments made or received by Danone (amount, recipient(s), purpose, date, currency used...)
- ✓ Ask questions if something is unclear or if a supporting document is missing
- ✓ Ensure you immediately report any doubt or red flag to your Local CO (the sooner the fraud is found, the better it can be dealt with)

## WE MUST NOT

- ✗ Make any payment that is inaccurately or not recorded in the books of account
- ✗ Bypass IT clearance and management procedures, even occasionally
- ✗ Knowingly put inaccurate data, amount, date and signature on an official document
- ✗ Take action without verifying the source of the request if it is unusual (emergency, unjustified pressure, lack of transparency, etc.)



**IF YOU ARE UNSURE ABOUT A SITUATION, PLEASE CONTACT YOUR LOCAL CO.**



## THIRD PARTY VETTING

**A Third Party** is a Business Partner with whom we interact or intend to interact as part of our work at Danone. Common examples include Distributors, Marketing Partners, Consultants, Advisors, Suppliers of goods and services, Joint Venture partners, Advocacy partners, Government Officials, Healthcare Professionals, Health Care Organizations, and Patient Organizations.

**Third Party Vetting (TPV)** refers to the due diligence we perform to evaluate Third Parties which expose Danone to a high level of corruption or other compliance risk (i.e. Fraud, Money Laundering, Human Rights, Environment etc.).

### OUR POLICY

- ➔ Our business, like all businesses, requires collaboration with Third Parties to operate. To ensure we protect Danone from compliance, financial or reputational risks, it is essential that we know who we are dealing with and are confident that they share the same business principles as us.
- ➔ A risk-based approach must be taken to establish the level of vetting / due diligence required for all our Third Parties. This involves:
  - A 'pre check' to establish the level of risk before engaging in any activity; such a check should be reviewed at least every 2 years or earlier in the event of any significant changes or new information
  - For those Third Parties identified as high risk, further due diligence must be performed to enable an informed decision to be made about the level of Corruption and Bribery risk related to the Third Party
- ➔ When we identify indicators of corruption or other compliance-related risk that are not possible to mitigate, we do not contract with the Third Party.
- ➔ The results of the TPV evaluation must be an integral part of any decision making as to whether to proceed with a particular Third Party or not.
- ➔ Once a Third Party has been 'vetting approved' any written agreements must include all relevant compliance clauses, audit rights based on risk, and acceptance to comply with Danone's Ethical principles.



Full details of the TPV process and requirements can be found in the **Compliance Policy for Third Party Vetting**.

### WE MUST

- ✓ Ensure you ask the right questions when entering into a relationship with a Third Party in order to identify any red flags
- ✓ Ensure that a contract is signed with the Third Party and includes relevant mitigation measures if necessary with regard to identified risks (notably through relevant compliance clauses)
- ✓ Remain vigilant throughout the entire relationship and ask the Local CO in case of any doubt

### WE MUST NOT

- ✗ Turn a blind eye to red flags because they involve a long-standing Third Party
- ✗ Fail to carry out the compliance assessment properly because of an emergency or pressure
- ✗ Abstain from reporting the customer's inappropriate requests or practices to the Local CO because everyone in the market is doing it

### IN PRACTICE?

“ Your colleague needs to hire a supplier for a very urgent piece of work. They tell you that they already know the supplier very well and that the Third Party Vetting process would only make the process heavier in this case. ”

- ➔ Approvals through the Third Party Vetting digital tool must be conducted in any case. It is important to ensure that Third Parties' risks are properly identified and addressed, especially if there is pressure or urgency.



Speak Up!

## RAISING A CONCERN

At Danone we want to know immediately about any breach or potential breach of our Code of Business Conduct. We also want to hear about any unlawful behavior, financial malpractice and any activity which poses or could pose a danger to the environment or to anyone working for our company.

Employees and external stakeholders are always encouraged to discuss any concerns they may have directly with the relevant point of contact in Danone (such as a Line Manager, HR Manager, Finance Manager, Compliance Manager or Customer Relationship Manager).



However, should employees or our other stakeholders prefer to report a concern confidentially through another channel we also have a dedicated reporting tool available called the DANONE ETHICS LINE, [www.danoneethicsline.com](http://www.danoneethicsline.com).

This tool can also be used anonymously if needed.

There will be no retaliation against anyone who reports a genuine concern. All cases will be appropriately investigated and, where breaches are found, appropriate actions will be taken.

If you want to raise a concern confidentially  
via the Danone Ethics Line visit

[www.danoneethicsline.com](http://www.danoneethicsline.com)



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**COMPLIANCE**

EVERY DAY WE GO FURTHER WITH YOU