

APRIL 2024

# COMPANY DASHBOARD

2023

Danone's sustainability  
performance





# RENEW DANONE

Consistently delivering on Renew Danone

## 2023 Performance SOLID GROWTH ACROSS REGIONS...

Like-for-like sales growth

PERFORMANCE	2022	2023
Net Sales	€27.7 BN	€27.6 BN
LFL sales growth	+ 7.8%	+ 7.0%
Free Cash Flow	€2.1 BN	€2.6 BN
Recurring Operating Margin	12.2%	12.6%
ROIC	8.9%	9.5%



**NORTH AMERICA**  
**+ 5.8%**



**EUROPE**  
**+ 5.9%**



**CHINA, NORTH ASIA, OCEANIA**  
**+ 10.1%**



**AMEA, CIS & LATIN AMERICA**  
**+ 8.1%**

### SUSTAINABILITY INDICATORS

**CDP AAA\***  
for the 5th year in a row

**82.5%**  
sales covered by BCorp

**89.2%**  
sales in volumes rated ≥ 3.5 stars by the Health Star Rating System

\* Score obtained as part of the CDP Climate Change, CDP Water security and CDP Forests questionnaire

## OUR STRATEGIC FRAMEWORK, TO DRIVE VALUE CREATION

### FOUR STRATEGIC PILLARS

**01**

Win where we are

**02**

Expand where we should be

**03**

Seed the future

**04**

Manage our portfolio

### FOUR KEY ENABLERS

CULTURE

CAPABILITIES

SUSTAINABILITY

COST COMPETITIVENESS

## ... AND CATEGORIES!



**+ 6.6%**  
**ESSENTIAL DAIRY & PLANT-BASED**



**+ 6.7%**  
**SPECIALIZED NUTRITION**



**+ 9.1%**  
**WATERS**

# DANONE IMPACT JOURNEY

In February 2023, the Group reframed its sustainability journey as the **Danone Impact Journey**, as part of the Danone Renew strategy. The Danone Impact Journey is structured around one mission of **Bringing Health Through Food To As Many People As Possible**.

IT IS ARTICULATED AROUND 3 PILLARS:



**PROGRESS AND LEAD HEALTH**  
THROUGH FOOD FOR CONSUMERS & PATIENTS



**PRESERVE & REGENERATE NATURE**



**THRIVING PEOPLE & COMMUNITIES**

For each pillar, Danone defined a set of **12 sustainability priorities** with a focus on where the Group can deliver the most impact and value

[FOR MORE INFORMATION ON THE IMPACT JOURNEY, CLICK HERE](#)





# DANONE IMPACT JOURNEY 2023 RESULTS



## PRESERVE & REGENERATE NATURE

GOAL	KPIs	2023 result
Curb GHG emissions in line with 1.5°C, leading the way on methane reduction	CO2e reduction by 2030 in line with 1.5C SBTi	<b>-7.5%</b> vs 2020
	Net Zero by 2050	<b>-7.5%</b> vs 2020
	30% reduction in methane emissions from fresh milk by 2030	<b>-13.3%</b> vs 2020
	30% improvement in energy efficiency by 2025	<b>-1.3%</b> vs 2020
Pioneer and scale regenerative agriculture, leading the way for regenerative dairy farming models	30% key ingredients Danone sources directly will come from farms that have begun to transition to RegAg by 2025	<b>38%</b>
	Zero deforestation & conversion on key commodities by 2025 <sup>1</sup>	<b>84%</b> (2022)
Preserve and restore watersheds where Danone operates and drives water footprint reduction across the value chain	4R approach will be deployed in all our production sites by 2030	<b>94.8%</b>
	Watershed preservation/restoration plans in highly water-stressed areas by 2030 <sup>2</sup>	<b>53%</b>
Drive the transition to a circular and low-carbon packaging system & recover as much as Danone uses	100% reusable, recyclable or compostable by 2030	<b>84%</b>
	Halve the use of virgin fossil-based packaging by 2040, with a 30% reduction by 2030, accelerating reuse and recycled materials	<b>-3%</b> vs 2020
	Lead the development of effective collection systems to recover as much plastic as Danone uses by 2040	<b>58%</b>
Cut waste across the value chain	Halve all food waste not fit for human, animal consumption or biomaterial processing by 2030 vs 2020	<b>-19.8%</b> vs 2020

## PROGRESS & LEAD HEALTH THROUGH FOOD FOR CONSUMERS & PATIENTS

GOAL	KPIs	2023 result
Offer tastier and healthier food and drinks	≥ 85% vol dairy, plant-based, water and aquadrinks rated ≥ 3.5 stars by Health Star Rating by 2025	<b>89.2%</b>
	> 95% vol Kids dairy and plant-based ≤ 10g total sugars/100g by 2025	<b>62.2%</b>
	> 95% vol toddlers' milk (1-3yo) ≤ 1.25g added sugars /100kcal by 2025	<b>99.3%</b>
Promote healthier choices	> 95% vol sold of dairy, plant-based and aquadrinks products with on pack/online interpretative nutritional information by 2025	<b>40.5%</b>
Provide positive nutrition & hydration for healthier life	≥ 85% vol Kids dairy fortified with relevant vitamins & minerals by 2025	<b>83.2%</b>
	5 projects to address iron deficiency in children by 2025	<b>2</b>
Invest in nutrition and hydration science and research	20M people with access to safe drinking water by 2025	<b>12.7M</b>
	150 scientific publications in peer-reviewed journals and/or presentations at scientific conferences (from baseline of 2021) by 2025	<b>108 full papers accepted for publication</b>

## THRIVING PEOPLE & COMMUNITIES

GOAL	KPIs	2023 result
Make Danone a force for good by fostering a unique, diverse & inclusive culture and empowering Danoners for positive impact	All employees covered by BCorp certification by 2025 <sup>3</sup>	<b>68%</b>
	All employees covered by DanCare by 2030	<b>98%</b>
	Achieve gender balance in management globally by 2030	<b>43%</b>
	Drive equity and close gender pay gap by 2025	<b>2.1 pts</b>
Equip and empower communities (i.e. internal, external) with skills and capabilities of the future to thrive in a fast-changing economy	Maintain inclusion index above peers <sup>4</sup>	<b>+2 pts above peers</b>
	Make future skilling programs available to all Danoners by 2025	<b>On track - program designed in 2023</b>
Champion a renewed social contract by fostering a prosperous & inclusive ecosystem, upholding human rights and pursuing social progress	Extend future skilling programs to key partners by 2030	
	100% employees trained on Danone Human Rights policy by 2025 <sup>5</sup>	<b>On track - e-learning designed in 2023</b>
	Danone Sustainable Sourcing Policy deployed to all suppliers by 2030	<b>On track - policy will be launched in 2024 and deployed in stages to all suppliers by 2030</b>











<sup>(1)</sup> Cf renewed forest policy dec 2022 | <sup>(2)</sup> 100% Danone production sites and 50% of key raw materials volume | <sup>(3)</sup> over 95% of employees covered by certification, excluding M&A | <sup>(4)</sup> Measured through DPS | <sup>(5)</sup> Enabling due diligence deployed in Danone operations

# PROGRESS & LEAD

# HEALTH THROUGH FOOD

## FOR CONSUMERS & PATIENTS

**SOCIÉTÉ À MISSION** SOCIÉTÉ À MISSION INDICATOR  KPI INCLUDED IN THE IMPACT JOURNEY

2023 PERFORMANCE <sup>(5)</sup>	2022	2023	2025 TARGET
Volumes of Dairy, Plant-Based & Waters products rated ≥ 3.5 stars by Health Star Rating (HSR) <sup>(1)</sup> 	<b>88%</b>	<b>89.2%</b>	<b>≥ 85%</b>
Volumes of Dairy and Plant-Based products for kids with ≤ 10 g of total sugars /100g 	<b>58%</b>	<b>62.2%</b>	<b>&gt; 95%</b>
Volumes of toddlers' milks (1-3yo) ≤ 1.25g added sugars /100kcal 	<b>99%</b>	<b>99.3%</b>	<b>&gt; 95%</b>
Volumes of formula milks (4-5yo) ≤ 2g added sugars /100kcal 	<b>46%</b>	<b>94.5%</b>	<b>&gt;95%</b>
Volumes of Dairy, Plant-Based and Aquadrinks products with on pack/online interpretative nutritional information 	<b>22%</b> on-pack only	<b>40.5%</b>	<b>&gt; 95%</b>
Volumes of Kids Dairy products fortified with relevant vitamins & minerals 	<b>88%</b> fortified only	<b>83.2%</b> relevant fortification	<b>≥ 85%</b>
Projects to address iron deficiency in children 	-	<b>2</b>	<b>5</b>
Projects to support women choice of breastfeeding 	-	<b>1</b>	<b>3</b>
People with access to safe drinking water 	<b>10.6 M</b>	<b>12.7 M</b>	<b>20 M</b>
Scientific publications in peer-reviewed journals and/or presentations at scientific conferences 	<b>N/A</b>	<b>108</b> full papers accepted	<b>150</b>
Volumes of products part of healthy categories <sup>(2)</sup> (all portfolio)	<b>91%</b>	<b>90.3%</b>	-
Volumes of product without added sugars <sup>(3)</sup> (excluding medical nutrition products)	<b>82%</b>	<b>81.2%</b>	-

## 2023 HIGHLIGHTS

### INNOVATION FORTIMEL FORTICARE

An oral nutritional supplement designed for patients with or at risk of disease related malnutrition due to cancer, chronic catabolic disease or cachexia. With sensory-adapted flavors specially designed for patients with taste alterations

**Available in:**  
Poland, Czech Republic, Slovakia, Estonia, Latvia, Lithuania, Romania, Netherlands, Hungary



- High Protein
- High Energy
- High vitamin D
- Enriched with Omega fatty acids



## OFFER TASTIER AND HEALTHIER FOOD AND DRINKS

# 89.2%

### VOLUMES OF DAIRY PLANT-BASED & WATERS RATED ≥ 3.5 STARS BY HEALTH STAR RATING<sup>(1)</sup>



### POLAND

launched Zywiec Zdroj Minerals+, a spring water enriched with minerals and vitamins. 1L delivers 75% of daily needs for Magnesium, Zinc, Vitamin B3, B5 and B6. With 0% sugar



### MOROCCO

renovated 4 recipes of its Dan'up range for children, reducing on average 25% of total sugars.

FROM 10,5G TO 7,8G OF TOTAL SUGARS

# 62.2%

### VOLUMES OF EDP KIDS WITH ≤ 10 G OF TOTAL SUGARS /100G



# 94.5%

### VOLUMES OF FORMULA MILKS (4-5YO) ≤ 2G SUGARS/100KCAL



### INDONESIA

achieved 16% added sugar reduction for SGM Eksplor 5+ Madu.



## PROMOTE HEALTHIER CHOICES

# 40.5%

### VOLUMES OF DAIRY, PLANT-BASED AND AQUADRINKS PRODUCTS WITH ON PACK/ ONLINE INTERPRETATIVE NUTRITIONAL INFORMATION<sup>(4)</sup>



### MOROCCO

displays for 100% of its portfolio the Health Star Rating score on their website



# PROGRESS & LEAD

# HEALTH THROUGH FOOD

FOR CONSUMERS & PATIENTS

SOCIÉTÉ À MISSION | SOCIÉTÉ À MISSION INDICATOR | KPI INCLUDED IN THE IMPACT JOURNEY

## PROVIDE POSITIVE NUTRITION & HYDRATATION FOR HEALTHIER LIFE

83.2%



**VOL OF KIDS DAIRY FORTIFIED WITH RELEVANT VITAMINS & MINERALS**



### GERMANY

All FruchtZwerg products are fortified<sup>(6)</sup> with Calcium and Vitamin D, relevant nutrients for children, and contain less than 10 grams of sugar per 100 grams

Danone has set

2

**PROJECTS TO ADDRESS IRON DEFICIENCY IN CHILDREN.**



In response to high rates of iron deficiency anemia in Malaysia, Danone is implementing a socially-oriented business project with the ambition to create positive systemic change. Danone collaborates with partners to **raise awareness about iron deficiency anemia**, emphasizing the importance of early anemia screening and the role of nutrition in addressing this issue. Through its leading **Dugro** brand, Danone develops superior products that enhance iron absorption, **providing relevant nutrition for children.**

## INVEST IN NUTRITION AND HYDRATION SCIENCE AND RESEARCH

**LATEST INNOVATION IN INFANT MILK SUPPORTED BY SCIENCE PUBLISHED IN IMPACTFUL PEER-REVIEWED SCIENTIFIC JOURNALS**

**108 SCIENTIFIC PUBLICATIONS IN PEER-REVIEWED JOURNALS**

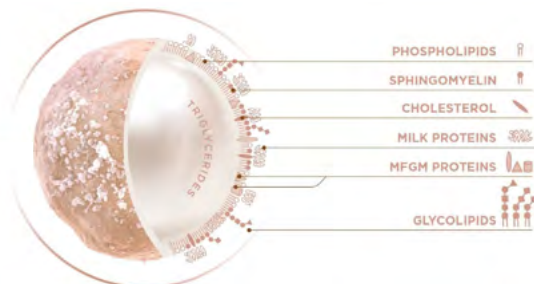


The American Journal of **CLINICAL NUTRITION**

journal homepage: <https://ajcn.nutrition.org/>

Original Research Article

Infant Milk Formula with Large, Milk Phospholipid-coated Lipid Droplets Enriched in Dairy Lipids Affects Body Mass Index Trajectories and Blood Pressure at School Age: Follow-up of a Randomized Controlled Trial



[CLICK HERE](#)

## 2023 HIGHLIGHTS PEOPLE PROVIDED WITH ACCESS TO

DANONE communities



**SAFE DRINKING WATER**

PROVIDED TO **12,7M<sup>(7)</sup> PEOPLE**

In March 2023, Danone launched the **WAAF (Water Access Acceleration Fun)**. The Group has invested with partners in the WAAF, a fund dedicated to access to safe drinking water, with the first investment in Rite Water Solutions in India, already impacting **2.4M people.**

ACCESS TO SAFE DRINKING WATER

ACCESS TO HEALTHY NUTRITION



**NUTRITIOUS FOOD**

PROVIDED TO **600K PEOPLE**

In France, Danone worked with the **Programme Malin**, to ensure more than **150,000 children** from vulnerable families have access to proper baby nutrition

## RAISING THE BAR ON RESPONSIBLE MARKETING TO CHILDREN BY ENHANCING THE POLICY IN 3 AREAS:

- **Using the Health Star Rating (HSR)<sup>(1)</sup> system** to determine which products can be advertised to children
- **Including restrictions** applying to children below the age of 16
- **A tighter audience threshold restricting marketing to children** (25% vs 30% in previous policy)



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## KEY PUBLICATION

Danone's first **Health Journey Report**, presents how health is embedded throughout Danone, its health-related activities, its nutritional and health commitments, the governance and external recognitions received

Danone released its **Affordability and Accessibility** approach as part of its actions to offer healthy food and drinks that are safe and accessible, whether physically or in terms of price.

**Reaching as Many People as Possible:**  
Our efforts to make healthy products affordable and accessible

[CLICK HERE](#)

# CLIMATE AND REGENERATIVE AGRICULTURE

## PRESERVE & REGENERATE NATURE

SOCIÉTÉ À MISSION | SOCIÉTÉ À MISSION INDICATOR | KPI INCLUDED IN THE IMPACT JOURNEY

PERFORMANCE	2023 Emissions (KtCO <sub>2</sub> e)	% of SBTi scope <sup>(1)</sup>	2023 vs 2022 excl. EDP Russia	2023 vs 2020 baseline excl. EDP Russia	2030 target vs 2020 baseline excl. EDP Russia
<b>GREENHOUSE GAS EMISSIONS</b>					
Scope 1 & 2 <sup>(2)</sup>	828	4%	-4.7%	-20.7%	-46.3%
Scope 3 Forest, Land, Agriculture (FLAG)	13,103	65%	+0.1%	-5.5%	-30.3%
Scope 3 non-FLAG	6,351	31%	-10.2%	-9.4%	-42.0%
Total on SBT scope <sup>(4)</sup>	20,283	100%	-3.6%	-7.5%	-34.8% <sup>(3)</sup>
Methane (included in FLAG target)	3,548	-	+1.5%*	-13.3%	-30.0%

\*excluding exceptional cases, farm performance achieved on methane reduction was -1%. **Methane emissions action plans are in place to meet the Danone Methane Pledge by 2030.** Between 2020 and 2023 Danone continued to measure the effects of its plan to reach its Methane Pledge by 2030, including in the following countries:

- in the **United States**, from accelerating manure projects thanks to access to the **USDA Climate Smart Commodities Grant**;
- in **Brazil**, with action plans to improve the herd management, diet and genetics through the **Educampo Program**;
- in **Belgium**, with piloting feed additives, which **reduced enteric fermentation related emissions**;
- in **Algeria**, thanks to small-holder projects to **improve milk yield through farm management training**.

Please see further details in Methane emission reduction plans in the Universal Registration Document.



One of the only 10 'Triple A' companies worldwide out of the nearly 21,000 companies scored, including a 'Triple A' rating for CDP Forests (Palm, Paper and Soy)

### 2023 HIGHLIGHTS

### RENEWED FOREST POLICY

Our commitment to tackling deforestation, conversion and land degradation

CLICK HERE

Using 2022 sourcing data, Danone has achieved **84% of verified Deforestation & Conversion-Free direct sourcing** for commodities in scope of the Group's Forest Policy and **aims to achieve 100% by 2025.**

## PIONEER REGENERATIVE AGRICULTURE

In France, **Les 2 Pieds Sur Terre Project** aims to support dairy farmers to reduce their carbon footprint and regenerate soil:

**53%** OF FRENCH DAIRY FARMERS supplying Danone France in 2023 have conducted a comprehensive evaluation of their soil's regenerative practices.

**10%** REDUCTION IN GREENHOUSE GAS EMISSIONS in kg CO<sub>2</sub> eq. per liter of milk sourced in France between 2016 and 2022.



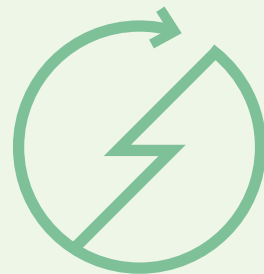
### SCOPE 1 & 2

#### REFUEL DANONE



Danone's ReFuel program saw **-20.7%** scope 1 & 2 reduction vs 2020 baseline thanks to energy efficiency programs and renewable transition.

### 2023 PERFORMANCE



**71.8%** RENEWABLE ELECTRICITY (vs. 70.5% in 2022)

### 2023 HIGHLIGHTS



Total renewable energy use (thermal and electricity) rose to **34.3%** (vs. 31.7%) thanks to renewable electricity sourcing in India and Thailand as well as new Biomass boilers notably in New Zealand and Morocco (pictured).

## DANONE CLIMATE TRANSITION PLAN

DANONE'S JOURNEY TOWARDS NET-ZERO, UNITING PERFORMANCE AND SUSTAINABILITY

December 2023

CLICK HERE

## 2023 CLIMATE TRANSITION PLAN

**Danone Climate Transition Plan** presents 8 programs on how the Group plans to reach its near-term **1,5°C Science-Based Targets (SBT) by 2030** and the levers towards Net-Zero by 2050. Danone submitted updated near-term and Net-Zero targets to the Science-Based Targets initiative (SBTi) in November 2023.



# CIRCULAR ECONOMY, FOOD WASTE AND WATER PRESERVATION

## PRESERVE & REGENERATE NATURE

SOCIÉTÉ À MISSION | SOCIÉTÉ À MISSION INDICATOR | KPI INCLUDED IN THE IMPACT JOURNEY

PERFORMANCE		2022 excl. Russia	2023	2030 TARGET
<b>CIRCULAR ECONOMY</b>				
% of packaging reusable, recyclable, compostable		85%	84%	100%
% of recovered plastic put on the market		57%	58%	100% by 2040
% Evolution of the use of virgin fossil-based packaging vs 2020 baseline		+6%	-3%	-30%
<b>FOOD WASTE</b>				
Reduction in the total quantity of food waste per metric ton of product sold, excluding waste intended for animal feed and the processing of biomaterials – SDG 12.3, since 2020 (like-for-like basis)		14.2%	19.8%	50%
<b>WATER STEWARDSHIP</b>				
% of production sites having implemented water 4R approach (reduce, reuse, recycle, or reclaim)		85.6%	94.8%	100%
% of total water intake of operational sites located in high water stress watersheds under preservation and/or restoration plans		45%	53%	100%



In line with the UN SDG 12.3 **Danone committed to a #123pledge to drive breakthrough results in operations to halve food waste by 2030**, lead the transition to 'best before date' wherever possible whilst educating consumers, and join forces to optimize food redistribution. **Danone joined the World Resource Institute panel at UN Climate Week** in New York and attended a panel with the Global Foodbanking Network at COP28 **exploring the role of policy in food redistribution.**



**The Battle Against Waste** program saw **-19.8%** food waste ratio reduction 2023 (vs 2020 baseline) through **expert waste assessments** identifying key losses. The Battle Against Waste toolkit (a selection of **proven best practices**) is then reviewed to identify which practices can be scaled.

## WATER PRESERVATION 2023 HIGHLIGHTS



In 2023, Danone Aqua in partnership with SNV and Reconsavi Bhumi, and Danone ecosystem support has started the **Pahala project** in **West Java** (Indonesia). It had implemented actions on **local governance** and set up **agroforestry** with farmers around **7 factories**.

In October 2023, a new **Reclaim unit** started in dairy factory of **Mount Crawford (USA)**. It has been designed to produce up to **200 million liters of reclaim water**. In 2023, it achieved:

**7M LITERS PRODUCED** by reclaim system in two months

**10% PLANT WATER INTAKE REDUCTION** by reclaim system and other water saving actions over 2023

**8% PLANT WATER DISCHARGED REDUCTION**

by reclaim system and other water saving actions over 2023



compared to 2022 without reclaim

## CIRCULAR ECONOMY



Danone joined the **Circulate Capital initiative for Latin America and the Caribbean** and committed an additional **\$15 million** to combat plastic pollution and scale the recycling value chain in the region, in particular in Mexico and Brazil



**Actimel** took off its label for better recycling: brand name, vitamins and allergens are directly embossed on the bottle, making it **99% recyclable**



# EMPOWER PEOPLE

## THRIVING PEOPLE & COMMUNITIES

**68%**  
employees

are covered by the B'Corp certification, refer to the B Corp focus for B Corp progress



**SOCIÉTÉ À MISSION** SOCIÉTÉ À MISSION INDICATOR | **KPI INCLUDED IN THE IMPACT JOURNEY**

PERFORMANCE	2022	2023	TARGET
<b>GENDER BALANCE</b>			
Gender balance in senior manager position (executives and directors)	42%	43%	Achieve gender balance in management globally by 2030
Gender pay gap ratio	3.2 pts	2.1 pts	Drive equity and close gender pay gap by 2025
<b>CULTURE</b>			
Inclusion Index in the Danone People Survey <sup>(a)</sup>	86%	79% +2 pts above peers	Maintain above peers
Employees covered by Dan'Cares <sup>(b)</sup>	96%	98%	All employees by 2030

### INCLUSION & DIVERSITY 2023 HIGHLIGHTS



Danone was audited by Bureau Veritas and lands 5/5 at the GEEIS label. Moreover, the Group is listed among the **top 100 companies** for **gender equality by the Equileap Gender Equality Global Report & Ranking...**

... and is listed by **Forbes World's Top Companies for Women** and by **Financial Times as Diversity Leaders** as well as **Bloomberg**.



### SUPPORTING WOMEN IN OPERATIONS IN MEXICO

Since 2018, Danone in Mexico designed and homologated a program to **increase the number of women in preseller, warehouse and factories fields**. Achievements in 2023:

**20%**  
women  
warehouse  
+600 BP vs 2022

**22%**  
women  
presellers  
+100 BP vs 2022

**30.3%**  
women  
FLD\*  
\*FLD: First Line Danoners

**23%**  
women workers  
in Danone's  
factories  
+500 BP vs 2022

**38%**  
women staff &  
supervisors in  
Danone's factories  
+1200 BP vs 2022

Danone is committed to **supporting employees who need to acquire new skills**. The Group worked with the International Union of Food Workers (IUF) to develop an innovative approach called FutureSkills, which aims to better prepare employees who need new skills for the jobs of tomorrow (see the common statement by Danone and the IUF signed in 2020, available on Danone's corporate website). **FutureSkills aims to allow Danone's**

**employees to have the opportunity and the time to develop new skills** that can facilitate internal repositioning within Danone but can also be of value and practical assistance in the broader job market. In 2023, **100% of Danone entities with eligible people have proposed FutureSkills** to employees and/or their representatives and **93% of beneficiaries of FutureSkills have secured their transition to a job of the future**, internally or externally.



Danone signed the **Working with Cancer pledge** in March 2023. The Pledge aims to **abolish any stigma and insecurity** for people diagnosed with cancer in the workplace, and to **provide a more open, supportive, and recovery-oriented culture**. The first initiative of this framework is

to provide a **"job safety net"** to all Danone employees worldwide affected by cancer and/or a critical illness, providing **protection of 100% of salary and benefits** for a minimum period of 12 months, with a guarantee to return to work at the same level and pay after this period by 1st January 2026.



**Making Danoners feel empowered and engaged, as measured by Danone People Survey:** action plans from DPS are being developed by Topic Owners and Local teams and implemented at global, local and functional level. Light DPS is launched to track progress with a minimum participation of 80%.

### 2023 MILESTONES

- **91% participation rate**, highest in past 6 years,
- **84% engagement score** (same as FMCG) with the former WTW methodology,
- **79% engagement score** (+8 pts vs FMCG) with the new Qualtrics methodology,
- **Highest scores (>80%)** in areas such as Sustainability, My Manager, Danone Ethics Line



**In 2023, Danone's revisited Culture elements deployment with different toolkits and content to create the awareness and equip teams:** face to face training for Executives and Directors, Communication assets & Toolkits displayed in all the Countries, embedding the behaviors as part of some key HR processes. More than 90% of Exec & Directors have been trained through the face to face format. The Group also launched a Culture e-learning with 51% participation rate and a Team leaders workshops to drive Behaviors conversations and action plans at team level.



**In 2023, Danone launched BeWell, a program designed to support all Danoners to be at their healthiest.** The program is built around three key action areas: nutrition, mental wellness, and physical well-being. The objective is to improve the work environment and individual wellbeing, generating a greater awareness of the importance of a healthy lifestyle to improve the quality of life. A commitment to people recognized by Intrama, a leading human resources consulting firm, for its health and wellness policies.

# SUSTAINABLE SOURCING AND HUMAN RIGHTS

## THRIVING PEOPLE & COMMUNITIES

SOCIÉTÉ À MISSION | SOCIÉTÉ À MISSION INDICATOR | KPI INCLUDED IN THE IMPACT JOURNEY

### PERFORMANCE

	2022	2023	TARGET
<b>RESPECT</b>			
% of Danone's expenditure covered by the RESPECT program (responsible sourcing excluding raw milk, real estate and tax services)	-	69%*	-
% of planned Sedex Members Ethical Trade Audit (SMETA) audits completed	83%	77%	-
% of audits that identified critical non-conformities closed in the expected timeline defined by the auditor	91%	84%	-
<b>SOCIAL CONTRACT</b>			
% of employees trained on Danone Human Rights policy***	-	6.5%	100% by 2025**
% of suppliers aware of Danone Sustainable Sourcing Policy		Validated in October 2023 Launched in 2024	100% by 2030

\*excepting raw milk, real estate and tax services

\*\*enabling due diligence

\*\*\* change of methodology versus previous years to ensure we take into account that a same person may have taken the training several times

### NEW 2023 HUMAN RIGHTS POLICY

Danone is committed to respect and strengthen Human Rights in the value chain. The Group's approach for implementing Due Diligence is fully in accordance with the UN Guiding Principles

**100% EMPLOYEES TRAINED** on the new Danone HUMAN RIGHTS POLICY by 2025



### 2023 HIGHLIGHTS



#### COCOA

**75-80%**

CERTIFIED WITHIN ONE OR MORE PROGRAMS (RAINFOREST ALLIANCE, ORGANIC, FAIR TRADE, FAIR FOR LIFE)



#### FRUIT

**100%**

OF DANONE'S FRUIT SUPPLIES WERE TRACEABLE UP TO THE GROUP'S TIER 2 SUPPLIERS



#### PALM OIL

**97%**

CERTIFIED RSPO SEGREGATED OR MASS BALANCE

**99.3%**

TRACEABILITY TO PLANTATION

**99.8%**

TRACEABILITY TO MILL



### ALPRO'S SOY IS 100% PROTERRA CERTIFIED

which ensures that high quality supplies of crops, food, and feed, that are independently certified as Non-GMO and produced with improved sustainability, are available in the market.



### THE MADRE TIERRA PROJECT IN MEXICO

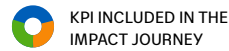
enables smallholder farmers to produce **strawberries in compliance with sustainable standards** regarding soil, water management and biodiversity preservation, while reaching **high social standards** to secure farmers livelihood. With the use of a regenerative agriculture technique and the elimination of intermediaries to sell their product, strawberry growers in Maravatío, Michoacán, have avoided drought and have increased their income by up to 37%.



Initially, the Madre Tierra program covered 6 producers and a harvest of 400 tons, while at the end of 2023 there were already a total of **155 participating** producers with a crop of more than **3,200 tons** of strawberries and **water savings up to 36%**.



# B CORP PROGRESS



KPI INCLUDED IN THE IMPACT JOURNEY

PERFORMANCE	2022	2023
% of Danone global sales covered by B CORP™ certification	74.2%	82.5%
% of Danone employees covered by B CORP™ certification	60.3%	68%

A key milestone achieved in 2023 towards Danone's ambition to be fully certified globally in 2025

## PARTNERED WITH OTHER B CORP TO STRENGTHEN THE COMMUNITY

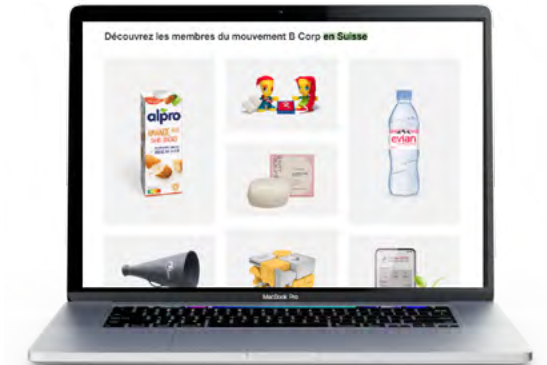
2023 HIGHLIGHTS



Il y a plus de 280 entreprises certifiées B Corp actives en Suisse!

**Nous avons un Plan B.**

Notre climat est en crise et la biodiversité en déclin. Si nous tenons au bien-être de notre planète et de ses habitant-e-s, il est clair que nous ne pouvons plus pratiquer le «business as usual». Il nous faut donc un plan B, une autre manière de fonctionner. Faire des affaires sans prioriser uniquement le profit.



### DANONE SWITZERLAND (WITH BRANDS EVIAN AND ALPRO)

Collaborated with B Lab Switzerland and partnered with other B Corps to increase exposure and brand awareness with the 1st nationwide campaign about B Corp

[LEARN MORE HERE](#)

### SOME OF DANONE'S ENTITIES THAT ACHIEVED B CORP CERTIFICATION IN 2023



#### Danone Central Eastern Europe Region

(Romania, Bulgaria, Hungary, Czech Republic and Slovakia – earned the highest score in 2023)



EDP Argentina



SN India

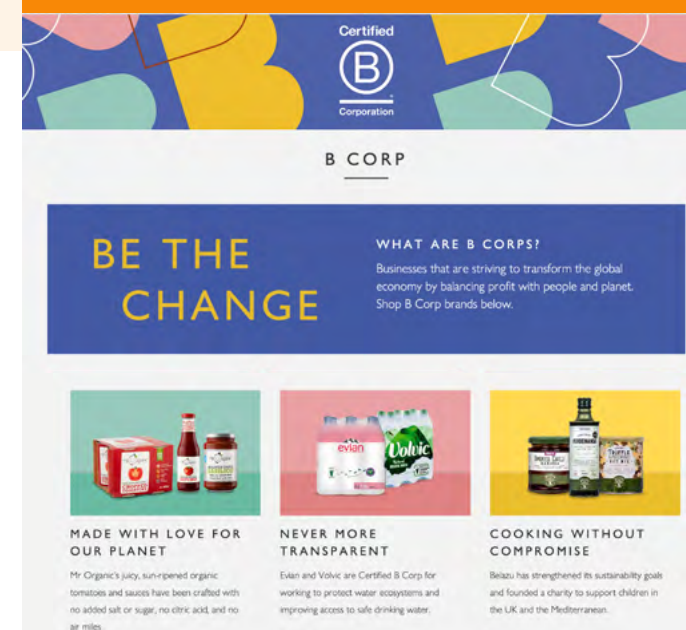
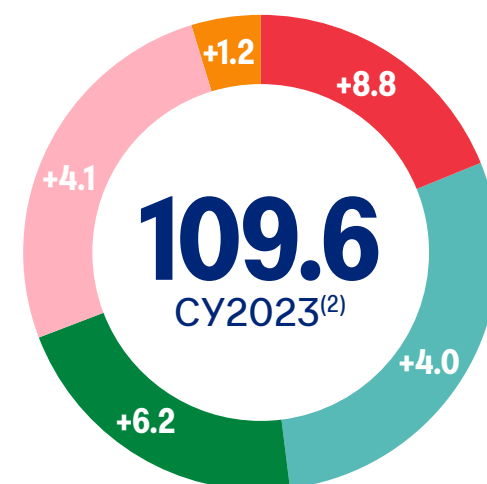
### RECERTIFIED CBUS ARE CONSTANTLY IMPROVING THEIR SCORE

#### DANONE JAPAN BIA<sup>(1)</sup> SCORE PERFORMANCE

- GOVERNANCE
- WORKERS
- ENVIRONMENT
- COMMUNITY
- CUSTOMERS



+24.3  
pts.



## ENGAGED WITH RETAILERS TO ATTRACT CONSUMERS, EDUCATE AND BUILD AWARENESS

E.G., WAITROSE & PARTNERS SUPPORTED THE GROWING COMMUNITY OF B CORPS BY DISPLAYING B CORP PRODUCTS IN STORE AND ONLINE!



# DANONE'S ENGAGEMENT WITH AND THROUGH ITS ECOSYSTEM OF PARTNERS

## 2030 ROADMAP



Support & engagement



Supply chain transparency



Collaborative partnerships



Supplier selection



Climate actions into contracts

## ENGAGING OUR VALUE CHAIN IS KEY TO OUR DECARBONIZATION JOURNEY.

We recognize that our suppliers play a pivotal role in our Climate Transition Plan, with **more than 50% of our 1.5°C emissions reduction contingent upon their capacity to reduce their GHG emissions.** We are dedicated to fostering sustainable, inclusive growth with our suppliers through collaborative partnerships that benefit both parties.

**TRANSPARENCY, COLLABORATION AND A CONTINUOUS IMPROVEMENT MINDSET ARE THE CORNERSTONES OF OUR SUPPLIER ENGAGEMENT STRATEGY.**

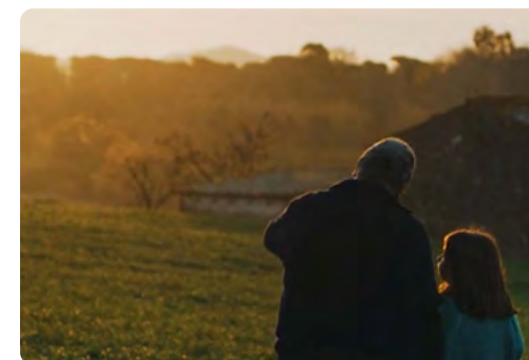
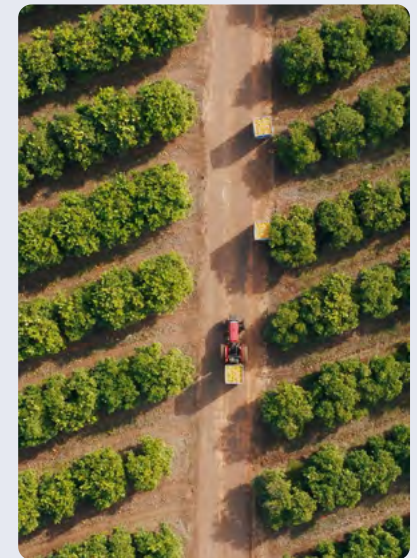


- Danone is implementing decarbonization plans in collaboration with dairy ingredient suppliers,** integrating decarbonization targets into contracts, co-developing decarbonization strategies with the dairy sector and investing in practical, on-the-ground projects. Between 2017 and 2023, Danone's collaboration with its supplier Royal Friesland Campina allowed for a reduction of 22% in emissions generated by their ingredients. Also, since launching the Sustainable Dairy Partnership (SDP) in 2021 with the Sustainable Agriculture Initiative (SAI) Platform, over 74% of Danone's dairy ingredients suppliers (by volume) have joined the SDP. Nearly half of these members have already set concrete sustainability goals and plans.



- In 2021, Danone worked with the Livelihoods Fund for Family Farming (L3F) to launch a ten-year project to help 2,500 smallholder palm oil farmers achieve a sustainable transition in Sumatra, Indonesia.** The project aims to build a transparent and deforestation-free supply chain thanks to locally adapted agroforestry models, regenerative agriculture and biodiversity enhancement. Collectively, the project will help regenerate 8,000 hectares of palm farms in degrading land areas, while restoring an additional 3,500 hectares of local biodiversity over ten years. This is delivered through a partnership between Danone, Mars and L'Oréal and is implemented locally by Musim Mas (lead processor of palm oil) and SNV (entrusted project implementer working closely with palm oil smallholders).

- In line with its operational objective to make agriculture a solution, Danone reviewed the scope of its 2025 target to source 30% of key ingredients directly from farms that have begun to transition to regenerative agriculture.** The new, more ambitious, scope is more inclusive of key agriculture raw materials, for example, now encompassing oat, strawberries, and sugar beet (France), and covers fresh milk collected from farms across Danone's whole business. Danone made steady progress and met its 2023 milestones on regenerative agriculture, deploying a tool to monitor sourcing for farms in priority regions including Latin America, Europe, North America and Africa, and across priority ingredients including milk, fruits, soy, almond and oat, among others. Through these efforts, and continued support and partnerships with farmers, 38% of key ingredients sourced directly by Danone in 2023 came from farms that have begun to transition to regenerative agriculture.



- Danone is committed to working with farmers and key partners to build agricultural models that respect natural resources and foster animal welfare, acknowledging that animals are sentient beings.** In 2023, Danone assessed animal welfare for 91% of its fresh milk volume produced via the Group's animal welfare audit. Danone carried out over 3,000 cumulative audits at farm level, scoring farms on a scale of 0-100 points. In 2023, the average score was 70 points. Danone regularly reports its progress on its animal welfare commitments, with the most recent progress report shared in 2023.



# EXTERNAL RECOGNITION

MOODY'S  
ANALYTICS

**75/100**

UPDATED IN JULY 2023

SUSTAINALYTICS

**17.8**

**Sector Leader  
Low Risk Profile**

UPDATED IN DECEMBER 2023

EQUILEAP  
MAKE A DIFFERENCE AND A RETURN

**TOP 100**

**Companies for  
gender equality**

UPDATED IN DECEMBER 2023

Corporate ESG  
Performance  
RATED BY  
ISS ESG  
Prime

**B-**

**"Prime" status Among  
the industry leaders**

UPDATED IN JANUARY 2024

MSCI  
ESG RATINGS  
AA  
CCC B BB BBB A AA AAA

**AAA<sup>(1)</sup>**

UPDATED IN JANUARY 2024



FTSE4Good

**Part of the FTSE4Good  
Index Series (Sustained)**

UPDATED IN JULY 2023

ACCESS TO  
NUTRITION  
INITIATIVE

AMONG  
**TOP 5**

PERFORMING FOOD  
COMPANIES

**#1** in Product  
Profile

GLOBAL INDEX 2021 EDITION

CDP  
A LIST  
2023  
CLIMATE FORESTS WATER

**AAA**

LEADERSHIP LEVEL  
**5TH**  
year in a row | ONE OF THE ONLY 10  
COMPANIES WITH  
**AAA**  
SCORE

UPDATED IN FEBRUARY 2024

World  
Benchmarking  
Alliance

**60/100**

**#3** in the Food &  
Agriculture  
Benchmark | **#1** in the FBA  
Environment  
Pillar

UPDATED IN SEPTEMBER 2023



PART OF THE BLOOMBERG  
GENDER-EQUALITY INDEX

**5TH YEAR  
IN A ROW**

UPDATED IN JANUARY 2023

[FOR MORE INFORMATION, CLICK HERE](#)

<sup>(1)</sup>THE USE BY DANONE OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF DANONE BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI

# METHODOLOGY NOTES

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For more information on Danone's 2023 extra-financial data and their methodology precisions please refer to the 2023 Universal Registration Document, [click here](#)

## HEALTH FOCUSED PRODUCT PORTFOLIO

- (1) The Health Star Rating system assesses the overall nutritional profile of packaged food and assigns it a rating from ½ a star to 5 stars. It provides a quick, easy, standard way to compare similar packaged foods. The more stars, the healthier the choice. Foods with a HSR of  $\geq 3.5$  can be confidently promoted in public settings as healthier choices.
- (2) Volumes sold in healthy categories correspond to: Dairy and Plant-based products intended for daily consumption, Specialized Nutrition Category products (except biscuits and beverages for children under 3 years of age and foods for children over 3 years of age in the early life nutrition activities), all plain and flavored water varieties with 0% sugar
- (3) This percentage is calculated for all product categories in the Essential Dairy and Plant-Based, Waters and Specialized Nutrition Categories. Medical nutrition products are excluded. The products included in this indicator are those whose added sugar content is less or equal to 0.5 grams
- (4) This percentage is calculated on for the categories Essential Dairy and Plant- Based Business and Aquadrinks. It excludes countries where regulations prohibit the publication of this information;
- (5) In 2023, 92 entities representing 94.5% of consolidated sales reported health and nutrition indicators (90% in 2022)
- (6) Except organic
- (7) Impact from the social businesses supported or which have been supported

## NATURE

- (1) In terms of reporting entities, the SBT scope of the reporting year is identical to the greenhouse gas emissions Scope. In terms of emission categories, the SBT scope does not include:
  - *The indirect emissions linked to the use of sold products at home by consumers, that are included in the Greenhouse Gas Emissions scope.*
  - *The emissions linked to the storage in retailers' distribution centers and retailers' stores, that are included in the Greenhouse Gas Emissions scope and were reported in the use of sold products category until 2022, and are reported in the downstream transportation and distribution emission category from 2023 to increase compliance with the GHG Protocol.*
- (2) Energy and industrial
- (3) Danone GHG inventory of French Dairy Framers, excluding use of sold products at home by consumers, and storage by retailers
- (4) Not an official target, calculation from above-mentioned targets assuming constant mix

## B CORP AMBITION

- (1) B Impact Assessment is a digital tool that can help measure, manage, and improve positive impact performance for environment, communities, customers, suppliers, employees, and shareholders; receiving a minimum verified score of 80 points on the assessment is also the first step towards B Corp Certification: B Impact Assessment ([bcorporation.net](https://www.bcorporation.net))
- (2) CY: Certification Year



# LEARN MORE:



**DANONE 2023 UNIVERSAL REGISTRATION DOCUMENT**



**DANONE 2023 ANNUAL INTEGRATED REPORT**



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[@Danone](https://twitter.com/Danone)



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