

# Danone animal welfare commitments & Full year 2022 progress report

# Management Commitment and Policy (Q1 – Q15) \*

### Danone acknowledges farm animal welfare as a business issue.

Danone is committed to working with farmers and other partners to co-build agricultural models that respect natural resources and foster animal welfare, as Danone acknowledges that animals are sentient beings. Our aim is to achieve better conditions for all animals species either directly in or indirectly implicated in our supply chain. This is the reason why animal welfare is one of the 3 key pillars in the <u>Danone Regenerative Agriculture strategy</u>.<sup>1</sup>

## Danone has a clear scope on animal welfare.

Our animal welfare approach, developed in cooperation with Compassion in World Farming (CIWF) and other animal welfare specialists, is based on the internationally recognized Five Freedoms established by the Farm Animal Welfare Council. We are working to ensure these freedoms are upheld globally, in all countries applicable, for all species relevant to Danone: dairy cows for fresh milk, poultry (laying hens, broiler, turkey), lamb, beef cows, ducks, veal, pigs, rabbits and fish (incl. finfish), across our supply chain.

The Five Freedoms call for management and housing of animals to respect the following needs:

- Freedom from hunger and thirst by ready access to fresh quality water and a diet that maintains full health and vigor.
- Freedom from discomfort by an appropriate environment, including shelter and comfortable resting areas.
- Freedom from pain, injury and disease by prevention or rapid diagnosis and treatment.
- Freedom to express normal behavior, by providing sufficient space, proper facilities and company of the animals' own kind.
- Freedom from fear and distress by ensuring conditions and care that avoid mental suffering.

Upholding the Five Freedoms means working to ensure that farming practices in our supply chain:

- Provide appropriate housing environments and avoid closed confinement (e.g. cages for hens and rabbits);
- Provide regular access to food and water, in both quantity and quality;
- Promote responsible use of antibiotics (avoidance for prophylaxis); and
- Monitor and improve key health and behavioral welfare outcomes.

Danone is committed to publicly reporting on our progress and performance, on an annual basis.

# Reliance on animal-sourced foods as a business issue (Q12\*)

Danone is a leader among food companies in promoting sustainable and healthier diets to consumers. A diverse and balanced diet helps meet more than just nutritional needs. Dietary patterns that help both the planet and people to thrive are becoming more and more popular in some countries: they are plant-rich, diverse, and flexible enough to suit people's needs, preferences and cultures, reflecting their health and environmental priorities. Flexitarianism is one sustainable diet option. It involves plenty of plant-based foods – such as fruits & vegetables, legumes, whole grains and nuts – and a moderate intake of animal products, with a recognized place for high-quality nutritious dairy. Danone's mission is to bring health through

<sup>&</sup>lt;sup>1</sup> Our Regenerative Agriculture framework is structured around three pillars: 1) the preservation of soil health, water resources and of biodiversity; 2) animal Welfare; and 3) supporting farmers in the transition towards regenerative agriculture practices.

food to as many people as possible, and we are working to deliver on this mission by offering consumers products suitable for flexitarian and plant-rich diets.

Expansion of plant-based business (especially beyond Europe and US) was identified as a key component of Danone's Renew strategy, designed to reconnect our business with a sustainable, profitable growth model.

#### Danone is supporting flexitarian diets, offering consumers the best of both animal- and plant-based foods. (Q13\*) (Q14\*)

Danone supports the diversification of diets, including flexitarian diets with plant-based foods (fruits, vegetables, legumes, grains, nuts and seeds) and animal-based products in a balanced approach. Danone is the leader worldwide for plant-based foods, with brands such Alpro, Provamel and Silk, as well as the leader worldwide in fresh dairy products. Our portfolio of products includes numerous plant-based offers including drinkable soy and oatproducts, or yogurt alternatives, all of which are key sources of proteins and vitamins. We are also innovating to bring plant-based offers to consumers across a wide variety of products including <u>baby formula</u> and high-protein yogurt alternatives (e.g. YoPRO plant-based). We aim to provide consumers with a range of offers suited to their needs, culture and preferences, and to support the adoption of healthier eating habits in line with planetary boundaries.

#### Danone has assigned day-to-day and board and senior management responsible for animal welfare (Q15\*) (Q16\*)

Overall responsibility for animal welfare sits within the Global Cycles & Procurement team led by the Global Chief Cycles & Procurement Officer (Jean Yves Krummenacher), reporting to the Global Chief Operations Officer (Vikram Agarwal), with a dotted line to the Chief Sustainability & Strategic Business Development Officer (Henri Bruxelles), both of whom report directly to the Global CEO of Danone (Antoine de Saint-Affrique).

Danone has both global and local teams working together to ensure delivery of animal welfare standards and commitments. Cycles & Procurement (C&P) at Danone has a global team that is fully dedicated to responsible sourcing, including animal welfare. At the local level, we have appointed dedicated teams in every country where we source fresh milk, who are responsible for overseeing audits, technical support, and animal welfare. These teams work closely with our milk sourcing directors, who support farmers on a daily basis to improve all aspects of farming, including animal welfare.

All Danone employees and external assessors working on animal welfare receive dedicated training. The on-farm animal welfare assessors are trained by Phylum, which is also responsible for the animal welfare assessment tool. For farmer training, we leverage the knowledge and expertise of local experts such as VetVice or CowSignals.

In the event that the assessment tool detects farmer non-compliance with our animal welfare policy for dairy, the farmer is asked to put a corrective action plan into place. The farm is then re-assessed as soon as practically possible. If it is still not compliant after 2 re-assessments, collection from the farm in question is suspended.

#### Danone publishes an overarching farm animal policy

Danone is committed to transparency for animal welfare commitments and performance. Danone published an Animal Welfare Position Paper in 2016 and publishes updated commitments and progress on an annual basis. Based on these disclosures, Danone is proud to have been awarded Tier 2 status in the Business Benchmark on Farm Animal Welfare

(BBFAW), an independent report, in 2018, 2019, 2020 and 2021. In 2022, the BBFAW benchmark was substantially modified. As a consequence, we are working to strengthen our animal welfare practices and to report on our progress.

Please check the "Summary of Commitments on Animal Welfare" below for commitments and progress on all relevant species (dairy cows, beef cows, duck, veal, lamb, poultry, laying hens, pigs, rabbits and (fin)fish) based on the total volumes in Danone's global supply chain.

# Danone implements its animal welfare policy throughout the supply chain and ensures that these are effectively implemented and regularly audited (Q17\*)

Animal Welfare is integrated in all supplier contracts for relevant species, products, and in all geographies. Farm animal welfare forms an integral part of the requirements we place on our Dairy and Specialized Nutrition suppliers of fresh milk, meat, poultry, fish, egg and dairy products, and is systematically integrated into contractual obligations for suppliers (i.e. cage-free requirements for egg and rabbit suppliers, no castration for our pig suppliers, pre-slaughter stunning, etc.).

All meat and dairy suppliers are audited on average every 2 years on quality and animal welfare criteria by our Supplier Quality Manager. Any new animal welfare standards adopted by Danone is added to product specifications (in addition to previously adopted standards and commitments). These are contractual documents, where breach of compliancy means breach of contract.

Animal welfare standards are also communicated to consumers through our brands (see Les 2 Vaches, Bledina and Danone Spain milk websites for examples), and farmers are trained on animal welfare.

Since 2014, Danone SN Europe has been implementing a welfare improvement plan, focused on indoor reared species. The key criteria developed and implemented with suppliers are the following:

- Provide good housing conditions.
- Provide enrichments that meet behavioral needs.

By tackling the above issues Danone SN aims to reduce the use of antibiotics and prevent mutilations (see detail by species below).

Since 2020, 100% of the meat and farmed fish we source must meet standards which are recognized by third parties specialized in farm animal welfare.

# Communication on animal welfare practices.

Danone is a leader in dairy and plant-based products and brands and aims to be one of the leading companies for animal welfare. All information in our animal welfare reporting is collected through the buyers and stakeholders involved in the animal welfare cycle. The reporting process is essential to achieving our animal welfare ambitions and commitments, through a process of continuous improvement. Outcomes are shared internally, with all relevant teams and leadership.

Danone's organic brand Horizon is actively communicating with its consumers about the importance of animal welfare as well as the actions taken by Danone to promote it. Additionally, Olvarit and Bledina brands are doing active communication on their animal welfare practices. Our plant-based brands are communicating to customers on the reduction of reliance of animal sourced foods via the websites of Alpro and Silk. (Q22\*).

# SUMMARY OF COMMITMENTS ON ANIMAL WELFARE

SPECIES	COMMITMENTS/	PROGRESS ACHEIVED BY 2022
	PRIORITIES	
Scope: Danone world		
	on, please see Detailed Commitme	
Universal across all relevant species, products, and geogra- phie (unless men- tioned otherwise).	End use of closed confinement (Q4*)	<ul> <li>Danone is committed to ending the use of closed confinement and will be phasing out close confinement and permanent tethering systems for all farm animals, including cages, stalls or crates.</li> <li>Danone excludes confinement practices such as: <ul> <li>Cages for laying hens, broilers, turkeys and rabbits;</li> <li>Crates for veal calves;</li> <li>Sows max 28 days per gestation in the farrowing crates.</li> </ul> </li> <li>We promote free stall barns, group housing, yards or pens for all species and avoid excessively high stocking densities for all relevant species mentioned, in all geographies and products applicable.</li> </ul> <li>2022: FFD closed confinement and permanent tethering are not allowed for our suppliers and farmers.</li> <li>By 2030: End close confinement and permanent tethering for all farm animals, including cages,</li>
	Provision on effective species- specific environmental enrich- ment ( <b>Q5*</b> )	crates or stalls. Danone is committed to ensuring the best housing conditions for all animals. As we respect the freedom to show natural behavior (one of the five freedoms of animal welfare), we ensure that we provide high quality, appropriate housing environments, both indoors and outdoors. As an example, we invested 50k Euro in EU and in the US on cow brushes in 2022. Danone requires from its suppliers the following conditions: • Straw bedding and toys for pigs:
		<ul> <li>Perches and pecking objects, manipulable materials (wood and lucerne) and free range for broilers;</li> <li>Hiding tubes for rabbits;</li> <li>Pasture access for lambs.</li> </ul> See species specific enrichments in the table "Commitments and progress per specie" below.
	End use of routine mutilations ( <b>Q6*/Q10*</b> )	<ul> <li>Danone is committed to eradicating the following on-farm mutilation practices:</li> <li>Fish fin clipping; in place.</li> <li>Beak trimming and tipping in our egg and chicken supply chain - since 2020;</li> <li>Pigs castration since 2020;</li> <li>Dairy and beef cows dehorning and tail docking - 99% of cows in 2021/2022, objective of 100% by 2025.</li> <li>No lamb castration: in place</li> <li>No branding with hot irons; in place</li> <li>Pig tail docking and teeth grinding by 2030;</li> </ul>
		Danone does not produce foie gras or associated products.

	Today, where certain practices are unavoidable within the industry (e.g., disbudding of calves),
	suppliers must utilize early intervention. Any procedures must be carried out by a trained and competent individual using the most humane techniques and recognized best practices with appropriate anesthesia and analgesia administered to minimize pain.
Reduction or avoidance of antibi- otics for prophylactic and routine metaphylactic use. ( <b>Q7*</b> ) Prohibited use of genetically mod-	We encourage the reduction of prophylactic use of antibiotics globally and encourage focusing on the prevention of disease, using antibiotics only when required. Danone restricts the use of antibiotics to medically critical situations and does not routinely use antibiotics for farm ani- mals in Europe.
ified cloned stock and of all growth promoting substances across all our livestock supply chains transformed in Danone's	Danone is working with suppliers to reduce the use of antibiotics and is testing alternative methods to strengthen immune systems. For instance, we worked with a chicken supplier to eliminate antibiotic use through lower density, vaccination, and the use of herbal treatments.
factories	<b>2019</b> : No use of routine antibiotics for 46% of chickens. <b>2020/2022</b> : No use of routine antibiotics for 100% of chickens.
	No livestock transformed in Danone's factories is allowed to originate from genetically modified or cloned stock. Our audits have shown that our suppliers, including dairy suppliers, are 100% compliant with this contract clause.
	The use of growth promoters is strictly prohibited across all our livestock supply chains trans- formed in Danone's factories. <b>2006</b> : Use of growth promoters banned from use in the European Union. <b>2020</b> : Danone 100% compliant in the EU.
	<ul> <li>2021/2022: Global Danone 100% compliant. For milk via the AW assessment and via contracts with suppliers.</li> <li>2026: Target to reach global commitment for all species in all geographies and in all Danone's factories.</li> </ul>
Ending long-distance live trans- portation ( <b>Q8*)</b>	Danone is committed to ending long distance live transport for all relevant species, limiting poultry and rabbits transport to maximum 4 hours and all other species to maximum 8 hours, and to securing the welfare of all species during live transport. Danone requires suppliers to adhere to these specifications and keep all live animal transport to a minimum and avoid transport longer than 8 hours.
	Animals should not be loaded, transported, or unloaded in a way likely to cause injury or undue suffering. Transport of live animals and all related operations must comply with relevant legis- lation.
	<b>2021/2022</b> : 100% of all live animal transportation is below limits with transport not longer than 4 hours for poultry and rabbits and less than 8 hours for all other species. ( <b>Q47*</b> )
Using humane methods of Pre- slaughter stunning ( <b>Q9*</b> )	Danone is committed to pre-slaughter stunning for all species* to ensure insensitivity to pain before being processed in North America, South America, Europe and Africa.
	<b>In 2022</b> , 100% of all species* (chicken, turkey, veal, farmed fish, dairy cows, beef cows, pigs and rabbits) were pre-stunned. This is audited. * Except for wild fish, where there are currently no viable pre-stunning alternatives.
	For poultry, we use controlled atmospheric stunning using inert gas or multi-phase systems, or effective electrical stunning without live inversion.

	For pigs, electric/CO2 pre-stunning is used. For cows, captive bolt/stick pre-stunning is used. For lambs, electric pre-stunning is used. Electrical pre-stunning is also used for all farmed salmon, seabass, seabream and trout.
Ending the use of other inhumane practices (Q11)	Since 2022, culling of day-old male chicks has been prohibited in Danone's French shell egg supply chain. Danone is banning live plucking or harvesting for geese and other inhumane prac- tices. For wild fish, there are currently no alternatives to the current method.

# DETAILED COMMITMENTS AND PROGRESS PER SPECIES

SPECIES	COMMITMENTS/ PRIORITIES	PROGRESS ACHE Scope is global								
Laying hens and eggs	100% cage free eggs, eggshells and egg ingre- dients across all relevant brands and products in	Our commitment is implivith Danone's cage free	emented in pledge.	100% of th	ne contracts	s relating to	eggs and e			
	all business units and in		2017	2018	2019	2020	2021	2022	7	
	all geographies by the end of 2020 ( <b>Q23*</b> )	Cage free laying hens (Q29*)	-	37%	83%	100%	100%	100%		
		Laying hens free from beak trimming or tip- ping. (Q30*)		100%	100%	100%	100%	100%		
Decileurit		AWARDS: 2017: CIWF Good Egg av 2018: CIWF Good Egg a	ward for Da	none comp	-					
Broiler chic- kens	Broiler chic- kens Achieving the require- ments of the Better Chicken commit- ment/European Chicken Commitment for broiler chickens as a minimum by 2026.	Danone is committed to 100% of the global chic In Europe (including Fran European Chicken Comm	ken supply a nitment incl n farms wit erch space aughterhous n breeds tha fare Assessi ted to endin	across all b udes the fo h lower sto and two pe ses. at demonst ment Proto g the use o	nrands. Illowing crit acking densi acking subst rate higher col. by end of high-perfor anone globa 2019	ty (30kg/n trates per 1 welfare out of 2026; ormance br I supply cha 0 20	n2), natural 000 birds) acomes and eeds in 202 ain. <b>020</b>	l light and e ) by end of 2 that meet t 26. <b>2021</b>	nrichments (at lea: 2023; he criteria of the R <b>2022</b>	st two
		Pre-slaughter stun-	-	-	53%	10	0%	100%	100%	
		ning Occurrenter					20/	0.00/	750/	-
		Gas stunning	-	-	-	60	)%	68%	75%	

		No beak trimming	100%	100%	100%	100%	100%	100%
		Enriched enviro		-	-	33%	80%	87%
		ment						
		Natural daylight	-	-	-	26%	99%	100%
		ECC approve breeds	d -	-	20%	7%	18%	18%
		Lower stock densi (30kg/m2)	<b>y</b> 9%	33%	70%	26%	60%	60%
		AWARDS: 2018: CIWF Good C						
Turkeys	100% turkey from farms	Table with animal w					0001	
	with natural light and en-		2018	2019	202	20	2021	2022
	richments (pecking ob- jects and platforms) by	Pre-slaughter stunning	-	-	-		100%	100%
	end of 2020.	Free from con- finement	-	-	8%		100%	100%
	Move to 100% higher	Daylight	-	-			100%	100%
	welfare systems (cage- free and enriched envi-	Enriched envi- ronment	-	-	13%	)	25%	100%
	ronment).	Lower stocking density					EU 34%	EU 35%
	100% turkey from farms with lower stocking den-	In 2021, 100% of th	e Turkevs from	France were I	ahel Rouge 1	his renreser	ited 18% of the	e global SN volumes
		In 2021, 100% of th	e Turkeys from	France were L	abel Rouge. 1	<sup>-</sup> his represer	ited 18% of the	e global SN volumes.
Pigs	with lower stocking den- sity and slower growing	<i>Good farming star</i> p • Commitment t • More space; • Enrichment ma • Restrictions of	ogram includes o eliminate ges aterial – e.g., sta a tail docking; stration - maxir	s: tation crates/s raw bedding ar num transport	ow stalls; (all nd toys; duration for p	owing max 4 biglets is 6 h	4 days after ins ours and for pi	semination) by 2025; gs 8 hours.
Pigs	<ul> <li>with lower stocking density and slower growing breeds by 2026.</li> <li>All suppliers with action plan in place to phase out tail docking &amp; teeth grinding by 2025.</li> <li>100% of the farms with enrichments- chewable and friable by 2025.</li> </ul>	<ul> <li>Good farming star p</li> <li>Commitment t</li> <li>More space;</li> <li>Enrichment mail</li> <li>Restrictions of</li> <li>No surgical car</li> </ul>	ogram includes o eliminate ges aterial – e.g., str tail docking; stration - maxir elfare measurer <b>2017</b>	s: tation crates/s raw bedding ar num transport	ow stalls; (all nd toys; duration for p ercentage of	owing max 4 biglets is 6 h Danone glob <b>2020</b>	4 days after ins ours and for pi al supply chain <b>2021</b>	semination) by 2025; gs 8 hours.
Pigs	with lower stocking den- sity and slower growing breeds by 2026. All suppliers with action plan in place to phase out tail docking & teeth grinding by 2025. 100% of the farms with enrichments- chewable	<ul> <li>Good farming star p</li> <li>Commitment t</li> <li>More space;</li> <li>Enrichment mail</li> <li>Restrictions of</li> <li>No surgical car</li> </ul>	ogram includes o eliminate ges aterial – e.g., str a tail docking; stration - maxir elfare measurer	s: tation crates/s raw bedding ar num transport <u>nents pigs in p</u>	ow stalls; (all nd toys; duration for p ercentage of	owing max 4 biglets is 6 h Danone glob <b>2020</b>	4 days after ins ours and for pi al supply chain	semination) by 2025; gs 8 hours.
Pigs	<ul> <li>with lower stocking density and slower growing breeds by 2026.</li> <li>All suppliers with action plan in place to phase out tail docking &amp; teeth grinding by 2025.</li> <li>100% of the farms with enrichments- chewable and friable by 2025.</li> </ul>	Good farming star p Commitment t More space; Enrichment main Restrictions of No surgical car Table with animal w	ogram includes o eliminate ges aterial – e.g., str tail docking; stration - maxir elfare measurer <b>2017</b>	s: tation crates/s raw bedding ar num transport nents pigs in p <b>2019</b>	ow stalls; (all nd toys; duration for p ercentage of	owing max 4 biglets is 6 h Danone glob <b>2020</b>	4 days after ins ours and for pi al supply chain <b>2021</b>	semination) by 2025; gs 8 hours. I. <b>2022</b>
Pigs	<ul> <li>with lower stocking density and slower growing breeds by 2026.</li> <li>All suppliers with action plan in place to phase out tail docking &amp; teeth grinding by 2025.</li> <li>100% of the farms with enrichments- chewable and friable by 2025.</li> <li>Phasing out and the gestation crates or sow</li> </ul>	Good farming star p Commitment t More space; Enrichment mains Restrictions of No surgical ca Table with animal w Pigs castration Good Farming Star No routine antibi-	ogram includes o eliminate ges aterial – e.g., sta a tail docking; stration - maxir elfare measurer <b>2017</b> 0%	s: tation crates/s raw bedding ar num transport <u>nents pigs in p</u> 2019 0%	ow stalls; (all nd toys; duration for p ercentage of 0 0%	owing max 4 biglets is 6 h Danone glob <b>2020</b> 6	4 days after ins ours and for pi al supply chain 2021 0%	semination) by 2025; gs 8 hours. I. 2022 0%
Pigs	<ul> <li>with lower stocking density and slower growing breeds by 2026.</li> <li>All suppliers with action plan in place to phase out tail docking &amp; teeth grinding by 2025.</li> <li>100% of the farms with enrichments- chewable and friable by 2025.</li> <li>Phasing out and the gestation crates or sow stalls by 2030 for all relevant brands and prod-</li> </ul>	Good farming star p Commitment t More space; Enrichment main Restrictions of No surgical car Table with animal w Pigs castration Good Farming Star	rogram includes o eliminate ges aterial – e.g., str a tail docking; stration - maxir elfare measurer 2017 0% 62%	s: tation crates/s raw bedding ar num transport nents pigs in p 2019 0% 38%	ow stalls; (all nd toys; duration for p ercentage of 0% 39%	owing max 4 biglets is 6 h Danone glob <b>2020</b> 6	4 days after ins ours and for pi al supply chain 2021 0% 65%	semination) by 2025; gs 8 hours. 0% 63%
Pigs	<ul> <li>with lower stocking density and slower growing breeds by 2026.</li> <li>All suppliers with action plan in place to phase out tail docking &amp; teeth grinding by 2025.</li> <li>100% of the farms with enrichments- chewable and friable by 2025.</li> <li>Phasing out and the gestation crates or sow stalls by 2030 for all relevant brands and products in all geographies</li> </ul>	Good farming star p Commitment t More space; Enrichment m Restrictions of No surgical ca Table with animal w Pigs castration Good Farming Star No routine antibi- otics	ogram includes o eliminate ges aterial – e.g., str i tail docking; stration - maxir elfare measurer 2017 0% 62% -	s: tation crates/s raw bedding ar num transport nents pigs in p 2019 0% 38% 100%	ow stalls; (all nd toys; duration for p ercentage of 0% 39% 100	owing max 4 biglets is 6 h Danone glob <b>2020</b> 6	4 days after ins ours and for pi al supply chain 2021 0% 65% 100%	semination) by 2025; gs 8 hours. I. 0% 63% 100%
Pigs	<ul> <li>with lower stocking density and slower growing breeds by 2026.</li> <li>All suppliers with action plan in place to phase out tail docking &amp; teeth grinding by 2025.</li> <li>100% of the farms with enrichments- chewable and friable by 2025.</li> <li>Phasing out and the gestation crates or sow stalls by 2030 for all relevant brands and products in all geographies</li> </ul>	Good farming star p         Commitment ti         More space;         Enrichment mail         Restrictions on         No surgical ca         Table with animal w         Pigs castration         Good Farming         Star         No routine antibiotics         No teeth grinding         No tail docking         Enriched environ-	rogram includes o eliminate ges aterial – e.g., str a tail docking; stration - maxir elfare measurer 2017 0% 62% -	s: tation crates/s raw bedding ar num transport nents pigs in p 2019 0% 38% 100% 77%	ow stalls; (all nd toys; duration for p ercentage of 0% 39% 100	owing max 4 biglets is 6 h Danone glob 2020 6 %	4 days after ins ours and for pi al supply chain 2021 0% 65% 100% 94%	semination) by 2025; gs 8 hours.
Pigs	<ul> <li>with lower stocking density and slower growing breeds by 2026.</li> <li>All suppliers with action plan in place to phase out tail docking &amp; teeth grinding by 2025.</li> <li>100% of the farms with enrichments- chewable and friable by 2025.</li> <li>Phasing out and the gestation crates or sow stalls by 2030 for all relevant brands and products in all geographies</li> </ul>	Good farming star p         Commitment t         More space;         Enrichment m;         Restrictions of         No surgical ca         Table with animal w         Pigs castration         Good Farming         Star         No routine antibiotics         No teeth grinding         No tail docking	rogram includes o eliminate ges aterial – e.g., sta a tail docking; stration - maxir elfare measurer 2017 0% 62% - - -	s: tation crates/s raw bedding ar num transport nents pigs in p 2019 0% 38% 100% 77% -	ow stalls; (all toys; duration for p ercentage of 0% 39% 100 39% -	owing max 4 biglets is 6 h Danone glob 2020 6 %	4 days after ins ours and for pi al supply chain 0% 65% 100% 94% 29%	semination) by 2025; gs 8 hours. I. 0% 63% 100% 96% 33%

		Pre-slaughter stunned	-	-		-		100%	100%
Rabbits	Moving to 100% higher welfare systems (cage- free and enriched envi- ronment).	• Comfortable flo	cm2/rabbit, min l oring like plastic ving objects, hidir of antibiotics .	ength 1,8m min 80%;	ı, no heig	ht restrict	-	nvironments	with:
Lambs	100% with access to pasture and free from confinement	2016 - 2022: 100% 2020 / 2021: 100%	of the lambs wer	e castration	n free and			re slaughter	(electric stunning).
Beef &	100% suppliers with	Table with animal we	fare measuremer				1	1	
calves	group housing, pasture			2017	2018	2019	2020	2021	2022
	and comfortable fiber bedding, Colostrum pro-	(Q41*)	finement/feedlots		-	-	100%	100%	100%
	vided within 6 hours	Group housed throu all calves. Includin (Q42*)			88%	100%	100%	100%	100%
		Free from tail docki	ng	-	-		94%	100%	100%
		Free from dehorning	g (Q43*)	-	-	98%	99%	100%	100%
		Free from hot iron b	randing	-	-	-	-	100%	100%
		Pre-slaughter stunn	ied	-	-	-	-	100%	100%
Wildfish	Certification compliance (MSC Fisheries Standard for wild fish)	methods of fishes bou The Marine Stewardsl and sustainable sourc ture through MSC cer <b>2018:</b> 100% of our w of our wild tuna volun <b>2019:</b> 100% of our v 100% of our wild tun	nip Council (MSC) ees. Danone comm tification and Pol ild fish were certi nes were Pole & L vild fish were cer a volumes were F	o not impac Fisheries S nitted to ha e and Line fied (89% f Line certifie rtified (90% Pole and Lin	t the ren Standard 1 aving 10C certificat MSC cert rd. % MSC c e certifie	ewal of wi for wild fis )% of its f ion. iffied and t ertified an d.	ld fish sto h sets out ish source he remain d the rem	ck. requirement d from susta ing 11% Pole aining 10%	rantee that the catchin ts to claim well-manage ainable fishing /aquacu e & Line certified). 1004 Pole and Line certified
		of our wild tuna volun 2021: 90% of our wi 2022: 98% of our wi certified.	ld fish were certif	fied MSC. T	una is 10	10% Pole 8	& line and		ndly. Line and Dolphin friend
Farmed fish (Salmon,	Pre-slaughter stunning, fasting and stocking	Fish fin clipping has b	een forbidden.						

seabass, seabream	<b>2021:</b> 84%	o of the farmed salmon has a s	stocking density of	f 10kg/m3 or less.				
and Trout)		<b>2022</b> : 100% of farmed fishes were pre-stunned electrically. 100% were free from fasting lasting hours. 83% of the farmed fish had a stocking density of 10kg/m3 or less.						
	Table with a	animal welfare measurements	in Danone global	supply chain.				
		2018	2019	2020	2021	2022		
	Pre-slaug ning farm	hter stun- ed fish				100%		
	Farmed fi 72 hours	sh fasting > -	-	-	-	100%		
	Farmed fi density 10	sh stocking - Dkg/m3	-	-	84%	83%		

SPECIES	COMMITMENTS/ PRIORITIES	PROG	RESS ACHEIVEI	D BY 2022	for global	Danone su	pply chain.	
Dairy Cows	OVERALL DATA	Table with overall ton	nage of milk source	d by Danone v	worldwide.			
for Fresh				2019	2020	2021	2022	]
Milk		Tonnage of milk sourced by Da- none worldwide	Ktons	5.196	5.144	5.567	5.100	
		Main sourcing re- gions						
		Europe	%	30	29	26	26	
		CIS	%	24	24	23	23	
		North America	%	20	21	29	29	
		Latin America	%	12	11	10	11	
		Other regions	%	14	15	11	11	
Dairy Cows for Fresh Milk	<b>By end of 2020</b> : 80% fresh milk volumes worldwide as- sessed through the new ani- mal welfare assessment tool or via Validus Animal Welfare certification. <b>By end of 2021</b> : Assessing all farms where Danone directly sources fresh milk and start re-assessing farms	Summary of progress animal welfare assess sion), with more than of schedule. Details on Danone's a Danone developed an where we source mill ria, Russia, Mexico, B NOTE: In the USA the tion. 2018: 43% (938 ass 2019: 81% (2607 cu 2020: 87% (3091 cu 2021: 87% (2767 cu 2022: 80% (2628 cu	sment tool or by Val 2,500 audits carrie <b>nimal welfare asses</b> animal welfare asses animal welfare asses animal welfare asses animal welfare asses animal welfare asses animal welfare assessments in 13 cou mulative assessments in 13 cou	idus certificai ad out on farm essment tool: essment tool n, France, Spai the USA. assessment to ntries). nts in 14 cour nts in 14 cour its in 14 cour	tion in the EDF s in 14 countri and has been in, Germany, P iol has been in tries). tries).	<sup>9</sup> business (Ess es. We achiev progressively 'oland, Roman	sential and Plant ed our target on rolling it out in ia, South Africa,	t-Based divi- e year ahead 14 countries Egypt, Alge-

This assessment tool is allowing for greater monitoring and compliance. Farmers found noncompliant are asked
to put corrective action plans into place. At the end of 2020, 8% of active farms were not compliant; in most cases this was due to dehorning. All these farms have an action plan to become compliant and will be re-assessed accordingly. If there has been no improvement and they are still non-compliant after 2 re-assessments, farm collection will be stored.
collection will be stopped.
The average score from all farms assessed was 67 points (between 0 – 100). In total, there are over 400,000 cows involved in the assessments.
In Belgium, France and Spain, the assessment score has become part of the milk premium system integrated in the milk delivery contract. Compliance entails 4 critical criteria: no dehorning, no tail docking, feed safety and no use of GMO/cloned animals or animal products. Non-compliance can result in the termination of milk delivery contracts. Premiums also depend on the AW assessment score.
• In Spain for example, if farmers are unable to reach compliance, contracts are not renewed. In 2019 <u>Danone Spain was certified</u> for both the assessment protocol and the European Welfare Quality An- imal Welfare scheme by AENOR.
• Danone's animal welfare assessment tool was presented as best practice by CIWF, at the Interna- tional Dairy Federation (IDF) congress in Dublin in November 2017, as well as additional CIWF events in 2018. In 2019 the tool was digitalized for use on tablets.
<ul> <li>Details on Validus certification:</li> <li>2018: In the United States, 90% of conventional fresh milk came from Validus certified farms.</li> <li>2019: For the full milk supply in the USA – both conventional and organic milk – 76% came from Validus-certified and/or -assessed farms.</li> </ul>
<ul><li>2020: For the full milk supply in the USA, 85% of the milk volume came from Validus certified and/or assessed farms.</li><li>2021: Validus is only used in the US but since the US team has introduced their own program called "Quality"</li></ul>
and Care" (QnC) some farms only used this system and no longer used Validus. In 2021 51% of the total US milk volume was from farms that were Validus certified. It is no longer required to have the Validus certification on AW but they do have to be assessed in the QnC program.
Validus certification is awarded to farms that demonstrate compliance with specific standards and criteria in- cluding:
<ul> <li>Proper animal handling and management;</li> <li>Herd health procedures and care;</li> </ul>
<ul> <li>Food and water quality standards;</li> <li>Housing that promotes animal comfort and cleanliness;</li> </ul>
<ul> <li>On-farm security procedures;</li> <li>Proper care of special needs animals;</li> </ul>
• No tail docking.
Improvements in 2021-2022: • Assessed all new farms from which Danone directly sources fresh milk.
• Deployed an update of the assessment grid with renewed priorities. This included increasing thresholds and some additional new criteria for youngstock.
• Adjusted the digital tool and re-trained all assessors. The digital animal welfare tool being fully de- ployed, we are using a digital application to review results and benchmark the farms.
In 2018, Danone organized a series of animal welfare training sessions with partners such as CowSignals in the Netherlands, IRTA University in Spain and in Germany (with employees from Poland, Romania and Belgium

	attending), and Phyllum in France. Employees in South Africa, Brazil, Argentina, and Mexico were trained by local
	certified CowSignals trainers.
	Ad hoc technical workshops were organized in Russia (including a demonstration on Danone's training farm on how to convert a tie-stall barn to a free stall barn). In the US, it is part of on farms employee integration.
	<b># Total training sessions in 2017</b> : 10 training sessions in 10 countries, with 97 staff members participating and 78 farmers trained.
	<ul> <li># Total training sessions in 2018: 9 training sessions in 7 countries, with 180 staff members participating and 1,020 farmers trained.</li> <li># Total training sessions in 2019: 9 training sessions, both physical and video training for 11 countries with 120</li> </ul>
	staff members participating and 880 farmers trained. <b># Total training session in 2020</b> : Due to COVID no live training sessions have been executed: 1 (online) CowSig-
	nal training dedicated on Animal welfare with 7 key Danone stakeholders. For 2021 dedicated AW trainings were prepared for the assessors in relevant countries, Danone colleagues, and farmers.
	<b># Total training session in 2021</b> : Animal Welfare is a dedicated part of Reg Ag and therefore also in the alliance Farming for Generations. In 2021 there were more than 11 online and offline trainings, webinars or demonstrations on farm in 7 countries reaching in total 760 farmers.
	<b># Total training session in 2022</b> : In 2022, 350 farmers were engaged in trainings in 8 countries. Local teams were also involved in trainings.
	Animal welfare is a key pillar of Regenerative Agriculture. Best practices, thematic factsheets and tools can be found on Danone Knowledge Center website: <u>Regenerative Agriculture Knowledge Center   (danone.com)</u> (For the Login part please send a request by using the contact form). There have been internal "Lunch and learn" sessions to showcase the website and the information.
	In addition, we highlighted the importance of animal welfare as part of sustainable diets, in an open-access training course co-developed with UNITAR for all Danone employees (published in 2019).
	Several Danone brands are informing their customers about animal welfare and the promotion of plant-based foods, including: <u>Happy Family</u> , <u>Bledina</u> , <u>Alpro</u> , <u>Silk</u> ( <b>Q20/22*</b> ).
	On social media there were several posts from Danoners for information: <u>Jean</u> Yves Krummenacher, <u>Chris</u> Taylor, <u>Floris Wesseling</u> .
Achieve higher welfare standards while improving performance for farmers	In <b>2017</b> , we started a pilot on three farms in Belgium to reduce antibiotics prophylaxis usage while improving youngstock rearing, udder health management and farm profitability (via reduced treatment costs).
	In <b>2018</b> , young stock rearing improved drastically with incidence of disease reduced to zero on all three farms. On the farm affected by udder-related health issues, milk quality improved by 30% and mastitis incidence was reduced by over 40%. The cost associated with addressing these conditions was consequently reduced by 30,000 euros.
	Following these positive results, the pilot will be expanded to Russia, Brazil, USA, Spain and Argentina.
	In 2019:
	• We developed a disbudding toolkit, including a poster about the procedure, movie, and list of materials and advice on the best tool. We activated the toolkit in Mexico with large farm managers and staff involved in the training of small holders.
	<ul> <li>The Danone-owned farm in Russia, with 1,300 cows, reduced the incidence of calf disease to 0.</li> <li>In France, we began a 3-year program with CIWF, with the aim of improving dairy cattle welfare through monitoring and training, as well as piloting and disseminating best practices.</li> </ul>

	<ul> <li>In 2020 due to COVID restrictions fewer activities were deployed on farms:</li> <li>A group of dairy 7 nutritionist from the Canadian Coop Nutrinon were trained on the use of the assessment grid to both improve animal welfare and farm results.</li> <li>We established a strong relationship with the milk procurement team of PepsiCo in Russia. We held a training on the current assessment grid, feedback session on the potential improvements in Russia and tailored joint approach on eliminating tail docking in Russia. The PepsiCo team is piloting the assessment and farmer approach in their supply chain in Russia.</li> <li>In 2021, still with many COVID restrictions in place we deployed the following:</li> </ul>
	<ul> <li>The Farming for Generations program started pilots in Europe and USA focused specifically on animal welfare, including on earlier grouping of calves, heat stress reduction in France and reduction of mastitis cases in Russia, and Germany.</li> <li>In total 6 Dedicated WebTalks about improving welfare on farms were broadcast.</li> <li>2 Virtual farm tours in which farmers in the US showed progress on farms via a livestream to the global audience.</li> </ul>
	<ul> <li>In 2022:</li> <li>A European farm tour was organized to facilitate peer-to-peer learning between a large US dairy farmer and smaller farms in Germany, Poland and Romania. Farmers learned about the latest animal welfare pilots and shared best practices on housing, heat stress reduction and improving animal health.</li> <li>35 Young farmers in Belgium were trained on the selective use of antibiotics at dry off.</li> <li>Article in Danone France Milk magazine on heat stress reduction, shared with all 1600 farmers.</li> </ul>
Encourage progress and re- ward best practices	In <b>2019</b> , Danone Spain <u>rewarded best animal welfare practices</u> among the 300 farms with which they worked. In <b>2020</b> , Danone opened a dedicated fund to support farmers in improving their Regenerative Agriculture prac- tices. In the US a total of 175,000 USD was spent on installing over 200 cow comfort brushes in barns as well as pastures. Another 125,000 USD was spent to purchase close to a 1000 calf jackets to comfort small calves during cold periods, particularly on smaller farms. In 2021 Danone was awarded with the CIWF Special Recog- nition in Innovation reward. In <b>2021</b> 21% of global milk cows had pasture access.
Strengthening cooperation with partners specialized in	In <b>2022</b> 22% of global milk cows had pasture access. In <b>2017</b> , Danone launched CowAct with Wageningen University, a global program aimed at implementing sus- tainable agricultural practices, including animal welfare.
Farm Animal welfare	In June <b>2019</b> , Danone and 7 other agricultural sector leaders announced the launch of <u>Farming for Generations</u> , a unique, global collaboration to support dairy farmers in adopting regenerative agricultural practices that preserve and renew our planet's resources, respect animal welfare and ensure the long-term economic viability of farms for the next generation. Farming for Generations will initially work together with 25 dairy farms in the USA, the EU and Russia to identify best practice solutions and innovations – including for animal welfare – across different farming models, farm sizes and geographies, to be shared and scaled up.
	<ul> <li>In 2020 the Farming for generations project deployed/completed 7 projects focused on improving animal welfare on dairy farms, from improving udder health, grouping young calves at an earlier age, to a holistic approach of improvements.</li> <li>Danone joined 2 research initiatives in the EU on animal welfare: Best practices for the welfare of dairy calves and cows (SANTE/2021/OP/0001 -SANTE/2020/G5/050).</li> <li>Develop animal welfare program in Europe (HORIZON-CL6-2021-FARM2FORK-01-05: Animal welfare 2.0).</li> </ul>

	In 2021 and 2022, Danone France contributed financially to research on the reduction of heat stress in lactating cows in France. The project was led by Phylum together with Idele. Danone was a silver sponsor of the 2021 annual Dairy Cattle Welfare Symposium.
Eliminate tail docking from our supply chain	In <b>2017</b> , we included a new KPI on tail docking in our milk quality assessment tool MilQsat (ex-FaRM). Thanks to the assessment run in 2017 and to the Validus certification for 90% of our volumes in the US, US, we were able to verify that tail-docking is not in practice more than 50% of our milk supply worldwide. We discovered 2 cases of tail docking in Germany and 2 cases in Spain and were able to work with farmers to eliminate the practice.
	In <b>2018</b> , we strengthened our approach via the roll-out of our new assessment tool and took concrete actions to prevent the practice (ex. technical workshop in Russia). The new assessment tool identifies farmers who carry out the tail-docking practice and attributes a 0 in the assessment score. An action plan is immediately put in place to resolve the issue and then followed by another assessment to monitor its implementation. We identified only 2 farms (total 1200 cows) in South Africa where tail docking was performed and successfully committed the farmers to ending the practice.
	In <b>2019</b> , with the completion of the global assessment on 80% of our milk volume, we identified another 56 farms that practiced tail docking. 30 in Russia, 21 in Brazil, 4 in France and 1 in South Africa. In total this impacted 49,000 (7% of global) cows. For these farms the assessment result was 0 and a clear action plan was established to stop this practice within a specified timeframe, with a follow-up verification to occur.
	In <b>2020</b> , tail docking practices were reduced but still affected around 40.500 cows (6% of global cows).
	In <b>2022</b> , 96% of the cows were free from tail docking.
	By 2025: No dairy cows with dehorning and tail docking.
	See <b>Table 1 in the Annexes</b> for further details on fresh milk supply chain welfare practices.

# **ANNEXES**

#### Table 1:

Table with the percentage of the total global Danone fresh milk supply chain.

Milk cows	2017	2018	2019	2020	2021	2022
Free from confine- ment (Q38*)	-	-	91%	91%	96%	96%
Pasture access (Q39*)	-	-	-	-	21%	22%
Free from tail docking	-	-	93%	94%	96%	96%
Free from dehorn- ing (Q40*)	-	-	98%	99%	99%	99%
Free from hot iron branding	-	-	-	-	100%	100%
Pre-slaughter stunned (for cows captive bolt/stick stunning)					100%	100%
Free from tether- ing (Q38*)			91%	91%	96%	96%

#### Table 2:

#### Welfare outcome and key performance indicators Dairy (Q18\*)

The on-farm dairy assessment tool is a combination of gathering KPI's, interviewing the farm manager and animal observations. In the process of the assessment, depending on criteria and performance, points, are gathered. After completion the total sum of points defines the score and that lies between 0 and 100, with a higher score meaning a better one.

Criterium	KPI	Score	KPI	Score	KPI	Score
Flight distance (% of cows flight > 2m	< 5%	7	>= 5% and <25%	3	>25%	0
BCS (% of cows BCS <=2)	<5%	7	>= 5% and <15%	3	>15%	0
Hock lesions (% of cows with swelling or le- sions)	0%	7	>0% and <5%	3	>5%	0
Lameness (% of cows with severe or moderate lameness)	< 5% severe and <15% moderate	7	>= 5% and <10% severe OR >=15% and <25% moderate	3	>=10% severe OR >25% moder- ate	0
Mortality (average % over last 12 months)	<5%	7	>=5% and <20%	3	>=20% or no rec- ord	0
Culling rate (average % of culled cows over last 12 months)	<20%	0	>= 20% and <30%	0	>=30%	0
SCC (last 3 months geometric average)	<200.000	3	>=200.000 and <300.000	1	>= 300.000	0

#### Table 3

Results from the dairy farm assessments in the year. Scope is total global Danone fresh milk supply chain.

Criterium		2018	2019	2020	2021	2022
Flights distance	Average points	6,0	6,0	6,3	6,5	6,2
<b>Body Condition Score</b>	Average points	5,1	6,2	6,4	6,3	5,9
Hock lesions	Average points	4,7	5,5	5,6	5,6	5,7
Lameness	Average points	6,3	5,9	6,4	6,7	6,3
Mortality	Average points	5,9	5,7	5,8	5,6	5,6
	Rate%	3,7%	4,0%	4,2%	4,5%	3,8%
Culling	Rate%	20,9%	21,1%	23,7%	23,9%	22,5%
SCC	Average points	2,1	1,8	1,6	1,9	1,9
	(*1000)	220	228	233	205	223

# **External information**

Organic milk from Normandy 'Les Prés Rient Bio' labeled Fair for Life: <u>https://www.danone.com/fr/stories/articles-list/presrientbio-fairforlife.html</u>

Danone's care for animals, recognized by AENOR: <u>https://www.danone.es/es/granjasfamiliares/bienestar-animal.html</u>

Caring for our Cows: http://www.mvpdairyllc.com/meet-the-cows/

Partnerships for sustainable dairy (Wageningen): <u>https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwifmsjsxdPwAh-</u> <u>VJBWMBHcSTACUQFnoECCUQAA&url=https%3A%2F%2Fwww.wur.nl%2Fen%2Fdisplay%2FBrochure-Part-</u> nerships-for-sustainable-dairy-1.htm&usg=A0vVaw1yEoF 4Mn8n4njh DoOAUm

Danone and Bureau Veritas for animal welfare : <u>https://www.bureauveritas.fr/magazine/bureau-veritas-engage-aux-cotes-de-danone-en-faveur-du-bien-etre-animal</u>

Danone and Phylum: 10 years of collaboration, Danone at the top of the list of companies in BBFAW [French version]: <u>https://www.phylum.fr/blog/10-ans-de-collaboration-sur-le-bien-etre-animal-avec-danone-en-tete-des-entreprises-fran-</u> <u>caise</u>

Increasing grazing surface for dairy cows to lower farm carbon footprint: <u>https://www.danone.com/fr/stories/articles-list/farmers-projects-support.html</u>

Danone first French company for animal welfare:

<u>https://www.agra.fr/agra-presse/bien-etre-animal-lagroalimentaire-francais-bien-place-sans-etre-leader</u> & <u>https://www.cnr-bea.fr/2020/04/06/bien-etre-animal-agroalimentaire-francais/</u>

Support farmers in their transition to Regenerative Agriculture : <u>https://www.danone.com/fr/stories/articles-list/supporting-dairy-farmers.html</u>

Josep Maria of Can Ribas and animal welfare: <u>https://www.danone.com/stories/articles-list/josep-maria-can-ribas.html</u>

# Social media:

# LinkedIn:

Phylum guide for animal welfare, in partnership with Danone:

# https://www.linkedin.com/posts/cees-jan-hollander-94892114\_animalwelfare-producteur-dairy-activity-6800497747507060736-w73K

# Danone and the best farms in terms of sustainable practices:

https://www.linkedin.com/feed/update/urn:li:activity:6771014761434910720/?updateEnti-

tyUrn=urn%3Ali%3Afs\_feedUpdate%3A%28V2%2Curn%3Ali%3Aactivity%3A6771014761434910720%29 & https://www.linkedin.com/feed/update/urn:li:activity:6770734318718377984/?updateEnti-

tyUrn=urn%3Ali%3Afs\_feedUpdate%3A%28V2%2Curn%3Ali%3Aactivity%3A6770734318718377984%29 & https://www.linkedin.com/feed/update/urn:li:activity:6781269836606537728/?updateEnti-

tyUrn=urn%3Ali%3Afs\_feedUpdate%3A%28V2%2Curn%3Ali%3Aactivity%3A6781269836606537728%29

# Promote regenerative agriculture:

<u>https://www.linkedin.com/feed/update/urn:li:activity:6790541734414815232/?updateEnti-</u> <u>tyUrn=urn%3Ali%3Afs\_feedUpdate%3A%28V2%2Curn%3Ali%3Aactivity%3A6790541734414815232%29</u>

# Advising farmers on farm animal welfare:

<u>https://www.linkedin.com/feed/update/urn:li:activity:6690938835917918208/?updateEnti-</u> <u>tyUrn=urn%3Ali%3Afs\_feedUpdate%3A%28V2%2Curn%3Ali%3Aactiv-</u> ity%3A6690938835917918208%29