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FOREST ANNUAL UPDATE 2024



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INTRODUCTION TO DANONE COMMITMENTS

“Forests and land-based ecosystems are crucial for sustaining life on Earth”

Welcome to the Forest Update Annual Report for Danone, highlighting the progress made in 2024 in fighting deforestation and land conversion. This report provides an overview of the initiatives undertaken and the advancements achieved in our commitment to preserving and restoring forests and natural ecosystems.

Forests and land-based ecosystems are crucial for sustaining life on Earth, supporting livelihoods, preserving biodiversity, and mitigating climate change. However, the alarming trend of deforestation and land degradation over the past decades poses a significant threat. In 2024 alone, the tropics lost a record-breaking 6.7 million hectares of primary rainforest. This loss is nearly the size of Panama and represents the highest annual loss in at least two decades (WRI, 2025). Recognizing the urgent need to continue and amplify our help to protect and restore forests, Danone has made it a central element of our sustainability strategy.

Our [Renewed Forest Policy](#), published in December 2022, solidifies our long-term dedication to combating deforestation and land conversion, not only within our supply chain but also across the entire sector. We understand the moral and business imperative of safeguarding these natural resources, as a global food business reliant on healthy ecosystems and thriving communities for sourcing our raw materials.

Collaboration lies at the core of our approach. We believe that to effectively address complex challenges and drive meaningful change, we must work together with others. Our commitments and actions extend beyond our own operations to encompass our suppliers and manufacturers. By collaborating closely with them, we aim to drive action and report progress along the value chain. Our forest-positive vision drives us to forge

new alliances, protect and restore land, and support the livelihoods of smallholders and local communities.

Recognizing the urgency of this challenge, Danone has collaborated with the **Science Based Targets initiative (SBTi)** to develop guidelines specifically for companies in the forest, land, and agriculture sector, known as the FLAG guidance. In 2022, we updated our reduction targets to align with 1.5°C pathways, making us one of the first two companies worldwide to set an SBTi-approved near-term **1.5°C FLAG** target against our 2020 baseline. This underscores our commitment to ambitious climate action and our determination to drive meaningful change within our industry. Besides, our SBTi target also includes a commitment to no deforestation and no conversion by 2025 with the same cut-off dates as Danone Forest Policy, aligning with our overall Forest strategy.

Moreover, it is essential to address nature loss and climate change together. For this reason, Danone engages in consultations with stakeholders, experts and external organizations, and deploys tools to identify material impacts, risks, dependencies, and opportunities related to biodiversity and ecosystems in its value chain. In 2024, Danone published its [Biodiversity Strategy](#) and conducted a biodiversity double materiality of all its own production sites and the procurement of key materials and agricultural ingredients.

Danone's responsible sourcing approach is based on the Company's [Sustainability Principles](#) that cover labor rights, environmental protection (including preservation of resources, and environmental management, hence covering forest-related commodities) and business ethics topics. In 2022, Danone updated its Sustainability Principles to its current form.

As of 2024, we have started to deploy the [Sustainable Sourcing Policy](#), which will gradually replace the Sustainability Principles. The principles are systematically incorporated into a clause in our contracts with direct suppliers, committing them to align with our sustainability principles. Embedded into the Sustainable Sourcing Policy, Danone published its [Human Rights Policy](#) in 2022. This policy spells out Danone's commitments and expectations with regards to human rights.

Additionally, in 2023, Danone reframed its sustainability strategy, called “[Danone Impact Journey](#).” It is a blueprint for defining our sustainability priorities and our transformation ambition in our value chain – from farmers and their communities, through our brands, to consumers and their families. The Danone Impact Journey grounds our commitments as an [Société à Mission](#) and a growing **B Corp**, hardwiring impact into our business structure, management [practices](#), and performance indicators. This ensures that we continue to transparently hold ourselves accountable for progress. It is articulated around three pillars: Health, Nature and People & Communities. The Renewed Forest Policy commitments are firmly embedded within the second and third pillar. Accordingly, the following KPI for Forest is set: Deforestation & conversion free on key commodities by 2025.

As we embark on this journey, **we invite you to follow our progress as we make our ambitious vision on forest become a reality.** Together, we can make a significant difference in combating deforestation and conversion and securing a sustainable future.

DANONE FOREST POLICY: COMMITMENTS & MONITORING APPROACH





Soy



Palm Oil



Paper & Board



Cocoa



Animal Feed

GENERAL COMMITMENTS & PRINCIPLES

The [Renewed Forest Policy](#) contains specific targets and timelines for five priority commodities: **soy, palm oil, paper and board, cocoa, and animal feed**. We will address all forms of deforestation and land conversion, regardless of it occurring legally or illegally in production regions, in accordance with the definitions agreed within the Accountability Framework initiative.

The Renewed Forest Policy also sets out the following three core pillars:

Clean Supply Chain by 2025	Our direct supply chains will be verified deforestation- and conversion-free as defined by the Accountability Framework initiative (AFi) with a cut-off date of December 31 st , 2020, at the latest, unless a more specific agreement is specified that is in line with our Policy.
Responsible Suppliers by 2025	We will have cascaded DCF commitments in line with our cut-off dates through our direct supply chain.
Towards Regeneration by 2030	We will be supporting landscape projects that protect and help restore vital ecosystems.

These concepts are defined in the annex of this report, see Appendix A: Terminology.

Danone pledges to go further to establish a monitoring, reporting, and verification system, with publicly available indicators of progress, grievances, and steps taken to correct non-conformities. Timelines reflected in our Renewed Forest Policy are aligned with our wider commitments made within the Consumer Goods Forum Forest Positive Coalition, but also with the latest legislation including EU Deforestation free products Regulation that was passed in April 2023.

Our strategy targets five key materials linked to deforestation and land conversion, based on stakeholder consultation and evidence from the WWF Risky Business report and EU deforestation-free products legislation.

All raw materials, not just those in our Renewed Forest Policy, fall under our Sustainable Sourcing Policy. Our commitment applies to Danone Group, including operations, third-party manufacturers, and relevant supply chains.

VERIFIED DEFORESTATION AND CONVERSION FREE METHODOLOGY

In collaboration with the sustainability expert consultancy 3Keel, Danone enhanced its traceability process to **bi-annual frequency** (from annual) for our forest commodities in 2024. This increased pace delivers a **credible third-party verification process**, and was enabled through improving and increasing our requirements, to track, monitor, and verify the volume, origin, certification status, and associated deforestation and conversion risks related to the commodities supplied to Danone.

Furthermore, to meet the required standards outlined in the Renewed Forest Policy, Danone now requests direct suppliers to disclose comprehensive data and information, including the volume of commodities supplied, associated certification status, origin of the commodity with **traceability to the most granular point of origin** (from country, sub-national region to mill, plantation and farm).

Based on the data collection, we are able to assess our environmental performance (vDCF) status aligning with the following methodology:

PATHWAY 1

Segregated certification
that provides full DCF
assurance, supported by
evidence

PATHWAY 2

Satellite monitoring with farm-
level geolocation data

PATHWAY 3

Origin from Low-Risk country
with full traceability,
supported by evidence

Furthermore, as of 2024, Danone collaborates with two **Satellite monitoring experts**. Our partnerships with Starling, an Airbus and Earthworm foundation co-developed solution, as well as Satelligence, aim at implementing satellite monitoring across our supply chains for priority commodities. This technology enables us to **determine the Deforestation-and Conversion-Free (DCF) status with high accuracy**, to monitor production units more effectively and ensure that volumes are not associated with land conversion. This applies especially for volumes that could not be verified through another pathway. All along the supply chain, we **actively engage with suppliers** to ensure the successful implantation and scale up of this technology.

KEY PROGRESS

vDCF

Verified Deforestation and Conversion Free (vDCF)

93%

on key commodities in 2024

Danone's journey to achieve and maintain deforestation and conversion free on these key commodities means at least a 97% verified deforestation- and conversion free rate, due to the verification process and supply chain constraints

Key commodities and main figures



Traceability and Partnerships

Since 2024, Bi-annual Traceability campaign on volumes, certification and traceability information

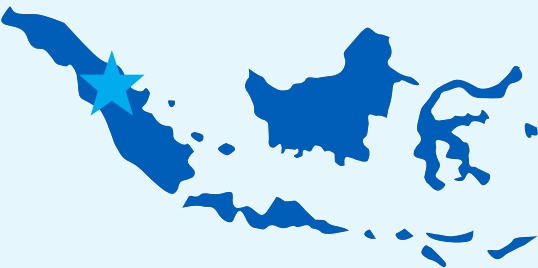


Satellite Monitoring on sourcing origin (down to plantations, farms plot)



Landscape Approach

We support landscape projects, in which Danone operates, to protect and help restore vital ecosystems and have a positive impact on the communities' livelihood.



- ★ Siak Pelalawan Landscape program
- ★ L3F BIPOSC Project

SOY (DIRECT SOURCING)

Soybeans are the most efficient source of protein per hectare in the world. From soy milk to tofu, soybean production is a key part of our global food system which many depend on. One of Danone's brands using soy is Alpro. Since 2020, 100% of the soybeans used in Alpro's products are traceable to farm, with all soybeans sourced for our Alpro brand being ProTerra Segregated certified.

Our commitments regarding soy are:

- 1 100% of direct soybeans traceable to trader and sub-national region by 2023
- 2 Farm-level traceability for all direct soybeans by 2025 in high-risk regions for deforestation and conversion
- 3 Top five direct soybeans suppliers will match our commitments





CLEAN SUPPLY CHAIN

In 2024, Danone reinforced its traceability campaign for soy (see Appendix B). 2024 data collection indicates that Danone sourced 61,293 tonnes of soybeans directly :

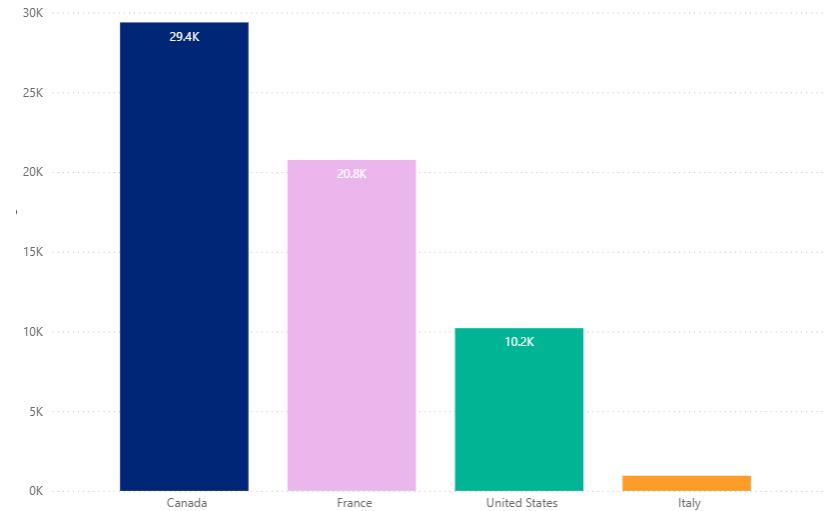
- **83% is ProTerra Segregated-** and traceable back to farm;
- **17% is non-GMO Project verified and organic certifications;**
- 42.5% of soybeans used by Alpro are grown in Europe (France or Italy), and the remaining 57.5% come from Canada. 100% of Alpro soybeans are ProTerra Segregated certified;
- Soybeans used by Danone North America are grown in the United States and in Canada; 42% is certified organic and 58% is non-GMO Project Verified.

100% is verified DCF, as all soybeans come from areas with no or negligible risk of deforestation and conversion.

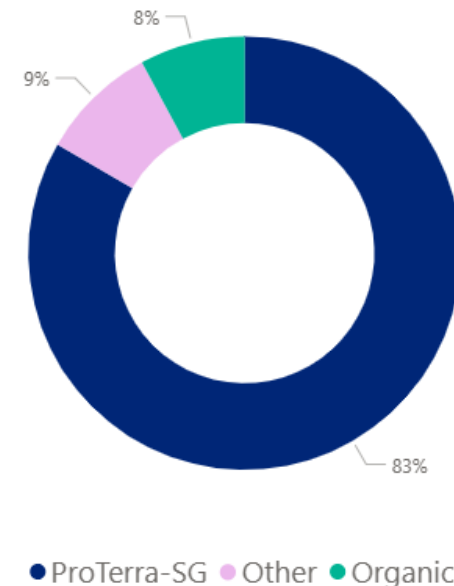
Maintaining our DCF status for soy is crucial for Danone. Therefore, we are continuously working to strengthen engagement with suppliers on deforestation and conversion-free topics, as well as traceability. In 2024, with the assistance of external partners, we launched the implementation of satellite monitoring within our supply chains. This complementary monitoring method enhances traceability, helping us assess and monitor any risk of deforestation or conversion associated with our sourcing areas and suppliers.

Danone also estimated its soy production footprint at 25.713 hectares using the CGF-FPC methodology (see Appendix B) for all direct consumption volumes of soy.

COUNTRIES OF ORIGIN



CERTIFICATIONS





RESPONSIBLE SUPPLIERS

Danone is strongly committed to responsible sourcing and traceability. We rely on physical certifications, notably Proterra certification, to ensure the sustainability of our supply chain. To assess our commitments, a third-party verification system was implemented in 2022.

In 2024, we improved our traceability campaign from annual to bi-annual, engaging with our suppliers and requesting participation from all our Tier 1 suppliers. This campaign aimed to gather information on the volumes sourced in 2024, the policies and commitments in place. We engage **100% of our direct tier 1** suppliers in this exercise.

Our cut-off date for deforestation and land conversion is set at December 31, 2020, unless national laws or sector agreements establish an earlier date. For Proterra-certified soybeans, the cut-off date aligns with Proterra's standard, set in 2008.

In 2024, **40% of our top soy suppliers** had their own forest policy and aligned on a 2020 cut-off date like Danone.





REGENERATION & COALITIONS

Danone is committed to supporting landscape projects by 2030 that help restore vital ecosystems previously impacted by deforestation or land conversion. Our focus is on strengthening farmer livelihoods where relevant. Additionally, Danone uses the [SAI Regenerative agriculture Framework](#), to support developing and support **on-farm programs that help farmers improve their agricultural practices. We ensure these programs support our Forest Policy commitment.**

Two notable projects were underway in 2024:

In April 2022, during the soybean growing season, Danone North America launched a project to support its local dairy farm network in cultivating food-grade soybeans. By 2023, the initiative had expanded to include five Tier 2 growers. In 2024, it grew further to engage three additional growers, covering over 400 acres. As a result, **~7% of NORAM** soybean volumes are now sourced through this program—vs 4% in 2023—with plans to continue expanding in 2025.

In 2024, Danone continued to design ‘Soil4Good’ landscape program, which aims to transition more than 200 farmers in Alsace on soy and corn applying regenerative agriculture practices. Alpro, a Danone brand, and Danone Ecosystem Fund, is partnering with Ingredion, 2 Tier 1 soybean + corn suppliers, local service *providers* and external funders. The objective is to equip the farmers to anticipate future risks linked to climate change by improving their farm resilience. By 2027, we expect the program to demonstrate positive impact on Soil health and Water quality, using SAI Regenerating Together Framework.





PALM OIL

Palm oil is the most efficient oil crop per hectare, widely used due to its neutral flavour and ability to extend product shelf life, reducing food waste. Indonesia and Malaysia produce over 80% of palm oil, with significant growth since the 2000s. Production is concentrated in tropical regions near the equator. The Roundtable for Sustainable Palm Oil (RSPO) promotes responsible production, bringing together stakeholders across the supply chain to implement practices for sustainable and certified palm oil.

Our commitments regarding palm oil are:

- 1 100% RSPO Segregated or Independent Smallholder Credits for all our palm oil use by 2025.
- 2 100% traceability of palm oil to plantation by 2023.
- 3 Top five direct suppliers will match our commitments by 2025.



CLEAN SUPPLY CHAIN

Certification

In 2024, Danone purchased **58,503 tons** of palm oil and palm oil fractions worldwide. On full-year basis Danone sourced **97% RSPO Segregated** (vs 95% in 2023) **and 2.2% RSPO Mass Balance**, totalling **99.2% RSPO certified volumes**. The remaining 0.8% was conventional palm oil sourced in and used in West-Africa (2% in 2023).

Our teams have been actively engaging with our suppliers to decrease the percentage of remaining conventional palm oil sourcing (by 1.2%). The conventional palm is sourced from and used locally in products for Ghana and Nigeria. During 2024 we made significant progress in closing the remaining non-RSPO volumes for Danone. This was primarily driven by securing our upstream supply chains against ongoing external factors causing volatility across the supply base.

Achieving verified DCF Palm oil is one of the key pillars of our Forest Policy. We are confident to reach the target, as we will keep engaging in 2025 on the following levels:

1. Working with our suppliers and teams especially in Africa to ensure Danone facilities are certified and able to claim MB.
2. Prioritizing non-compliant suppliers in our supplier engagement roadmap to ensure accelerated compliance with Danone Forest Policy requirements especially in collecting traceability up to plantation;
3. Deploying satellite monitoring technology to verify and monitor land conversion risk in sourcing areas.

With Satellite monitoring, Danone especially mitigates the risk of deforestation for the volumes that are traceable but not RSPO SG. Danone achieved 99,6% traceable and vDCF palm oil in 2024. We target to maintain these results and work on closing the gap towards 100% traceable and vDCF thanks to a combination of both satellite monitoring technology and segregated chain of custody.

In 2024, **Danone reached 99.6% verified DCF volumes**

	TOTAL VOL (t)		CONV (t)		RSPO MB (t)		RSPO SG (t)	
CPO	50.745	86%	427	0.8%	481	0.8%	49.836	85.1%
PKO	962	2%			580	1%	382	0.6%
Fractions products	6.796	12%			206	0.4%	6.590	11.2%
Total	58.503	100 %	427	0.8%	1.267	2.2%	56.808	97%

PKO: Palm Kernel Oil
CPO: Crude Palm Oil



Traceability

Since 2014, Earthworm Foundation supports Danone on palm traceability through a supplier questionnaire (see *Appendix B*). Twice a year, Danone connects with Tier 1 suppliers (14 in total in 2024) to confirm previous semester volumes. Full-year 2024 results show we have **100% Traceability To Mill, 98% Traceability To Plantation**. Recognising that transparency is important to making tangible progress on responsible palm oil, we publish our [Mill & Plantation List](#) each semester on Danone website

Palm Footprint

Danone also estimated its **palm production footprint** at 13.266 hectares using the CGF-FPC methodology (see *Appendix B*) for all direct consumption volumes of palm.

RESPONSIBLE SUPPLIERS

We support our suppliers in the following ways:

- 1) Encourage them to set their own commitments against deforestation and conversion across their entire commodity operation.
- 2) Assist them in developing public timebound action plans.

For palm oil, we commit to have our top direct suppliers match our commitments by 2025, including traceability to plantation. To achieve this, Danone is **steadily strengthening engagement** with suppliers and stakeholders to raise awareness about the importance of traceability and its positive impact on ecosystems.

Furthermore, in 2024, Danone continued to reinforce its Sustainable Sourcing commitments and expectations with its suppliers, emphasizing critical criteria including but not limited to: UN International Labour Organization principles, securing Free Prior and Informed consent (FPIC) of indigenous peoples and local communities and securing 100% verified Deforestation and conversion free palm supply chains. Within our Forest Policy, Danone mandates Suppliers to set their own DCF commitments across their entire operations, and we support them to develop public time-bound action plans.

Our Top palm oil suppliers have commitments on deforestation with a target date of 2025.



Grievance Process

Since 2019, Danone has implemented a specific [grievance mechanism](#) for palm oil, with the support of the Earthworm Foundation. This mechanism is also being used for other commodities.

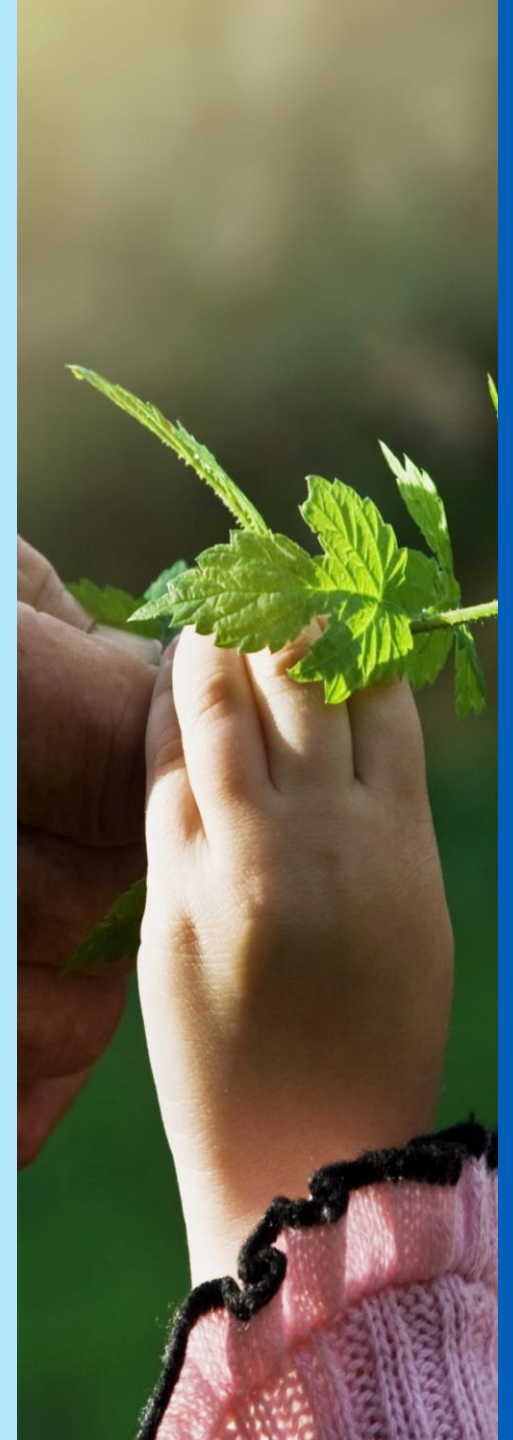
A dedicated team meets regularly to address any incoming alerts. When allegations of non-compliance against producers arise, the Group carries out an investigation with support from internal and external experts, and in particular with Tier 1 suppliers involved in the chain when the allegations took place further down the chain (e.g. Tier 3 or 4). If a low-risk non-conformity has been confirmed, Danone asks the producers to develop an action plan to remediate the nonconformity. In the case of a high-risk non-conformity, the Group works with its Tier 1 suppliers and can choose to suspend the non-compliant producers until they demonstrate concrete progress toward their commitments. Danone informs all its active suppliers about the suspension decisions, and the suspended producer is only allowed to re-enter the Group's supply chain after demonstrating progress and, ultimately, with Danone's consent.

In 2024, Danone registered 13 new concerns raised linked to deforestation and human rights violations, eight of which were related to palm oil and five to other commodities.

In total, the Group is monitoring 18 concerns that have been brought to its attention by organizations such as the Earthworm Foundation, Chain Reaction Research, Global Witness and Friends of the Earth. In line with Danone's grievance mechanism, the concerns raised are being investigated and monitored in dialogue with the parties involved and the supporting NGOs and experts.

In 2024, Danone also worked to strengthen its grievance process, guided by a clear vision of what we aim to achieve:

- Deploy a cross-commodity grievance process for raw materials with clear accountabilities & for both environmental and human rights
- Reinforce and extend the current grievance risk prevention for key commodities in scope





REGENERATION & COALITION

By 2030, we commit to supporting landscape projects that protect and help to restore vital ecosystems in areas that have been previously impacted by deforestation or land conversion, with a focus on strengthening farmer livelihoods. (See Appendix A for further definition of restoration)

Furthermore, Danone is working with other palm oil users to promote strengthening their groupwide commitments and actions to become 'responsible suppliers'. Accordingly, we are a member of the CGF Forest Positive Coalition (as a steerco member and palm working group).

Danone has chosen to prioritize its direct support to smallholders, for example by investing in landscape projects in high-risk deforestation regions. In 2024, over 9.000 farmers were engaged through two notable landscape projects:

- Siak Pelalawan Landscape Programme (SPLP)
- Livelihoods Fund for Family Farming (L3F) Indonesian Landscape Program



Danone has been a Supporter of the Landscape project called **Siak Pelalawan Landscape Programme (SPLP)** since it was launched in 2019 in **Indonesia**. Members are Cargill, PepsiCo, Musim Mas, Unilever, Nestle and L'Oreal, and Supporters are Danone and Sinar Mas. Danone's commitment is on Goal 2: by 2025, for at least 50 high priority villages in Siak and Pelalawan, the livelihoods of palm oil farmers and their communities has improved. Progress is monitored at least annually.

Among the 2024 results of Goal 2: 13 new villages were part of participatory mapping accumulating to 52 villages since the start of the program, 8,444 people were trained on sustainable land use (Good Agricultural Practices, Peatland management, Participatory land use planning), and 785 oil palm smallholders were supported to get access to incentives through improved knowledge on business permits (STD-B) and land titles.



Since 2021, Danone has worked with **Livelihoods Fund (L3F)**, Mars Inc, L'Oréal, Musim Mas, SNV and ICRAF to design a Landscape project in **North Sumatra/Indonesia** that demonstrates that a transparent and biodiverse palm oil model is doable for independent smallholders. The Project aims to develop sustainable, deforestation-free and traceable palm supply chains for Mars and Danone, while contributing to the adoption of regenerative agriculture in palm production, to the conservation of forest areas and the rehabilitation of degraded land, the promotion of landscape planning at the level of local authorities and the empowerment of independent smallholders and local communities, which will help to ensure the sustainability of this ambitious transformation project.

Among the key achievements in 2024 was the establishment of the first project cooperative, designed to deliver tangible benefits to participating farmers. The cooperative provided high-quality organic fertilizer at a 40% discount compared to market prices, and financial support for alternative income-generating activities during the palm replanting phase. At the same time, landscape conservation efforts expanded significantly, bringing approximately 8,000 hectares of forestland under community-based conservation initiatives..

Q LANDSCAPE DEFINITION

ALIGNING ON A COMMON APPROACH

Landscape approaches involve the long-term collaboration of stakeholders within a defined natural or social geography, such as a watershed, biome, jurisdiction, or company sourcing area. These approaches seek to reconcile competing social, economic, and environmental goals via integrated landscape management and multi-stakeholder discussions through which consensus is built across different stakeholders.

from TFA, WWF, Proforest 2020, and CDP 2022



from Proforest

OUR GOLDEN RULES OF A LANDSCAPE APPROACH

A Landscape:

- Is **Anchored** in a geography
- **Assess** to **prioritize** areas for engagement (EG. Threatened natural ecosystems)
- Identifies **systemic risks** in the landscape
- Is with **multistakeholder governance**, with presence of **credible partners in the landscape** (Ngo or service provider ; local government possibly)
- Sets **common goals**, vision and monitor actions & progress
 - Projects need to have a **permanent outcome** (anchored in local communities' lives)
 - Should have **Environmental, Social and Economical objectives**
- Is part of the supply chain of our material commodity (ie. Linked to sourcing areas)

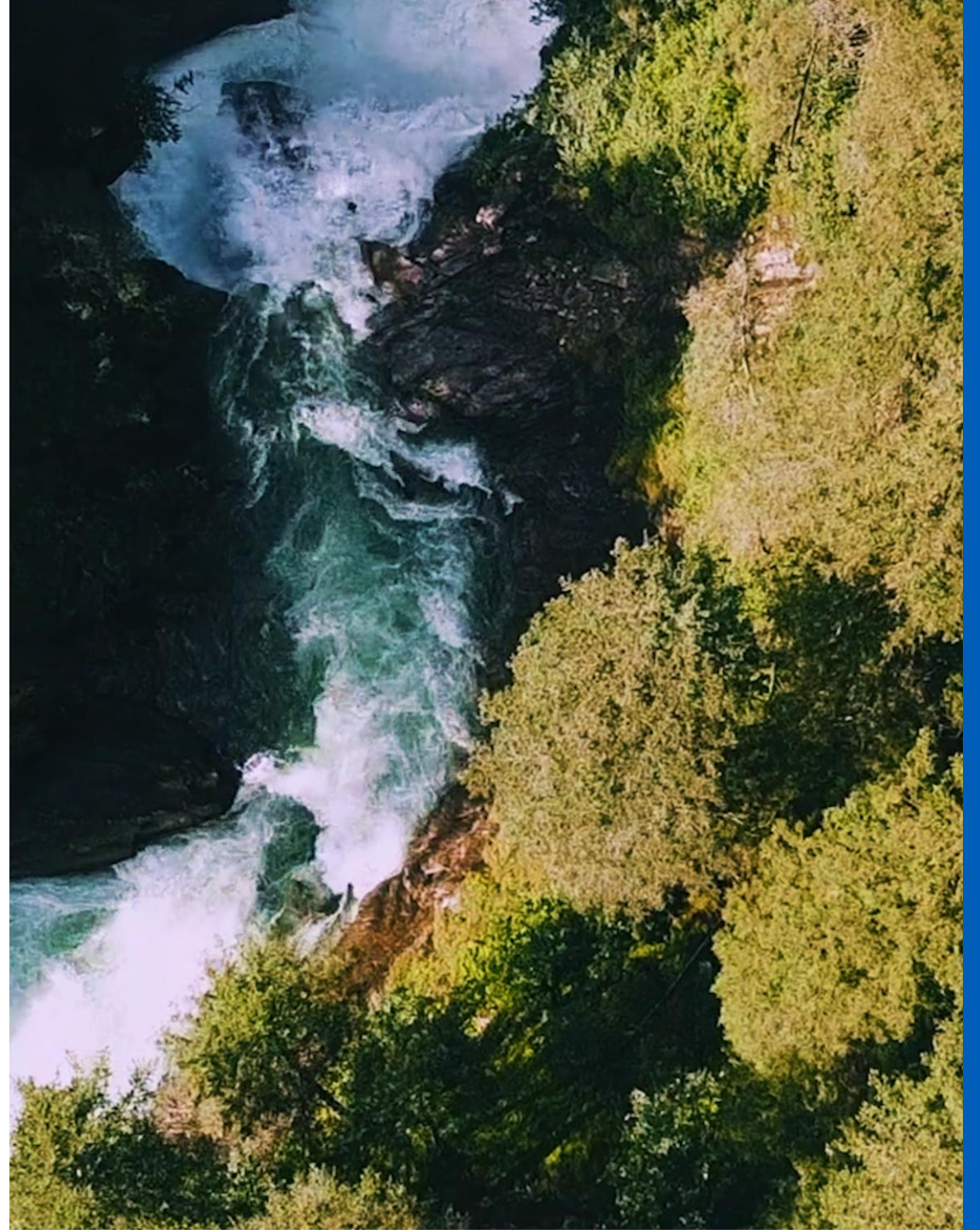
LANDSCAPE METHODOLOGY

OUR METHODOLOGY FOR PRIORISATION

In 2024, Danone continued collaborating with various stakeholders, including members and partners of the Forest Positive Coalition (FPC), the NGO Earthworm Foundation, and the Livelihoods Fund. The aim was to align on landscape definition and methodology, as well as to explore potential projects to join or launch.

For Danone, the landscape approach must involve long-term collaboration of stakeholders within a defined geography that must be linked to our company's sourcing areas. These approaches seek to reconcile social, economic, and environmental goals via integrated landscape management and multi-stakeholder discussions through which consensus is built across different stakeholders (including credible local partners).

To prioritize production landscapes, we initially calculate Danone's production-based footprint, with support from 3keel (via FPC), enabling us to translate the volumes sourced for key forest-risk commodities into hectares for restoration and conservation. (for instance, for palm: production footprint equals to 13.266 hectares). This guides us in the prioritization of supply chains. We cross-check this information with the supply chain data gathered within our annual traceability exercise to confirm the top geographies where Danone has the most significant sourcing footprint (for instance Indonesia for Palm). For those priority locations, we aim at understanding the priority areas for engagement across the different pillars: social, economical and environmental with the support of credible and local partners.





COP28 ACTION AGENDA ON REGENERATIVE LANDSCAPES: accelerating the transition

Danone is part of the COP28 Action Agenda on Regenerative Landscapes, a flagship initiative led by the COP28 Presidency, the World Business Council for Sustainable Development (WBCSD) and the Boston Consulting Group (BCG) with the support of the UN High Level Climate Champions (HLCC). This initiative aims to consolidate, accelerate and amplify existing efforts and new commitments to transform large agricultural landscapes into regenerative landscapes by 2030.

A young child with brown hair, wearing a bright yellow quilted jacket, is hugging a large, textured tree trunk. The child's eyes are closed and they have a peaceful expression. The background shows green foliage and sunlight filtering through the leaves.

PAPER & BOARD

Understanding the significant role the pulp and paper industry has played in tropical deforestation, it is crucial to ensure that timber plantation management does not come at the expense of forests, peatlands, and local populations. Danone's overarching strategy is to increase the utilization of recycled fibres to minimise the reliance on virgin fibres and also to progress towards vDCF paper.

Our commitments regarding paper and board are:

- 1** 100% of supply FSC, PEFC or SFI (North America) certified or recycled by 2025.
- 2** Top five direct suppliers, by weight, will match our commitments by 2025.
- 3** 80% of secondary and tertiary paper packaging by weight contains recycled material by 2025.



CLEAN SUPPLY CHAIN

Certification

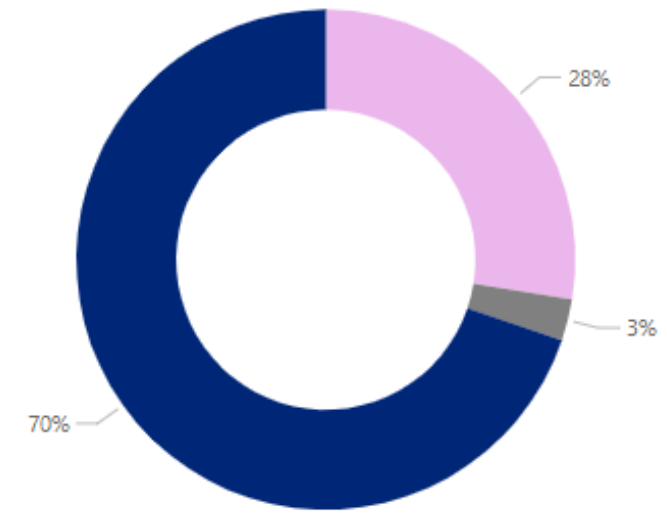
In 2024, Danone renewed its traceability campaign for paper (see Appendix B). All Tier 1 suppliers (135 in total) were asked to participate in our renewed Traceability campaign, requiring them to rely on their suppliers to provide traceability information on fibre origin. We also asked them to provide details on their policies and commitments, to make the baseline of what is necessary to cascade DCF principles to the rest of the paper supply chain.

In 2024, Danone purchased **498 ktons of paper (70% recycled and 30% virgin content of which 27,5% is vDCF)**. With increased traceability, Danone is able to conduct more in-depth risk assessment and verification of DCF. Danone aligns with the DCF methodology of CDP: the total volume of physically (CoC) certified paper, plus the remaining volume of paper assessed from the monitoring of the sourcing area that has no or negligible risk of deforestation or conversion (not from a Forest Risk country).

In 2024, **Danone reached 97.5% verified DCF volumes** for full scope (recycled and virgin content)

In 2025, as part of our commitment to achieving verified DCF sourcing by year-end, we will work closely with our suppliers to prioritize the use of recycled paper wherever feasible. For any remaining virgin paper, we will prioritize Forest Stewardship Council (FSC) certified paper and strengthen traceability for volumes certified under alternative schemes—as some of our U.S.-based suppliers due to market specifics.

In 2024, Danone reinforced its verification to assess the DCF status of our volumes. Indeed, regarding the certification pathway, Danone's preference is set on FSC as it is the most robust certification and reflects a negligible risk of deforestation. The PEFC and SFI (only for NORAM) certifications give a first guarantee in terms of Forest Management good practices and verification. If Suppliers are providing volumes certified as PEFC or SFI, we are asking additional information to our suppliers on their traceability system and disclosure on their sourcing area to consider them as Low-risk volumes.



● vDCF Virgin ● non vDCF paper ● Recycled



CLEAN SUPPLY CHAIN

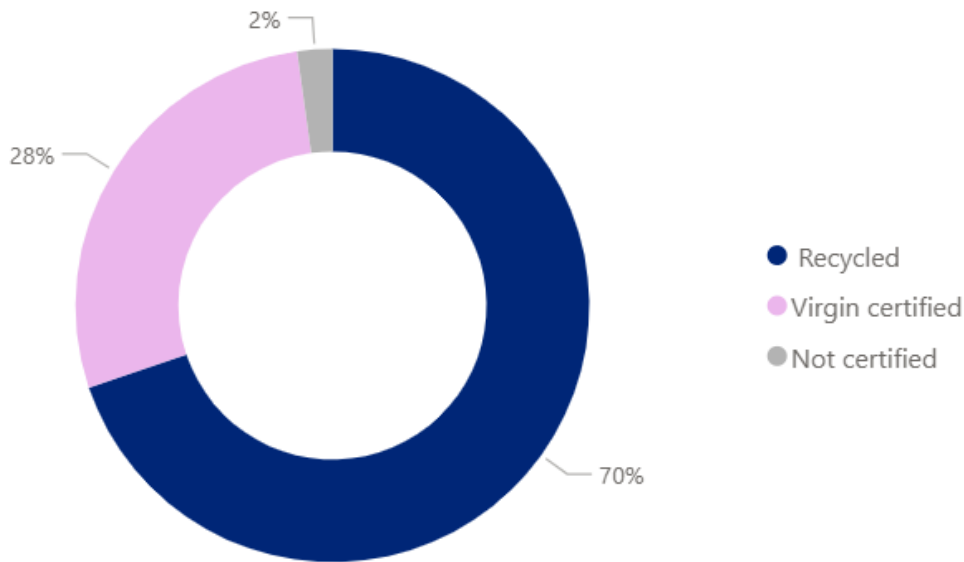
Commitments

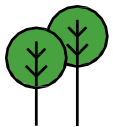
100% of supply FSC, PEFC or SFI (North America) certified or recycled by 2025;

Our teams work intensively to increase the percentage of recycled content in our packaging. In 2024, of the 498 kttons Danone purchased, 70% was recycled. Additionally, we sourced 28% of certified virgin paper (representing 92.7% of our virgin sourcing). The split in certifications in 2024 is 72% FSC, 6% PEFC, 14% SFI and 7% is not certified

Achieved - 80% of secondary and tertiary paper packaging by weight contains recycled material by 2025;

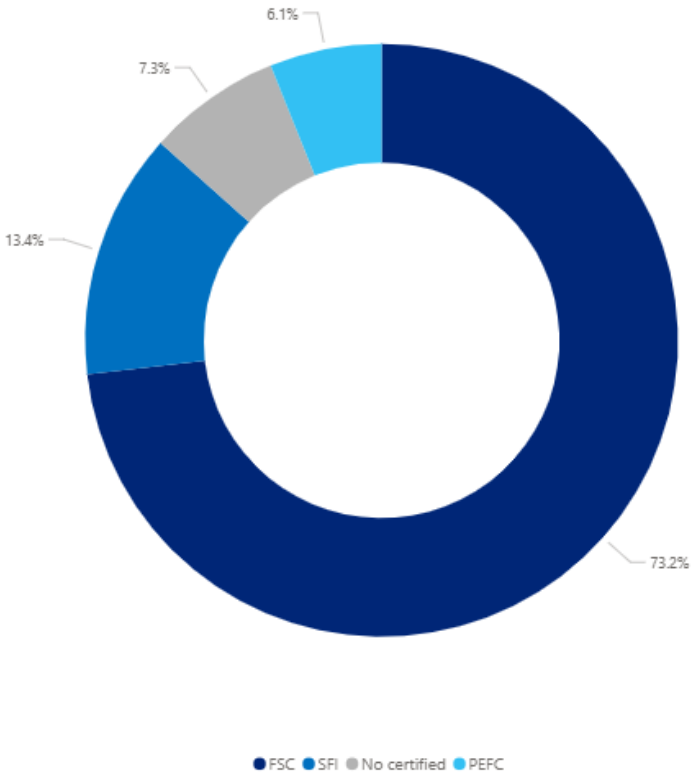
Our teams have been working on two objectives related to our secondary and tertiary packaging. Firstly, we recognize the importance of reducing paper usage in our packaging whenever feasible. Danone's teams have initiated projects to make our packaging lighter and minimize paper consumption. Secondly, we are transitioning as much volume as possible to recycled content.





CLEAN SUPPLY CHAIN

BREAKDOWN OF VIRGIN CONTENT 2024

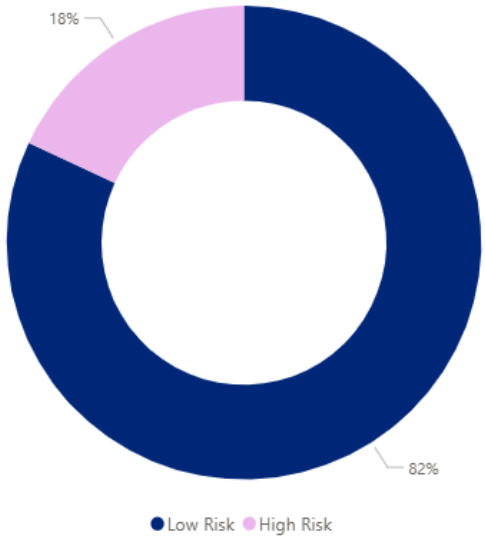


Traceability

Danone conducts a biannual Traceability Campaign, asking suppliers to provide information on volumes, % recycled content, mill location, and certificate number (see Appendix B).

2024 data collection indicates that a total of 27k tons (18%) of our virgin content (150.2k tons) can be traced back to origin in ‘Forest Risk Countries’ We rely on CDP’s High-Risk countries to assess our breakdown (see Appendix A).

BREAKDOWN RISK COUNTRIES OF ORIGIN (VIRGIN CONTENT)



Paper And Board Footprint

Danone also estimated its **paper production footprint** at 26.160 hectares using the CGF-FPC methodology (see Appendix B) for all direct consumption volumes of paper.



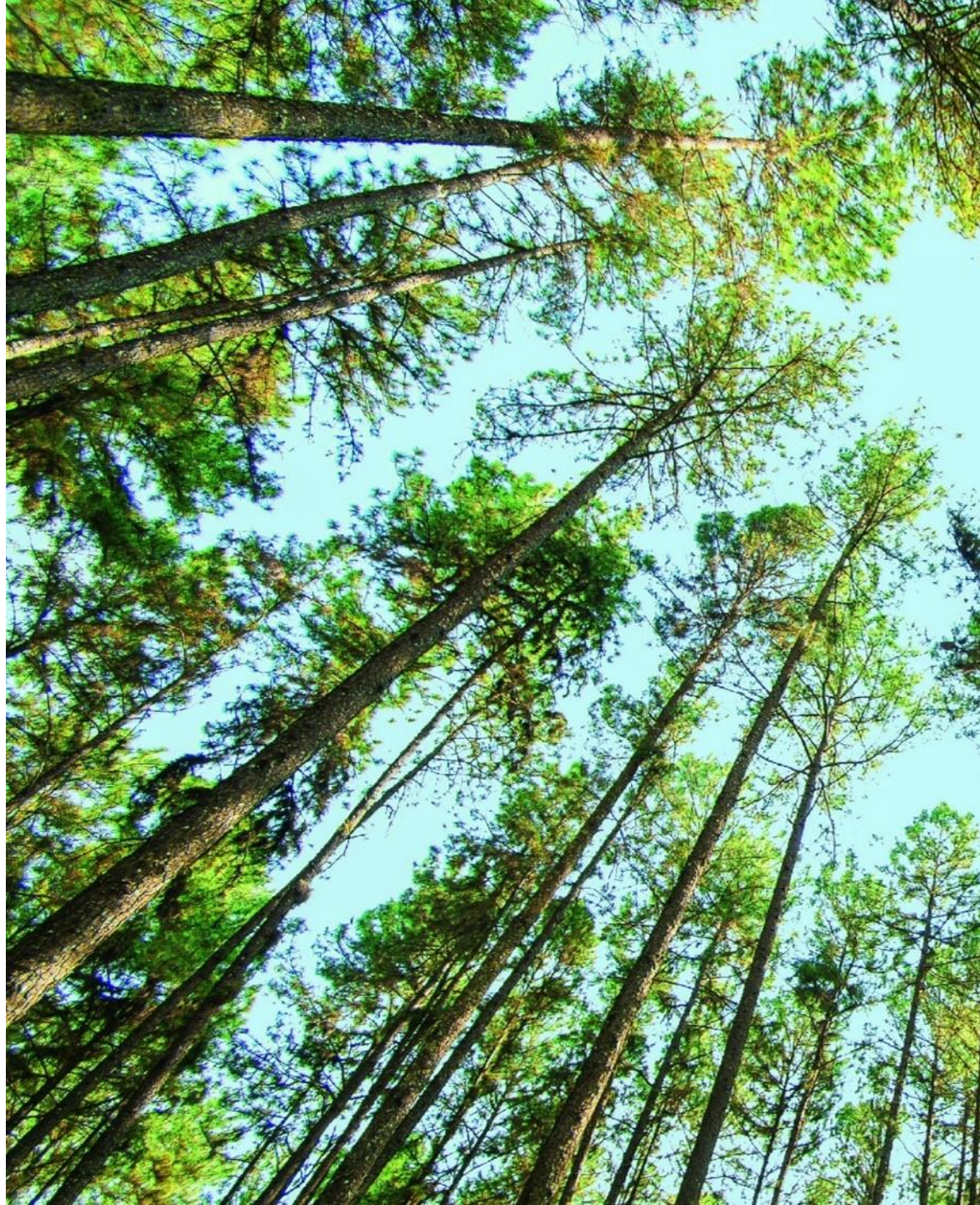
RESPONSIBLE SUPPLIERS

We are confident to reach our 2025 goals due to our ongoing efforts on Supplier engagement, as well as regulations coming into effect regarding traceability.

Danone engaged with our top 5 suppliers with whom we have discussed our Sustainable Sourcing commitments and expectations. These interactions focused on reinforcing the engagement towards our Forest Policy, SBTi 1.5-degree commitments and our new Sustainable Sourcing Policy. Within our Forest Policy, Danone requests suppliers to set their own DCF and Decarbonization commitments across their entire operations. By design, our policies require our suppliers to engage with their upstream supply chain, and we support them to develop public time-bound action plans so that they can effectively cascade the requirements to their suppliers.

On our top 5 suppliers, **100% set their own forest policy** with deforestation free targets and 60% committed to a SBTi 1.5-degree roadmap.

Additionally, we ensure that 100% of our suppliers are engaged on the Forest topic and our traceability campaign. According to our updated traceability campaign (*see Appendix B*), in 2024, a total of 135 suppliers have been engaged.



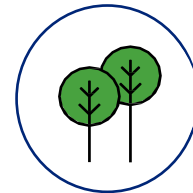


REGENERATION & COALITIONS

Danone collaborates with the supply chain on innovations to reduce forest-related impacts in products and services. We collaborate with indirect suppliers by visiting production locations and developing innovation projects. These initiatives include transitioning to green energy, enhancing paper properties to enable down-gauging, and finding alternatives to plastic.

Furthermore, as a member of the Forest Positive Coalition (FPC), Danone endorsed the Consumer Goods Forum (CGF) and participates actively in achieving zero net deforestation in key commodity sectors by 2025 and in transitioning to forest positive (deforestation- and conversion-free) while taking a more integrated land use approach. In 2023, the CGF Forest Positive Coalition CEOs endorsed the Coalition's revised charter with a clear ambition to strengthen supplier deforestation and conversion free (DCF) performance with 3 main pillars: Clean Supply chain, Clean Suppliers, Regeneration.

Danone leverages the coalition's commodity roadmaps and supplier assessments, focusing on supply chain engagement, transparency & accountability. Danone is member of the steering group and 3 commodity (palm, soy, paper) working groups, where priority actions per commodity are being defined to maximize the impact of the coalitions. In 2024, each working group worked on the priority areas to develop actionable plans and strategies aimed at enhancing sustainability practices. These efforts included certification scheme engagement, country risk and prioritization, DCF suppliers and collaboration on Landscapes including tools.



COCOA

Deforestation resulting from cocoa sourcing is a significant issue. Between 2002 and 2019, Côte d'Ivoire and Ghana experienced significant forest loss, with 25% and 8% of their primary forests being lost, respectively, largely due to cocoa farming (World Cocoa Foundation, 2023). Therefore, since 2022, Danone has prioritized cocoa as a new key commodity in its Forest Policy.

Our commitments regarding cocoa are:

- 1 100% of cocoa verified deforestation- and conversion-free cocoa by 2025.
- 2 Third-party farm-level traceability for all forms of cocoa.
- 3 Top three direct suppliers will match our commitments by 2025.





CLEAN SUPPLY CHAIN

In 2024, Danone sourced a total of **6,404 tons of cocoa**. Of the total amount of cocoa sourced, **71% is certified**.

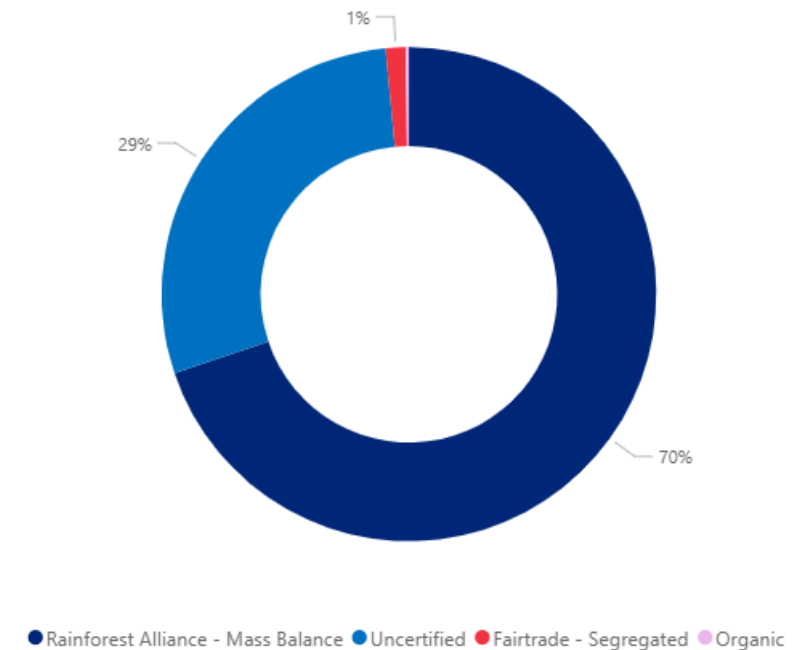
In 2024, we collaborated with our partner 3keel to enhance traceability efforts. A questionnaire was sent to cocoa suppliers to determine the extent of traceability to cocoa farms, suppliers' implementation of deforestation-free supply chain policies, and their transition plans.

Additionally, Danone launched, with the help of external partners, the implementation of satellite monitoring within Danone's supply chains. Satellite monitoring for cocoa supply chain is the essential pathway to deliver VDCF cocoa sourcing thanks to improved traceability in Danone's supply chains. In 2024, Danone actively engaged with its cocoa suppliers to enhance the traceability to farm level and implement the satellite monitoring technology.

Our teams furthermore actively worked in transitioning our noncertified cocoa and target to closing the gap towards 100% certified in 2025.

Regarding the origins of the cocoa sourced in 2024, our volumes are sourced from mixed origin which includes Indonesia, Cameroon, Ghana, Ivory Coast, Nigeria, Uganda, Congo, Dominican Republic, Colombia, Ecuador, Mexico and Peru.

COCOA CERTIFICATION





RESPONSIBLE SUPPLIERS

Specific requirements apply for cocoa: this includes a strict cut-off date, whereby no deforestation or land conversion should have occurred in Côte d'Ivoire or Ghana since 2018. Globally, in the absence of any other agreements or laws, no deforestation or land conversion should have taken place after December 31, 2020.

In 2024, we continued engaging across our cocoa supply base, with a specific focus on our top suppliers, to share the Danone Forest Policy and Danone's commitment on forest. We worked on co-building a time-bound action plan with clear milestones and have identified several options being explored to reach verified DCF cocoa. Based on 2024 data, we conclude our top cocoa suppliers have published their own commitments or protocols to achieve deforestation free supply chains. 2 out of 3 have clear Forest policies publicly available.

Moving forward, we will collaborate closely with our Suppliers over the coming years to implement these action points, enabling us to meet our commitments for 2025 and ensure compliance with upcoming regulations including EUDR.

REGENERATION & COALITIONS

Since 2022, we made effort to explore cross-sector initiatives aimed at preserving and expanding native vegetation and forests. Collaborating closely with our suppliers, we are actively assessing various initiatives and coalitions that Danone can support to make a significant contribution in protecting ecosystems and combatting deforestation and land conversion in cocoa-producing regions. Furthermore, we reinforced our connection with certification organizations including Rainforest Alliance to help us finalize our roadmap.

In 2024 we actively engaged with our ecosystems and explored how to collaborate with partners and coalition projects to preserve and expand native vegetation and forests. We aim to pursue this approach in 2025.



ANIMAL FEED

The utilization of soy and palm in animal feed, whether in the form of meals or oils, constitutes a relatively small portion, generally less than 5%, of the overall animal feed mix. It is important to recognize that approximately 75% of the world's soy production is traded and utilized specifically within animal feed. Therefore, the significance of these commodities in the context of animal feed should not be underestimated or disregarded.

Our commitments regarding animal feed are:

- 1 100% mapping and risk assessment of animal feed by 2025.
- 2 Working with farmers on local feed or alternative protein transition.
- 3 Preferred commodity trader list for feed suppliers by 2023 and encourage milk producers to only buy feed from traders that meet commitments and/or with credible certification by 2025.
- 4 Top 5 dairy ingredients suppliers engaged within Sustainable Dairy Partnership (SDP) and meeting DCF goals by 2025.





CLEAN SUPPLY CHAIN

Certification

Danone estimates that soy accounts for approximately 5% of the feed consumed by the dairy cows in its supply chain. To identify deforestation risks accurately, Danone has been conducting country by country assessment of soy feed volume mapped through the **Cool Farm Tool**. At the end of 2024, Danone has analyzed soy sourcing for 93% of its milk volumes.

The total soy-based products fed to cows is **270 Ktons**, of which 93% (252 Ktons) were measured through data collection and 7% were quantified by extrapolation.

Of the 270 Ktons 55% is considered* from low-risk origin, 9% is certified, and on the remaining 37% potentially at risk, 35% are compensated through RTRS book and claim credits.

**Partial use of OEC database without traceability – on MBB basis*

VIEW OF MEASURED SOY VOLUMES THROUGH COOL FARM TOOL	2023	2024
Total indirect soy purchased (ktons)	262	270
Low-risk origin (%) on Market Mass Balance	52%	55%
Certified (Mass balance) (%) (including Proterra, RTRS)	8%	9%
Compensated through RTRS book and claim credits (%)	37%	35%



Traceability

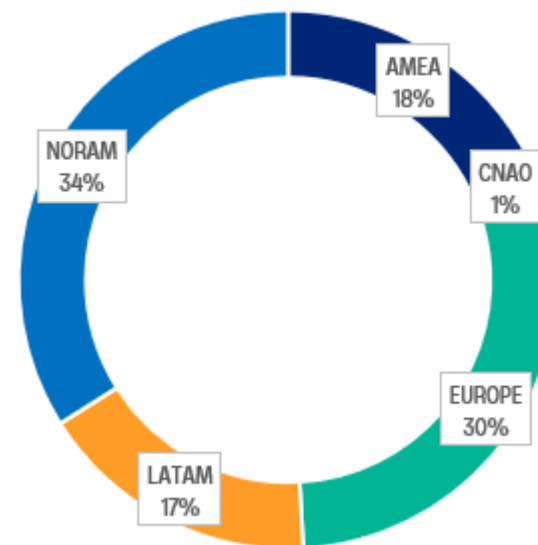
To identify deforestation risks in its fresh milk collection accurately, since 2017 Danone has been conducting country assessments* of soy feed volume using the **Cool Farm Tool (CFT)** worldwide and **CAP2ER tool for France** and whether there is a risk of deforestation linked to certain origins. At the end of 2024, Danone analysed **soy sourcing for 93% of its fresh milk volume**.

The total soy-based feed (soybean meal, soy hull, soy concentrates) accounts for less than 5% of the feed consumed by the dairy cows in its supply chain which are mostly forage-fed (grass and silage) complemented by cereals (in total 85% of diet). In 2025, Danone will continue the expansion of **soy feed mapping** through CFT assessments.

For indirect soy, Danone aims to co-develop local alternatives to soy or to favor soy from low-risk areas (US or Europe). When soy is sourced in risky areas, traceability back to jurisdiction with evidence of DCF is required.

* Covered countries are Algeria, Argentina, Belgium, Brazil, Egypt, France, Germany, Mexico, Morocco, Poland, Romania, Russian Federation, South Africa, Spain, Turkey, Ukraine and the United States

REGIONS WHERE THE SOY IS BEING FED



Embedded palm quantification and risk assessment

In 2024, Danone conducted a quantification and risk assessment for its embedded Palm consumption. Due to the complexity of the feed supply chain, and the fact that Danone does not purchase feed directly, our ability to influence this area is limited. We aim to drive progress by actively participating in cross-industry, pre-competitive partnerships aimed at building more transparent and sustainable sector-wide systems.



RESPONSIBLE SUPPLIERS

Danone is actively engaged in the **SAI Platform**. In 2022, Danone was chairing the Sustainable Dairy Partnership and was on the governance committee of the Dairy Working Group (DWG). In 2021, the DWG started with performing an in-depth supply chain assessment, to understand the role and context of each supply chain actor. In 2022, this evolved to a deeper assessment, to understand problems at the source and to develop recommendations on how to transition to deforestation-free soy in animal feed in a phased approach of Verification, Engagement, Transparency and Transformation. The DWG agenda on Soy has been focused on how to move from assessment to action and scaling. The DWG worked on soy supply chain actor engagements from traders to European feed manufacturers to organize a large-scale pilot to bring DCF soy from Brazil to Europe. This was inspired by an earlier small pilot performed between one EU feed manufacturer and one EU dairy company with the aim of proving it could be scaled to an EU dairy approach. Another goal is to ensure the dairy industry is not working in silo. Therefore, the DWG has been connecting with the CGF FPC on Soy. Multiple discussions have taken place on the potential of participating in the workshop and pilot and on previously build knowledge on the barriers to DCF soy supply chains. Additionally, in 2024, the DWG also worked with SAI and CGF to ensure alignment on the methodologies. With this goal, CGF held a webinar within SAI working group.

To meet our DCF goals regarding animal feed, we have been working with our top 5 Dairy ingredients suppliers to engage within Sustainable Dairy Partnership. **In 2024, 5 of our top 5 dairy ingredients suppliers completed foundational elements of SDP**, including on deforestation.

Furthermore, we have created and have been working with our **preferred list of commodity traders for feed suppliers**, considering various criteria. These criteria include their commitment definitions, associated scope, and transparency regarding DCF progress. This analysis allows us to assess the performance of our suppliers from which 27% meet our requirements and 46% meet them partially. We will continue engaging with those suppliers to increase their performance regarding the DCF approach.





REGENERATION & COALITIONS

Danone is dedicated to reducing dependence on imported soy and proactively mitigating the risk associated with sourcing soy from deforestation and conversion free areas. To achieve this, we have undertaken initiatives that focus on **promoting local soy alternatives for cow feeding**, aiming to support farmers in adopting regional sources of protein and improving their feeding practices.

One notable on-farm project, in **Romania**: Danone has implemented comprehensive measures to achieve **autonomy from imported soy across the entire country scope**. We have collaborated with local nutritionists to develop and incorporate alternative feed options such as sunflower and rapeseed cakes into the diet of cows. Simultaneously, we have facilitated the **development of local soy production and processing facilities**, ensuring a sustainable supply chain.

In another case, this time in Africa, **particularly Egypt**, **Danone is currently in the trial phase of cultivating soy locally**. The ultimate objective is to replace imported soy by utilizing a combination of locally grown soy in collaboration with farmers, along with our expertise and knowledge-sharing efforts. Additionally, we are actively involved in reformulating animal diets to minimize the overall requirement for soy, further reducing the need for imports.

Other projects to move our volumes to local and enhanced traceable soy projects are running in Algeria and Brazil. Finally, we have soy reduction programs running in Poland, France and Germany.





CATTLE (BEEF & MILK)

Danone recognizes the importance of addressing deforestation within its supply chain and extends this commitment to cattle, which encompasses both milk and beef production. With a firm goal of eradicating deforestation by 2025, Danone acknowledges the environmental impact of activities such as dairy products and aims to ensure that these practices do not compromise forests, peatlands, and the well-being of local communities.

By reporting on cattle-related deforestation, Danone aims to promote transparency, accountability, and responsible sourcing throughout its entire supply chain, demonstrating its dedication to sustainable practices across all aspects of its operations.



BEEF

In 2024, Danone took steps to improve traceability by sending a reinforced traceability questionnaire to its beef suppliers. This initiative aimed not only to enhance traceability in the beef supply chain but also to gather information about the suppliers' commitments, policies, and certifications on forest. As a result, this undertaking provided Danone with valuable insights into the practices employed by its beef suppliers to ensure sustainability and responsible sourcing.

In 2024, Danone sourced **940 tons of beef**, coming from **Ireland, France and Spain**.

Moreover, In 2024, Danone procurement teams enhanced our supplier engagement on key deforestation requirements, through leveraging our traceability questionnaires and interviews; highlighting our due diligence requirements to align with EUDR and Danone Forest policy requirements.

On the total amount of beef sourced, **72% is certified** using different schemes such as BRC, IFS or organic certified.

Beef Footprint

Danone also estimated its **beef production footprint** at 4.020 hectares using the CGF-FPC methodology (see Appendix B) for all direct consumption volumes of beef.

COUNTRY OF ORIGIN	VOLUMES 2023 (T)	VOLUMES 2024 (T)
Ireland	239	263
France	302	241
Spain	461	436
Total	1.002	940

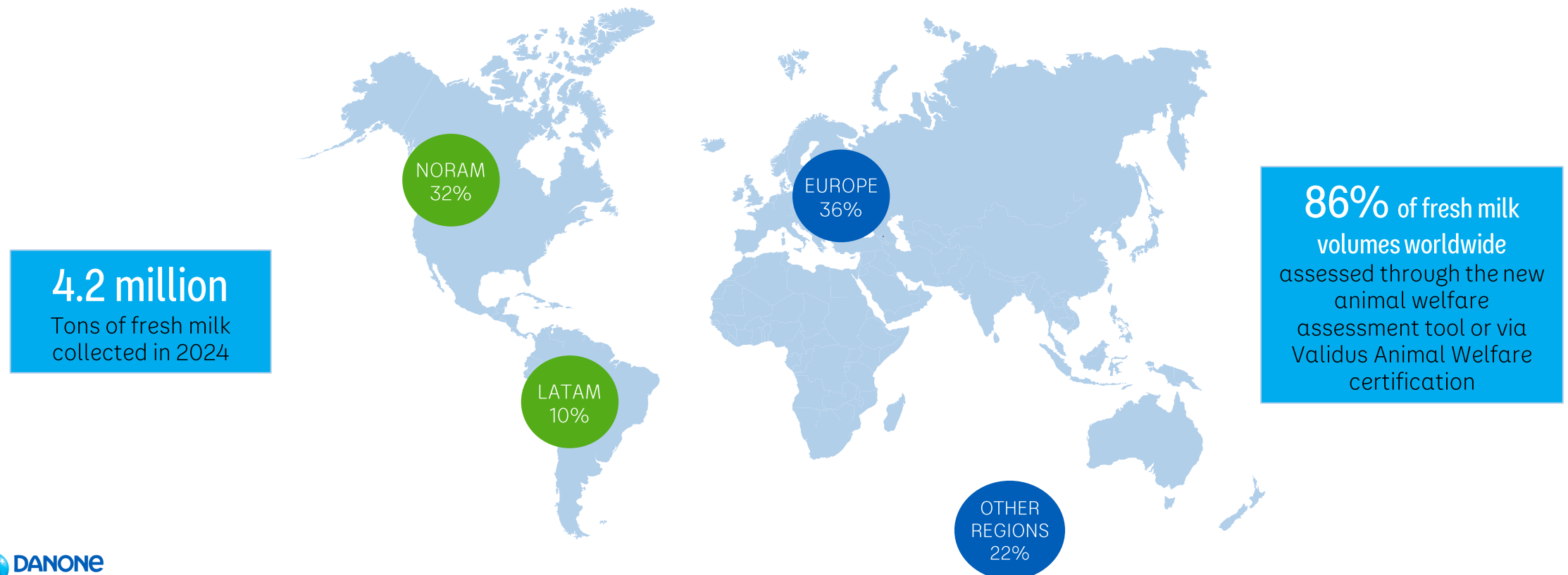


MILK

Clean Supply Chain

About 95% of the partner producers own small family farms with less than 25 cows and are located primarily in emerging countries in Africa and Latin America. These small farms supply about 11% of Danone's total milk volume.

Danone also works with farms of all sizes (with herds ranging from a 100 to thousands of cows), which represent about 1% of the Group's fresh milk suppliers and nearly 67% of milk volumes, the latter being generally collected directly by the Group.





REGENERATION & COALITIONS

Danone supports dairy farmers by providing them with training and technical support to transform their practices while ensuring farm profitability and resilience.

For instance, in 2021, Danone Brazil launched the Flora Project to implement regenerative practices for different dairy production models, such as rotational grazing with tree shading, no-tillage, cover crops and manure management. The project started in 2021 with 22 hectares and as of 2024 the Flora Project covered around 1,400 hectares with regenerative practices contributing to the farms seeing improvements in soil health, biodiversity, feed autonomy and forage quality. The project has increased no till areas to 20% and increased farmers income by 14%.

In 2022, Danone Egypt, Danone Ecosystem and Solidaridad launched the Kheir Ardena Project, aiming to enhance local soybean production for smallholder farmers in the Beni Suef and Minya regions of Egypt to improve productivity and resilience, through innovative agricultural practices, climate-resilient strategies, and sustainable resource management. The project supported 3000 farmers to improve their agricultural practices, increasing soy crop productivity by 20-25% and water efficiency by 25%.

Cool Farm Tool & CAP2ER: Since 2017, Danone has been conducting country-by-country assessments on its direct collect milk volumes using the Cool Farm Tool worldwide and the CAP2ER tool in France, to measure GHG at farm level. The CFT was developed and is overseen by a multistakeholder coalition that includes food manufacturers, retailers, input suppliers, NGOs and universities. The tool's strength lies in its global application and it is designed for continuous improvement. In 2024, Danone used CFT (in 18 countries) and CAP2ER in France to monitor the milk collection volumes from farms, covering **92% of direct collect milk volumes**. Further rollout of CFT is planned to include new geographies in Southeast Asia and India.

In 2024, Danone measured **a decrease of over 1 MtCO₂e of its milk emissions**, notably in AMEA region, as a result of its action plans on milk, divesture of Horizon Organic and favorable weather conditions positively impacting yields of feedstocks and overall farm productivity.

Through the **Sustainable Dairy Partnership**, the Group has continued to work for a more sustainable dairy industry by supporting the prevention of deforestation, the protection of human rights and animal welfare and compliance with local legislation. In addition to these collaborative actions, specific tools and methodologies have been deployed and monitored by Danone, including the ones described on the left.

In 2024, **82% of Danone's Dairy Ingredients suppliers** (in volumes) were Sustainable Dairy Partnership members.

APPENDIX A: TERMINOLOGY

Throughout the report, we made use of several abbreviations and terminology. Let's make sure everyone is on the same page!

Accountability Framework initiative (Afi)	<p>Afi is the framework we draw on for operational guidance, expert knowledge, technology, supplier commitments and credible certification to ensure raw materials we buy do not originate from that landscapes and communities affected by:</p> <ul style="list-style-type: none"> Plantings on high carbon stock (HCS) forests or those with high conservation value (HCV); Planting on peatland, grassland or wetland - Land clearing by burning or cutting; Exploitation or other human/indigenous rights violations.
Area mass balance	Traders can purchase certified production credits directly from growers, while buying conventionally grown material on the spot market. These credits must originate from growers that operate in the same area from which the materials are sourced. The certificates from the purchase area are administratively connected to the delivery of materials from that area via a mass balance model.
CDP	CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
CGF	Consumer Goods Forum
Chain of custody	Documented sequence of production, transfer, and sale of commodities from origin to final point of sale.
Cut-off date	The date after which deforestation or conversion renders a given area or production unit non-compliant with no-deforestation or no-conversion commitments, respectively.
DCF	Deforestation- and conversion-free.
Conservation	In the Forest Positive Coalition (FPC) Landscape Ambition, refers to the protection of existing natural ecosystems through an appropriate and effective enforcement mechanism or management plan and/or incentives.

Conversion	“Change of a natural ecosystem to another land use or profound change in the natural ecosystem’s species composition, structure, or function” (Afi , 2023).
Deforestation	“The loss of natural forest as a result of: conversion to agriculture or other non-forest land use; conversion to a plantation; or severe or sustained degradation” (Afi , 2023).
Derivatives	Materials that are derived from core commodities following a manufacturing process to create a co-product that we use.
Forest Risk Countries	Throughout the report, we make a distinction between low and high-risk countries. This regards the risk of deforestation and land conversion in the country. To make this distinction, we maintain the list of forest-risk countries provided by CDP, where a forest-risk country is one of the following tropical and subtropical countries selected based on current and/or future deforestation risk (based on GCP, 2018; WWF, 2015 & TFA, 2019): Angola, Argentina, Australia, Bolivia (Plurinational State of), Brazil, Cambodia, Cameroon, Central African Republic, Colombia, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Ecuador, Gabon, Ghana, Guatemala, Guinea, Guinea-Bissau, Honduras, India, Indonesia, Kenya, Lao People's Democratic Republic, Liberia, Madagascar, Malaysia, Mexico, Mozambique, Myanmar, Nepal, Nicaragua, Nigeria, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Sierra Leone, Thailand, United Republic of Tanzania, Venezuela (Bolivarian Republic of), Viet Nam, Zambia, and Zimbabwe.
FPC	Consumer Goods Forum Forest Positive Coalition, a coalition of 20 CGF member companies.
FSC	Forest Stewardship Council.
L3F	Livelihoods Fund for Family Farming.
Mass balance	Certified and non-certified materials are mixed in the supply chain. An administrative system ensures the output of certified product supplied to customers does not exceed the input of certified materials received at the location.

NDPE	No-deforestation, No-peat and No-exploitation.
NORAM	Zone that includes the United States and Canada.
PEFC	Programme for the Endorsement of Forest Certification.
Physically certified	Materials are certified deforestation- and conversion-free using either an Identity Preserved, Segregated, or Mass Balance system.
ProTerra	Not-for-profit sustainable supply chain organization and provider of the ProTerra certification standard.
Responsible Suppliers	We refer to the definition provided in page 12 of Danone Renewed Forest Policy .
Restoration	In the FPC Landscape Ambition, involves actively rehabilitating degraded or converted lands to bring back ecological functionality and biodiversity.
RSPO	Roundtable on Sustainable Palm Oil, a not-for-profit sustainable palm oil organization and provider of the RSPO certification standard for palm oil.
RTRS	Roundtable on Responsible Soy, a not-for-profit sustainable soy organization and provider of the RTRS certification standard for soy.
Segregated (SG)	Certified materials are separated from non-certified materials throughout the supply chain, such that it can be assured that the product originates from certified sources, though it may not be possible to identify exact source at farm-level.
SFI	Sustainable Forestry Initiative, a certification program in NORAM that is recognized by PEFC.
SPLP	Siak Pelalawan Landscape Program, palm oil project in Riau, Indonesia.
TTM	Traceable To Mill.
TTP	Traceable to Plantation.



APPENDIX B: METHODOLOGY

METHODOLOGIES TO MONITOR OUR PROCESS

Traceability Process

To trace the products sourced by Danone back to their origins, we collaborate with **third-party organizations**.

1) With the support of an external commodities consultancy (3Keel), in 2022 Danone renewed its traceability process for 3 key forest commodities: soy, paper & cocoa.

In 2024 Danone upgraded its traceability process from an annual to bi-annual process. The purpose of this traceability process is to track, monitor and verify the volumes, origin, certification status, and deforestation and conversion risk of these commodities provided to Danone by its suppliers. To meet the required standards outlined in the Renewed Forest Policy, Danone requests all direct suppliers to provide data disclosure in two parts. Firstly, the volume of commodities supplied in FY 2024, associated certification status of these commodities and origin of the commodity including traceability data to country and sub-national region. Secondly, details of the policies, targets, action plans and procedures of suppliers within their own supply chains and for their entire group (not only Danone supply chains). Suppliers were requested to submit datasets via a secure reporting portal, and then 3Keel checked the policy-set data provided by suppliers, including validation checks against reported FY 2023 volumes. Danone buying teams were engaged to provide validation checks for volume disclosure and certification claims made by suppliers for FY 2024 volumes.

We actively engage our Tier 1 suppliers in the traceability process on an annual basis, starting in February by identifying relevant contacts and sharing with them in March, the timeline and requirements for the data collections of the year. We are finalizing the

engagement in Q2 when we publish our Forest Update. Any uncertainties or non-compliance issues are addressed with the respective suppliers. We work collaboratively with suppliers to define time-bound targets and ensure compliance with our Forest Policy. For suppliers that require a transitional approach to meet our commitments, we involve their broader Sustainable Sourcing team in our supplier engagement program.

2) **Concerning palm oil:** since 2014, we have had a traceability system in place to map our supply chain at least annually. 2024 full-year results showed that 100% of volumes can be traced to Mill level and 98% to Plantation level. Earthworm Foundation supports Danone on this twice a year, in Q1 and Q3. Danone connects with the suppliers, onboards them in the traceability process and confirms purchased volumes. Earthworm Foundation supports Danone to verify the (certified) volumes, using self-declared data provided by Danone's suppliers, who collect info from Tier 2 onward. Earthworm Foundation compiles the list of mills and plantations from our suppliers and calculates % traceability to mill (TTM) and plantation (TTP). The information is used to monitor compliance with our vDCF commitments set out in Danone's Renewed Forest Policy. Finally, Earthworm Foundation supports us in Grievance monitoring, following our [grievance mechanism](#). Recognizing that transparency is important to making tangible progress on responsible palm oil, Danone publishes the results of our mapping exercise every semester. Please find here the most recent [Palm Oil Mill + Plantation List H1 2024](#).

CGF-FPC methodology used for calculating Forest Commodity Footprints

PALM OIL Footprint

- First, direct palm oil and derivative consumption is converted into land area by first assessing the total volume of material purchased by Danone in the reporting period. This is then converted into 'fresh fruit bunch equivalent' as we buy some processed materials and derivatives that require greater inputs to produce the specific co-products we use in our products. We use industry estimates for the conversion of palm oil and palm kernel oil to fresh fruit bunches using the economic allocation method for co-products.
- Using the fresh fruit bunch equivalent, we determine the land use impact by dividing our demand by the yield efficiency of palm oil in the producing nation. This country-level view allows us to estimate the total hectareage of land connected to our demand using the co-product that drives our overall company material requirements.
- Finally, risk is determined by assessing national level deforestation rates for palm oil to allow us to have an estimated level of deforestation risk.

SOY Footprint

- Direct soy oil and derivative consumption is converted into land area by first assessing the total volume of material purchased by Danone in the reporting period. This is then converted into 'soybean equivalent', as we buy processed materials that require greater inputs to produce the specific co-products we use in our products. We use the RTRS calculator conversion factors to estimate the whole soybean requirements of our demand using the economic allocation method for co-products.
- Using the soybean equivalent we determine the land use impact by dividing our demand by the yield efficiency of soybean production in the producing nation. This country-level view allows us to estimate the total hectareage of land connected to our demand using the co-product that drives our overall company material requirements.
- Finally, risk is then determined by assessing national level deforestation rates for soybeans to allow us to have an estimated level of deforestation risk.

BEEF Footprint

- First, direct beef consumption is converted into land area by first assessing the total volume of material purchased by Danone in the reporting period. This is then converted to beef product land requirement per country (if provided, otherwise average applied) using the WWF Riskier Business report methodology developed by 3Keel with updated FAO data and economic allocation. This method allocates total country pastureland to different grazing animals based on relative feed conversion efficiencies and overall sector production. The national pasture area is apportioned between the three main livestock types: beef cattle, milk cattle and sheep. Economic allocation factors were applied to the area assigned to beef cattle to determine a pasture allocation per product per country, to avoid double counting where multiple products were produced from a country. Average weighted factors were used from a review of allocation methods (Kyttä et al). The area assigned to each product is divided by the national production of that beef product to give a hectare per ton estimate per product per country.
- Finally, risk is then determined by assessing national level deforestation rates to allow us to have an estimated level of deforestation risk.

PAPER and BOARD Footprint

- Paper and board material consumption are converted into land area by first assessing the total volume of mass purchased by Danone in the reporting period. Recycled content mass is deducted from the total tonnage figure. This is then converted into cubic meters as we buy pulp and board which are not directly connected to trees using conversion factors from [Forest Research](#).
- Hectare requirements are determined by using the species-level mean annual increment (MAI) cubic meters per hectare multiplied by the volumetric demand by production region using [FAO conversion factors](#).
- Finally, risk is determined by assessing country-level risk using the designated CDP list.

