



- SHAREHOLDERS' MEETING 2020 -
June 26, 2020

ANSWERS TO THE WRITTEN QUESTIONS SENT BY SHAREHOLDERS

In view of the Combined Shareholders' Meeting of June 26, 2020, Danone received 13 written questions from shareholders, pursuant to Article R.225-84 of the French Commercial Code. The Chairman and Chief Executive Officer was delegated by the Board of Directors the power to answer to these questions.

This document, made available on the Company's website in accordance with the law, contains the answers to 11 questions. Answers will be provided to the two remaining questions during the Shareholders' Meeting.

- QUESTIONS FROM FORUM POUR L'INVESTISSEMENT RESPONSABLE -

ENVIRONMENT

- 1. Please list those of your activities which are incompatible with the Paris Agreement (i.e. a climate scenario which keeps the increase in global temperature to well below 2°C and which pursues efforts to limit even further the increase in temperature to 1.5°C)? What actions are you taking to withdraw from such activities in 2020?**
- 2. How are your CapEx/development plans align with a climate scenario which is compatible with the Paris Agreement?**

All of Danone's activities are compatible with the Paris Agreement. As part of its climate commitments, Danone has an objective of carbon neutrality across its entire value chain by 2050. This objective was recognized in 2017 by the "Science Based Targets" initiative based on a climate scenario that keeps the increase in global temperature below 2°C. In November 2019, Danone wished to extend its ambitions by joining the "We Mean Business" coalition to pursue efforts to further limit the temperature increase to 1.5°C. Danone's ambition is to build a resilient growth model that preserves and renews our planet's resources. To this end, Danone supports a circular approach to water resources as well as regenerative agriculture that promotes healthy soils, supports farmers and maintains biodiversity.



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SOCIAL

3. The coronavirus crisis will considerably undermine the economic structure and, in particular, very small businesses and small and medium-sized companies. In this context, is your Group considering amending its supplier terms of payment, and, if so, in what way and in which geographic areas?

Since the start of COVID-19 pandemic, Danone's priority has been to maintain the availability of its daily food supply to consumers and protect the interests of its entire ecosystem through key actions on the ground. For its employees, employment contracts have been secured and wages guaranteed for all Danone employees worldwide until June 30; extensive health and childcare coverage has been provided for all employees worldwide; and specific bonus have been paid to all employees working on site during the pandemic lockdowns. For its trading partners, a financial support of c. €300 million has been made available. This includes €250 million of available cash flow for extended payment terms and credit to farmers, suppliers and smaller customers in its global ecosystem; a \$10 million relief fund, dedicated to supporting the entrepreneurs of Danone Manifesto Ventures' portfolio; and a €20 million extra-fund in Danone Ecosystem Fund, supporting since 2009 the partners of Danone's ecosystems notably around employment, skills and employability and micro-entrepreneurship, with total donated funds now reaching more than €125 million. For the most vulnerable people, a total of €6m of funds and 32 million of products have been donated since the beginning of the crisis. These actions were entirely funded with the company's cash flow and in order to ensure the authorities could first help the companies that needed it the most, the company ensured there was no delay in the payment of any social charges or taxes during this period.

4. Do you have a definition of a "decent wage" beyond the local legal statutory minimum wage? If so, which? How does your Company guarantee its employees a decent wage, in your main locations?

In its principal countries of operation, Danone's compensation practices are not limited to the local legal minimum wage. Beyond compensation, in 2009, Danone launched the Dan'Cares program, with a goal of ultimately guaranteeing quality health coverage for all employees to cover major risks while taking into account practices in the respective markets. The three main risks taken into account are hospitalization and surgery, ambulatory care and maternity care. Dan'Cares is intended to be deployed in all Danone subsidiaries, including in countries where such coverages are not offered by the healthcare systems. As of December 31, 2019, some 99,627 employees (74,420 employees in 2018) in 53 countries (49 in 2018) received healthcare coverage meeting the criteria defined by Dan'Cares. Most of the beneficiaries under the Dan'Cares program were able to include family members.

5. Within the framework of the incentive agreements applicable to your employees in France, do you take environmental and social criteria into account? If so, how, and in what proportion?

Environmental and social performance criterion are included in the Danone's Group Performance Shares programs for 1,600 senior executives, accounting for 20%. In the end, they will also be proposed for inclusion in profit-sharing agreements, depending on the timetable for renewal of these agreements every 3 years and on social dialogue.



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6. Regarding the company savings plan, what portion of the funds carries a responsible investment label (CIES, Finansol, Greenfin, SRI)?

Three employee savings funds, representing a total of nearly 20% of subscriptions, have been awarded a responsible investment label.



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GOVERNANCE

7. Is the distribution of taxes country by country discussed by the Board of Directors as a whole and/or in the Audit Committee? Do you intend to make the results public?

A detailed presentation of Danone's overall tax situation is made once a year to the Audit Committee. Danone published for the first time in its 2019 integrated annual report the breakdown of all of its taxes worldwide, by nature and by major geographic zones, consistent with the presentation of the company's results. The breakdown by country (CBCR - Country By Country Reporting) is transmitted each year to the French tax authorities in accordance with our reporting obligations.

8. Are social cohesion issues, which are due to pay gaps, reviewed at Board meetings and is there a policy concerning them?

9. Is the policy to ensure equality between women and men in terms of pay, career and access to positions of responsibility and are the targets to be achieved discussed within the Board of Directors?

Social cohesion problems due to pay differentials are examined by both the Governance Committee and the Board of Directors. The policy to ensure equality between women and men in terms of remuneration, career and access to positions of responsibility is discussed by the Engagement Committee and by the Board of Directors. This policy integrates targets to be achieved with an annual reporting of progress made.

10. Do you intend to publish the opinion of the social partners on your Group's Extra-Financial Performance Declaration?

Danone's Extra-Financial Performance Declaration ("EFPD") is presented in chapter 5 of the 2019 Universal Registration Document. This document is made available to employee representatives in accordance with the law and collective agreements in force in the company. Social dialogue is one of the central themes of Danone's EFPD, where relations with employee representation bodies and trade unions are described. To date, the opinion of the social partners on Danone's EFPD has not been published.



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- QUESTION FROM M. NICOLAS GOTTRY, PRESIDENT OF IPAC -

First of all, allow us to express our full support for your goal of making Danone the first “Société à Mission” among the CAC 40 companies. Fully embraced by the Group's stakeholders, this “mission” could enable the company to further increase its contribution to the collective interest. However, it must be noted that the environmental “liability” bequeathed by all economic actors is considerable and requires a major effort to repair the damages. On February 26th, Earth Island Institute filed a complaint with a Californian court against several companies, including Danone North America, for plastic pollution of Californian coasts and rivers. Could you please tell us more about this case?

This complaint in California targets 10 food, beverage and consumer goods companies, among which Danone US LLC, alleging that these companies sell products in plastic containers with recyclability claims that results in plastic pollution. This case is in the very early stages and we cannot provide further comments at this stage.

We take the packaging of our products extremely seriously and have a global goal of 100% recyclable, reusable or compostable packaging by 2025. In the U.S. today, approximately 75% of Danone North America’s packaging is currently recyclable. We are committed to increasing packaging options that are designed and labelled for circularity, and increasing the recycled content in our packaging. To that end, we have numerous packaging developments taking place in North America. These include finding an alternative solution to petroleum/fossil-based plastic straws and incorporating recycled plastic into packaging. In terms of recycling infrastructure, we have invested \$5.25 million in the Closed Loop Fund (CLF) to support recycling infrastructure and collection. We are working with partners to show consumers how to engage with circular systems.