



– SHAREHOLDERS’ MEETING 2022 –

April 26, 2022

ANSWERS TO THE WRITTEN QUESTIONS SENT BY SHAREHOLDERS

In view of the Combined Shareholders’ Meeting of April 26, 2022, Danone received 18 questions from shareholders, pursuant to Articles L. 225-108 and R. 225-84 of the French Commercial Code.

This document, made available on the Company’s website in accordance with applicable law, contains the answers to these 18 questions.

- WRITTEN QUESTIONS FROM FORUM POUR L’INVESTISSEMENT RESPONSABLE -

ENVIRONMENT

1. Are you explicitly committed to align your revenues and investments (CAPEX/OPEX/R&D/M&A...) with the Paris Agreement objective of limiting global warming to 1.5°C? How do you ensure these revenues and investments respect this objective (please describe the methodologies used)? What are the main actions plans and, if applicable, the associated investment amounts putted in place to achieve this objective in the short, medium, and long term?

As part of its Climate Policy, Danone pledged in 2015 to achieve carbon neutrality throughout its entire value chain by 2050 (scopes 1, 2 and 3, i.e., all direct and indirect emissions, including those of suppliers and consumers) by reducing its greenhouse gas emissions “GHGs” and offsetting remaining emissions.

In 2019, Danone pledged to define targets for cutting greenhouse gas emissions in line with the 1.5°C climate change scenario (keeping global warming below 1.5°C) and is working to build its new trajectory. In this context, Danone is a member of the working group led by the Science-Based Targets initiative (SBTi) to define 1.5°C pathways for the Forest, Land and Agriculture sectors.

In order to reach its Net Zero goal, Danone has developed the following strategy:

- reduce its emissions intensity by 50% on its full scope of responsibility (scopes 1, 2 and 3) between 2015 and 2030 and reduce its absolute emissions by 30% on scopes 1 and 2 between 2015 et 2030;
- transforming agricultural practices of its supply chain;
- keeping more carbon in the ground;
- eliminating deforestation from its supply chain;
- offsetting remaining GHGs emissions.

Danone has defined a first action plan for 2022-2030 in line with the 1.5°C climate change scenario of the Paris Agreement. The main drivers are:

- the reduction of greenhouse gas emissions from milk and dairy ingredients supplies by changing farming practices and improving the efficiency of processing techniques;
- the transformation of packaging design (target of 100% recyclable, reusable, or compostable packaging by 2025) and materials (target of 50% use of recycled PET to halve its use of virgin PET from fossil fuels), as well as acceleration of reuse models;
- the reduction of energy consumption from operations (based on energy efficiency improvement) and the use of renewable energies;

- the development of new plant-based alternatives for consumers, which have usually a lower carbon footprint than dairy products.
2. What percentage of your business (expressed as turnover, net banking income...) depends directly on biodiversity? What are your investments or spending for biodiversity?

At Danone, agriculture is at the heart of our business, and the basis of all our Dairy, Plant-Based and Specialized Nutrition products, which account for 83% of total sales.

Since 2018, Danone in France has invested €40 million in upstream agriculture to support the transition to regenerative agriculture, which the first pillar is to protect soils, water, and biodiversity. For its Specialized Nutrition Reporting Entity, 69% of its raw materials grown in France (fruits, vegetables and cereals) have been evaluated with Danone "[Regenerative Agriculture Scorecard](#)". This scorecard has been developed with WWF France and deployed to support the improvement of farmers' practices and to assess the impact of the new Regenerative Agriculture Framework on the ground.

In addition, in 2021, Danone launched a Regenerative Agriculture Knowledge Centre to provide resources to farmers and others interested in regenerative agriculture practices. These actions all contribute to the target that Danone has set as part of its strategic 'Enterprise a Mission' agenda: to have 15% of its volume of key ingredients sourced directly from farms having started the transition towards regenerative agriculture by the end of 2021. In 2021, Danone outperformed the objective of 15% and reached 19.7%. This is a key initial step for Danone, which aims to have all of its partner farmers adopt this approach.

Danone is also supporting Livelihoods Funds, with a total of €83.8 million committed between 2011 and 2021:

- The Livelihoods Carbon Fund (LCF) which is an investment fund dedicated to restoring ecosystems and carbon assets. It seeks to invest in three types of projects in Africa, Asia and Latin America: (i) restoration and preservation of natural ecosystems; (ii) agroforestry and soil restoration through regenerative agricultural practices; and (iii) access to rural energy to reduce deforestation; and
- The Livelihoods Fund for Family Farming (L3F) which enables companies to secure their supply, both in terms of quality and quantity by granting small farmers access to more sustainable practices and higher revenues due to good connections with markets. These projects also help to preserve ecosystems through farming practices combining productivity and respect of the environment.

3. List the strategic natural resources needed to carry out your activities and/or that of your clients (water, energy, materials, etc.)? How do you assess and calculate the impact of the scarcity of these resources on your business models? What actions are you taking to control supply difficulties and take opportunities to develop "circular business models"? What are your objectives in this area?

Danone's businesses are directly related to nature and agriculture, where it faces major challenges including food safety, competitiveness, price volatility and access to raw materials. This means that the sustainability of the business hinges on Danone's ability to strengthen and protect the global food chain, in terms of both quality and quantity. To this end, Danone benefits from many years of experience in partnering with milk producers, protecting natural springs and their watersheds, and working with local communities.

Regarding its raw materials, Danone has identified milk, water and plastic as key resources for its growth.

Danone's strategy increasingly focuses on the upstream portion of its activities and in particular its supply of raw materials, not only to manage its costs but also to make it a source of value creation and differentiation relative to the competition. The price trends of major raw materials may affect the structure of Danone's results, which manages cost volatility through the following actions:

- Continuous productivity gains: Danone strives in particular to optimize its use of raw materials (reductions in production waste, lighter packaging and more effective use of milk sub-components in its products) and take advantage of pooled purchasing, for example through centralized management of purchases other than milk for the EDP and Specialized Nutrition Reporting Entities;

- purchasing policy (Market Risk Management) that defines rules for securing the physical supply and prices setting of raw materials on the financial markets. The monitoring of exposures and the implementation of this policy are carried out for each raw materials category by the central purchasing team.

Danone works closely with all stakeholders in the value chain to strengthen the traceability of its supplies and deploy Regenerative Agriculture practices in order to increase the resilience of its producers and secure its purchases. Regarding milk, Danone favors local sourcing of raw milk from more than 59,000 farms in around twenty countries, both directly and indirectly. Most of the milk sourced by the Company comes from family farms. Danone supports dairy farmers by providing them with training and technical support to transform their practices while ensuring the viability of their business models.

Danone published in June 2020 its Water Policy, where the company reiterates the role played by regenerative agriculture in ensuring the protection of natural ecosystems and water cycles, defines its commitments according to different time horizons and underlines its support for its upstream agricultural partners in setting up practices encouraging biodiversity as follows:

- preserve and improve the physical and biological structure of soil to enhance its organic matter content by reducing soil tillage, crop rotation, and planting permanent cover crops;
- maintain soil's natural capacity to regulate water resources;
- preserve animal and plant biodiversity by limiting the use of mineral fertilizers, pesticides and other chemical products and increasing their wildlife habitats (including the protection of water courses). In this respect, Danone pledges to increase the size of buffer zones on farms by at least 15% by 2030.

Finally, Danone works to increase the circularity of its packaging by means of action plans in its brands. In its Packaging Policy, Danone has pledged to ensure a transition from a linear to a circular economy for the packaging used by its Reporting Entities. This ambition is translated into a series of commitments described below as well as in the "[WeActForWater](#)" initiative by the Waters Reporting Entity.

All these commitments are translated into local roadmaps and action plans. Alongside its commitments, the Company is continuing to actively work with the Ellen MacArthur Foundation (EMF) as well as in other alliances to accelerate the transition toward a circular economy, including WWF. In 2021, more than 50% of worldwide sales volumes by the Waters Reporting Entity were sold in reusable packaging. Danone has also signed a call for the creation of a United Nations treaty to address the problem of plastic pollution. In 2021, Danone developed an e-learning module on circular packaging for all its employees, with experts' input from EMF, with the objective to create understanding on circular economy and packaging, awareness about Danone context and actions and encourage critical thinking to foster transformation.

SOCIAL

4. What is the proportion of your corporate officers and employees (broken down by type) concerned by the integration of environmental and social (E&S) criteria in the determination of their variable remuneration (bonus, long-term remuneration, profit-sharing, etc.)?
Which governance bodies are responsible for the choice and validation of these E&S criteria?
How do they ensure that these criteria are relevant, sufficiently incentive-based, and correlated with the objectives to be achieved in order to carry out the group's environmental and social strategy?
(Please specify the extra-financial criteria used for corporate officers and for employees).

The compensation policy for executive corporate officers is drawn up by the Board of Directors, on the recommendation of the Governance Committee and is submitted each year to approval by the Shareholders' Meeting. It defines all components of the fixed and variable compensation of the executive corporate officers and the decision-making process followed for its determination and implementation.

This compensation policy includes, both for annual variable remuneration (bonus), up to 20%, and long-term variable remuneration (in shares subject to performance conditions), up to 30%, social, societal and/or environmental criteria, which the Board of Directors ensures are based on demanding targets, assessed over

time. This long-term variable compensation in performance shares concerns, more broadly, approximately 1,500 Danone managers, with the performance conditions set applying to all beneficiaries.

Since 2018, one of the conditions is linked to Danone's environmental performance. It is based on the score assigned by CDP for the three environmental areas: climate change, forest preservation and water security. In the context of the 2022 Shareholders' Meeting of April 26, 2022, shareholders will be proposed to increase from 20% to 30% the weight, in the long-term variable remuneration plans, of the external performance condition related to the score assigned to Danone by CDP for its environmental performance.

5. What lessons have you learned from new ways of working linked to the Covid-19 pandemic (remote working, digitalization of communication methods, increased flexibility...) that have been implemented in your company in terms of their impact on working conditions? How does your Human Resources strategy integrate these new organizational methods? What social dialogue has been conducted on the subject (agreements, brainstorming on the future of work...) in all your business lines and locations?

The Covid-19 pandemic has required all companies, including Danone, to adapt and adopt social distancing and extend remote working.

Danone enables employees to arrange their work schedules in accordance with their local environment, for example by allowing part-time work or remote work. In 2021, the Company launched the "Future of Work" study among its employees to reflect on how to transform the ways of working. Following this consultation, new solutions were co-built with employees to offer them the possibility to work from third places, adapt their physical and digital work environment and adapt ways of working to a hybrid context.

These progresses are based on a long history of about 10 years where remote working has been recognized as a legitimate component of work and integrate into agreements with trade unions, particularly in France. As a result, the transition to widespread remote working during the Covid-19 pandemic lockdown was seamless thanks to already established working habits. Similarly, the current reflections on the "Future of Work" benefit from this valuable experience.

Moreover, since 2014, Danone has included the promotion of health and wellbeing in the workplace in its WISE² program. Danone defined a systematic approach built around five pillars: (i) ensure a good work rhythm (ii) make daily work meaningful, (iii) promote healthy ways of working (iv) manage employees with kindness and authenticity, and (v) promote a healthy lifestyle and environment. Practical guides encourage the subsidiaries and sites to implement them. Some subsidiaries have implemented initiatives that call for:

- the right to disconnect;
- visits by psychologists and social workers and committees to detect situations of workplace isolation;
- training of management to detect and prevent employee stress.

These elements were also structuring factors for the signature of an agreement in France in 2017 on Quality of Life at Work, which enabled this approach to be included in the social dialogue.

In 2021, Danone continued what was implemented in 2020 and reinforced its efforts in the Local First reorganization project context. The Company continued psychosocial risks prevention and focused especially on:

- regular training and updating of Human Resources and change management on practices to implement in order to protect the health and well-being of employees in a changing context;
- making sure employee assistance program exist everywhere to support employees;
- conducting Human Feasibility Studies to minimize the impact of Local First changes on individuals' well-being and mental health in all countries;
- a bi-monthly global Pulse survey to regularly monitor well-being of Danone's employees.

6. In order to assess the evolution from one year to another, we ask again the question asked in 2021 for which the responses were not satisfying.

Do you have a definition of "decent wage" not limited to the local legal minimum wage? If so, which one? How does your company ensure that its employees, as well as the employees of its suppliers, receive a decent wage?

In its principal countries of operation, Danone's compensation practices are not limited to the local legal minimum wage. In addition to remuneration, Danone provides social benefits for its employees. For example, 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, 2021, 91,672 employees in 55 countries (two more than in 2020) received health coverage meeting the criteria defined by Dan'Cares. Most of the beneficiaries under the Dan'Cares program were able to include family members.

Danone has affirmed its commitment to fundamental employee rights, which explicitly include freedom of association and access to collective bargaining, decisive factors for the provision of a decent wage to the employees of the Company or its suppliers and promotes employee representation through active collaboration with local trade union organizations, as demonstrated by the agreements signed in the United States or in Turkey over the last years. Danone also includes the criterion of respect of these fundamental rights in its agreements with suppliers, thus reinforcing the social standards in force in its supply chain.

Finally, Danone participates in the B4IG (Business for Inclusive Growth) coalition, which published its "Call For Action" in June 2021, calling on all its members to build a living wage guarantee for their employees and those in their supply chain. In line with the United Nations Sustainable Development Goals for 2030, Danone is committed to define its roadmap to ensure a positive impact on the eradication of poverty in its supply chain.

7. In France: apart from investments in your company's securities, what proportion of your employee savings funds take into account environmental and social criteria (SRI, Greenfin, CIES ou Finansol labels)? Why are some funds that do not take into account those criteria still existing, if there is no difference in rentability and as Paris is the leader on the subject?
In your other operating countries: do your employee savings schemes (pension or other) also include ESG criteria?
How does the Board of Directors or Supervisory Board encourage the subscription of these types of employee savings funds?

All Danone employees in France have access to the Group Savings Plan which offers 3 funds that take into account socially responsible investment (SRI) criteria in their management. In total, these funds represent 76% of the total outstanding of the Group Savings Plan (excluding employee shareholding):

- Dan'Dynamique Environnement represents 36% of the outstanding amounts of the Group Savings Plan. It is classified as article 9 by the new European classification established by the Sustainable Finance Disclosure Regulation (SFDR), namely financial products targeting sustainable investments with the GREENFIN and FEBELFIN labels for the underlying MIROVA fund "« MIROVA EUROPE ENVIRONMENTAL EQUITY FUND;
- Dan'Equilibre represents 22% of the outstanding amounts of the Group Savings Plan;
- Danone Communities Solidaire fund represents 17% of the outstanding amounts of the Group Savings Plan.

Currently, the majority of Danone French companies offer a supplementary retirement plan that allows employees to invest in a euro fund and in funds that include ESG criteria. In the end, and in accordance with the provisions of Article 71 of the French "PACTE" law, supplementary retirement plans may be subject to further development and the investment vehicles offered to employees may be reviewed. More than 90% of Danone employees in France have access to a supplementary retirement plan.

In addition, Danone carries out each year a capital increase reserved for Danone employees in France participating in a company savings plan. In 2021, this capital increase represented a total amount of €44.1 million.

In addition, since 2019 Danone also carries out, under the authorization granted by the Shareholders' Meeting, capital increases reserved for employees of its foreign subsidiaries as part as the "One Person, One Voice, One Share" program. In 2021, a capital increase was implemented for the benefit of employees in 32 countries in which Danone operates, representing a total amount of €1.9 million.

The Board of Directors of February 22, 2022, decided to implement a new capital increase reserved for employee members of a company savings plan for a maximum total amount of subscription of €80 million. In addition, a new capital increase reserved for employees of foreign companies may be decided, subject to the approval of the Shareholders' Meeting of April 26, 2022.

GOUVERNANCE

8. Do you publish a charter detailing your commitments in terms of fiscal responsibility? If yes, how does fiscal responsibility fit into your wider social responsibility? Does the Board review and approve this charter? Do you report annually on the application of the charter's principles through a fiscal responsibility report? Does this report detail the taxes paid country by country?

Danone published its annual Tax Policy on its website which underscores its commitment to responsible tax management and its pledge to avoid tax schemes that are artificial, fraudulent, or disconnected from actual operations. In March 2021, Danone joined B-team, a non-profit organization of business leaders and members of civil society working for a fairer and more environmentally friendly business model and committed to its responsible tax principles.

Danone has also implemented a code of conduct for internal use to prevent any risk of tax evasion: it defines the principles for action and the appropriate behaviors when dealing with the local authorities.

Danone is also involved in discussions on taxation with its external stakeholders. The Company thus supports the OECD's Base Erosion and Profit-Sharing initiative. Danone has also signed onto a partnership agreement with the French government as part of the "Confiance Plus" initiative, which encourages transparency in the interactions between the government and companies.

Danone published its first tax contribution report in 2019, which shows the total tax burden paid by the group by tax category and region. From 2022 onwards, Danone will publish an annual tax transparency report on its website, providing more and more information to reach a level of details by country in 2024.

Danone's tax function is supervised by the Vice-President Tax, who reports once a year to the Audit Committee on the main events of the year and on the Company's tax policy. This Vice-President is supported by a core team tasked, among other missions, with performing regular performance reviews with the main regions. At the regional and local level, a network of tax officers is responsible for ensuring implementation of the tax policy and entities' compliance with applicable regulations.

9. Do you publish a responsible lobbying* charter?
Are you a member of professional associations whose positions are controversial in the public interest?
If so, what actions are you taking to reorient the positions of these associations?
What consolidated (i.e. throughout your whole geographical area) resources (both human and financial) do you allocated to interest representation?
* "Lobbying – or interest representation – is playing an increasing role in public decision-making. The organizations concerned (companies, professional organizations, associations, public actors...) devote significant time and budgets to it. When it is conducted with integrity and its use is made clear and transparent, lobbying can play a positive role and contribute to providing public decision-makers with elements of analysis to feed their reflection. On the other hand, unregulated lobbying can lead to abuses that result in decisions that serve private interests rather than general interest." (Transparency International)

Danone has a responsible lobbying charter: this Advocacy Policy, published on its website, describes the Company's vision of advocacy and the way it engages with external stakeholders (governmental and non-governmental actors, including trade associations, but also NGOs, think-tanks, experts and scientists, other

companies...). The Policy sets out the behaviours expected from its employees, as well as the expectation of compliance of any advocacy action, namely:

- compliance with all applicable national and international laws and regulations;
- alignment to fulfil its purpose of “bringing health through food to as many people as possible”; and
- compliance with Danone’s policies and procedures regarding fair practices (Integrity Policy, Code of Business Conduct, etc...)

The policy also describes how Danone’s advocacy activities are monitored, and the external reporting linked to its advocacy, subject to applicable national regulations. Danone is, for example, listed in the EU Transparency Register for interest representatives, as well as in the French High Authority for Transparency in Public Life (“*Haute Autorité Française pour la Transparence de la Vie Publique*”, or “*HATVP*”) registered and the in US register governed by the US Lobbying Disclosure Act – where information on resources allocated to advocacy can be found.

10. The law on the duty of vigilance provides for the drawing up of the vigilance plan in association with the company’s stakeholders, particularly the social partners. In addition, one of the measures of this plan consists of setting up a mechanism for alerting and collecting reports on the existence or realization of risks, established in consultation with the representative trade union organizations. The trade unions have knowledge of the ground and the ability to alert the company and to provide valuable information in the exercise of the duty of vigilance.
How does your group involve its social partners – at local and global levels – in the various stages of the development, evolution, and implementation of its vigilance plan? What resources does the Group provide them with to accomplish this mission? How are the social partners involved in reporting on the effective implementation of this compliance plan?

In accordance with the French Duty of Vigilance Law, in order to act in defense of fundamental rights throughout the entire value chain, exchanges with social partners have been initiated. Meetings in this sense have been organized with IUF and its affiliated unions, in order to benefit from the privileged sources of information to which the unions have access and to present Danone’s Vigilance Plan to them. Danone’s Extra-Financial Performance Statement (“EFPS”) and Vigilance Plan are presented in Chapter 5 of the Universal Registration Document each year.

This document is made available to employee representatives in accordance with the law and the collective agreements in force within the Company. Social dialogue is one of the key themes of Danone EFPS in which relations with employee representations bodies and trade unions are described.

Danone has developed a confidential whistleblowing system for employees, suppliers and any other third party to report their concerns, anonymously, if necessary, about any violation of the Code of Business Conduct, illegal behaviour, inappropriate financial practice or activity posing an environmental or human rights risk. The tool can be accessed on the Internet by anyone, in any country and is available in 15 languages. Pursuant to the French Duty of Vigilance Law, this alert system was discussed with Danone’s trade unions in 2017.

The Danone Ethics line is communicated to all employees on an ongoing basis via the Code of Conduct, compliance trainings, posters on site and within all Danone’s compliance policies.

Danone is committed to work with trade unions, where they play the role of whistleblower or source of information on potential critical situations. Danone is convinced of the added value of this collaboration, allowing access to information from employers or workers on the ground, thanks to the presence of trade unions in high-risk sectors such as agriculture or transport.

As an example, Danone is engaged in an experiment with the IUF and the trade unions in the transport sector, in order to collect information on actual working conditions and to detect situations amounting to forced labor. The work focuses on the modalities of actions and on potential means of remediation with the suppliers concerned, in association with peers. Danone is also attentive to trade unions which, with NGOs present in certain sectors, can play the role of observers of the impact of Danone’s activities on local ecosystems. In the

context of Danone's action plans to promote the development and sustainability of local milk production in West Africa, this type of intervention makes it possible, for example, to seek an improvement in the positive impact on development models in the countries concerned.

- QUESTION FROM MISTER REMY GUERIN -

1. What are the expected consequences of the CSRD at Danone, how do you anticipate its implementation internally, what risks do you foresee, and what competitive advantages do you expect?

The CSRD (Corporate Sustainability Reporting Directive) also known as the Sustainable Corporate Reporting Directive, extends the requirements set out in the European Directive 2014/95/EU on non-financial reporting (Non-Financial Reporting Directive) and defines the framework for the full integration of Environmental, Social and Governance (ESG) dimensions into the overall and long-term performance of companies.

To date, this directive is being finalized by the competent European authorities and will then have to be transposed into French law; it may be subject to adjustments and clarifications in this context. It is therefore difficult for Danone to make a definitive statement at this time.

At this stage, the main changes that could occur as a result of the Directive are as follows:

- an increased role for the Audit Committee in the supervision of ESG issues. Today, these subjects are mainly monitored by the Commitment Committee of Danone's Board of Directors;
- the implementation at the European level of detailed non-financial reporting standards (Sustainability Reporting Standards), which are currently being developed by the European Financial Reporting Advisory Group (EFRAG) and will strengthen the requirements for communication on companies' ESG commitments and strategy.

For several years, Danone has voluntarily put in place processes enabling it to measure, centralize and audit information as part of its ESG reporting, such as: (i) the "Danone Way", a program initiated by Danone as early as 2001 to measure the performance and level of maturity of its subsidiaries with regard to its commitments and priorities in the area of sustainable development; (ii) B Corp certification, under which its subsidiaries are audited by B-Lab, an independent certification body; (iii) the deployment of its status as a company with a mission, which is monitored by the Mission Committee as well as an independent third-party body.

As a result, Danone already communicates a large amount of social and environmental information and does not anticipate, at this stage, any major impact of this new regulation on its reporting.

- QUESTION FROM TRILLIUM ASSET MANAGEMENT -

1. Trillium Asset Management met with Danone in January to discuss our concerns about the company's decision to sever contracts with 89 producers for Horizon Organic and the serious ripple effect this decision is having on producers' livelihoods and the local economy. Seeing no clear disclosures from Danone nor an acceptance to our request for a follow up meeting since then - can you tell us if and how Danone will invest in the impacted northeast U.S. region and additional steps the company is willing to take to ensure that its longtime producers are financially secure through this disruptive and uncertain time.

A founding element of Danone's approach to business is its dual social and economic project, which espouses that economic and social goals are interdependent. Danone holds itself to the highest standards, as reflected by the B Corp certification in North America and the Entreprise à Mission status in France.

Regarding the decision mentioned, Danone teams in North America spent considerable time before making this decision, exploring various options related to milk processing, route optimization, and alternative buyers, but the challenges remain complex. Within this context, Danone understands that the notices of non-renewal sent to 89 farmers in the northeast region is a difficult situation, which is why it created a four-part Northeast organic dairy transition plan:

- First, Danone has decided to provide affected producers the option to extend their current contract an additional six months, for a total of 18-months, ending on February 28, 2023.
- Second, following conversations with farmers, Danone decided to provide an additional financial support during this period.
- The company is providing access (at no cost to the farmer), to farm financial consultants that specialize in providing support for the agriculture community.
- Given the infrastructure, hauling and processing issues in the Northeast, Danone is offering to work with regional stakeholders, including state and federal governments, to explore co-investment solutions that will address some of the systemic challenges related to Northeast organic dairy infrastructure. Danone intends to provide more details as it engages in further discussions with interested stakeholders.

The company has been in continued contact with every producer, its utmost priority is to ensure these producers feel supported during this time and teams are continuing to evaluate how to best provide support as this transition continues.

Since Danone made the offer to "co-invest" with other stakeholders, including governments, the Company spoke with a number of key parties in the region including multiple state governments. Danone reiterated its openness to consider ideas from others which may benefit the region and is waiting to see how it can partner with the state and federal government to invest in the region.

Finally, Danone is making the best efforts to create an open dialogue with its shareholders in order to answer any questions.

- QUESTIONS FROM GREEN CENTURY INTERNATIONAL INDEX FUND -

1. Danone's disclosure of its 2021 plastic footprint (750,994 metric tons) actually shows an increase on 2020 (716,500 metric tons) rather than a decrease (p. 170 [Universal Registration Document](#)). Given that one of Danone's policies on plastics is to "eliminate problematic or unnecessary plastic packaging", **can Danone explain why its plastic footprint has increased, rather than decreased?**

While Danone plastics footprint increased by 4,8% vs. 2020, the trend is negative as it has decreased vs. 2019 and 2018 (respectively. -6% and -5%).

2021 growth vs. 2020 was driven by volume increase in EDP and Waters with notably small formats recovery. We are engaged in reducing virgin plastic usage and through EMF Global Commitment, we committed to reduce virgin plastic usage by 33% in 2025 vs. 2019. As of 2021, we achieved -6% vs. 2019 baseline.

2. Danone states that it has achieved 84% progress against its objective of 100% recyclable, reusable or compostable packaging by 2025. Although this is not disclosed in the registration document, data provided to the Ellen MacArthur Foundation indicates that reusable packaging makes up only a very small proportion of this (4.8% in 2020) ([Global Commitment 2021 Signatory Report](#)). Given that EMF describes reusable systems as the "preferred option", noting that "we cannot recycle our way out of the plastic issues we currently face" ([Global Commitment 2021 Progress Report](#), p. 17), **does Danone have plans to meaningfully increase the share of reusable packaging in its portfolio, and introduce a separate target for reusable packaging to track progress on this?**

In 2020, 4,8% of Danone plastics packaging is reusable which places Danone #2 among Food & Beverage signatories of EMF Global Commitment. While this number looks low, it does not reflect the importance of reuse in the company. In 2021, more than 50% of worldwide sales volumes by Waters business were sold in reusable packaging. These are mainly jugs in emerging markets (such as Indonesia, Mexico and Turkey) which, given their size and number of rotations, deliver high water volumes with minimum use of packaging.

Beyond jugs business, we are piloting new models in the European Union, both in returnable and dispensing formats. For instance, we have been partnering with Loop by Terracycle since May 2019 to offer consumer returnable evian & Badoit bottles in France, and more recently a full range of baby food glass jars under Bledina brand. We have also tested bulk yoghurt dispensing with Carrefour and bulk stores in Paris.

We recognize these are still small-scale pilots which will allow us to test and learn before scaling up and setting up ambitious separate target. This will also require collaboration with our peers and other value chain players such as retailers, logistics/cleaning providers to co-build required infrastructure.

3. Danone has been found to be Indonesia's top plastic polluter in 2021 (13.37% of plastic items found) and 2020 (18.04% of plastic items found) by the [Break Free From Plastic brand audit](#), due in part to the AQUA brand 240 ml single-use water cups and unrecyclable film lids. **Does Danone have plans to end its use of this packaging format in light of the pollution it causes?**

Danone Aqua is fully engaged in acting on the plastics pollution issue, notably with its pledge to recover more plastic than it uses by 2025. Latest actions include the co-founding of Indonesia Packaging Recovery Organization, the investment in Circulate Capital Ocean Fund including the co-investment in Reciki, one of Indonesia's leading waste management companies, and also the partnership with Veolia to build the largest rPET plant in Indonesia. We are aware of the issue concerning the specific 240ml water cup, but we don't believe that stopping this format would be the solution as this is a popular affordable format in the country widely used by other competitor brands as well. We believe that we should propose an alternative / fully recyclable design which we have been testing in some specific areas, and that would be deployed if successful.

- QUESTION FROM FEDERATED HERMES FOR THE CLIMATE ACTION 100+ INITIATIVE -

Mr Chairman, members of the Board, Fellow Shareholders. My name is Zoe de Spoelberch and I work for EOS at Federated Hermes. I am making this statement on behalf of our stewardship clients and as leads with MFS for Danone under the Climate Action 100+ initiative. CA100+ is an investor initiative that aims to ensure that the world's largest corporate greenhouse gas emitters take necessary action on climate change. To date, over 700 investors with ~\$68 trillion in assets under management have signed up to support the Climate Action 100+ initiative, equivalent to more than one third of all assets under management, globally. These investors realise that to mitigate investment exposure to climate risk and secure ongoing sustainable returns for their beneficiaries, the companies that they own must cut emissions and help accelerate the transition to net-zero emissions by 2050 or sooner.

We would like to recognize the company's continued commitment to climate action and dialogue with investors under the initiative. With the initiative now in its fifth year we seek a high degree of alignment between company performance and the standard of the Net Zero Company benchmark. Danone has a good degree of alignment, but several key areas remain for further action, in particular targets, and capital allocation alignment.

1. Last year, we asked for a roadmap to net zero which includes short- and medium-term emissions reduction targets covering the entire value chain and that are aligned with a 1.5°C trajectory. Danone informed us that this action plan will be updated under a 1.5°C trajectory and then will be disclosed when the sector-related recommendations of the SBTi will be finalized. When does the company expect to have a science-based target, validated as aligned to 1.5C degree pathways, using the SBT Initiatives new guidance for the sector?

Danone intends to submit for approval to the Science-Based Targets initiative (SBTi) its near-term science-based reduction targets in line with 1.5°C degree pathways, and to publish them by the end of 2022. Danone is a member of the working group led by SBTi to define 1.5°C pathways for the Forest, Land and Agriculture sectors. Its science-based targets will be in line with the "Forest, Land, and Agriculture science-based target setting guidance" that is still under development and should be released at the end of June 2022.

2. We also note from our EOS dialogue with Danone that you intend to publish a roadmap to 1.5C by the end of this year. Will this roadmap include an action plan and interim targets to demonstrate company progress to reaching 1.5C?

In the context of its ongoing 1.5°C target target-setting process, Danone has started to update its existing action plans that were previously aligned with 2°C pathways. Though Danone has defined a first action plan for 2022-2030 in line with the 1.5°C climate change scenario of the Paris Agreement, it's important to remind that the group did not communicate its intention to publish a roadmap to 1.5°C by the end of year. As currently disclosed in the Universal Registration Document for 2°C science-based targets, Danone will continue to report its progress against our new 1.5°C science-based targets.

3. Will the company commit to align capital expenditure to the Paris Agreement's objective of limiting global warming to 1.5C?

In 2010, Danone put a price on carbon in its capital expenditures approval process to redirect investments toward lower carbon solutions, clean and efficient technologies, renewable energy, more globally to projects contributing to the reduction of its GHG emissions. Since then, returns on investments have been assessed in terms of carbon impact to support its transformation. This process will contribute to the execution of its 1.5°C action plan.