

REPORT OF THE SHAREHOLDERS MEETING

April 25, 2024

Salle Pleyel



The Combined Shareholders' Meeting of Danone was held on Thursday, April 25, 2024 at Salle Pleyel in Paris. A total of 533 shareholders attended the Meeting in person (ESM). The number of shareholders present, represented by proxy or having voted by correspondence was 10,856 (ESM). The quorum was established at 73.55%.

The Shareholders' Meeting was chaired by Gilles SCHNEPP, Chairman of the Board of Directors.

Ibrahima SOW, representing Amundi, and Cyril BLANC, representing the FCPE "*Fonds Danone*", who also attended the Meeting, were scrutineers. Laurent SACCHI, General Secretary and Secretary of the Board of Directors, was appointed as Secretary of the meeting.

After the opening of the Shareholders' Meeting by Gilles SCHNEPP, Laurent SACCHI recalled the legal formalities carried out prior to the Meeting, the agenda on which shareholders were called to vote, and reported on the quorum reached.

Then, five presentations were made to the shareholders:

1. a presentation on Danone's governance by Gilles SCHNEPP;
2. a presentation of the Mission Committee's report by its Chairman, Pascal LAMY;
3. an introductory presentation of the year 2023 and perspectives for 2024 by Antoine de SAINT-AFFRIQUE, Danone's Chief Executive Officer;
4. a financial presentation on the 2023 results and Q1 2024 results by Juergen ESSER, Group Deputy CEO in Charge of Finance, Technology & Data;
5. a presentation of the strategic orientations, including a progress report on the implementation of the climate transition plan, by Antoine de SAINT-AFFRIQUE.

1. Presentation on Danone's governance

Gilles SCHNEPP began by reviewing the composition of the Board of Directors, whose renewal was completed at the end of the Shareholders' Meeting of April 27, 2023, with the appointment of Sanjiv MEHTA as Director. He referred to the tighter composition of the Board, which now comprises 11 members, thus facilitating exchanges. He also highlighted the Board's high level of independence, which stands at 89%, and the fact that 44% of its members are women, with key positions held by women: Lead Independent Director and Chairs of the Board's three Committees. He continued his introduction by pointing out that 56% of the Board's members are international, an important fact given the Group's international dimension and the fact that 90% of its activities are carried out outside France.

Gilles SCHNEPP then highlighted the significant expertise brought to the Board by the various profiles it comprises, in the consumer goods sector as well as in the fields of CSR and finance, in particular.

Gilles SCHNEPP continued by presenting the workings of the Board of Directors and its Committees, and spoke of the quality of its work and the importance of its members' commitment, reflected in particular by the number of meetings held in 2023. He also reviewed the initiatives taken in 2023, which have now been implemented, such as extending the length of Board meetings, introducing a time for discussion at the end of each meeting, and examining a thematic topic at each Board meeting.

Gilles SCHNEPP then thanked the members of the Board of Directors for their commitment, and in particular the important contribution of the Lead Independent Director and the other Committee Chairs.

Gilles SCHNEPP then presented the compensation of corporate officers, specifying that the *quantum* remained unchanged from 2023, whether for the Chairman, the Chief Executive Officer, or the

Directors. He added that the criteria for the Chief Executive Officer's variable compensation had evolved in line with Danone's challenges. Annual variable compensation now includes an additional criterion relating to the preservation of forests by suppliers (i.e. the volume of products verified as Deforestation & Conversion Free). In addition, the criteria for multi-year variable compensation have also been modified, with an extension of the sugar reduction criterion to adult dairy products, and the addition of a criterion for reducing water consumption in factories.

Gilles SCHNEPP concluded his presentation by pointing out that 2023 had demonstrated that it is possible to achieve financial targets while preserving and investing for the long term, and that it is also possible to strike a harmonious balance between financial and non-financial performance.

In this respect, he thanked all Danone teams for their efforts, and congratulated the management team, in particular Antoine de SAINT-AFFRIQUE, on these fine achievements.

He then handed over to Pascal LAMY, Chairman of the Mission Committee.

2. Mission Committee's report

Pascal LAMY began by pointing out that the Mission Committee's activities are carried out within the framework of the 2019 French legislation on mission companies, a status that Danone adopted in 2020. He then recalled that the Mission Committee's role is to formulate a reasoned judgment on how Danone is fulfilling the obligations it has undertaken in terms of its extra-financial health, environmental and social performance.

He then presented the three points on which the Mission Committee's report is based:

- **the method:** the dialogue established throughout the year between the Mission Committee and Danone's senior executives and their teams, enabling them, on the one hand, to understand trends in business, markets and products, as well as their impact on Danone's ecosystems; and on the other hand, to agree on the quantitative targets to be achieved, which correspond to the levels of ambition for extra-financial performance retained by management;
- **the results:** the assessment of the figures presented and the observation that ambitions have not wavered and that targets have been met or even exceeded; and
- **the certification:** carried out by an Independent Third Party, one of Danone's Statutory Auditors, who is involved in the Mission Committee's work both upstream and downstream of its certification mission.

Pascal LAMY concluded his speech with two positive observations:

- he pointed out that, in previous years, the Mission Committee had expressed the wish that the measures used to assess trajectories should reflect results achieved rather than resources deployed, and that they should gradually be brought closer to operational units. He indicated that this was well underway;
- he added, with regard to the litigation initiated by three non-governmental organizations based on the duty of care, concerning the use and processing of plastic, that Danone had published its 2023 vigilance plan with a major section on packaging, which should facilitate the dialogue initiated several months ago.

Finally, Pascal LAMY thanked his colleagues on the Mission Committee, as well as the Danone teams, both for their commitment and for the climate of trust and excellent working spirit.

3. Introductory presentation for 2023 and perspectives for 2024

Antoine de SAINT-AFFRIQUE began his presentation by speaking of the Paris Olympic Games, which will take place this summer, a historic event in which Danone will play an active part, and which represents a unique opportunity for Danone to promote its mission.

Antoine de SAINT-AFFRIQUE recalled Danone's DNA and distinguishing features: its mission, its positioning on eating well, its scientific expertise, its investment in research and innovation, and its partnerships with its ecosystem.

Antoine de SAINT-AFFRIQUE highlighted the work undertaken over the past two years to strengthen Danone's ability to offer good, healthy and sustainable products, referring to the profound transformation of the Company carried out since the announcement of the Renew Danone strategy and the significant progress already made:

- progress on the governance front, with a renewed, tightened and strengthened Board of Directors, and the addition of new talent to the Executive Committee;
- revision of working methods and compensation criteria, fostering a culture of performance and responsibility in the service of problem-solving and long-term value creation;
- working closely with partners and suppliers to modernize our industrial network and adapt it to market challenges, for example with the renovation of our plant at Villecomtal-sur-Arros, now dedicated to the production of plant-based beverages;
- reinvestment in brands and product quality;
- reorientation of its portfolio.

Antoine de SAINT-AFFRIQUE went on to describe 2023 as “*the year of Danone's return to the forefront*”, with results that prove this over the long term (9th consecutive quarter of growth) despite a particularly unstable and difficult environment. These results are based on structuring choices: investment in brands, innovation, and employee skills to prepare for the future, with healthy products, in growing categories, with a business model anchored in both performance and sustainability.

4. Presentation of the 2023 results and Q1 2024 results

Juergen ESSER began his presentation with an overview of Danone's performance in 2023. He reported that the Group had delivered a strong performance, with sales up 7% on a like-for-like basis. He emphasized that the volume/mix effect had improved throughout the year, ending the fourth quarter in positive territory.

Juergen ESSER pointed out that performance had been driven by all categories, with growth of 6.6% for Dairy and Plant-based Products (DPP), 6.7% for Specialized Nutrition, and 9.1% for Waters.

Juergen ESSER then detailed the performance of the three largest zones:

- **in Europe**, sales increased by 5.9% on a like-for-like basis, with a price effect of +9.2% and a volume/mix effect of -3.3%. Performance was driven in particular by the EDP category, where the transformation of the portfolio has begun to show results. Specialized Nutrition posted solid growth, driven by strong growth in Medical Nutrition, and a resilient, competitive performance from Infant Nutrition. Finally, the Waters business posted strong growth, driven in particular by the *evian* and *Volvic* brands. The Zone's operating margin before non-recurring items stood at 11.5% in 2023, down slightly compared to 2022, against a backdrop of accelerating capital

expenditure;

- **in North America**, sales increased by 5.8% on a like-for-like basis, with a price effect of +5.6% and a volume/mix effect of +0.2%, driven by coffee-related products and yoghurts. At the same time, the Group made progress in repositioning its portfolio of plant-based products. The zone's operating margin before non-recurring items remained stable compared with 2022, at 10.1%, in a context of rising capital expenditure;
- **in China, North Asia and Oceania**, sales increased by 10.1% on a like-for-like basis, with a price effect of 1.5% and a volume/mix effect of 8.6%, underpinned by strong, competitive growth across all categories. In China, the *Aptamil* Infant Nutrition brand recorded strong, competitive growth, while the Adult Nutrition and Pediatric Solutions segments generated double-digit growth. In the Waters category, the *Mizone* brand confirmed its turnaround, with double-digit growth in 2023 and market share gains. The Zone's operating margin before non-recurring items remained broadly stable in 2023, at around 30%.

Juergen ESSER indicated that 2023 marked a year of progress in Danone's value creation approach, the first stage of which was a return to profitable growth. He explained that balanced sales growth, coupled with record productivity gains, had enabled the Group to deliver a recurring operating margin up 40 basis points on the previous year, and recurring EPS up 3.4%. He emphasized that the Group had also delivered a record level of free cash flow, reaching 2.6 billion euros.

Juergen ESSER explained that this approach to value creation concerned all Danone's stakeholders, including its shareholders: thanks to the strong performance in 2023, the dividend proposed to the Shareholders' Meeting is up 5% on 2022, at 2.10 euros per share. He added that Danone had also made progress on its sustainability roadmap, with the aim of creating sustainable and responsible value.

Juergen ESSER then presented the results for the first quarter of 2024. He indicated that Danone had started 2024 with a good performance, and the continued implementation of the Renew Danone strategy. Sales increased by +4.1% like-for-like, with a positive volume/mix effect, up 1.2% thanks to positive contributions from all categories.

Juergen ESSER detailed the performance of each geographical area:

- **in Europe**, sales increased by +2.8% on a like-for-like basis, with a volume/mix effect of +0.1%. The EDP category continued to recover, Specialized Nutrition posted a resilient performance, and Waters delivered strong, competitive growth;
- **in North America**, sales increased by +2.5% on a like-for-like basis, thanks to a balanced contribution between volume/mix and prices, and a strong performance from coffee-related products and high protein yogurts;
- **in China, North Asia & Oceania**, sales increased by +8.9% on a like-for-like basis, thanks to continued competitive momentum in Specialized Nutrition, and a strong start for the *Mizone* brand;
- sales increased by +4.1% in **Latin America** and +6.0% in the **Rest of the World**, with continued progress in transforming business models, particularly in Brazil and Africa.

Lastly, Juergen ESSER confirmed Danone's targets for 2024: sales growth of between +3 and +5% like-for-like, and a moderate improvement in operating margin before non-recurring items. He specified that the Group would pursue its reinvestment program, to continue improving its level of competitiveness.

Juergen ESSER concluded his presentation by saying that 2023 had been a year of solid results and steady progress in implementing the Renew Danone strategy, and that 2024 would be a new year of progress for the Group's value creation model.

5. Presentation of the strategic orientations

Antoine de SAINT-AFFRIQUE took the floor again to thank the Danone employees whose hard work and passion have made it possible to achieve these solid results and steady progress.

Antoine de SAINT-AFFRIQUE continued with a detailed presentation of the 2023 achievements and 2024 priorities.

By way of introduction, Antoine de SAINT-AFFRIQUE recalled Danone's strategic approach, which has contributed to these results: a long-term strategy, based on the heritage of a company rooted in science and innovation, but also in the daily lives of the French people, with a clear mission - to bring health through food - and the conviction that performance and sustainability feed off each other.

Antoine de SAINT-AFFRIQUE spoke of the reinvestment behind the brands, the strengthening of the culture of innovation and performance, operational excellence, and Danone's historic commitment to sustainable development, as well as the pioneering role in social matters. All these initiatives enable to get prepared for the major digital, demographic, and environmental transitions that will have a profound impact on our businesses between now and 2030.

Antoine de SAINT-AFFRIQUE then detailed the 2023 achievements concerning several of his strategic priorities:

- **a return to fundamentals in each of its categories:** in fresh dairy products, Danone has transformed its portfolio in depth, in North America and Europe, with refined lines and brands, a rationalization of the number of references, a refocusing of innovations and work with distributors. This work is beginning to show results, particularly in North America, with another year of solid growth. In Europe, progress is visible, and the region closed the fourth quarter of the year with a positive volume/mix. Antoine de SAINT-AFFRIQUE went on to highlight the Infant Nutrition business, which recorded strong, competitive growth in 2023, and the priority given to science and innovation to prepare for the future, embodied by the opening of its new international research center in Paris-Saclay. Antoine de SAINT-AFFRIQUE highlighted the work undertaken to improve Danone's ability to serve consumers wherever they are by extending the reach of its distribution channels and adapting its marketing strategy to reach more consumers, following the example of *Alpro* products, now available in all the UK's major coffee chains, or its premium waters, available in out-of-home channels;
- **accelerating growth thanks to a superior and differentiated portfolio:** Antoine de SAINT-AFFRIQUE illustrated the investment and acceleration choices made by Danone to benefit its most promising and differentiated lines. Mention was made of Medical Nutrition, set for strong growth in 2023, investments in fundamental and clinical research, the expansion of lines, the reinforcement of distribution and the development of production capacities to prepare for the future. Antoine de SAINT-AFFRIQUE continued with coffee-related products in North America, with the development of a fast-growing and profitable platform (double-digit growth in 2023), an area in which Danone has gained market share thanks to its flagship brands, International *Delight* and *Stok*, the expansion of its industrial capacities and investment in marketing and advertising. Antoine de SAINT-AFFRIQUE concluded by mentioning high protein products and the rapid deployment of winning mixes with new formats, new channels, new consumption occasions and new countries;

- **turnaround of underperforming assets:** he then detailed the work carried out in 2023 for various brands and geographical areas: turnaround of the *Mizone* vitamin drink brand in China (+14% in 2023 and gain in market share), transformation of business models and portfolios in Brazil (with the divestment of Danone's water business, the licensing of its milk business and refocusing on protein products under the *YoPro* brand) and in Africa, with the elimination of dilutive references and refocusing on key brands. In plant-based products in the United States, Danone saw the first results of its actions to restore competitiveness, reflected in its market share;
- **portfolio optimization:** Antoine de SAINT-AFFRIQUE emphasized that in 2023, Danone had accelerated the rotation of its portfolio with discipline, with the disposal of assets that did not correspond to its value-creation model, citing as examples the disposal of *Horizon Organic*, the organic milk business in the United States, the disposal of *Michel & Augustin* and the partnership for its water business in Argentina. He also confirmed the deconsolidation, in July 2023, of his dairy products business in Russia. At the same time, Antoine de SAINT-AFFRIQUE pointed out that Danone had been active on the acquisitions and investments front, citing the acquisition of an adult medical nutrition company in Poland and investment in startups developing technologies in cell culture or precision fermentation.

He concluded by emphasizing that, while significant progress had been made by 2023, much remained to be done, and announced that he would be attending the June 2024 investors seminar to share the next chapter of Renew Danone.

Antoine continued by presenting Danone's roadmap for sustainable development, which is inseparable from Danone's performance and a prerequisite for its future. This roadmap, shared last year, brings together all Danone's social, environmental and health commitments in a precise, measurable and ambitious plan.

Antoine de SAINT-AFFRIQUE detailed the implementation, with rigor and determination, of this sustainability roadmap in 2023.

He first presented the efforts made to reduce CO² emissions. Antoine de SAINT-AFFRIQUE highlighted the publication of Danone's first climate transition plan at the end of 2023, which details, through 8 major transformation programs, Danone's strategy and action levers for reducing its greenhouse gas emissions by 35% between 2020 and 2030 across all scopes 1, 2 and 3. He added that these programs were now being implemented and were beginning to show results, with, for example, a 20.7% reduction in energy and industrial emissions since 2020, thanks in particular to the transition to renewable energies and ongoing energy efficiency efforts.

Antoine de SAINT-AFFRIQUE explained that one of Danone's main priorities was to reduce methane emissions from dairy production. This reduction is at the crossroads of Danone's commitment to the environment and support for a sustainable agricultural model, and is a strategic imperative for the future. Antoine de SAINT-AFFRIQUE recalled that Danone had been the first food company to commit to a 30% reduction in methane emissions from its fresh milk supply by 2030. He then detailed the initiatives taken in 2023: support for partner farmers via regenerative agriculture programs, launch of the Dairy Methane Action Alliance, participation in the research and development acceleration of the Global Methane Hub. These efforts have already reduced methane emissions in agriculture by over 13% since 2020.

Antoine de SAINT-AFFRIQUE underlined the importance of agriculture as a solution to climate challenges, with the need, more than ever, for a strong agriculture, economically viable, technologically equipped and humanly trained. He reaffirmed Danone's commitment to working alongside farmers, guaranteeing a fair price, helping new generations to set up and accompanying them in the adoption of regenerative agriculture practices, with today already almost 40% of key ingredients sourced directly by Danone - including milk - already coming from farms that have begun this transition to regenerative agriculture, and the ambition, in France, to reach 100% by 2025.

Antoine de SAINT-AFFRIQUE then detailed specific actions to support dairy farmers in France, with the development of local supplies of fresh milk. He also listed other actions implemented such as: the maintenance of an attractive model for farmers, a milk price revalued by almost 30% between 2020 and 2023, and support for the installation of new farmers with economic, social, and environmental accompaniment.

Antoine de SAINT-AFFRIQUE continued his presentation by developing another impact linked to the climate challenge: the preservation of water resources. He highlighted Danone's work to provide access to drinking water, protect resources, reduce water footprints across the value chain, and support the transition to more resilient and sustainable food systems. He detailed four types of action undertaken:

- reducing Danone's water consumption at its production sites and the 4R approach - Reduce, Reuse, Recycle and Reclaim water - which, between 2020 and 2023, reduced water use in manufacturing processes by 52%;
- preservation and restoration of the watersheds where Danone operates, working closely with all local stakeholders;
- agriculture, which accounts for 89% of Danone's water footprint, and working with farmers on irrigation systems;
- access to hydration for as many people as possible, with Danone - via Danone Communities - already providing access to drinking water for 12.7 million people, and a target of 20 million by 2025.

Antoine de SAINT-AFFRIQUE then introduced a video on the business of mineral extraction, illustrating Danone's expertise in the conservation of resources and ecosystems for the benefit of surrounding communities.

Antoine de SAINT-AFFRIQUE emphasized that these efforts, in the fight against climate change and in the protection of forests and water resources, had once again been recognized by the CDP, which awarded Danone a Triple A rating for the 5th year running.

Antoine de SAINT-AFFRIQUE continued by mentioning two other major challenges for the coming years: the demographic transition and the radical technological and sociological transformation brought by generative artificial intelligence. He detailed Danone's new global training program for the professions of the future, Dan Skills, aimed at all employees, which provides for 1 million hours of training a year, a reallocation of 100 million euros between now and 2030, and the creation of a dedicated management training center in Evian. The ambition is to make Danone a learning organization in which every employee can make the most of his or her potential, enabling Danone in turn to strengthen its potential for innovation, efficiency, and performance. Antoine de SAINT-AFFRIQUE added Danone's determination to extend this program to its farming partners and to continue to be a pioneer in social matters, citing as examples the Dan Cares program (health cover already covering 95% of its employees) and the program to support employees suffering from cancer, which will cover all Danone employees within the next 24 months.

Antoine de SAINT-AFFRIQUE concluded his presentation by underlining Danone's determination to restore its status as a unique, pioneering, innovative and progressive company in the service of health. He reaffirmed the importance of the Olympic and Paralympic Games for Danone, which illustrate the company's commitment to health, performance, and innovation; an event whose spirit echoes Danone's values. It is in this spirit, combining performance and responsibility, that Danone will continue to work at the forefront of tomorrow's food, to generate long-term, competitive growth that benefits all our stakeholders.

Following these presentations, Achour MESSAS from Mazars & Associés spoke on behalf of the College of Statutory Auditors and presented the conclusions of their work.

Laurent SACCHI then introduced the shareholders Q&A session which lasted about 50 minutes.

Laurent SACCHI reported on the final quorum; then shareholders were invited to vote on the resolutions submitted to the approval of the Shareholders' Meeting.

All resolutions presented by the Board of Directors were approved, namely:

Agenda within the authority of the Ordinary Shareholders' Meeting:

1. Approval of the statutory financial statements for the fiscal year ended December 31, 2023;
2. Approval of the consolidated financial statements for the fiscal year ended December 31, 2023;
3. Allocation of earnings for the fiscal year ended December 31, 2023, and setting of the dividend at €2.10 per share;
4. Renewal of the term of office of Gilbert GHOSTINE as Director;
5. Renewal of the term of office of Lise KINGO as Director;
6. Appointment of Mazars & Associés, Statutory Auditors, to certify the sustainability information;
7. Approval of the information regarding the compensation of the corporate officers referred to in paragraph I of article L.22-10-9 of the French Commercial Code for the 2023 fiscal year;
8. Approval of the components of compensation paid in or awarded for the 2023 fiscal year to Antoine de SAINT-AFFRIQUE, Chief Executive Officer;
9. Approval of the components of compensation paid in or awarded for the 2023 fiscal year to Gilles SCHNEPP, Chairman of the Board of Directors;
10. Approval of the compensation policy for the executive corporate officers for the 2024 fiscal year;
11. Approval of the compensation policy for the Chairman of the Board of Directors for the 2024 fiscal year;
12. Approval of the compensation policy for the Directors for the 2024 fiscal year;
13. Authorization granted to the Board of Directors to purchase, retain or transfer the Company's shares;

Agenda within the authority of the Extraordinary Shareholders' Meeting:

14. Delegation of authority to the Board of Directors to issue ordinary shares and securities in favor of employees working for foreign companies within the Danone group or in a situation of international mobility, in the context of employee shareholding transactions, without preferential subscription right of the shareholders;

15. Amendment of Article 27-II of the Company's by-laws related to the limitation of voting rights;

Agenda within the authority of the Ordinary Shareholders' Meeting:

16. Powers to effect formalities.

All the corporate managers' presentations to the Shareholders' Meeting, the Mission Committee's report, answers to written questions from shareholders, voting results and broadcast of the Shareholders' Meeting are available on Danone's website at the following address:
<https://www.danone.com/fr/investor-relations/shareholders/shareholders-meeting.html>.

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