

DANONE POLICY ON ADVOCACY

Version	4.0
History	July 2020 – version 4 December 2019 – version 3 June 2017 – version 2 2011 – version 1
Approval procedure	Approved by Danone's Corporate Compliance & Ethics Board
Target Group	<ul style="list-style-type: none">- Danone employees of all companies controlled by Danone's affiliates and subsidiaries- Employees of all agencies contracted by Danone and its affiliates who are in contact with authorities, organizations and policy-makers worldwide
Document Owners	Danone's Public Affairs and Compliance Departments
Level of Confidentiality	External Use
Number of Pages	13
Languages	English

Danone S.A. is the exclusive holder of all copyrights related to this document. All rights reserved.

TABLE OF CONTENTS

01. DANONE'S VISION OF ADVOCACY	4
02. DANONE'S ADVOCACY IN ACTION	5
2.1 Who at Danone engages?	
2.2 With what stakeholders?	
2.3 On what topics?	
2.4. In what type of format?	
2.5. How do our professionals behave?	
2.6. How is our advocacy controlled?	
2.7. How do we report externally on our practices?	
03. POLICY FUTURE UPDATES	10
04. APPENDIX	11
Appendix 1: Danone's most relevant memberships of trade associations, organizations, multi-stakeholder coalitions and business platforms	
Appendix 2: The United States' Lobbying Disclosure Act	
Appendix 3: The EU Transparency Register	

01 DANONE'S VISION OF ADVOCACY

How do we define advocacy? Why is it important? Why is it meaningful for Danone?

Business is at the heart of many of our society's challenges, from climate change to malnutrition to rising inequalities. That is why people today expect more of businesses than ever before. Not just the products and services they offer, but the contribution they make to society too.

Providing our expertise for more informed decision-making, in a collaborative and transparent environment with decision-makers and other relevant stakeholders, is therefore an important responsibility. We believe companies like ours have a true potential to use our scale for positive economic, social and environmental impact – if we are honored a seat at the table. It is our desire to go beyond the current paradigm, by creating not just shareholder, but also stakeholder, value.

Although there are no universally agreed definitions of lobbying or advocacy, Danone goes by the principle that the purpose of advocacy is to build common ground and action with stakeholders. More precisely, it drives company engagement among an ecosystem of stakeholders with a view to developing common solutions. This is in line with the UK House of Commons Public Administration Select Committee's views on the topic¹: *"Lobbying is essentially the activity of those in a democracy making representations to government on issues of concern. The Government is committed to protecting this right from improper use while at the same time seeking to avoid any unnecessary regulation or restriction. As well as being essential to the health of our democracy, its free and proper exercise is an important feature of good government. Those who work within government should have no monopoly on the advice that Ministers use to make their decisions. The more individuals and groups outside government engage with the policy-making process and the broader the base of advice and evidence used to take decisions, the better those decisions tend to be."*

And clearly, this isn't just about being good for society, it's also good for our business. Danone indeed stands firmly by its belief that it is better to walk together than apart, working with local authorities and engaging with other stakeholders in our common quest to find better solutions for health through food. We cannot deliver and share growth sustainably if we cannot source the ingredients we need, or if the communities we operate in are struggling. Our business success depends clearly on our ability to meet society's expectations. Such partnerships with stakeholders therefore will allow us to ensure greater relevancy of our actions and a stronger collective impact on the public health, social and environmental challenges the world is currently facing.

¹ Cf. the UK House of Commons Public Administration Select Committee's report on "Lobbying: Access and influence in Whitehall: Government Response to the Committee's First Report of Session 2008-09", <https://publications.parliament.uk/pa/cm200809/cmselect/cmpublicadm/1058/1058.pdf>

02

DANONE'S ADVOCACY IN ACTION

2.1. Who at Danone engages?

This policy applies equally to Danone employees of all companies controlled by Danone's affiliates and subsidiaries and to employees of all agencies contracted by Danone and its affiliates who are engaged in contact with authorities, organizations and policy-makers worldwide – an activity often referred to as “lobbying” or “advocacy”.

Nothing in this policy shall however be construed as limiting the ability of Danone employees to exercise their rights to express their personal opinions, or support, financially or otherwise, the political candidates of their choice in accordance with [Danone's Code of Business Conduct](#).

Danone employees and agencies acting on their behalf will not share views, information and facts concerning Danone with government officials and policy makers unless they are authorized to do so by the appropriate Danone entity.

When recruiting employees from the public sector, Danone ensures that the right balance is struck between the benefits from such recruitment and avoiding potential conflicts of interest with previous employer(s). As such, before the hiring of an employee from the public sector, Danone will follow the company procedures for handling conflicts of interest and commits to:

- carefully review each individual situation with regards to the new position and previous responsibilities of the employee in the public sector to avoid any potential conflicts of interest
- check any existing contractual confidentiality and restrictive covenants and to comply with those covenants, if any,
- check any existing prohibitions stemming from an individual's ethic commitment under a previous government position and to comply with those commitments, if any, and
- when circumstances require, adapt/restrict the job of the employee coming from the public sector for a certain period of time. The restriction could consist of forbidding the new employee to contact for professional reasons his/her former colleagues for a defined period of time.

2.2 With what stakeholders?

When referring to lobbying or advocacy activities, Danone interacts with various stakeholders including governments and regulators, scientific societies, trade associations, experts, non-governmental organizations (NGOs) and other businesses (both in and out of the food sector).

It is indeed the company's conviction that policy-shaping no longer belongs solely to politics but includes a panoply of actors. Our dialogue with this multitude and variety of stakeholders helps us to build comprehensive positions and solutions.

On top of regular conversations with these stakeholders, we conduct a periodical materiality assessment² that helps us to refine our understanding of their needs and interests, and thus better define the key challenges and address them strategically.

² According to the [Global Reporting Initiative \(GRI\)](#), 'materiality' are “those topics that have a direct or indirect impact on an organization's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large”. A materiality assessment is thus a method to identify and prioritize the issues that are most important to an organization and its stakeholders.

2.3 On what topics?

Danone participates in policy development as a company or industry member in order to fulfill its mission of “bringing health through food to as many people as possible”. Where the company does engage in advocacy activities, this will be with the interests of the consumer in mind and the will to meet public health goals (of which tackling obesity, mal- or under-nutrition).

All key topics we engage on are captured in our materiality assessment³. Our participation in policy discussions is varied, covering macro-topics like agriculture and climate change, through to detailed front-of-pack labelling or product quality and safety standards. We proactively publish many of the position papers given by Danone to government authorities or policy makers on Danone’s website.

As part of its Specialized Nutrition business, Danone is specifically committed to the nutrition of mothers and infants from the youngest age, and most importantly supports the World Health Organization’s global public health recommendation and government policies calling for exclusive breastfeeding for the first six months of age and continued breastfeeding up to two years and beyond, combined with the safe introduction of appropriate complementary foods. We are committed to fostering a proactive, constructive and evidence-based dialogue supporting breastfeeding around the world and endorse the principles of openness, transparency and integrity in our advocacy activities. Danone is indeed committed to supporting the design and implementation of advocacy initiatives in every country where it operates that will contribute to creating the right environment for universal WHO Code compliance. As this is a shared goal, we aim to work with the UN, governments, civil society organizations, as well as pediatric societies, to develop a new evidence-based, shared policy agenda focused on increasing breastfeeding rates, supporting parents and the improved nutritional health of infants and mothers. We are ready to take a lead catalyzing industry engagement. As a first step we will support the adoption, implementation and, critically, enforcement of national legislation to meet the needs of each market and create a level-playing field.

Danone also works across the industry, governments and civil society to promote and support higher transparency and accountability standards around advocacy. In particular, Danone supports the International Food & Beverage Alliance’s [Guiding Principles for Multi-stakeholder Engagement](#). These principles, developed in May 2019, include mutual & shared benefit; environment of integrity, respect and trust; and accountability and transparency, amongst others.

2.4. In what type of format?

The company’s advocacy can take the form of Danone stand-alone activities, engagement through trade associations or through multi-stakeholder coalitions. A list of the company’s most relevant memberships of trade associations, organizations, multi-stakeholder coalitions and business platforms can be found in Appendix 1.

a) Danone stand-alone activities

We here refer to the traditional bi-lateral or multi-lateral meetings or events that Danone attends to with various stakeholders, with the objective of conveying its position on a given topic.

b) Trade associations

Danone is a member of various trade associations, whether they are sector-based, local, national⁴ or international. The company’s participation depends also on its level of engagement in the association (member of the Board, involvement in a specific working group...).

³ Danone’s materiality matrix is published in the company’s annual Reference Document, also available on www.danone.com

⁴ If we take the United States for example, Danone is a member of both state-level trade associations, as well as US/federal-level associations.

Danone employees playing an active role as members of these trade associations must have sufficient seniority and authority to participate actively in discussions within the association. Particular care is given to their training to ensure that they comply with Danone's internal standards on trade association memberships, and most importantly do not engage into any anti-competitive activities. When representing the trade association in meetings with government officials or policy makers, Danone employees must also make it clear that they are Danone employees and not employees of the association whose views they are representing.

Danone will not tolerate any governance conflict of interest within its different trade associations' activities and is fully compliant with the competition law rules its trade associations are subject to.

c) Multi-stakeholder coalitions

Today, as collective action shifts away from the pure-business sector arena to embrace various parties united by a common vision and policy ambition, Danone is looking to build multi-stakeholder coalitions with the following characteristics:

- coalitions are thematic, not sectorial
- they are inclusive and gather actors from all backgrounds (policy-makers, peers and other businesses, NGOs, academia...)
- actors share a common policy ambition and drive business commitments
- they have a flexible organization, which is not necessarily formalized into a legal entity.

Examples of multi-stakeholder coalitions built by Danone include the [Food Reform for Sustainability and Health \(FReSH\)](#), the [One Planet Business for Biodiversity](#) coalition, the [Business for Inclusive Growth Platform](#). Danone is also engaging with various nutrition stakeholders (academia, retailers, peers, institutions, policy-makers...) in order to campaign for the widespread adoption of the Nutri-Score front-of-pack labelling scheme in Europe.

In all cases, particular care is given to Danone employees' training to ensure that they comply with Danone's internal standards when interacting within these multi-stakeholder coalitions, and most importantly do not engage into any anti-competitive activities and fully comply with all applicable anti-trust laws and regulations when and where they exist.

2.5. How do our professionals behave?

It is of great importance to ensure that our behavior doesn't undercut trust and the credibility of our company. Where the company does engage in advocacy activities, this will therefore be conducted transparently, legitimately and ethically.

As is true for everything we do, any action undertaken in the context of advocacy activities must comply with [Danone's Code of Business Conduct](#), [Danone's Code of Conduct for Business Partners](#), [Danone's Integrity Policy](#), [Danone's Policy for the Marketing of Breast-Milk Substitutes](#), [Danone's Health Care Systems \(HCS\) Policy](#) and other relevant internal policies such as Danone's Competition Policy and Danone's Data Privacy Policy.

Furthermore, any lobbying or advocacy activity conducted by Danone employees or agencies working on behalf of Danone must fully comply with all applicable national and international laws and regulations at all times, and in particular with any and all laws relating to competition and anti-trust behavior. Where local laws and regulations are less stringent than the above policies, the company policies always prevail.

Whenever Danone employees are in direct contact with government officials and policy-makers, they must clearly describe their role within Danone. In their relationships with government officials and policy makers, Danone employees will act in an honest, fair and transparent way at all times using good judgement and common sense. They will ensure that the information they impart is correct and accurate and is presented in a way that does not mislead. Whenever they share information that is an opinion rather than hard facts, they make

this perfectly clear to the recipient of the information. Employees will never use dishonest means to obtain information or a decision, nor will they induce government authorities or any other officials to violate applicable rules and standards of behavior.

Employees must also act with integrity at all times. Never must they, neither directly or indirectly or through intermediaries, offer or promise any personal or improper financial or other advantage to an official of a government, a government-controlled entity or any other relevant key opinion leader, as well as their families, for the purpose of obtaining information or influencing decision-making. Moreover, Danone employees must refrain from any activity or behavior that could give rise to the appearance or suspicion of such conduct or the attempt thereof. On the contrary, employees should foster an open dialogue and convince by using factual accurate information, compelling evidence and robust arguments. Further information can be found in [Danone's Business Code of Conduct](#), [Danone's Code of Conduct for Business Partners](#), [Danone's Integrity policy](#), [Danone's Policy for the Marketing of Breast Milk Substitutes](#), and [Danone's Health Care Systems \(HCS\) policy](#).

2.6. How is our advocacy controlled?

Danone follows the principles of the [AA1000 Stakeholder Engagement Standard](#) to structure its stakeholder engagement. This methodology is known and shared with all Danone's regional and local Public Affairs offices.

Practical controls are carried out by the Compliance function and by Danone's internal audit team independently as per DICE (the Danone Internal Control Evaluation framework) and reported in DanGo (the Danone Governance & Operating Tool).

As part of its objective to become fully certified B Corp™ by 2025, Danone's subsidiaries are currently individually undergoing the rigorous and independent [B Impact Assessment](#), a thorough questionnaire evaluating how their operations and business model impact their workers, governance, community, environment, and customers⁵. Amongst the topics assessed, Danone's advocacy practices are examined carefully and credit is awarded for efforts to advocate for improved social and environmental standards and policy.

Danone's adoption of the status of an "Entreprise à Mission"⁶ in June 2020 also implied for the company to be more specific in its bylaws as regards its health, social and environmental goals and to apply a new governance framework to monitor the execution of such goals. Danone's independent Mission Committee, composed of eight highly qualified experts mainly from international organizations as well as one independent Director and one employee, is indeed responsible for reviewing and challenging the company's progress on key sustainability topics, whilst ensuring that this value creation is driven in a sustainable and responsible manner. An audit of the Mission Committee's work is conducted annually by an independent third party and publicly disclosed.

More specifically, when it comes to Specialized Nutrition, every year Danone engages with qualified third-party experts to undertake external audits on compliance with its Policy for the Marketing of Breast-Milk Substitutes and publishes their results⁷. Every allegation of potential non-compliance is centrally logged, followed-up until closure and allegation reports published on Danone's website⁸. Danone is also proud to be included in the FTSE4Good Index Series. FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company)

⁵ More information on Danone's B Corp certification journey in the company's Universal Registration Document: <https://www.danone.com/investor-relations/publications-events/registrations-documents.html>

⁶ Introduced in France in 2019 with the "Pacte" law, an "Entreprise à Mission" is defined as a company whose purpose and whose social, societal and environmental objectives are set out in its Articles of Association. Danone is the first listed company to have adopted such a status, and by doing so, adds to the trajectory that inspired its largest subsidiary, Danone North America, to become the world's largest Public Benefit Corporation. More information here: <https://www.danone.com/about-danone/sustainable-value-creation/danone-entreprise-a-mission.html>

⁷ The reports are published on this webpage: <https://www.danone.com/brands/specialized-nutrition/supporting-breastfeeding.html>

⁸ Idem, the reports are published on this webpage: <https://www.danone.com/brands/specialized-nutrition/supporting-breastfeeding.html>

confirms that Danone has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series.

On advocacy expenses, Danone's contributions and spendings for lobbyists or lobbying organizations, trade associations and other tax-exempt groups⁹ are managed at the different levels of the company (both locally by the subsidiaries and at worldwide business unit level). There is therefore no full consolidation of the total spending at company level. It must be noted however that Danone does not use any corporate funds or assets to make political contributions or independent expenditures on behalf of candidates or parties.

Third parties used in the course of advocacy campaigns, such as Public Affairs consultants, must be approved and administered in compliance with Danone's internal Third-Party Vetting rules.

With regards to conflicts of interest, these are identified locally and disclosed with clear internal policies in place – including credible dispute resolution – to manage them. In particular, Danone has developed a confidential whistleblowing system. Raising a concern or “whistleblowing” is where a Danone employee or external party informs Danone of suspected wrongdoing. Anyone may raise a concern using the secure Danone Ethics Line www.danoneethicsline.com and may remain anonymous. The scope of whistleblowing for Danone includes any alleged violations of our Code of Business Conduct, the Integrity Policy, any of our other Compliance Policies, including this Policy, or any non-ethical conduct. It also covers any unlawful behavior, financial malpractice and any activity which poses or is likely to pose a danger to the environment or to anyone working for Danone. Should any Danone employee have a concern, they should promptly contact their N+1, HR, Finance and/or Compliance Manager or alternatively report on the secure Danone Ethics Line. Raising a concern in good faith will not expose the person who raised it to any retaliation. Any concern reported in bad faith may result in disciplinary actions as per the Disciplinary Code for Business Conduct Breach. All concerns will be impartially and objectively examined. Internal investigations will be conducted as necessary. Details on internal investigations are provided in the Internal Investigations Policy and the Internal Investigations Guidelines. Every year, Danone discloses the number of reports made and also the type of violation category witnessed in its Registration Document¹⁰.

2.7. How do we report externally on our practices?

External reporting on advocacy is subject to the local regulation in place. Amongst others:

- Danone has signed the so-called “EU Transparency Register” (TR ID number: 65744846168-89) created through an Agreement between the European Parliament and the European Commission on the establishment of a publicly available transparency register for organizations and self-employed individuals engaged in EU policy-making and policy implementation. Registrants commit themselves to abide by a Code of Conduct covering all relations and contacts with the EU institutions.
- In France, the 2016 Sapin II Law on transparency, the fight against corruption, the modernization of the economy sets new standards of transparency and reporting, including the creation of a national electronic register of representatives of interests with which Danone complies.
- Lobbying in the United States is governed, at federal level, by the Lobbying Disclosure Act (LDA); each state may also have its own requirements and laws. The key elements of the LDA are included in the Appendix.

⁹ For tax-exempt groups, we are here referring to donations from Danone or its brands to non-profit organizations that take part in advocacy. The donation itself will not likely support a specific activity or an expected service in return, but it will support general advocacy.

¹⁰ Danone's annual Registration Document is public and can be found here : <https://www.danone.com/investor-relations/publications-events/registrations-documents.html>

03 POLICY FUTURE UPDATES

The contents of this document will be assessed as and when required to determine whether an update is necessary.

04

APPENDIX

Appendix 1: Danone's most relevant memberships of trade associations, organizations, multi-stakeholder coalitions and business platforms

International (exhaustive list)

- AIM-Progress
- B4IG – Business for Inclusive Growth*
- CFA – Cool Farm Alliance
- CGF – Consumer Goods Forum*
- Ellen McArthur Foundation
- Earthworm
- GEDSA – Global Enteral Device Supplier Association
- Global Dairy Platform
- Gold Standard*
- ICBWA – International Council of Bottled Water Associations*
- IFBA – International Food and Beverage Alliance*
- ILSI – International Life Sciences Institute* (global)
- IPA – International Probiotics Association*
- ISDI – International Special Dietary Foods Industries*
- MNI – Medical Nutrition International Industry*
- OP2B – One Planet Business for Biodiversity*
- Palm Oil Innovation Group
- Ramsar
- SAI – Sustainable Agriculture Initiative Platform*
- Sustainable Brands*
- The Nature Conservancy
- The Trash Free Seas Alliance
- UN Global Compact
- WBCSD – World Business Council for Sustainable Development
- WFA – World Federation of Advertisers*

Regional / Local (most relevant in terms of influence and advocacy fees)

- AIM – European Brands Association*
- ALAIAB – Alianza Latinoamericana de Asociaciones de la Industria de Alimentos y Bebidas
- ANIA – Association Nationale des Industries Alimentaires*
- APIYCNA – Asia Pacific Infant and Young Child Nutrition Association*
- Association française des entreprises privées (France)
- Boissons rafraîchissantes de France (France)*
- Maison des eaux minérales naturelles (France)*
- Comité France-Chine (France)
- EFBW – European Federation of Bottled Water*
- ENSA – European Plant-Based Foods Association*
- EU Pledge*
- EDA – European Dairy Association*
- EUROPEN – European Organization for Packaging and the Environment
- Fédération nationale de l'Industrie laitière (France)*
- FIA – Food Industry Asia*
- FDE – FoodDrinkEurope

- IBWA – International Bottled Water Association (US)*
- IDFA – International Dairy Foods Association (US)*
- IFIC – International Food Information Council (US)*
- ILSI – International Life Sciences Institute: branches in Europe*, North America* and Focal Point in China
- NWA – National WIC Association (US)*
- Organic Trade Association (US)
- SNE – Specialised Nutrition Europe*
- Sustainable Food Policy Alliance (US)*
- SyndiFrais (France)*
- UNESDA – Union of European Beverages Association*

**Forums where Danone is a Board Member*

Appendix 2: The United States' Lobbying Disclosure Act

PUBLIC REGISTRATION AND DATABASE:

<https://lobbyingdisclosure.house.gov/lookup.asp>

DEFINITIONS:

- Lobbyist – The LDA specifies that a “lobbyist” is anyone who is employed for services that include, over a three-month period. Anyone who:
 - (1) More than one lobbying contact for a client (or, an in-house employee, for the employer) and
 - (2) for whom lobbying activities account for at least 20 percent of the time he or she spends providing services to the employer/client.
- Lobbying Activities – lobbying contacts and efforts in support of such contacts, including preparation and planning activities, research and other background work if it is intended, at the time it is performed, for use in lobbying contacts (including by others).
- Lobbying Contact – a communication (oral, written or electronic) with a covered legislative or executive branch official with regard to:
 - (1) the formulation of Federal legislation, rules, regulations, an Executive Order or policy;
 - (2) the administration of a Federal program or policy, including the negotiation or award of a Federal contract, grant, loan, permit, program or license; or
 - (3) the nomination of anyone subject to Senate confirmation.
- Covered Legislative Branch Official – essentially anyone working in Congress, including all Members of Congress, and any staff person working for a Member of Congress or a Congressional Committee.
- Covered Executive Branch Official – includes:
 - (1) any employees in the Executive Office of the President, including the President and Vice-President;
 - (2) any “schedule C” political appointee;

- (3) any member of the uniformed services serving at pay grade 0-7 or above (Brigadier General or Rear Admiral and above), and
- (4) other high-level officials (those paid at levels I-IV of the Executive Schedule). In general, officials of this rank include cabinet-level officials (agency Secretaries), Deputy Secretaries, and in some cases lower-level political appointees, such as Under or Assistant Secretaries.

AS PART OF DANONE'S POLITICAL CONTRIBUTIONS POLICY:

No funds or other assets of Danone may be used to make a contribution to:

- any federal, state, or local political party or candidate for elected office;
- any 527 group, political action committee, or an independent-expenditure-only committee;
- any 501(c)(4) organization to be used for political contributions or independent expenditures; or
- any trade association or 501(c)(6) organization to be used for political contributions or independent expenditures.

Danone's policy prohibits corporate political contributions of all forms including in-kind contributions. No funds or other assets of Danone may be used to make any independent expenditure in support of, or in opposition to, any political party or candidate.

While Danone employees may participate as individual citizens in the political process, decisions to do so are entirely personal and voluntary. Employees engaging in political campaign activities are expected to do so as private citizens, and must at all times make clear that their views and actions are their own, and not those of Danone.

Appendix 3: The EU Transparency Register

The EU Transparency Register is a database that lists organizations that try to influence the law-making and policy implementation process of the EU institutions. The register makes visible what interests are being pursued, by whom and with what budgets. In this way, the register allows for public scrutiny, giving citizens and other interest groups the possibility to track the activities of lobbyists.

SEARCH THE REGISTER:

<https://ec.europa.eu/transparencyregister/public/consultation/search.do?locale=en&reset=>

MEETINGS WITH INTEREST REPRESENTATIVES:

As part of the Commission's commitment to transparency, Commissioners, their cabinet members and Directors-General publish information on meetings held with organizations or self-employed individuals.

Meetings relating to policy-making and implementation in the EU can only take place if the interest representatives are registered in the EU transparency register.

For details, please see the Commission decisions of November 2014: https://ec.europa.eu/info/about-european-union/principles-and-values/transparency/transparency-register_en