

HUMAN RIGHTS POLICY

2022



DANONE
ONE PLANET. ONE HEALTH

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INTRODUCTION

At Danone, we believe business must be inclusive. Our dual commitment to business success and social progress has been at the core of our corporate values since 1972. Defending human dignity at work and fighting against forced labor in our own operations and supply chains is fundamental to our commitment to do business in a sustainable manner. The environmental and health consequences of climate change, which disproportionately affect low-income countries and poor people in high-income countries, are already profoundly affecting human rights and social justice. We recognize the urgency to transform the global food system respecting the rights of all people, contributing to improved livelihoods and protecting the health of the planet. This purpose is embedded in the 'one Planet, one Health' frame of action, which reflects our strong belief that the health of people and the health of the planet are interconnected to offer people healthier and more sustainably produced food and beverage choices.

Danone's values and principles are expressed in the company Sustainability Principles and in its Codes of conduct. Deeply rooted in our Company's identity and history, the Danone Sustainability Principles, Code of Business Conduct and Code of Conduct for Business Partners set forth the standards and behaviours for Danoners and our business partners, and outline commitments to form fair, sustainable, and ethical relationships. This policy spells out Danone's commitments and expectations with regard to human rights.

Human Rights Position

As explained in the UN Guiding Principles on Business and Human Rights (UNGPs), states have a duty to protect human rights and companies have a responsibility to respect human rights. **Danone is committed to respecting and strengthening human rights in our value chain** and we recognise that this means acting with due diligence to avoid infringing on the rights of others and address adverse human rights impacts with which we are involved, either through our own activities or as a result of our business relationships. We also recognise this is a journey at every stage along our value chain and our performance will evolve as we mature our practices together with our business partners and stakeholders.

Drawing on internal and a range of external expertise, Danone's human rights due diligence is founded upon **our commitment to upholding human rights as established in the following internationally recognized standards and guidelines:**

- UN Universal Declaration of Human Rights
- UN Guiding Principles on Business & Human Rights
- International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work
- [OECD Guidelines for Multinational Enterprises](#).
- The ten principles of [United Nations Global Compact](#)
- [UN Women's Empowerment Principles](#)
- [The Children's Rights and Business Principles](#)
- [The Global LGBTI Standards for Business](#)
- The FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT).

Our principle is that where local law and international human rights standards differ, we will follow the higher standard; where they are in conflict, we will adhere to local law, while seeking ways to respect international human rights to the greatest extent possible.

Our responsibilities and expectations

Danone respects the human rights of its employees and we expect our business partners to adhere to business and human rights principles consistent with our own, through their own clearly articulated policies.

We are focusing on the following principles identified through our salient risk assessment and detailed in the **Danone Sustainability Principles (DSP)** based on the internationally recognized standards and guidelines referenced in this document:

- **Ending exploitation:** prohibiting child and forced labour; prohibiting harassment and abuse, and ensuring reasonable working hours;
- **Decent work:** granting a decent wage and at least the applicable legal minimum or standard pay; committing to safe and healthy working conditions; granting freedom of association and right to collective bargaining; ensuring all workers are treated equally with respect and dignity, with a positive culture towards diversity and inclusion;
- **Respecting people in communities impacted by our activities:** respecting the land rights of communities and indigenous people; not impacting negatively their access to water and respecting the right to a healthy environment and healthy nutrition.

Danone's responsibilities

Danone Sustainability Principles & Implementation note for Danone and employees sets out the principles for how we relate to our employees and what is required and expected from all Danone's entities worldwide. It commits all employees to implement the DSP in their daily work and interactions with business partners, including raising concerns when they deem it appropriate. We provide ongoing training and tools to support this.

Holding suppliers accountable

Danone Sustainability Principles & Implementation note for Business Partners sets out our expectations for Business Partners. The DSP are incorporated into a clause in our contracts with direct suppliers. Acceptance and adherence to the DSP (or provision of equivalent principles) is mandatory to do business with Danone. The Business Partners must agree to ensure transparency, to remedy any shortcomings, and to drive continuous improvement. Furthermore, we recognize the critical role our Business Partners play in helping us to uphold human rights in our extended supply chain and request them to exercise due diligence in implementing requirements consistent with the DSP within their own operations and their supply chain up to origin suppliers of raw materials.

Our approach for implementing due diligence

In accordance with the UN Guiding Principles, we will advance respect for human rights in our value chain **by understanding our greatest human rights risks, acting upon our findings** and **integrating** the prevention and mitigation measures into our policies and internal systems, **tracking** our actions, and **communicating** with our stakeholders about how we address impacts.

The DSP are reflected or referred to in operational policies and procedures necessary to embed them throughout the company:

- For our employees, Danone has established corporate principles, policies and procedures to adequately protect their human rights. We regularly conduct anonymous employee surveys in order to identify potential shortcomings early and respond accordingly. Employees are also provided unrestricted access to a fair and transparent grievance mechanism. The next step is about extending the due diligence to our external workforce.

- For our direct suppliers outside of liquid milk, we implement responsible procurement and due diligence to monitor suppliers' adherence to the Danone Sustainability Principles through the 'RESPECT' programme which entails supplier engagement, assessment, right to audit and obligation to remedy critical non-compliances from audit.
- Our risk assessments have highlighted higher risks of human rights violations for the raw materials. As a result, we have identified priority raw materials and use a combination of programmes to strengthen traceability and human rights due diligence including scaling regenerative agriculture and forest programmes as well as using third-party certification.

We appreciate **human rights due diligence is an ongoing process** that requires particular attention depending on categories of goods or services, or geographies. We recognise the importance of **stakeholder dialogue** in informing our approach, with a specific role to be played by unions. We actively engage with our employees, workers and external stakeholders who are or could potentially be affected by our actions. We pay particular attention to individuals or groups who may be at greater risk of negative human rights impacts due to their vulnerability or marginalisation, notably small holder farmers, and recognise that women and men may face different risks.

Collaborative approach

We believe that overcoming human rights challenges in our value chains requires systemic changes in addition to our company-specific activities. We recognise the **value of collaboration** notably through industry initiatives and partnerships (e.g. Consumer Goods Forum) with civil society organizations, experts, suppliers, Business Partners and other businesses to achieve lasting improvements and solving complex social issues. We seek external views as part of continuously improving the efficacy of due diligence approach.

Grievance mechanism and access to remedy

At Danone we strongly support a culture of speaking up. We have established a channel, DANONE ETHICS LINE (DEL) (www.danoneethicsline.com), via which employees, business partners, and all other stakeholders can report violations of regulation or human rights or indicate their suspicion of the same. Cases are investigated and, where breaches are found, appropriate actions and effective remedy are taken.

Danone has also put in place specific processes to address the grievances related to raw materials brought to our knowledge through other channels such as media or NGO reports.

There is no retaliation against anyone who reports a genuine concern and Danone has a zero tolerance on attacks on Human Rights Defenders.

Where we have identified adverse human rights impacts caused by our business activities or to which we have contributed, we are committed to provide for or cooperate in, their fair and equitable remediation. Where we are directly linked to those adverse impacts through our relationships with third parties, we seek to promote access to remediation.

Danone expects its business partners to adopt the same approach with regards to grievance mechanism, remedy

and human rights defenders, and to cascade it in their supply chain.

Governance

We continually evaluate and review how best to strengthen our approach to addressing human rights, including labour rights. We will track and publicly report on progress on an annual basis.

The Board of Directors is informed annually of our human right plans and performance through its Engagement Committee.

Danone's Executive Board (COMEX) is responsible for human rights and reviews the approach annually to ensure that we carry out due diligence on our most severe risks to human rights, including reporting.

The human rights work is overseen by the Sustainability Compliance Board, which meets regularly to review progress and opportunities. This cross functional Executive oversight ensures cross functional governance and continued assessment of plans and performance.

Our dedicated global human rights team establishes our human rights policies, strategies and programs and provides expertise and guidance to the teams across our business engaged in implementation.



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