

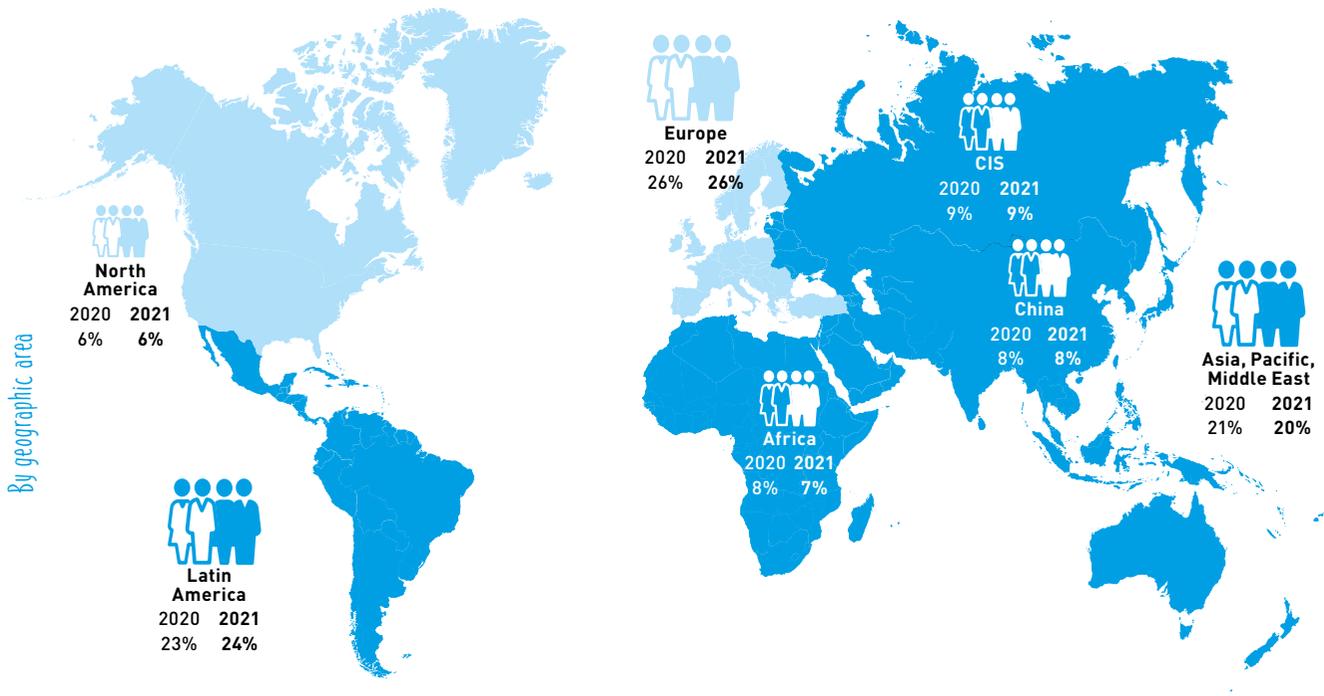
5.4 BUILDING THE FUTURE WITH DANONE EMPLOYEES

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DANONE'S EMPLOYMENT APPROACH

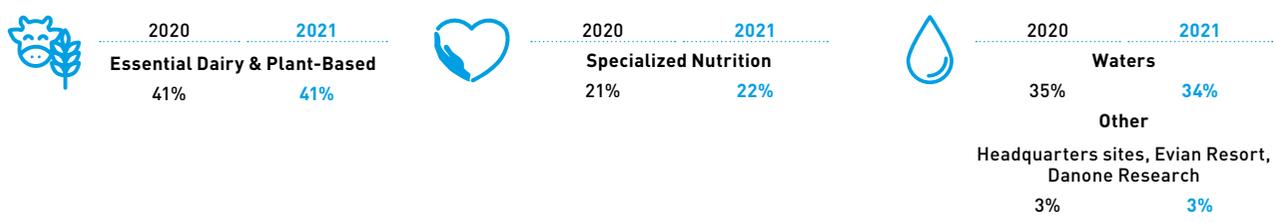
Employees

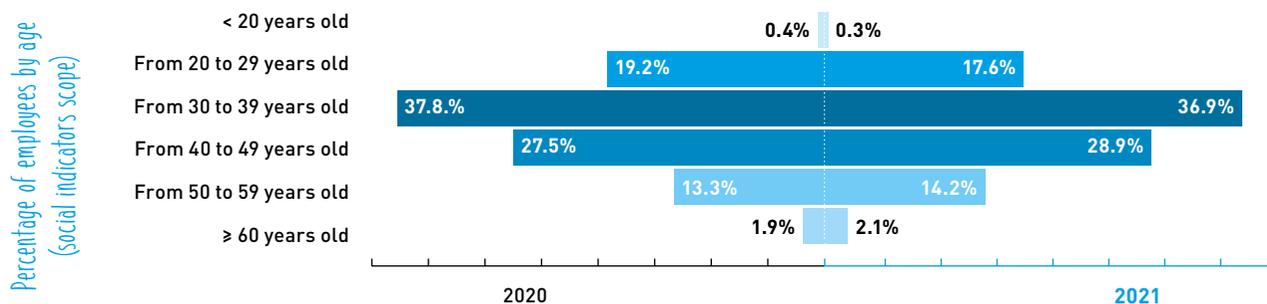


Total number of employees	Europe & North America		Rest of World		
	2020	2021 ^(a)	2020	2021	
101,819	97,737	32%	32%	68%	68%

(a) This number does not include 0.4% of Danone's workforce (i.e. 368 employees), which corresponds to the entities having integrated the scope of social indicators in 2021 (Social indicators scope, see Methodological Note). The total number of employees including these 368 employees is 98,105.

By Reporting Entity





Percentage of women in the organization

	2020		2021	
	Total	% women	Total	% women
Board of Directors	16	43%	13	45%
Executive Committee ^(a)	7	43%	7	29%
Managers, directors and executives	23,367	51%	22,469	52%
<i>Senior managers: executives (excluding Executive Committee) and directors</i>	1,792	41%	1,700	41%
<i>Other managers</i>	21,575	52%	20,762	53%
Non-management employees	78,452	25%	75,268	27%
Total employees	100%	31%	100%	32%

(a) For more information, see section 6.1 Governance bodies.

Conditions and organization of Danone's working time

	2020	2021
New hires ^(a)	12,550	13,808
Dismissals ^(a)	6,192	6,553
Absenteeism rate ^(a)	2.9%	2.9%
Employee turnover rate ^(a)	14%	19%
Part-time employees ^(a)	3%	3%

(a) Social Indicators scope, see Methodology Note.

Danone enables employees to arrange their work schedules in accordance with their local environment, for example by allowing part-time work or remote work, thus contributing to their well-being at 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 parties' places, adapt their physical and digital work environment and adapt ways of working to a hybrid context.

INCLUSIVE TALENT DEVELOPMENT

The commitment, quality and engagement of Danone's people, as well as their adaptation to fast-moving environments, play an essential role in Danone's success. The Company's ability to attract and retain employees with the necessary skills or talents is critical for success. This is especially true in context of reorganization.

Danone relies on its human resources strategy to continue promoting inclusive talent development, as presented below.

Employee training and development

Definition

Danone is committed to providing a range of learning opportunities to all of its employees. In addition, to personalized managerial support, the Company offers functional and cross-functional training programs, most of which are developed in-house and delivered by Danone managers.

Governance

The topics surrounding talent management and employee training are managed by the Head of Global Human Resources, who reports to Danone's Chief Human Resources Officer, member of the Executive Committee.

Its governance is supported by the Talent and Learning Squad led by the Head of Global Human Resources with representatives of local Human Resources Directors.

In addition, operational teams at global and local levels have regular meetings to share updates and best practices on this topic.

Policies, action plans and outcomes

CODES leadership model

Danone also seeks to develop a company culture whereby each employee can develop leadership skills through its CODES (Committed, Open, Doer, Empowered, Self-awareness) leadership model.

The Company deploys this model based on five key attitudes, which support its goals over the long term and cover the leadership skills expected of its employees, at both the individual and collective level: (i) human centric (consumers, patients, employees), (ii) inclusive and collaborative, (iii) courageous with empathy, (iv) agile and (v) accountable and decisive.

Training program

Meanwhile, Danone offers managerial and functional training to enable employees to train according to their needs, notably using digital tools. Danone continued its digitalization with an increasing number of e-learning modules and online courses and online

facilitator-led training. Employee skills development is based on the following approaches:

- the continued deployment of Campus X, Danone's digital learning platform, which offers personalized access to a range of in-house and external content, as an addition to classroom training. In line with its goal of providing access to this platform to all employees, in 2021 Danone extended access to all employees (including those who are at production sites level). For example, in Mexico, a new program called "Expert Wolves" was deployed for all employees including workers on production sites and is available on Campus X. Since the launch, more than 6,000 (among which 4,000 are workers) in 32 different sites in Mexico have had access to this annual training. The platform also gives the employees the opportunity to generate their own training for their peers on specific expertise;
- in 2021, Danone focused its learning offer on three main modules (i) category knowledge for growth, providing information on Danone's Reporting Entities, their brands and products and their strategic axis to deliver sustainable growth. This module was completed by 3,480 employees in 2021 (ii) modules to enable management of change focusing on how to react to change, and how to help employees and others go through change (iii) thematic One Planet. One Health learning – for instance the one on circularity of packaging (see section 5.3 *Preserve and renew the planet's resources*);
- Learning Weeks and other learning events, converted to virtual format amidst the Covid-19 crisis, which combine training, information sharing and networking sessions, along with conferences;
- One Learning a Day, a program that promotes learning by doing, deployed at the head office and production sites.
- to continuously promote the culture of learning at Danone, the Global Learning team animates a community on its corporate social network, gathering more than 2,000 employees worldwide.

	2020	2021
Number of permanent employees who took at least one training course ^(a)	98,105	95,542
Total number of training hours ^(a)	2,532,056	2,322,335
Percentage of employees trained ^(a)	100%	100%
Average number of hours per person trained ^(a)	26	25

(a) Social indicators scope, see Methodology Note.

In 2021, Danone reaffirmed the importance of training for its employees through the FutureSkills approach (see *Social Dialogue* section).

Career development

Danone strives to promote inclusive talent and career development for every employee by ensuring job mobility opportunities.

Performance review and development conversation

In addition to training, Danone supports its employees in managing their careers and building their professional future, notably through mobility programs. The Company has developed a management process that allows employees to set their objectives, evaluate them fairly and define a personalized development plan through a series of meetings and discussions held throughout the year.

As part of its Danone Way program, the Company monitors the establishment of career development processes at its entities for its management and non-management personnel. In 2021, 81% of the entities planned a development conversation with each employee at least once every two years in order to obtain feedback on their work, establish an individual development plan and have visibility on potential future development opportunities [Danone Way Scope, see Methodology Note].



Mobility

The Company offers its employees the opportunity to build a career track consistent with not only the company's needs, but with the individual's own aspirations and abilities, either in their home country or abroad.

Compensation and benefits

Definition

Danone offers its employees competitive compensation and benefits packages, including social and personal protection measures and employee profit-sharing (where applicable).

Policies

Danone offers its employees comprehensive, competitive and fair compensation based on its own system of evaluating and classifying jobs, taking into account human resources development as well as regulations, requirements and the local situation of the subsidiaries.

Action plans and outcomes

Compensation – Global Incentive Plan

Variable annual compensation rewards collective and individual performance based on two sets of targets:

- business targets, measuring how well Danone and its subsidiaries performed financially;
- social, growth and efficiency targets of the organizations, defined with each employee's immediate manager.

As part of an integrated vision of the Company's performance, the variable compensation of approximately 1,500 executives and directors has gradually been based on social and environmental performance criteria such as improvement of the Company's environmental impact, employee health and safety and diversity (see section 6.3 *Compensation and benefits of governance bodies*).

Employee profit-sharing and share ownership

In 2019, for the first time, Danone granted each eligible employee one DANONE share, thus, giving the employee the right to vote at the Shareholders' Meeting. This share grant also enables employees to participate in a global profit-sharing system indexed on the amount of the annual dividend (see section 7.8 *Share ownership structure of the Company as of December 31, 2021*). Each year, every single new Danone employee receives a company share.

Inclusive Diversity

Definition

Danone strives to ensure that every employee feels included, respected and fully capable of contributing in its own unique way to the Company's mission by making inclusive diversity a key component of its 2030 Company Goals.

Governance

In 2021, two Executive Committee members were named sponsors of Inclusive Diversity: the COO End-to-End Design to Delivery and the Chief Growth Officer. Danone also initiated a movement to encourage employees to act within their sphere of influence to help achieve inclusive diversity targets.

More than 400 inclusive diversity champions around the world are thereby driving change at the local level and in the various functions, working with the Human Resources departments and management teams.

In order to implement inclusive diversity at Danone globally, an Inclusive Diversity steering committee is working on a transformational approach based on three pillars: people, brands and partners/communities.

Intrapreneurship program

Since 2019, Danone, BNP Paribas and ENGIE have been working together to promote and develop an intrapreneurship program called Intrapreneur4good which encourages the engagement of their employees in the development of business solutions that also meet social and environmental expectations.

At the local level, employees of Danone's French subsidiaries are eligible for a profit-sharing plan indexed primarily on Danone's results. Some French subsidiaries and certain foreign subsidiaries have established employee incentives and/or profit-sharing agreements indexed on their own results.

Employees of Danone's French companies can also subscribe for an annual capital increase as part of a Company Savings Plan.

Lastly, in 2019, Danone launched its first global employee share ownership plan, enabling its employees in 8 countries – mainland China and Hong Kong, Indonesia, Mexico, Netherlands, Poland, Singapore, Spain and the United Kingdom – to subscribe for new Danone shares. In 2021, Danone extend the program adding 24 new countries – Australia, Austria, Belgium, Brazil, Bulgaria, Colombia, Czech Republic, Denmark, Egypt, Finland, Germany, Greece, Hungary, India, Italy, Latvia, Lithuania, New-Zealand, Norway, Romania, Slovakia, Sweden, Switzerland and Thailand (see section 7.3 *Authorization to issue securities that give access to the share capital*).

Retirement commitments, retirement indemnities and personal protection

Danone contributes to state-sponsored and/or private retirement funds for its employees in accordance with the laws and customs of the countries where its entities do business. The Company also has contractual commitments covering severance pay, retirement indemnities and personal protection, most of which are managed by independent fund management entities.

Commitments related to existing defined-benefit plans generate an actuarial liability, recognized as a provision in the consolidated financial statements. There is no actuarial liability for defined-contribution plans. The provision posted for these commitments as of December 31, 2021, and the expenses for the year are presented in Note 8.3 of the Notes to the consolidated financial statements.

Policy and outcomes

Inclusive Diversity Policy

When Danone signed the Global Agreement on Equal Opportunities with the International Union of Food Workers (IUF), it committed to promoting greater diversity within its corporate structure.

Danone has published a position paper on inclusive diversity, supplemented by its global Policy on the fight against harassment and discrimination, which ensures that every employee is treated with dignity and respect (see Danone's website for more information). Its inclusive diversity strategy focuses on three global priorities: (i) promoting inclusive behaviors, (ii) gender equality and (iii) culture and nationalities. For each of these priorities, Danone has defined commitments and action plans, which are then implemented at the local level in order to cover diversity issues specific to local cultures and contexts. As Danone has achieved most of the Inclusive Diversity 2020 goals, it has affirmed its commitment to continue the journey with the 2025 Inclusive Diversity Roadmap. Below are the KPIs to be tracked in this 2025 roadmap.

Priority	Goal by 2025	Situation in 2021
Promotion of inclusive behaviors	Score of 90% on the Inclusion index	Score of 87% on the Inclusion index ^(a)
Gender equality	50% of women in senior managers positions (directors and executives) ^(b)	41% of women in senior managers positions (executives and directors)
Gender Pay Gap	< 3 pts	3.1 pts 

 Performance indicators monitored as part of Danone's *Entreprise à Mission* status.

(a) 2020 data based on the results of the One Voice Survey.

(b) Target will be reexamined by the end of 2022.

Also, of the 10.9% positions with greater responsibility at Danone (10.3% in 2020), which include executives, directors and some other senior-level managers, 50% of these employees were women (same as in 2020).

In parallel, in order to support equal opportunities and the recognition of each employee profile and contribution, Danone, within all of its countries, ensures equal pay for women and men with the objective of a gap within a range of equity plus or minus 3 points. The 2021 female-to-male ratio is 96.9 globally, in line with the Company's ambition.

In addition to the global KPIs, each country and function is also working on their local and functional Inclusive Diversity Roadmap and KPIs as part of its growth and people agenda.

Ethnicity and religion

Danone's ambition is to have culturally diverse teams that represent the cultural and ethnic diversity of the countries in which it operates. To do so, the Company has put in place several action plans such as:

- equipping its teams globally with cross cultural competencies and bias awareness;
- creating Employee Resource Groups for black and multicultural employees in Brazil, the United Kingdom and United States. For instance, in Brazil Danone joined the MOVER coalition with other 40 consumer goods companies, to accelerate the employability of black young talents in the country through investing in scholarship for universities, English classes, and technical courses;
- establishing a Global Religion Task Force consisting of inclusion and diversity champions from different countries as a platform to highlight, discuss and take actions on religion-related topics. For example, Danone has developed and shared globally a Religion Encyclopedia to build awareness about the different religions in the world and create respect and inclusion.

Disability

Danone encourages its subsidiaries to share best practices regarding people with disabilities.

In France, the Company has signed specific agreements on disability and the fight against discrimination that include measures to support people with disabilities. Danone promotes the recruitment of people with disabilities by supporting events such as *Tous HanScène*. Danone also focuses on retaining people with disabilities by ensuring that they have the most suitable work environment.

In 2021, Danone joined a global membership of the Business Disability Forum, a non-profit organization aimed at creating a disability-smart world by linking businesses, disabled people, and government. It also has created a global 'this-ability' community which will facilitate discussions and sharing of best practices between the different countries.

Parental Policy

Danone is committed to creating the conditions every employee needs to fully benefit from their parenthood, and to developing a family-friendly culture.

Danone's Global Parental Policy is based on three key elements:

- pre-natal support, including modified working conditions and nutrition counseling during pregnancy;
- extended parental leave for both men and women, including 18 weeks for a birth parent, 14 weeks for a legally adoptive parent and 10 working days for a secondary caregiver;
- post-natal support, including job protection measures and return-to-work support, flexible working conditions and breastfeeding support by providing lactation rooms for mothers at all sites that employ more than 50 women.

In 2021, Danone deployed its parental policy in all countries, covering the 91,628 employees globally.

For example, Danone North America extended its parental policy to all its employees, including at the production sites level, enabling them to take up to 18 weeks of paid leave after the birth or adoption of their child.

Action plans

In 2021, Danone also held several internal events:

- for International Women's Rights Day, the Company shared its new commitment by signing the CEO LEAD Network Pledge to achieve 50% women in senior managers positions by 2025;
- Cross Cultural Week during the World Cultural Day in May to build cross cultural awareness as part of the inclusive leadership campaign. An inclusive language workshop was also held to guide employees on practical tips as inclusive leaders;
- Global Parents Day was celebrated to highlight the importance of parental leaves for both men and women to help them feeling supported and included in the company;
- pride terminology and flags were explained through the Pride encyclopedia that also highlighted the importance of pronouns;
- during the fourth edition of Inclusive Diversity Week, Danone highlighted the theme "Inclusive Leaders for Inclusive Growth". Various activations and education sessions were held both at global and local level.

Meanwhile, Danone continues to be a member of LEAD Network through the LEAD Network Global Conference and LEAD Network CEO Virtual Roundtable. Danone also announced its membership with WEConnect, which is a global network that connects women-owned businesses to qualified buyers around the world.



Commitment to the HeForShe campaign

HeForShe is a global campaign by UN Women that encourages men to take an active role in empowering women.

In 2021, Danone extended its partnership with UN Women and Bonafont in Mexico to train and equip women with entrepreneurship skills. It has trained more than 2,000 women since the beginning of the program in 2017.

External recognition

Danone maintained its position in the Bloomberg Gender-Equality 2022 index. The Company is ranked 39th in the Top 100 World for gender equality by Equileap in 2020. In 2021 Danone has improved its ranking to 26th in the Top 100 Globally and 7th in France.

Focus – “One Person, One Voice, One Share”

As part of its innovative governance model and commitment “One Person, One Voice, One Share” Danone established in 2018 a new annual strategic routine. It is based on a global consultation that enables employees to share their views on the Company’s priorities and on the definition of local and global roadmaps.

Also, in connection with this new governance model, employee volunteers are picked each year from around the world to represent

In 2021, Danone received the Gender Equality Diversity and Internal Standard – Sustainable Development Goal Award of the Arborus Foundation for the “Canteen Ladies” project in Indonesia launched with the support of the Danone Ecosystem Fund, Danone Indonesia, Care France and the Food Bank of Indonesia. This project is helping women entrepreneurs launch a network of health food kiosks located inside schools. It also offers nutrition training to parents, teachers, and school children, in order to promote choosing healthier options.

Opportunities

Danone is committed to fostering an inclusive working environment that represents all forms of diversity, both visible and invisible. The Company’s aim is to create a workplace that promotes both personal fulfillment for employees and efficient teamwork, with a view to developing solutions that are culturally relevant to consumers.

all Danone employees and share ideas with members of the Company’s Board of Directors and Executive Committee, so that they may better understand employee needs and expectations, promote faster decision-making, stimulate innovation and enable local teams to take action and make progress toward achieving the 2030 Company Goals.

SOCIAL RELATIONS

Danone works to promote responsible social dialogue that takes the interests of various stakeholders into account.

Social dialogue

Definition

Danone pursues building successful relationships with its employees through continuous engagement and dialogue, the establishment of systems for reporting problems and filing complaints, and the use of responsible practices, especially during Company reorganization. Listening to union representatives regarding employee expectations and maintaining an open dialogue with them helps to limit the threat of strikes and business interruptions.

Governance

Social relations issues are managed by the Human Resources Department, which reports to the Chief Human Resources Officer, a member of the Executive Committee.

Social relations at Danone are based on:

• Social Dialogue meetings:

- the Information and Consultation Committee, supported by its own Steering Committee, whose members include representatives from Danone management and union representatives;
- bi-annual meetings between the International Union of Food Workers (IUF) and the Human Resources Department, its executives and the managers of the main regions to build a common ambition and monitor the respect and deployment of the agreements.

• Board and Committees involved in Social Dialogue:

- the Board of Directors’ Engagement Committee, which monitors the implementation of action plans and initiatives, is regularly updated on any Social Dialogue topics (see section 5.1 *An integrated approach of sustainable business model*);
- the Company’s Work Council and the Information and Consultation Committee appoint two Directors representing employees sitting at the Board of Directors. A member of the Company’s Work Council also participates in Board of Directors’ meetings in an advisory capacity (see section 6.1 *Governance bodies*).

In addition, ongoing dialogue between Danone’s Head of Social Relations and the Human Resources department heads in Danone’s entities make it possible to report employee expectations up the line, especially with union representatives and employee representatives, and, if necessary, establish global or local action plans.

Policies

Social dialogue is a key driver for Danone at the management, trade union and employee representatives' levels. It enables collective efforts to be aligned in order to improve the Company's performance while ensuring that working conditions are continuously progressing. Since 1989, 10 agreements have been signed between Danone and the IUF, and a joint vision was established.

Integration, implementation and communication of the fundamental conventions of the ILO

- since 2003, Danone has been a member of the UN Global Compact, which incorporates the International Labour Organization (ILO) fundamental conventions. These conventions are formalized, implemented and brought to the attention of Danone employees and suppliers.
- the ILO conventions formulate seven fundamental labor principles that are covered in an agreement signed between Danone and the IUF. These principles are the basis of Danone's responsible sourcing programs (see section 5.5 *Promoting sustainable, inclusive growth with suppliers through Responsible Sourcing and Human Rights*).
- Danone communicates its commitments to all employees through its Code of Business Conduct (see section 5.1 *Responsible practices: ethics and integrity*).

Local First Project and FutureSkills Initiative

In 2020, Danone announced a global transformation project called Local First, aiming to change the operating model to shift to a locally grounded organization. In 2021, the Company signed a method agreement with the IUF to frame the social approach of the Local First transformation.

In parallel, Danone is committed to supporting employees who need to acquire new skills. The Company worked with the IUF to develop an innovative approach called FutureSkills, which aims to better prepare employees who need new skills for the jobs of tomorrow (see the common statement available on Danone's corporate website). In 2020, Danone and the IUF signed a common statement aiming to allow Danone's employees to have the opportunity and the time to develop new skills that can facilitate internal repositioning within Danone but can also be of value and practical assistance in the broader jobs market.

Action plans

The Local First project is being deployed worldwide following three phases:

- study phase: managed by study teams in each of Danone's entities including the sharing of early information to unions or employee representatives;
- global and local social consultations: a comprehensive process with unions or employee representatives following the global IUF agreement on changes affecting employment (1997);
- implementation phase: includes regular follow-up committees with unions or employee representatives according to the IUF method agreement of January 2021.

The FutureSkills approach was locally deployed according to the following steps: (i) define the eligibility of employees, (ii) dialogue with local unions or employee representatives, (iii) identification of the jobs of the future, and (iv) design of the individual training journey. A digital toolkit was designed for local teams to support them in the implementation of the project. In France, as part of the construction of a new logistics center in Viry-Chatillon (merger of 2 existing logistics centers in Tremblay and Rungis) the FutureSkills program has been deployed and is currently being implemented in the form of professional trainings. Employees are supported in their new professional perspectives.

As Danone became an *Entreprise à Mission* in 2020, the topic of Social Dialogue and more precisely the FutureSkills project was closely monitored in 2021 by the Mission Committee. The FutureSkills program deployment is part of the set of performance indicators identified to track Danone's progress towards its Mission (see *Outcomes* below).

In addition, Danone and the IUF pursue their efforts to reduce precarious employment by applying specific definitions, methodology and processes, as defined in the global agreement on sustainable employment and access to rights signed in 2016.

In the United States, Danone has held an annual meeting between labor and management since 2019 and is working to define its local social dialogue roadmap. In 2021, more sites have organized themselves, resulting into union recognition and negotiation of collective bargaining agreements in Bridgeton (New Jersey) and Eugene (Oregon).

Outcomes

In 2021, 74% of employees were covered by collective bargaining agreements (78% in 2020) (see Methodology Note).

The framework agreements between Danone and the IUF are deployed in each subsidiary, and each year a joint assessment is carried out with a Danone representative and IUF representative. Between 2009 and 2021, a total of 62 sites visits were made.

In 2021, 100% of Danone's entities discussed with unions or employee representatives and proposed to eligible employees the FutureSkills program if a validated project affects employees or their working conditions (see Danone Way scope, Methodology Note).

• Performance indicators monitored as part of Danone's *Entreprise à Mission* status.



Focus – Respecting and promoting human rights in Danone operations

Danone's human rights approach is based on the Company Sustainability Principles which cover its operations and supply chain (see 5.5 *Promoting sustainable, inclusive growth with suppliers through Responsible Sourcing and Human Rights.*)

In November 2017, as part of a Consumer Goods Forum (CGF) initiative against forced labor, Danone pledged to adopt policies to embed the CGF's principles into its operations.

In 2018, the Company issued an internal Global External Workforce Policy focusing specifically on labor agency workers and prohibiting the payment of recruitment fees by workers. In 2020, as part of its implementation, Danone piloted in Mexico a dedicated methodology for social audits of labor agencies, which was co-developed and implemented by a specialized firm. This methodology includes surveys conducted among temporary workers and their Danone colleagues and supervisors to better assess the situation of temporary workers. The Company will progressively roll out the methodology to support Danone commitment.

As part of the launch of the CGF's new Human Rights Coalition – Working to end forced labor, Danone pledged to develop and deploy Human Rights Due Diligence (HRDD) systems that focus on forced labor in its own operations, with the aim of reaching 100% coverage by 2025, including external workers hired by temporary work agencies or by its subcontractors to carry out regular and continuous work at its entities. In 2021, Danone contributed to the coalition collective work to develop tools and processes necessary to launch the first assessments in 2022.

At the same time, Danone deployed its e-learning training program on human rights and the fight against forced labor, available to the Procurement, Human Resources and General Secretary functions to build the awareness of the local teams on the topic. More than 6,949 Danone employees had completed this training at the end of 2021.

Lastly, the Company continues to monitor its subsidiaries' human rights performance through its Danone Way program, in particular through the practices dedicated to temporary workers.

WORKPLACE HEALTH AND SAFETY

Workplace safety: the WISE² program

Definition

Danone is responsible for ensuring the health and safety of its employees at all its sites, providing a healthy, safe and calm working environment that reflects a long-term and respectful commitment to the life balance of its employees. In light of the risks inherent in the Covid-19 crisis, the Company's priority is to ensure the safety of all employees at its production sites and tertiary headquarters.

Governance

Managed by the Human Resources Department, the WISE² program is deployed at each Reporting Entity, at the production sites and at the logistics warehouses for sales and distribution. Health and Safety managers at the subsidiaries and sites support the program's smooth operation.

The program is overseen at the Company level by the Safety Steering Committee, which is chaired by the Chief Human Resources Officer, a member of the Executive Committee. He is supported by the Chief operating officers of the Reporting Entities and the Head of health, safety and working conditions.

Policies

Workplace Health and Safety Program – WISE²

Objectives by 2021	<p>In 2020, Danone achieved its 5-year ambition to reduce by 50% its lost time accidents between 2015-2020. The target to achieve zero fatality remains the Company's main objective ^(a).</p> <p>In 2021, in the context of Covid-19, Danone set incremental safety improvements. Its objective is to reduce by 2% its FR1+2 which includes lost-time accidents and non-lost-time accidents (see <i>Results</i> section hereinafter).</p>
Application scope	<p>Monitoring of types of accidents (fatal accidents, accidents with and without lost time): all people working at Danone sites (employees, workers from staffing agencies or other outside labor providers and subcontractors).</p>
WISE² program operation	<p>WISE² is a worldwide program that seeks to continuously reduce the number of workplace accidents through two approaches:</p> <ul style="list-style-type: none"> • promoting the culture of workplace health and safety at all Company sites; • ensuring compliance with standards for the most critical risk situations. <p>To address these risk situations, the Company continuously defines and updates new standards, including those related to WISE 12 basics in plants (work at height, chemicals, confined spaces, explosive environments, hazardous gases, fire & evacuation, equipment safety, forklifts, racks & pallets, truck loading/unloading, trucks fleet, work permits and hazardous energy). Specific risks related to the sales and the head offices activities are being tackled thanks to WISE 12 basics related to these functions (pedestrians, ergonomics, field / merchandising, home office, travel & hotels, personal safety, events (team Building & conferences), risk analysis, office & facilities management, contractors and emergency planning). Finally, since 2019, Danone implemented WISE 12 basics in proximity distribution (driving for driver, driving for vehicle, vehicle maintenance, pedestrians, loading & unloading (Lifting), warehouse / racks & pallets, forklifts, chemicals, work at height, general installations, contractors and fire & evacuation).</p>

(a) Following one fatal traffic accident in 2021, Danone has reinforced the preventive measures included in its standards to mitigate the risks of road accidents and defensive driving.

Action plans

The sites are responsible for conducting their own risk assessments. In Europe, in particular, the Single Risk Assessment Document (Document Unique d'Évaluation des Risques – DUER) requires companies to assess their risks and implement the necessary action plans to ensure employee safety.

Danone encourages its employees to identify and report risks and accidents through a participatory system open (i) to all Danone employees; (ii) on some sites to workers employed through agencies and trade workers, and subcontractors. In cases of major risks or accidents, special procedures and a system for reporting the information up the line have been established according to the management levels.

Meanwhile, each year, approximately 50% of Danone sites, production sites and sales force are subjected to WISE² audits covering both the safety culture and compliance with standards. Since 2018, Danone has also deployed the WISE² "compliance standards" in countries

where convenience store distribution is significant (Egypt, Indonesia, Mexico and Morocco). In 2021, following the improvement of the global sanitary situation, Danone was able to progressively resume WISE² on-site audits, thus achieving 26% of the annual audit plan at operations level, representing approximately 15% at global level.

WISE² audits are also performed for certain administrative headquarters.

In addition, the WISE² action plans include the management of working conditions, particularly with initiatives to assess ergonomic risks, provide training on repetitive motions and posture and workstation configurations. Danone also takes measures to reduce working hours and employee turnover in convenience store distribution. The rate of workplace illness and related absenteeism are monitored at the local level.



Outcomes

Year ended December 31

	2020			2021		
<i>(number of accidents, except frequency rate in percentages)</i>	Fatal accidents ^(a)	Accidents with at least 1 day lost time ^(a)	Frequency Rate 1 (FR1) ^(a)	Fatal accidents ^(a)	Accidents with at least 1 day lost time ^(a)	Frequency Rate 1 (FR1) ^(a)
By Reporting Entity						
Essential Dairy & Plant-Based	–	127	1.3	1	102	1.1
Waters	2	70	0.8	–	87	1.1
Specialized Nutrition	–	35	0.7	–	24	0.5
Corporate functions	–	20	1.3	–	32	2.1
Total	2	252	1.0	1	245	1.0

(a) Safety Scope, see Methodology Note.

Year ended December 31

	2020	2021
Frequency rate 2 (FR2) ^(a)	0.95	0.79
Severity rate ^(a)	0.07	0.07

(a) Safety Scope, see Methodology Note.

In 2021, Danone reduced its FR1+2 rate, representing lost-time and non-lost-time accidents, by 8%, exceeding its target of 2%.

Focus – Promoting well-being in the workplace and stress prevention

Since 2014, Danone has included the promotion of health and well-being 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.

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

- regular training and updating of Human Resources and change management teams on practices and activities 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.

Health in the workplace

Definition

Access to health coverage and education regarding health challenges for all employees is a priority for Danone. The Company continues to support its employees with Dan'Cares program in countries where it operates. In the Covid-19 context, this priority has been reinforced for all employees worldwide.

Policies

In 2009 Danone launched the Dan'Cares program, with the 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.

Danone conducts regular market studies to assess where it stands in terms of employee health coverage relative to the market. Since 2020, Danone has extended the health coverage of its local programs (family health coverage, employee assistance program). In light of Covid-19, Danone is currently reviewing its benefits strategy by marking health coverage as stand out benefit for all employees.

Action plans

Danone has introduced Employees Assistance Program (EAP) as one of the key pillars of the extended Dan'Cares program. EAP is a professional service handled by an external company that helps Danone's employees with any emotional, practical or physical queries. The access to EAP is also extended to the direct family members of the employees. In 2021, 28 countries (same as in 2020) already implemented this initiative.

Moreover, in 2020 all Danone entities included employee health as a condition of business continuity. They implemented and monitored preventive measures such as checking for fevers, access to protective equipment and/or Covid-19 testing (Danone Way scope, see Methodology Note).

EMPLOYEE SECURITY

Definition

With a presence in more than 120 countries, Danone may face numerous security challenges and it has the responsibility to protect all employees from malicious acts. To this end, Danone analyzes security risks by country and develops preventive measures adapted to each situation in order to secure the workplace and, when necessary, respond effectively.

Policies

Danone developed a formal Security Policy that defines the Company's vision, mission and objectives for this area. The global security management guidelines articulate the principles of the Policy, particularly in terms of protecting employees. The Security and Health Policy for travelers complement the Company's corporate Travel Policy with a set of security guidelines.

The Security Department also published specific guidelines on international business travel in the context of the Covid-19 crisis. The latest version of these guidelines is available to all employees on the Company's internal social network.

Governance

In 2021, the Chief Security & Competitive Intelligence Officer, who reports to Danone's General Secretary, is responsible for managing security risks.

The Security Department consists of four specialized units:

- international security, responsible for (i) implementing the guidelines at the regional and local level, (ii) risks linked to business travel and related communications, and (iii) protecting the Company's tangible and intangible capital;
- operations security, responsible for protecting the supply chains and investigating suspected food fraud;
- risk analysis, responsible for drafting guidelines and forward-looking reports, country risk analysis and security watch;
- cybersecurity, responsible for centralizing Danone's policy in this area; its role was enhanced with the creation of a Cyber-Board, which reports to the Chief Security & Competitive Intelligence Officer.

In the countries where Danone is present, security experts support local Human Resources managers who are responsible for managing local staff, including security aspects.

Danone's Security Department interacts with the Danone Reporting Entities, notably through training sessions of the Reporting Entity Management Committees.

Outcomes

As of December 31, 2021, 91,672 employees (100,109 in 2020) in 55 countries (53 in 2020) received health coverage fully meeting or partially meeting the criteria defined by Dan'Cares.

Most of the beneficiaries under the Dan'Cares program were able to include family members.

Action plans and outcomes

Security risk management is based on the following three pillars:

- **anticipation and information:** risk monitoring and analysis to understand the security threats facing Danone and its employees and define action plans. Protecting employees means mapping risks on a country-by-country basis and working with local teams to refine the Company's analysis of the environment. Danone ensures that information relating to security risks is properly communicated to the employees and that security rules related to business travel are shared through regular communication and awareness actions. To this end, the security team has developed an online training module that is available on Danone's digital learning platform, Campus X. The Security team frequently publishes on the Company's internal social network with information related to travel security. It includes a weekly prospective security risks overview, reminders about the travel policies and procedures and tips to mitigate one's exposure during international trips.
- **prevention and protection:** working with internal and external experts to implement preventive measures that reduce the likelihood of incidents. This includes monitoring business travel and expatriate assignments in high-risk countries and setting up security protocols. Each Danone site conducts a self-assessment using an audit checklist, then works with security experts to continue improving security based on the results. Since 2017, 95% of the production sites have conducted security self-assessments. In 2021, in the context of the pandemic due to a lack of resources and other local priorities, security self-assessment focused on the most vulnerable sites. Consequently, 65% of the sites conducted their self-assessment (scope: 176 production sites). Furthermore, a new online Security Awareness Training has been developed and made available on Campus X in 2021.
- **response and incident management capabilities:** positioning resources that enable the Company to respond in the event of an incident and using past experiences to strengthen existing prevention and protection systems. Working with the Human Resources department, the Security Department continuously applies an outsourced monitoring system as well as a medical and security assistance program. In 2021, the Security Department developed a digital dashboard production covering all security pillars through seven KPIs.

In 2021, Danone's Security Operational Center (SOC) noted 52 important or urgent events, all of which were reported to the Security team. For these events, the SOC contacted the Security team 4 times (vs. 11 in 2020) given that Danone employees were close to the impacted area. On one occasion, the Security team decided to contact all employees potentially affected by the event. The decrease in the number of events handled by the SOC is tied to the travel restrictions in 2021 due to the Covid-19 health crisis.