

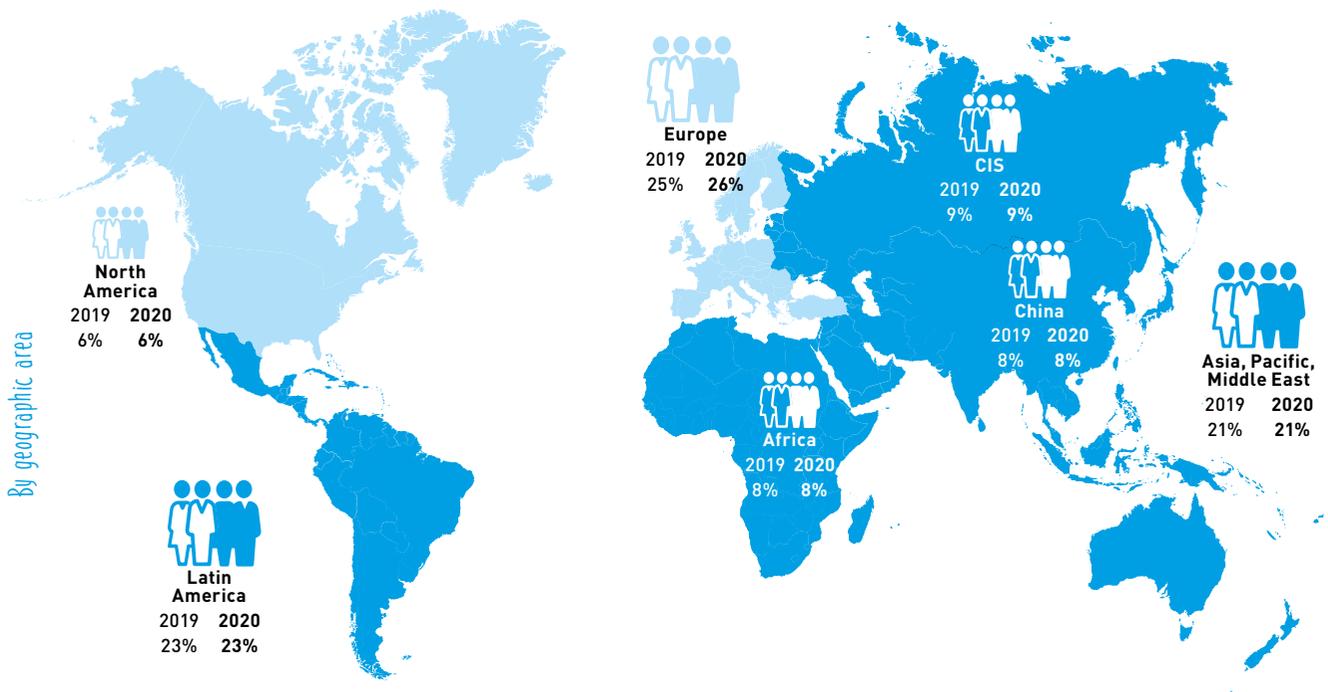
## 5.4 BUILDING THE FUTURE WITH DANONE EMPLOYEES

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## DANONE'S EMPLOYMENT APPROACH

### Employees



Total number of employees	Europe & North America		Rest of World		
	2019	2020 <sup>(a)</sup>	2019	2020	
102,398	101,819	31%	32%	69%	68%

(a) This number does not include 0.09% of Danone's workforce (i.e. 92 employees), which corresponds to the entities having integrated the scope of social indicators in 2020 (Social indicators scope, see Methodological Note).

### By Reporting Entity



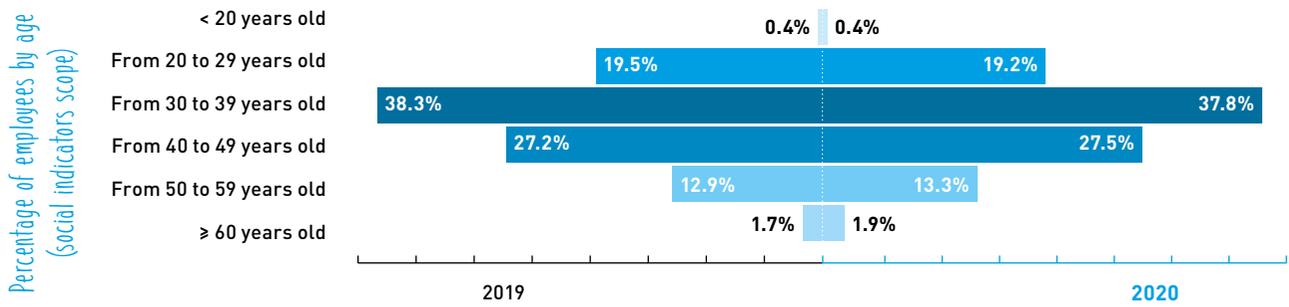
2019	2020
41%	41%



2019	2020
21%	21%



2019	2020
35%	35%
<b>Other</b>	
Headquarters sites, Evian Resort, Danone Research	
3%	3%



## Percentage of women in the organization

	2019		2020	
	Total	% women	Total	% women
Board of Directors	16	43%	16	43%
Executive Committee	7	43%	7	43%
Managers, directors and executives	22,699	51%	23,367	51%
<i>Senior managers: executives (excluding Executive Committee) and directors</i>	1,753	40%	1,792	41%
<i>Other managers</i>	20,946	52%	21,575	52%
Non-management employees	79,692	25%	78,452	25%
<b>Total employees</b>	<b>100%</b>	<b>31%</b>	<b>100%</b>	<b>31%</b>

## Conditions and organization of Danone's working time

	2019	2020
New hires <sup>(a)</sup>	13,202	12,550
Dismissals <sup>(a)</sup>	6,146	6,192
Absenteeism rate <sup>(a)</sup>	2.4%	2.9%
Employee turnover rate <sup>(a)</sup>	17%	14%
Part-time employees <sup>(a)</sup>	3%	3%

(a) Social Indicators scope, see Methodology Note.

Danone enables employees to arrange their work schedules in accordance with their local environments, for example by allowing part-time work or remote work, thus contributing to their well-being at work.

## INCLUSIVE TALENT DEVELOPMENT

### Employee training and development

#### Definition

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

#### Governance

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

#### 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. In light of the Covid-19 crisis, this digitization was ramped up, with an increase in the number of e-learning modules and courses led by virtual instructors. Employee skills development is based on the following four approaches:

- the continued deployment of Campus X, Danone's digital learning platform launched in 2019, 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 all employees, in 2020 Danone extended access to an additional 15,000 employees, which represented 86,000 online learning hours for its head office staff (10 times more than in 2019). The platform also provided an opportunity to share best practices

through Danone's Stay Strong Stay Safe campaign designed to help staff members tackle the new challenges brought by the crisis;

- the development of content for the One Planet. One Health platform with, in 2020, (i) more than 46,000 employees completing the Sustainable Diets training program developed together with the United Nations Institute for Training and Research (UNITAR) and (ii) training courses on responsible practices that became mandatory;
- *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.

	2019	2020
Number of permanent employees who took at least one training course <sup>(a)</sup>	81,628	98,105
Total number of training hours <sup>(a)</sup>	2,246,183	2,532,056
Percentage of employees trained <sup>(a)</sup>	83%	100%
Average number of hours per person trained <sup>(a)</sup>	23	26

(a) Social indicators scope, see Methodology Note.

In 2020, Danone reaffirmed the importance of training for its employees through the FutureSkills approach (see *Social Dialogue* section).

### Career development

Danone strives to promote inclusive development of 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, including 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 2020, 76% 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).

- Danone also strives to pass on competencies for its key functions. In 2020, 86% of the entities anticipated the need to pass on rare competencies specific to their activities (83% in 2019). This was reflected in the formalization of a succession plan for key functions (Danone Way scope, see Methodology Note).

#### Mobility

The Company offers its employees the opportunity to build a career track consistent with their own aspirations and abilities as well as the Company's needs, either in their home country or abroad.

In addition, since 2019, Danone, BNP Paribas and ENGIE have been working together to promote and develop intrapreneurship with a positive impact, thus encouraging the engagement of their employees in the development of business solutions that also meet societal and environmental expectations.

### Compensation and benefits

#### Definition

Danone offers its employees competitive salaries and benefits, including social and personal protection measures and employee profit-sharing.

#### 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 situations of the subsidiaries.

#### Action plans and outcomes

##### Compensation

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 targets, development and effectiveness 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 1,600 senior executives has gradually been based on social and environmental performance criteria such as carbon footprint reduction, 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, 2020*).

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 incentive 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 (see section 7.3 *Authorization to issue securities that give access to the share capital*).

## 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.

### Policy and outcome

#### 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.

In 2017, as part of Danone's Inclusive Diversity roadmap, the Chairman and Chief Executive Officer and its Executive Committee pledged that, by 2020, 30% of the Company's executives would be women

### 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, 2020 and the expenses for the year are presented in Note 8.3 of the Notes to the consolidated financial statements.

### Focus – Protective measures in response to the Covid-19 crisis

In 2020, the Company took major steps to protect its teams and its ecosystem:

- All employment contracts of Danone's 100,000 employees were secured and salaries guaranteed worldwide until June 30, 2020;
- Special bonus for employees working on site around the world to ensure the continuity of the food chain.

and 30% of its executives would be of under-represented nationalities (*i.e.* people from Africa, Americas, Asia, Eastern Europe and Oceania). In 2020, these goals were achieved, as 30% of executives were women (vs. 17% in 2016) and 32% were of under-represented nationalities (vs. 20% in 2016).

In 2019, Danone published a position paper on inclusive diversity, supplemented in 2020 by its global internal policy on the fight against harassment and discrimination, which ensures that every employee is treated with dignity and respect. 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.

Priority	Goal by 2020	Situation in 2020
Promotion of inclusive behaviors	Score of 90% on the Inclusion index	Score of 87% on the Inclusion index <sup>(a)</sup>
Gender equality	42% female directors 30% female executives	42% female directors 30% female executives
Culture and nationalities	50% directors of under-represented nationalities 30% executives of under-represented nationalities	50% directors of under-represented nationalities 32% executives of under-represented nationalities

(a) This information is based on the results of the Danone People Survey (DPS), which is sent to each Company employee every two years.

Also, of the 10.3% positions with greater responsibility at Danone (10.4% in 2019), which include executives, directors and some other senior-level managers, 50% of these employees were women (49% in 2019).

In addition, in order to support equal opportunities and the recognition of each employee, 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 2020 female-to-male ratio is 96.8 globally, in line with the Company's ambition.

### 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 EDP Reporting Entity in Brazil, together with SER ESPECIAL, trains more than 500 disabled people to help them enter the labor

force. It has also developed an online recruiting platform to put them in contact with Danone as well as with other companies in Brazil.

### Parental policy

Danone is committed to creating the conditions every employee needs to make the most of 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.

For example, in 2020 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.

Globally, Danone's goal was to deploy the parental policy in every country where it does business by 2020. At the end of the year, the Company had implemented this policy in 49 countries covering approximately 80,000 employees (vs. 18 countries in 2019). In 2021, the remaining countries will roll out action plans that will help achieve the Company's ambition.

### Governance

In 2019, two Executive Committee members were named sponsors of Inclusive Diversity: the EVP, Chief Financial Officer, Technology & Data, Cycles and Procurement and the EVP, Waters and Africa. 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.

### Action plans

In 2020, Danone also held several events:

- for International Women's Rights Day, the Company encouraged the sharing of various countries' best practices regarding gender equality;
- in Benelux, Spain and Italy, some brands and their employees joined in pride celebrations;
- during the second edition of Inclusive Diversity week, to engage and raise awareness among Danone employees, including through workshops on unconscious biases, sharing of a local roadmap for Inclusive Diversity and motivational sessions led by outside speakers;

Meanwhile, Danone is still an active member of the HeForShe movement and LEAD network.

### 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 Brazil, Indonesia, Italy, Mexico, the Netherlands and Spain, Danone has deployed HeForShe through its Leadership Mentoring program for women, enabling newly appointed women leaders to seek advice from experienced managers.

The Company's commitment to gender equality was recognized by the United Nations, which named Emmanuel FABER, Chairman and CEO of Danone (until March 14, 2021), "Inaugural Thematic Champion".

### External recognition

Danone maintained its position in the Bloomberg Gender-Equality 2021 index. The Company is ranked 39<sup>th</sup> in the Top 100 World for gender equality by Equileap.

In 2019, Danone received the GEEIS-SDG (Gender Equality European and International Standard-Sustainable Development Goals) trophy of the Arborus Foundation at the United Nations headquarters for the "Social School for Women Empowerment" project launched with the support of the Danone Ecosystem Fund and that is continuing with Danone Spain and Fundación Ana Bella. The project helps women escape domestic violence and rejoin the labor force by supporting a sales and nutrition training program. Meanwhile, Danone's headquarters in Paris and Singapore along with all the subsidiaries (including the production sites) based in Italy and Poland received GEEIS certification.

### 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 environment that promotes both personal fulfilment for employees and efficient teamwork, with a view to developing solutions that are culturally relevant to consumers.

With its Inclusive Diversity strategy, Danone seeks to leverage its brands in order to make its consumers agents for change. In Mexico, Danone's bottled water brand *Bonafont* made gender equality a centerpiece of its brand commitment and took an active stance to help advance this cause. Over the past two years, *Bonafont* joined with UN Women to launch a support program for women entrepreneurs. This partnership includes the creation of limited edition HeForShe bottles and the donation of all proceeds from this program to charity.



### 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 of the Company’s priorities and on the definition of local and global roadmaps. The third edition of this consultation was held in 2020.

Also in connection with this new governance model, 26 employee volunteers are picked each year from around the world to represent

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.

Danone also grants one Company share to every eligible employee, which gives them the right to vote at the Shareholders’ Meeting.

## SOCIAL RELATIONS

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

### Social dialogue

#### Definition

Danone aims to build 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 reorganizations. Listening to union representatives regarding employee expectations and maintaining an open dialogue with them helps to limit the threat of strikes and business interruptions.

#### 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. Since 1989, 10 agreements have been signed between Danone and the International Union of Food Workers (IUF), and a joint vision was established.

#### Subjects of Danone-IUF agreements

1. Agreement on economic and social information for Danone companies (1989)
2. Agreement on gender equality in the workplace (1989)
3. Agreement on skills training (1993)
4. Agreement on the trade unions rights (1994)
5. Agreement on the event of changes in business activities affecting employment or working conditions (1997)
6. Agreement on the Fundamental Social Principles (2001)
7. Agreement on setting up of Group social indicators (2005)
8. Agreement on diversity (2007)
9. Agreement on health, safety, working conditions and stress (2011)
10. Agreement on sustainable employment and access to rights (2016)

#### 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 form the basis of the RESPECT program, one of the goals of which is to extend these principles to Danone’s suppliers (see section 5.5 *Responsible sourcing-supplies other than milk*).
- Danone communicates its commitments to all employees through its Code of Business Conduct (see 5.1 *Responsible practices: ethics and integrity*).

#### Governance

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

Social relations at Danone are also based on:

- the Information and Consultation Committee, supported by its own Steering Committee, whose members include representatives from Danone management and union representatives;
- the Board of Directors’ Engagement Committee, which monitors the implementation of action plans and initiatives, such as the FutureSkills approach in 2020 described below;
- two Directors representing employees who sit on the Board of Directors are appointed by the Company’s Social and Economic Committee and the Information and Consultation Committee. A

member of the Social and Economic Committee also participates in Board of Directors’ meetings in an advisory capacity (see section 6.1 *Governance bodies*);

- close relations with the IUF through a bi-annual meeting between the Human Resources Department, its managers and the managers of the main regions to build a common objective and monitor compliance with and implementation of the agreements.

In addition, ongoing dialogue between Danone’s Head of Social Relations and the Human Resources department heads in the subsidiaries 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.

## Action plans

In view of the economic and social impacts of the Covid-19 crisis, Danone is committed to supporting employees who need to acquire new skills. In 2020, the Company worked with the IUF to develop an innovative approach, "FutureSkills", which aims to better prepare employees who need new skills for the jobs of tomorrow. These cover existing jobs that will change significantly due to additional skills requirements in the future as well as new jobs that may emerge. The professional training programs will mainly target employees identified as the most exposed and the most at risk based on criteria such as qualification and salary level. Trained individuals will continue to be employees of the Company and will retain their benefits for the duration of the training.

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

Danone also encourages its subsidiaries to apply best practices conducive to dialogue with employees. This includes recommending that they monitor: (i) the number of business and employment-related information sessions for all employees; (ii) the proportion of employees covered by employee representatives; and (iii) the

## Focus – Respecting and promoting human rights in Danone operations

In November 2017, as part of a Consumer Goods Forum initiative against forced labor (see section 5.5 *Responsible sourcing-supplies other than milk*), 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 aimed 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 roll out the methodology in the priority geographic regions in 2021.

annual number of meetings between site managers and employee representatives. The Company also offers social relations training programs at its subsidiaries which give the teams the resources they need to address challenges and stay ahead of critical issues.

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.

## Outcomes

In 2020, 78% of employees were covered by collective bargaining agreements (as in 2019) (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 2020, a total of 60 site visits were made.

## Opportunities

Danone views dialogue with employees as an integral part of its corporate culture and its dual economic and social project. It is also a powerful way to support employees' continuing efforts to improve the Company's performance.

More broadly, in 2020 Danone supported the launch of the CGF's new Human Rights Coalition—Working to end forced labour and 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 for third-party labour engaged by contractors or labour agencies to carry out regular and continuous work in its own operations.

At the same time, Danone deployed its e-learning training program on human rights and the fight against forced labor, developed in 2019, available to the Procurement, Human Resources and General Secretary functions to build awareness of the local teams on the topic. More than 3,500 Danone employees had completed this training at the end of 2020.

Lastly, the Company continues to monitor its subsidiaries' human rights performance through its Danone Way program.



## WORKPLACE HEALTH AND SAFETY

### Workplace safety: the WISE<sup>2</sup> 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.

#### Policies

##### Workplace Health and Safety Program – WISE<sup>2</sup>

<b>Objectives by 2020</b>	Zero fatal accidents and 50% reduction in workplace accidents requiring medical absence relative to 2014 <sup>(a)</sup> .
<b>Application scope</b>	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).
<b>WISE<sup>2</sup> program operation</b>	<p>WISE<sup>2</sup> is a worldwide program that seeks to continuously reduce the number of workplace accidents through two approaches:</p> <ul style="list-style-type: none"> <li>• promote the culture of workplace health and safety at all Company sites;</li> <li>• ensure compliance with standards for the most critical risk situations.</li> </ul> <p>To address these situations, the Company continuously defines new standards, and in particular since 2019, those related to machine safety at the plants and those related to the specific risks of the sales activities and activities carried out at the head offices (ergonomics, remote work, hotels and travel, etc.).</p>

(a) Following two fatal traffic accidents in 2020, Danone has reinforced the preventive measures included in its standards to mitigate the risks of road accidents and defensive driving.

#### Governance

Managed by the Human Resources Department, the WISE<sup>2</sup> 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 and General Secretary, 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.

#### 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 to (i) all Danone employees; (ii) some sites open 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 the sales force are subjected to WISE<sup>2</sup> audits covering both the safety culture and compliance with standards. Since 2018, Danone also deployed the WISE<sup>2</sup> "compliance standards" in countries where convenience store distribution is significant (Egypt, Indonesia, Mexico and Morocco). In 2020, given the Covid-19 crisis and travel restrictions, the Company performed only 5% of the originally planned WISE<sup>2</sup> audits.

WISE<sup>2</sup> audits are also performed for certain administrative headquarters.

In addition, the WISE<sup>2</sup> 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

	2019			2020		
<i>(number of accidents, except frequency rate in percentages)</i>	Fatal accidents <sup>(a)</sup>	Accidents with at least 1 day lost time <sup>(a)</sup>	Frequency Rate 1 (FR1) <sup>(a)</sup>	Fatal accidents <sup>(a)</sup>	Accidents with at least 1 day lost time <sup>(a)</sup>	Frequency Rate 1 (FR1) <sup>(a)</sup>
<b>By Reporting Entity</b>						
Essential Dairy & Plant-Based	–	157	1.6	–	127	1.3
Waters	1	103	1.2	2	70	0.8
Specialized Nutrition	–	50	1.0	–	35	0.7
Corporate functions	–	46	2.9	–	20	1.3
<b>Total</b>	<b>1</b>	<b>356</b>	<b>1.4</b>	<b>2</b>	<b>252</b>	<b>1.0</b>

(a) Safety Scope, see Methodology Note.

Year ended December 31

	2019	2020
Frequency rate 2 (FR2) <sup>(a)</sup>	1.24	0.95
Severity rate <sup>(a)</sup>	0.06	0.07

(a) Safety Scope, see Methodology Note.

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

Since 2014, Danone has included promoting health and well-being in the workplace to its WISE<sup>2</sup> program. Danone defined a systematic approach built around five pillars: (1) ensure a good work rhythm, (2) make daily work meaningful, (3) promote healthy ways of working (4) manage staff with kindness and authenticity, and (5) 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 2019, Danone offered a training program in Europe for the human resources function on quality of life in the workplace. In 2020, in the context of Covid-19 crisis, these measures were supplemented by:

- global and local surveys to regularly monitor and ensure the well-being of employees in order to identify their needs;
- a Stay Strong Stay Safe campaign in which employees were asked about changes in their working conditions in the following five categories: (i) effectiveness at work, (ii) mental health, (iii) physical health, (iv) managerial monitoring and support and (v) solidarity and mutual assistance;
- the creation of a psychological support unit for employees.

### Health in the workplace

#### Definition

Access to health coverage and education regarding health challenges for all employees is a priority for Danone, which notably continues to deploy its Dan'Cares program in countries where the Company operates. In the context of the Covid-19 crisis, this became an even higher priority for all employees worldwide.

#### Policies

In 2009 Danone launched the Dan'Cares program, with a goal of ultimately guaranteeing quality health coverage for all employees to cover major risks while taking into account practices in the respective markets. The three main risks taken into account are hospitalization and surgery, ambulatory care and maternity care. Dan'Cares is intended to be deployed in all Danone subsidiaries, including in countries where such coverages are not offered by the healthcare systems.

Danone conducts regular market studies to assess where it stands in terms of employee health coverage relative to the market. In 2020, Danone extended the health coverage of its local programs (family health coverage, employee assistance program) in light of Covid-19.

#### Action plans

In addition to the Dan'Cares program, Danone has implemented several initiatives, including Health@Work, which seeks to inform and raise awareness among employees on improving their health through dietary practices and physical activity. In 2020, 94% of Danone's employees (vs. 84% in 2019) had access to at least one free offer of this program (Health & nutrition scope, see Methodology Note).

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).

## Outcomes

As of December 31, 2020, 100,109 employees (99,627 in 2019) in 53 countries (same as 2019) received health coverage meeting the criteria defined by Dan'Cares.

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

## 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 that end, Danone analyzes security risks by country, develops preventive measures adapted to each situation to implement in order to secure the workplace and, when necessary, respond effectively.

### Policies

In 2018, Danone's Chairman and Chief Executive Officer signed a formal Security Policy that defines the Company's vision, missions 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 rounds out 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.

The security operating procedures for the production sites formalized in 2019 are currently being rolled out for all Danone entities.

### Governance

The Chief Security & Competitive Intelligence Officer (CSO), 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 Resource 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.

## Opportunities

Implementing a robust workplace health and safety strategy helps strengthen employee commitment. It also represents an opportunity for the Company to address employees' new needs, such as taking workplace ergonomics into account for an ageing population at its production sites and providing extended health coverage during the Covid-19 health crisis.

### 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.
- 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, 91% of the production sites have conducted security self-assessments. In 2020, in the context of the crisis, 82% of the sites conducted their self-assessment (scope: 176 production sites). In 2020, the security team established a communication plan, clarified roles and updated the assessment checklist to take into account the sector-specific characteristics of the Company's activities.
- response and incident management capabilities: positioning resources that enable the Company to respond in the event of an incident and using past experience 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.

This security system is then adapted to security risks for each region where Danone operates.

In 2020, Danone's Security Operational Center (SOC) noted 57 important or urgent events, all of which were reported to the security team. For these events, the SOC contacted the security team 11 times (vs. 23 in 2019) given that Danone employees were close to the impacted area. On 2 occasions, 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 2020 due to the Covid-19 health crisis.

## Opportunities

The establishment of information, communications and awareness measures contributes to employee well-being by securing their work environment.