

Independent Limited Assurance Report to the Directors of Danone S.A.

The Board of Directors of Danone S.A. (“DANONE”) engaged us to provide limited assurance on the information described below and set out in the DANONE Allocation Report published in March, 2020 for Danone Social Bond (ISIN FR0013325172) as at 31st December 2019 (the “Allocation report”).

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information as at 31st December 2019 has not been prepared, in all material respects, in accordance with Danone’s Social Bond Framework dated 9th March, 2018.

This conclusion is to be read in the context of what we say in the remainder of our report.

Selected Information

The scope of our work was limited to assurance over the consistency of the information set out in the Allocation Report (the “Selected Information”) with Danone’s Social Bond Framework dated 9th March, 2018, and in particular over the compliance of the allocated proceeds with the Eligible Project Categories, as set out in this Danone’s Social Bond Framework.

Our assurance does not extend to information in respect of earlier periods not covered by the Allocation Report or to any other information not included in the Allocation report. We have not reviewed and do not provide any assurance over other individual project information reported, including estimates of sustainability benefits.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’, issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multi-disciplinary team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

DANONE is solely responsible for selecting and applying the Selected Information. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of DANONE's management, including those with responsibility for social bond governance, management and reporting;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information; obtained the internal listing of projects/companies allocated into the Danone Social Bond (the "Eligible Social Projects"), and confirmed that this was consistent with the proposed disclosure of the social bond;
- performed limited substantive testing on a sample basis of the Selected Information to check that the identified Eligible Social Projects were in line with the Danone's Social Bond Framework and had been appropriately measured, recorded, collated and reported, including:
 - inspecting the purpose of Eligible Social Projects to confirm that the use of proceeds were consistent with one of the categories in the Danone's Social Bond Framework; and
 - inspecting records maintained in the Eligible Social Projects' financial reporting systems, or inspecting a sample of supporting documents (transfer orders, receipts, shares subscription agreements, statutory auditors' report on the annual accounts, etc.), or obtaining an understanding and inspecting the calculation used to obtain the amounts reported in the Selected Information, to verify consistency with the reported amount, and that it was recorded in the Social Bond listing accurately.
- inspected minutes of the Social Bond Steering Committee to confirm that the allocated projects had been considered and approved; and
- considered the disclosure and presentation of the Selected Information.
-

DANONE's responsibilities

The Directors of DANONE are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing objective criteria for preparing the Selected Information;
- measuring and reporting the Selected Information; and
- the content of the Allocation report.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of DANONE.

This report, including our conclusions, has been prepared solely for the Board of Directors of DANONE in accordance with the agreement between us, to assist the Directors in reporting DANONE's social bond performance and activities. We permit this report to be disclosed in the Allocation report to be published in 2020, to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and DANONE for our work or this report except where terms are expressly agreed between us in writing.

March 27, 2020

PricewaterhouseCoopers Audit

François Jaumain
Partner