

APRIL 2024

ANNUAL INTEGRATED REPORT

2023

Danone's sustainability
performance



ABOUT THE REPORT

FOR 2023, DANONE DECIDED TO GO FURTHER IN THE INTEGRATION OF BUSINESS AND SUSTAINABILITY WITHIN REPORTING, SO AS TO BETTER DEMONSTRATE HOW THEY ARE INHERENTLY LINKED WITHIN THE GROUP.

Danone's 2023 Integrated Annual Report thus provides a comprehensive overview of the Group mission, governance, objectives and performance. It reaffirms Danone's dual commitment to simultaneously achieve economic success and social progress. Danone also focuses on the sustainability issues that are material to the business, showing how they are connected to Danone's operations and broader value chain. **The intention with this report is to be transparent, about how Danone is pursuing its sustainability objectives and the challenges faced in pursuing them.**

METHODOLOGY AND ACKNOWLEDGEMENTS

The 2023 Integrated Annual Report was created by Danone's Sustainability Performance team, with the support and supervision of the relevant thematic expert teams, who were instrumental in ensuring its achievement, through data collection and key testimonies.

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INTRODUCTION STATEMENT FROM DANONE'S CEO, **ANTOINE DE SAINT-AFFRIQUE**

DEAR READERS,

Almost 2 years after the start of Renew Danone, 2023 was a year - once again - marked by significant external challenges and volatility. We kept transforming the company with discipline, creating sustainable value with our ecosystem of partners and fulfilling our mission to bring health through food to as many people as possible.

We delivered consistently on Renew Danone, making good progress on our strategic agenda, which is starting to yield solid results. We improved the quality of our growth, achieving a positive volume mix in Q4 and 7% annual like-for-like sales growth. While keeping improving the quality of our execution, we strengthened our investments in our brands, innovations, and capabilities. We stepped up our research on the Future of Nutrition, inaugurating our new international R&I Center in Paris-Saclay. This center is already home of incredible innovations, including our new high-protein range, HiPro, created with and for our Paris 2024 athlete partners. Finally, we restored the fundamentals across the portfolio, addressed underperforming assets and exited parts of our portfolio that did not fit with our strategy, we invested in our factories.

In 2023, building on our long-standing history of climate action, we took strong sustainability commitments. Because we believe preserving and regenerating nature and ensuring thriving people & community is a strategic imperative to deliver on both our mission and sustainable performance on all time horizons. We committed to a 30% reduction in our methane emissions from fresh milk by 2030, aligning our efforts with the Global Methane Pledge and continued to accelerate the roll-out of regenerative agriculture programs. Our sustainability journey was reframed as the Danone

Impact Journey, part of our Renew strategy. This ambitious roadmap based on 3 pillars - Health, Nature, People & Communities- defines clear KPIs to strengthen our sustainability efforts through every aspect of our business, and within our ecosystem of partners.

Our leadership in environmental transparency and performance on climate change, forests, and water security was recognized for the fifth year in a row, with a Triple A CDP rating - a score achieved only by 10 out of 21,000 companies. This is a strong recognition of our progress towards our 2030 SBTi-approved 1.5°C target and goal of net-zero emissions across the value chain by 2050.

None of these achievements could have been possible without the energy and dedication of our Danoners worldwide. A big thank you to all of them: they made it happen! We're building a true culture of performance driving us to raise the bar! And this is only the start. Finally, many thanks to our multiple partners worldwide.

Looking to the future, we are starting to project ourselves beyond 2024, in the next chapter of Renew. It will be about delivering, with the same regularity and discipline, on our strategic agenda while further strengthening and future-proofing Danone. We will keep delivering on competitive, profitable and sustainable value, collectively with our partners – farmers, entrepreneurs, suppliers, customers, but also NGOs and communities.

Looking forward to another exciting year, I hope you will enjoy reading about our main achievements and the challenges we faced pursuing them.



**A HUGE THANK YOU, AGAIN, TO ALL OUR DANONERS,
AS WELL AS OUR PARTNERS WORLDWIDE.**

ANTOINE DE SAINT-AFFRIQUE

DANONE AT A GLANCE

2023 KEY FIGURES

Danone's mission is to bring "health through food to as many people as possible." This mission is rooted in Danone's Dual Project, as it was defined in 1972 by Danone's founder and then CEO Antoine Riboud during a landmark speech in Marseille. Today Danone has kept this ambition as part of Renew Danone to create both economic and societal value.

FOCUSING ON HEALTH



89.2%

SALES IN VOLUMES OF DAIRY,
PLANT-BASED AND WATERS
PRODUCTS RATED ≥ 3.5
STARS BY HEALTH STAR RATING

DELIVERING SUSTAINABLE GROWTH

LEADING POSITIONS

WORLDWIDE



in fresh dairy products,
in plant-based foods
and beverages

WORLDWIDE



in packaged
waters and early life
nutrition

WORLDWIDE



in adult medical
nutrition

FOCUSING ON NATURE

AAA

AWARDED BY CDP FOR
THE 5TH YEAR IN A ROW

Score obtained as part of the CDP
Climate Change, CDP Water security
and CDP Forests questionnaire



Key figures related to Nature are developed on pages 27-32

KEY FINANCIAL FIGURES

€27.6 BN +7%⁽¹⁾

SALES

12.6% (+40 bps⁽²⁾)

RECURRING OPERATING
MARGIN

€3.54 +3.4%⁽²⁾

RECURRING
EPS

€2.6 BN

FREE CASH
FLOW

9.5%

ROIC

€2.10

DIVIDEND
PER SHARE

SALES BY GEOGRAPHIC ZONES



TOP 3 COUNTRIES IN TERMS OF SALES

(IN % OF SALES):

#1 U.S.A.

#2 CHINA

#3 FRANCE



FOCUSING ON PEOPLE & COMMUNITIES



Score of
79%
IN THE INCLUSION INDEX,
(+2pts vs peers)

Key figures related to People & Communities are developed on pages 35-40

CONTINUING DANONE'S PATH TOWARDS SOCIÉTÉ À MISSION AND B CORP:

SOCIÉTÉ À
MISSION

SOCIÉTÉ À MISSION
SINCE 2020

first French listed company to
adopt the "Société à Mission"
status

82.5%
SALES COVERED
BY B CORP™
CERTIFICATION



In 2023, Danone also strengthened its collaboration with several value chain partners, including farmers, entrepreneurs, consumers and communities, (see more in the following sections).

DANONE'S CATEGORIES



ESSENTIAL DAIRY AND PLANT-BASED PRODUCTS (EDP)

#1 IN FRESH DAIRY PRODUCTS

IN 2023, DANONE WAS WORLDWIDE



#1 IN PLANT-BASED FOOD AND BEVERAGES

- In Essential Dairy Products, more than 60% of Danone's revenues come from high value-added functional segments such as immunity, gut health, indulgence, or performance. For example, on the high protein platform, Oikos and YoPro brands' sales kept growing at a fast pace in 2023.

- In Plant-Based, notably through the Alpro brand in Europe and Silk in North America, Danone is a leader within a category that continues to grow globally, driven by the rise of flexitarianism. Its portfolio spans across all key segments, from the established beverages segment (ingredient based with almond or oat, but also benefit-led with blended products) to more nascent ones such as plant-based alternatives to yogurts, cheese or ice cream.



- TOP 3 BRANDS IN SALES IN 2023



SPECIALIZED NUTRITION (SN)



IN 2023, DANONE WAS WORLDWIDE

#2 IN EARLY LIFE NUTRITION

#4 IN ADULT MEDICAL NUTRITION

- In Specialized Nutrition Danone has strong leadership providing baby formula in various formats and formulations tailored to the needs of babies. Danone's expertise in biotics and over 50 years of research to understand what makes breastmilk so unique in its composition and associated benefits, has enabled Danone to offer a range of innovative, science-based products.
- Danone expanded its launch of the Aptamil pre-measured tabs to several European countries to support babies and parents with an innovative baby formula format that can be easily prepared on-the-go.
- With the launch of Almimama, a new science-based probiotic supplement in Spain, Danone aims to support breastfeeding with a product that can help to reduce the incidence of mastitis.

- TOP 3 BRANDS IN SALES IN 2023



WATERS

IN 2023, DANONE WAS WORLDWIDE

#2 IN PACKAGED WATERS



- In Waters, Danone is well positioned to build on the long-term trend that water will remain the healthiest option for hydration with its balanced portfolio including natural mineral water brands like evian and Volvic, and brands like Bonafont and AQUA through which it provides access to safe drinking water.

- TOP 3 BRANDS IN SALES IN 2023



RENEW DANONE

In March 2022, CEO Antoine de Saint-Affrique presented Danone's new strategic plan, Renew Danone. The plan aims to enable Danone to reconnect with a sustainable profitable growth model. The delivery of the plan is facilitated by a greater alignment between purpose and performance. The Renew Danone plan is designed to restore Danone's performance, competitiveness, and value creation for the long-term.

IT IS ARTICULATED AROUND FOUR STRATEGIC PILLARS:

01

Win where we are

02

Expand where we should be

03

Seed the future

04

Manage our portfolio

Restoration of Danone's competitiveness in core Categories and geographies

Selective expansion of Danone's presence, in terms of segments, channels and geographies

Active seeding of future growth avenues

Active portfolio rotation

THE PLAN HAS FOUR KEY ENABLERS

CULTURE

CAPABILITIES

SUSTAINABILITY

COST COMPETITIVENESS

RENEW DANONE WAS DESIGNED TO CREATE THE CONDITIONS FOR A SUSTAINABLE AND COMPETITIVE GROWTH

DANONE IMPACT JOURNEY

IN FEBRUARY 2023, DANONE REFRAMED ITS SUSTAINABILITY JOURNEY AS THE DANONE IMPACT JOURNEY, AS PART OF THE RENEW DANONE STRATEGY.

"Our mission to bring health through food to as many people as possible began over 100 years ago when Isaac Carasso created the first Danone yogurt in Barcelona. It was a simple food, with the aim to improve health. Over the years, as people's lifestyles and tastes have evolved, Danone has continued to anticipate and innovate to meet people's needs.

We have built a unique health-focused portfolio. Across our business and our brands, health is at the cornerstone of our impact. But we know that our health impact is dependent on a healthy planet, as well as thriving people and communities. Thus, the three pillars of the Danone Impact Journey are intimately interdependent.

The Danone Impact Journey is our blueprint for defining our sustainability priorities and our transformation ambition in our value chain – from farmers and their communities, through our brands, to consumers and their families.

SUSTAINABILITY WITHOUT PERFORMANCE HAS NO IMPACT. PERFORMANCE WITHOUT SUSTAINABILITY HAS NO FUTURE.

Danone's ambition is to unite sustainability and performance to continue to grow our impact. We know that the long-term robustness and resilience of our business is dependent on our success in delivering health through food in the most sustainable way.

With the Danone Impact Journey, we have a clear framework to drive our actions and progress for the future."



AT THE CENTER OF THE DANONE IMPACT JOURNEY



Danone's mission to bring health through food to as many people as possible is at the center of the Danone Impact Journey, a thread running through all three impact areas and commitments.

THE DANONE IMPACT JOURNEY GROUNDS DANONE'S SUSTAINABILITY PRIORITIES. IT IS STRUCTURED AROUND ONE MISSION OF BRINGING HEALTH THROUGH FOOD TO AS MANY PEOPLE AS POSSIBLE, 3 PILLARS, AND 12 PRIORITIES

- **EACH OF THE PRIORITIES WITHIN THE DANONE IMPACT JOURNEY**

on Health, Nature, and People & Communities

- are structured around programs, with leads, teams and governance to progress towards its priorities. **Decision making** on Danone Impact Journey Priorities is embedded in the governance at all levels of the organization (global, zones and countries) and within all functions and categories.



The Danone Impact Journey reflects Danone's material topics across all three pillars: **Health, Nature, and People & Communities**. This is particularly true with the material topic of "**integration of sustainability into the business**", by anchoring environmental, social and societal performance into Danone's business model. In the following sections, the most material topics relating to the **Danone Impact Journey priorities** will be identified with this symbol.



- **IN 2023, DANONE PROGRESSION IN ITS SOCIÉTÉ À MISSION JOURNEY**

towards its 2025 targets across the four statutory objectives across health, planet, social and inclusiveness. Danone's progress is overseen by the Mission Committee.

The Société à Mission KPIs are aligned with the mid-to long-term objectives defined in the Danone Impact Journey.

- **SINCE 2015, DANONE HAS PARTNERED WITH B LAB**

to help **define a meaningful and manageable path to certification for multinationals** and publicly traded companies while progressively certifying Danone's business and supporting the broader growth of the B Corp movement. **In 2023, 82.5% of Danone global net sales were covered by B Corp certification**. The Danone Impact Journey is in line with **Danone's goal to achieve full B Corp certification by 2025**.

DANONE IMPACT JOURNEY 2023 PROGRESS



PRESERVE & REGENERATE NATURE

GOAL	KPIs	2023 result
Curb GHG emissions in line with 1.5°C, leading the way on methane reduction	CO2e reduction by 2030 in line with 1.5C SBTi	-7.5% vs 2020
	Net Zero by 2050	-7.5% vs 2020
	30% reduction in methane emissions from fresh milk by 2030	-13.3% vs 2020
	30% improvement in energy efficiency by 2025	-1.3% vs 2020
Pioneer and scale regenerative agriculture, leading the way for regenerative dairy farming models	30% key ingredients Danone sources directly will come from farms that have begun to transition to RegAg by 2025	38%
	Zero deforestation & conversion on key commodities by 2025 ¹	84% (2022)
Preserve and restore watersheds where Danone operates and drives water footprint reduction across the value chain	4R approach will be deployed in all our production sites by 2030	94.8%
	Watershed preservation/ restoration plans in highly water-stressed areas by 2030 ²	53%
Drive the transition to a circular and low-carbon packaging system & recover as much as Danone uses	100% reusable, recyclable or compostable by 2030	84%
	Halve the use of virgin fossil-based packaging by 2040, with a 30% reduction by 2030, accelerating reuse and recycled materials	-3% vs 2020
	Lead the development of effective collection systems to recover as much plastic as Danone uses by 2040	58%
Cut waste across the value chain	Halve all food waste not fit for human, animal consumption or biomaterial processing by 2030 vs 2020	-19.8% vs 2020

PROGRESS & LEAD HEALTH THROUGH FOOD FOR CONSUMERS & PATIENTS

GOAL	KPIs	2023 result
Offer tastier and healthier food and drinks	≥ 85% vol dairy, plant-based, water and aquadrinks rated ≥ 3.5 stars by Health Star Rating by 2025	89.2%
	> 95% vol Kids dairy and plant-based ≤ 10g total sugars/100g by 2025	62.2%
	> 95% vol toddlers' milk (1-3yo) ≤ 1.25g added sugars /100kcal by 2025	99.3%
Promote healthier choices	> 95% vol sold of dairy, plant-based and aquadrinks products with on pack/online interpretative nutritional information by 2025	40.5%
	≥ 85% vol Kids dairy fortified with relevant vitamins & minerals by 2025	83.2%
	5 projects to address iron deficiency in children by 2025	2
Provide positive nutrition & hydration for healthier life	20M people with access to safe drinking water by 2025	12.7M
	150 scientific publications in peer-reviewed journals and/or presentations at scientific conferences (from baseline of 2021) by 2025	108 full papers accepted for publication

THRIVING PEOPLE & COMMUNITIES

GOAL	KPIs	2023 result
Make Danone a force for good by fostering a unique, diverse & inclusive culture and empowering Danoners for positive impact	All employees covered by BCorp certification by 2025 ³	68%
	All employees covered by DanCare by 2030	98%
	Achieve gender balance in management globally by 2030	43%
Equip and empower communities (i.e. internal, external) with skills and capabilities of the future to thrive in a fast-changing economy	Drive equity and close gender pay gap by 2025	2.1 pts
	Maintain inclusion index above peers ⁴	+2 pts above peers
	Make future skilling programs available to all Danoners by 2025	On track - program designed in 2023
Champion a renewed social contract by fostering a prosperous & inclusive ecosystem, upholding human rights and pursuing social progress	Extend future skilling programs to key partners by 2030	On track - program designed in 2023
	100% employees trained on Danone Human Rights policy by 2025 ⁵	On track - e-learning designed in 2023
	Danone Sustainable Sourcing Policy deployed to all suppliers by 2030	On track - policy will be launched in 2024 and deployed in stages to all suppliers by 2030

⁽¹⁾ Cf renewed forest policy dec 2022 | ⁽²⁾ 100% Danone production sites and 50% of key raw materials volume | ⁽³⁾ over 95% of employees covered by certification, excluding M&A | ⁽⁴⁾ Measured through DPS | ⁽⁵⁾ Enabling due diligence deployed in Danone operations

PROGRESS & LEAD HEALTH THROUGH FOOD

for consumers and patients



THIS PILLAR RELATES TO DANONE'S FOLLOWING MATERIAL TOPICS:

-  Nutritional quality of overall product portfolio
- Food/water access and affordability
- Consumer behavior change
- New consumption patterns/planetary diet



THROUGH DANONE'S PRODUCTS, WHICH ARE CONSUMED REGULARLY BY MILLIONS OF PEOPLE ACROSS THE WORLD, DANONE CAN AND WANTS TO HAVE A POSITIVE IMPACT ON NUTRITION AND HEALTH.

Danone's ambition is to lead and act by bringing health through food to as many people as possible. Danone is uniquely placed with its portfolio and products. Danone is spearheading research & scientific expertise in health and nutrition to help consumers and patients maintain and support their health through nutritious food and sustainable healthier eating and drinking choices. Danone fundamentally believes in better health through better nutrition and behaviors for all.



DANONE NOURISHES PEOPLE THROUGHOUT THEIR LIVES:

- **DANONE OFFERS NUTRITIOUS FOOD AND DRINKS**
tailored to all life stages addressing nutritional needs
- **DANONE SUPPORTS PARENTS AND CAREGIVERS**
to provide babies and young children with the best nutritional start in life during their first 1000 days
- **FOR THOSE WITH SPECIFIC MEDICAL CONDITIONS, DANONE DEVELOPS HEALTHY, TAILORED, AND NUTRIENT-DENSE PRODUCTS**
to optimize health outcomes and support recovery

To meet these ambitions, Danone has developed the following goals and KPIs:

GOAL	KPIs
Offer tastier and healthier food and drinks	≥ 85% vol dairy, plant-based, water and aquadrinks rated ≥ 3.5 stars by Health Star Rating by 2025
Promote healthier choices	> 95% vol Kids dairy and plant-based ≤ 10g total sugars/100g by 2025
Provide positive nutrition & hydration for healthier life	> 95% vol toddlers milk (1-3yo) ≤ 1.25g added sugars /100kcal by 2025
Invest in nutrition and hydration science and research	<ul style="list-style-type: none"> > 95% vol sold of dairy, plant-based and aquadrinks products with on pack/online interpretative nutritional information by 2025 ≥ 85% vol Kids dairy fortified with relevant vitamins & minerals by 2025 5 projects to address iron deficiency in children by 2025 20 M people with access to safe drinking water by 2025 150 scientific publications in peer-reviewed journals and/or presentations at scientific conferences by 2025

DANONE'S PRIORITIES AND 2023 HIGHLIGHTS



OFFER TASTIER AND HEALTHIER FOOD AND DRINKS

89.2%
SOCIÉTÉ À MISSION

volumes of Dairy, Plant-Based and Waters rated ≥ 3.5 stars by Health Star Rating⁽¹⁾ (HSR)



POLAND launched Zywiec Zdroj Minerals+, a spring water enriched with minerals and vitamins. 1L delivers 75% of daily needs for Magnesium, Zinc, Vitamin B3, B5 and B6. With 0% sugar



62.2%
SOCIÉTÉ À MISSION

volumes of Dairy and Plant-Based products for kids with ≤ 10 g of total sugars /100g



MOROCCO renovated 4 recipes of its Dan'up range for children, reducing on average 25% of total sugars.

from 10,5g to 7,8g of total sugars



99.3%
SOCIÉTÉ À MISSION

volumes of toddlers milks (1-3yo) ≤ 1.25 g added sugars/100kcal



HONG KONG launched this toddler milk, designed to support gut comfort and gut health



94.5%
SOCIÉTÉ À MISSION

volumes of formula milks (4-5yo) ≤ 2 g sugars/100kcal



INDONESIA achieved 16% added sugar reduction for SGM Eksplor 5+ Madu



90.3%

Volumes of products part of healthy categories⁽⁵⁾ (all portfolio)



UNITED STATES launched TWO GOOD smoothies that have at least 80% less sugar than the average cultured dairy drink



81.2%

Volumes of product without added sugars⁽²⁾ (excluding medical nutrition products)



IBERIA launched this plant-based innovation without added sugar and no artificial sweeteners



⁽¹⁾ The Health Star Rating system assesses the overall nutritional profile of packaged food and assigns it a rating from $\frac{1}{2}$ star to 5 stars. It provides a quick, easy, standard way to compare similar packaged foods. The more stars, the healthier the choice. Foods with a HSR of ≥ 3.5 can be confidently promoted in Public Settings

INNOVATION FORTIMEL FORTICARE

- An oral nutritional supplement designed for patients with or at risk of disease related malnutrition due to cancer, chronic catabolic disease or cachexia.
- With sensory-adapted flavors specially designed for patients with taste alterations.



- High Protein
- High Energy
- High vitamin D
- Enriched with Omega 3 fatty acids

Available in: Poland, Czech Republic, Slovakia, Estonia, Latvia, Lithuania, Romania, Netherlands, Hungary

PROMOTE HEALTHIER CHOICES

40.5%

SOCIÉTÉ À MISSION



Volumes of Dairy, Plant-Based and Aquadrinks products with on pack/online interpretative nutritional information⁽³⁾



MOROCCO

displays for 100% of its portfolio the HSR⁽¹⁾ score on their website

RAISING THE BAR ON RESPONSIBLE MARKETING TO CHILDREN. BY ENHANCING THE POLICY IN 3 AREAS:

- Using the Health Star Rating (HSR) system⁽¹⁾ to determine which products can be advertised to children
- Including restrictions applying to children below the age of 16

- A tighter audience threshold restricting marketing to children (25% vs 30% in previous policy)

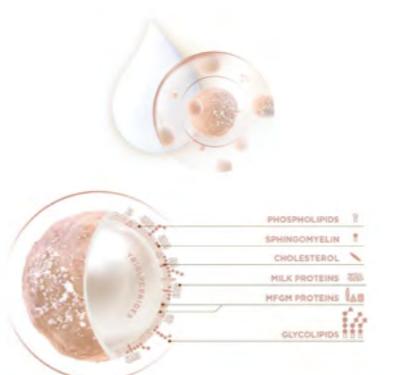


INVEST IN NUTRITION AND HYDRATION SCIENCE AND RESEARCH

PUT SCIENCE AT THE HEART OF WHAT DANONE DOES

108

SCIENTIFIC PUBLICATIONS IN PEER-REVIEWED JOURNALS



The American Journal of CLINICAL NUTRITION

Original Research Article
Infant Milk Formula with Large, Milk Phospholipid-coated Lipid Droplets Enriched in Dairy Lipids Affects Body Mass Index Trajectories and Blood Pressure at School Age: Follow-up of a Randomized Controlled Trial
Manuela Abramam-Berkerveld^{1,2}, Sabine NJ Jeppe³, Poh Choo Khoo⁴, Vincent Rigo⁵, Stefan M Krikke⁶, Rosalie HT van Beek⁷, Femke Verhulst⁸, Stefanie Schoen⁹, Mayra Mazzoni-Perez¹⁰, Iman M Alabdulrahman¹¹, Vicki Gerberding¹², Muriel MSJ Stroehmer¹³, Yvan Vandespillie¹⁴, Anita CS Hockenhuijsen-Koolega¹⁵, for the Maccaron Study Group
¹ Danone Nutrition Research, Utrecht, the Netherlands; ² Clinique de Maternité Sainte-Elizabeth, Namur, Belgium; ³ KK Women's and Children's Hospital, Singapore; ⁴ Centre Hospitalier Regional de la Côte d'Opale, Lille, Belgium; ⁵ Algemene Ziekenhuis Ziekenhuis, Antwerp, Belgium; ⁶ Universitair Medisch Centrum Groningen, University of Groningen, Groningen, Groningen, the Netherlands; ⁷ Universitair Ziekenhuis, Brussels, Belgium; ⁸ Universitair Ziekenhuis, Leuven, Belgium; ⁹ Universitair Ziekenhuis, Antwerp, Belgium; ¹⁰ Universitario de Salamanca, Salamanca, Spain; ¹¹ Universitario de Salamanca, Salamanca, Spain; ¹² Universitario de Salamanca, Salamanca, Spain; ¹³ Universitario de Salamanca, Salamanca, Spain; ¹⁴ Universitario de Salamanca, Salamanca, Spain; ¹⁵ Universitario de Salamanca, Salamanca, Spain

CLICK HERE

LATEST INNOVATION IN INFANT MILK SUPPORTED BY SCIENCE PUBLISHED IN IMPACTFUL PEER-REVIEWED SCIENTIFIC JOURNALS

New publication evaluates an innovative infant formula concept: large lipid droplets closely resembling the structure, composition and size of those found in breast milk. In a study, researchers explored the lasting impact of the infant formula concept on growth patterns. Findings revealed that infants exposed to the concept formula during their first 4 months exhibit positive, long-term BMI trajectories similar to breastfed infants, as well as lower blood pressure up to the age of 5. The research also underscores the vital role of healthy infant growth in the first 1000 days, emphasizing the importance of safe alternatives when exclusive breastfeeding isn't possible.

DANONE'S PRIORITIES AND 2023 HIGHLIGHTS



PROVIDE POSITIVE NUTRITION AND HYDRATION FOR HEALTHIER LIFE

83.2%

VOLUMES OF KIDS DAIRY
PRODUCTS FORTIFIED
WITH RELEVANT VITAMINS
AND MINERALS⁽⁶⁾



GERMANY

All FruchtZwerge products are **fortified with Calcium and Vitamin D**, relevant nutrients for children, and **contain less than 10 grams of sugar per 100 grams**

Danone has set up

2
PROJECTS TO
ADDRESS IRON
DEFICIENCY
IN CHILDREN.



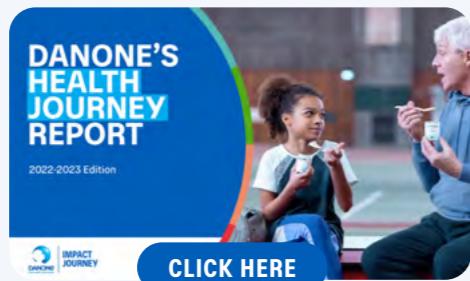
In response to high rates of iron deficiency anemia in Malaysia, Danone is implementing a socially-oriented business project with the ambition to **create positive systemic change**. Danone collaborates with partners to **raise awareness about iron deficiency anemia**, emphasizing the importance of early anemia screening and the **role of nutrition in addressing this issue**. Through its leading Dugro brand, Danone develops superior products that enhance iron absorption, **providing relevant nutrition for children**.



HEALTH THROUGH FOOD SPECIAL MENTIONS

KEY PUBLICATION

Danone's first Health Journey Report, presents how health is embedded throughout Danone, its health-related activities, its nutritional and health commitments, the governance and external recognitions received



EXTERNAL RECOGNITION

- TOP 5** PERFORMING FOOD COMPANIES
- #1** IN PRODUCT PROFILE

KEY PUBLICATION

Danone released its **Affordability and Accessibility** approach as part of its actions to offer healthy food and drinks that are safe and accessible, whether physically or in terms of price

[CLICK HERE](#)



KEY BRANDS



Danone North America supports the **Woman Infant and Children program (WIC)**, a US government-run program through which low-income families receive monthly benefits that increase their purchasing power for nutrient-rich food items such as yogurt and soymilk. Danone supports WIC through our diverse product portfolio – including dairy yogurts, plant-based dairy alternatives and baby food – and our advocacy work, which drives towards increased funding of WIC, modernization of the program and reducing barriers to participation. In 2023: ~30% of our yogurt portfolio⁽⁴⁾ was WIC-eligible, including products across many of our key brands, such as Activia®, Dannon®, Light & Fit® and Oikos®.



SAFE DRINKING WATER

PROVIDED TO
12.7M⁽⁴⁾ PEOPLE

March 2023 Launch of WAAF* Danone has invested with partners in the WAAF fund dedicated to access to safe drinking water. With the 1st investment in Rite Water Solutions in India, already impacting **2.4M** people

NUTRITIOUS FOOD

PROVIDED TO
600K PEOPLE

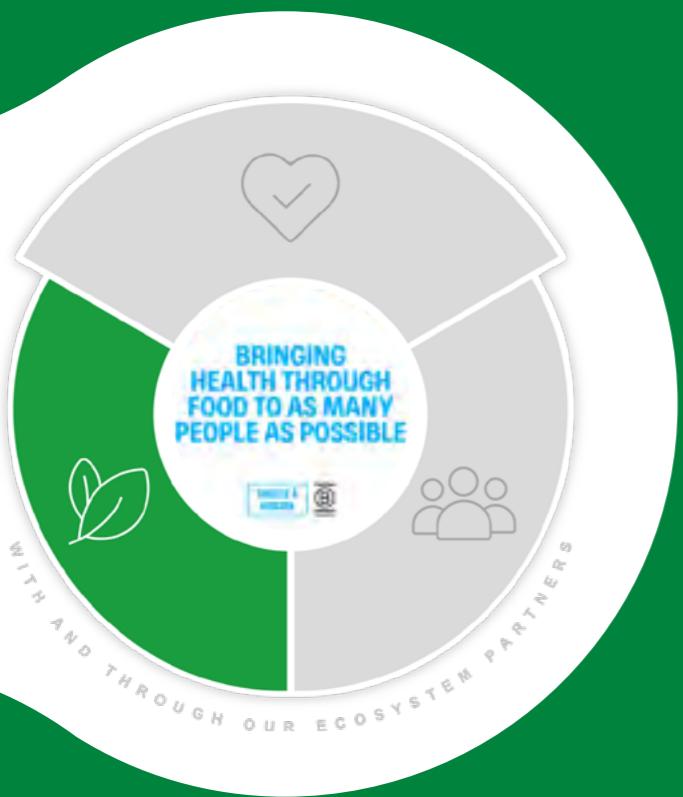
In France, Danone worked with the **Programme Malin**, to ensure more than **150,000** children from vulnerable families have access to proper baby nutrition



ACCESS TO SAFE DRINKING WATER

ACCESS TO HEALTHY NUTRITION

PRESERVE AND REGENERATE NATURE



THIS PILLAR RELATES TO DANONE'S FOLLOWING MATERIAL TOPICS:

- Climate change
- Sustainable farming/land use
- Circular economy/packaging/waste
- Water stewardship



DANONE IS COMMITTED TO ROBUST CLIMATE ACTION AND TO HELPING TO TRANSFORM THE FOOD SYSTEM

so that it regenerates rather than degrades nature. This requires ambitious action from Danone, and working with Danone's ecosystem to push for systemic changes



To meet these ambitions, Danone has developed the following goals and KPIs:

GOAL	KPIs
Curb GHG emissions in line with 1.5°C, leading the way on methane reduction	CO ₂ reduction by 2030 in line with 1.5C SBTi Net Zero by 2050 30% reduction in methane emissions from fresh milk by 2030 30% improvement in energy efficiency by 2025
Pioneer and scale regenerative agriculture, leading the way for regenerative dairy farming models	30% key ingredients we source directly will come from farms that have begun to transition to RegAg by 2025 Zero deforestation & conversion on key commodities by 2025 ¹
Preserve and restore watersheds where Danone operates and drive water footprint reduction across the value chain	4R approach will be deployed in all our production sites by 2030 Watershed preservation/restoration plans in highly water-stressed areas by 2030 ²
Drive the transition to a circular and low-carbon packaging system & recover as much as Danone uses	100% reusable, recyclable, compostable by 2030 Halve the use of virgin fossil-based packaging by 2040, with a 30% reduction by 2030, accelerating reuse and recycled materials Lead the development of effective collection systems to recover as much plastic as we use by 2040
Cut waste across the value chain	Halve all food waste not fit for human, animal consumption or biomaterial processing by 2030 vs. 2020

DANONE'S PRIORITIES AND 2023 HIGHLIGHTS



CURB GHG EMISSIONS IN LINE WITH 1.5C, LEADING THE WAY ON METHANE REDUCTION

In 2023, Danone submitted its Net-Zero commitment to Science-Based Targets initiative for approval and replaced its Climate Policy (2016) with a standalone [Climate Transition Plan](#), in which Danone notably discloses:

- its **reduction strategy** to meet its 2030 near-term science-based targets in line with 1.5°C
- its **strategy to offset its residual emissions** by 2050;
- the solutions it is **exploring to reduce its emissions in line with 1.5°C pathways** between 2030 and 2050;
- its **actions to mitigate emissions** beyond its value chain



ABSOLUTE ENERGY AND INDUSTRIAL EMISSIONS REDUCTION, SCOPES 1 AND 2, MARKET-BASED SINCE 2020

in 2023
20.7%



- At the **Aldaya EDP site in Spain**, Danone installed **around 5680 solar panels on site**, alongside a power purchase agreement **the factory is now 100% renewable electricity**.
- Alpro's Wevelgem site** uses new **Power2Heat system with electric hybrid boilers** using renewable power to generate steam - **reducing emissions up to 25%**.

ABSOLUTE TOTAL FLAG EMISSIONS REDUCTION SINCE 2020

in 2023
5.5%

ABSOLUTE SCOPE 3 ENERGY AND INDUSTRIAL EMISSIONS REDUCTION SINCE 2020

in 2023
9.4%

- The Meknes EDP site in **Morocco** is powered by **52% total renewable energy thanks to the biomass boiler and biodigester**.
- In **New Zealand, Balclutha's SN factory reduced its emissions by 95%** thanks to its biomass boiler.

In 2023, also Danone committed to reduce by 30% its methane emissions from fresh milk by 2030 against a 2020 baseline. Between 2020 and 2023 Danone continued to measure the effects of its ambitious plan to reach Danone's Methane Pledge by 2030 in several countries, including:

- In the United States, by accelerating manure projects thanks to access to the USDA Climate Smart Commodities Grant;
- In Belgium, thanks to piloting feed additives, which reduced enteric fermentation related emissions;

ABSOLUTE METHANE EMISSIONS REDUCTIONS VS 2020

in 2023
13.3%



REGENERATIVE AGRICULTURE

Agriculture is central to Danone's business and the Danone Impact Journey. One of the most significant ways Danone can create positive economic, societal and environmental impact is through the chosen sourcing and farming models. **Danone is firmly committed to regenerative agriculture and promoting practices that protect soil, water, biodiversity and animal welfare, whilst also supporting farmers in a fair transition toward more resilient agricultural models** that protect farmer livelihoods and decent conditions for workers. Since 2017, **Danone has supported the implementation of 25 agriculture projects in 14 different countries**, including a number of projects linked to soil health, water and/or biodiversity

38% OF KEY INGREDIENTS

sourced directly by Danone in 2023 **came from farms that have begun to transition to regenerative agriculture.**

COOL FARM TOOL & CAP2'ER

To monitor the greenhouse gas footprint of the purchased milk, **Danone uses the Cool Farm Tool** (in 15 countries) **and CAP2'ER** (in France), which now **covers 91% of Danone's direct milk collection volumes from farms**.

Including

500 KTONS

IN REDUCTIONS BETWEEN 2020 AND 2023 THANKS TO DANONE'S ON-FARM ACTION PLANS.

In 2023, Danone continued to measure the effects of its ambitious plan to shift to regenerative agriculture, particularly in the following countries:

- In Algeria**, thanks to **small-holder projects to improve milk yield through farm management training**
- in France, thanks to **Les 2 Pieds sur Terre project to support dairy farmers to reduce their carbon footprint and regenerate soil**. The project has achieved a 10% reduction in GHG emissions in kg CO2 eq. per liter of milk, between 2016 and 2022
- in Brazil**, thanks to **action plans to improve herd diets, genetics and management** (e.g. Educampo program), and **scaling the Flora project to deliver improved pasture management, crop yields and integrating livestock**
- in Poland**, thanks to **scaling their Regenerative Agriculture Program, delivering improvements such as, fertiliser reduction; increased feed autonomy through feed localisation**

ENGAGEMENT

Danone actively works with coalitions such as SAI Platform and OP2B, as well as with peers, to accelerate and scale the transition to regenerative practices in the food and beverage sector. Danone actively contributed to developing SAI Platform's globally aligned regenerative agriculture framework, "Regenerating Together", which was released in September 2023.



FOREST UPDATE

- In 2023, **Danone was recognized for the fifth year in a row as a global environmental leader with a triple A score** given by CDP - including a triple A rating for CDP Forests (Palm, Paper and Soy).
- In 2023, **Danone has defined a methodology and an aggregate KPI to monitor its progress against the KPI included in Danone Impact Journey**: Zero deforestation and conversion on key direct commodities by 2025. Using 2022 sourcing data, **Danone has achieved 84% of verified Deforestation and Conversion Free (DCF) direct sourcing for commodities in scope of our Forest Policy and aims to achieve 100% by 2025**. At the date of this report, the full-year 2023 traceability campaign was ongoing. The final figure therefore remains subject to change and will be updated in Danone's Forest Annual Update.



- Danone has supported the Siak Pelalawan Landscape Program (SPLP)** since its launch in 2018. This private sector-driven initiative **aims to achieve sustainable palm oil production in the Siak and Pelalawan districts of Riau, Indonesia**. With more than 200 villages, the districts spread over two million hectares. Danone supports Goal 2 of the program, namely: **improve the livelihoods of palm oil farmers and communities in at least 50 high priority villages in the districts by 2025**. To date, SPLP has supported 39 villages and trained 3,460 farmer communities on sustainable land use establishing a systemic enabling condition directly from the grassroots to protect the remaining natural ecosystems and create sustainable livelihood.

DANONE'S PRIORITIES AND 2023 HIGHLIGHTS



PRESERVE AND RESTORE WATERSHEDS WHERE DANONE OPERATES AND DRIVE WATER FOOTPRINT REDUCTION ACROSS THE VALUE CHAIN

95% OF PRODUCTION SITES HAVING IMPLEMENTED 4R
(Reduce-Reuse-Recycle-Reclaim) approach

FROM FACTORY TO SUPPLY CHAIN - PROJECT HIGHLIGHTS:

- Together with Danone Ecosystem, **Danone has launched Hlib bladi project in Morocco to expand and anchor sustainable milk production** by improving the revenues of small farmers and milk collection centres. Specific actions on feed mitigating drought and water scarcity will be implemented by the farmers.



53% OF TOTAL WATER INTAKE OF OPERATIONAL SITES

located in high water stress watersheds are under preservation and/or restoration plans.

- A partnership between ENAM** (National School of Agriculture in Meknes) and **Centrale Danone in Morocco** began in late 2023 regarding the reuse of industrial wastewater for agricultural purposes. Specifically, this initiative involves a pilot project conducted on cereal plots and orchards, in collaboration with local farmers. **The goal is to gather all necessary information** to scale up this approach and consequently **reduce groundwater withdrawals**. A promising step toward sustainable agriculture and watershed preservation.

- Continued effort with the installation of 1 new water reclaim unit at factory level.** In October 2023, Danone started a new reclaim unit in Mount Crawford factory (USA) using ozone coagulation prior to microfiltration technology to treat wastewater to be used in cooling towers. **The target is to save up to 50 million litres of water per year** thanks to this new reclaim unit.

- Re-designing Badoit bottles from green to clear PET** to support closed loop recycling



- In Brazil, a pilot project called "Recicla PS"** started in 2023 in partnerships, such as with Yatto (start-up specialized in hard recycling materials) **to create a new recycling stream for Dairy cups**

- Danone signed its first contract in the United States to offtake food-grade recycled high-density polyethylene (HDPE)** to incorporate it into its beverages offer

- Danone joined the Circulate Capital initiative** for Latin America and the Caribbean and **committed an additional \$15 million to addressing plastic pollution and scaling the recycling value chain** in the region and in particular in Mexico and Brazil



CUT WASTE ACROSS THE VALUE CHAIN



THE BATTLE AGAINST WASTE PROGRAM SAW

-19.8% FOOD WASTE RATIO REDUCTION 2023 (VS 2020 BASELINE).

Over 52 waste assessments took place covering more than 80% of waste volumes across Latin America, North America, Europe and New Zealand identifying key waste contributions, building losses roadmaps and activating the Battle Against Waste toolkit of best practice.



In line with the UN SDG 12.3 **Danone committed to a #123pledge to drive breakthrough results in operations to halve food waste by 2030**, lead the transition to 'best before date' wherever possible whilst educating consumers, and join forces to optimize food redistribution. **Danone joined the World Resource Institute panel at UN Climate Week** in New York and attended a panel with the Global Foodbanking Network at COP28 exploring the role of policy in food redistribution.



DRIVE THE TRANSITION TO A CIRCULAR AND LOW-CARBON PACKAGING SYSTEM & RECOVER AS MUCH AS DANONE USES

Danone rolls out its commitments in each country where it operates through action plans consistent with the waste hierarchy principles underpinned in Ellen MacArthur Foundation's New Plastics Economy, the European Single Use Plastic Directive, and the upcoming European Packaging and Packaging Waste Regulation (PPWR), with three overarching objectives:

1. REDUCE PACKAGING USAGE

2. IMPROVE THE CIRCULATION

of packaging that cannot be eliminated;

3. RECOVER WHAT IS NOT CIRCULATED

by fighting against dumping in nature, while improving the living conditions of workers in the collection and recycling sector.

2023 PROGRESS INCLUDES

- In 2023, **84% of Danone's packaging was reusable, recyclable, or compostable** (stable versus 2022).

- In 2023, **Danone achieved 16% reduction in the use of virgin fossil-based plastic** between 2018 and 2023 (excluding EDP Russia), and 3% reduction between 2020 and 2023 (excluding EDP Russia).

- Danone is committed to co-developing efficient and inclusive collection and recycling systems** through a collaborative approach within its ecosystem. In 2023, **58% of plastic put on the market was recovered** (versus 56% in 2022).



In Argentina, Danone partners with Carrefour and Red Argentina de Bancos de Alimentos, an organization that collects products close to expiration date from Carrefour sites for redistribution to community groups. After an initial pilot in 2 Carrefour sites in the greater Buenos Aires region **redistributing over 2.2 tonnes of products**, Danone continues to launch similar programs, with the ambition to expand further with other retail partners.

THRIVING PEOPLE & COMMUNITIES



THIS PILLAR RELATES TO DANONE'S FOLLOWING MATERIAL TOPICS:

- Responsible procurement/
supply chain management
- Local sourcing and rural/
farmer development
- Some material topics related
to People & Communities in
tier 2 and tier 3 of the matrix



DANONE HAS A STRONG LEGACY OF SOCIAL IMPACT,

from Antoine Riboud's groundbreaking speech in 1972 and the launch of Danone's Dual Project, to the extension of quality healthcare coverage through Dan'Cares, and the integration of social objectives into our company bylaws as a "Société à Mission". **Danone's social heritage has forged a unique culture within Danone, where purpose is deeply integrated into how Danones does business.**



THIS HERITAGE IS MORE IMPORTANT THAN EVER CONSIDERING THE SOCIAL LANDSCAPE AHEAD.

The world is experiencing levels of environmental & demographic transitions, social change and technological advancement not seen at a global level for generations. Danone knows the pace of transformation will only accelerate, with the disruptions of climate change, digital transformation, and fragmented supply chains. The Social Contract between business and society needs renewal, and Danone wants to play a meaningful role.

To meet these ambitions, Danone has developed the following goals and KPIs:

GOAL	KPIs
Make Danone a force for good by fostering a unique, diverse & inclusive culture and empowering Danoners for positive impact	All employees covered by B Corp certification by 2025 ⁽¹⁾
Equip and empower communities (i.e. internal, external) with skills and capabilities of the future to thrive in a fast changing economy	All employees covered by Dan'Care by 2030
Champion a renewed social contract by fostering a prosperous & inclusive ecosystem, upholding human rights and pursuing social progress	Achieve gender balance in management globally by 2030
Equip and empower communities (i.e. internal, external) with skills and capabilities of the future to thrive in a fast changing economy	Drive equity and close gender pay gap by 2025
Champion a renewed social contract by fostering a prosperous & inclusive ecosystem, upholding human rights and pursuing social progress	Maintain inclusion index above peers ⁽²⁾
Equip and empower communities (i.e. internal, external) with skills and capabilities of the future to thrive in a fast changing economy	Make future skilling programs available to all Danoners by 2025
Champion a renewed social contract by fostering a prosperous & inclusive ecosystem, upholding human rights and pursuing social progress	Extend future skilling programs to key partners by 2030
Champion a renewed social contract by fostering a prosperous & inclusive ecosystem, upholding human rights and pursuing social progress	100% employees trained on Danone Human Rights policy by 2025 ⁽³⁾
Champion a renewed social contract by fostering a prosperous & inclusive ecosystem, upholding human rights and pursuing social progress	Danone Sustainable Sourcing Policy deployed to all suppliers by 2030



DANONE'S PRIORITIES AND 2023 HIGHLIGHTS



MAKE DANONE A FORCE FOR GOOD BY FOSTERING A UNIQUE DIVERSE & INCLUSIVE CULTURE AND EMPOWERING DANONERS FOR POSITIVE IMPACT

68%
EMPLOYEES

are covered by the B'Corp certification, refer to the B Corp focus for B Corp progress



DIVERSITY, EQUITY AND INCLUSION (DEI) IS A KEY PART OF DANONE'S DNA

this commitment extends to being an "Société à Mission" and a growing B Corp

- Strong legacy of social impact through the Dual Project

- Dan'Cares quality healthcare coverage

- 144 different nationalities

- HOPE values

- DEI framework on 3 pillars: People, Brands and Partners

- Local and functional DEI Champions Community

DEI GOALS & TARGETS ARE REFLECTED IN DANONE'S KPI'S

and accordingly, Danone is continuously implementing measures and policies to reach them

- 43% gender balance in senior manager positions (executives and directors)
- 2.1 pts gender pay gap ratio

- Danone has several policies to promote DEI, including: Diversity, Equity, and inclusion Policy; Gender neutral Parental Policy; Anti Harassment and Discrimination Policy



98% EMPLOYEES
COVERED BY DAN'CARES



MAKING DANONERS FEEL EMPOWERED AND ENGAGED, AS MEASURED BY DANONE PEOPLE SURVEY

MILESTONES 2023

- 91% participation rate, highest in past 6 years,

- 84% engagement score (same as FMCG) with our former WTW methodology,

- 79% engagement score (+8 pts vs FMCG) with our new Qualtrics methodology,

- Highest scores (>80%) in areas such as Sustainability, My Manager, Danone Ethics Line



DANONE ASPIRES TO BECOME A MARKET LEADER IN DEI,
in order to make a difference for Danoners and the business:

International indexes & recognitions:

- Bloomberg Gender Equality Index
- Equileap Gender Equality Global Report
- Financial Times Leader in Diversity
- Forbes World's Top Companies for Women
- Arborus GEEIS label audited by Bureau Veritas landing the score of 5/5
- Equal Pay International Coalition (EPIC) Pledge on Gender Pay Equality



Global partnerships:

- Business Disability Forum
- LEAD Network



GEEIS SDG TROPHY

Arborus 2023 Trophy Gender Equality & Diversity for European & International Standard related to UN Sustainable Development Goals awarded the Danone Nazawa Waterfilter project in Indonesia. This project consists of supporting families to buy waterfilters so to get access to safe drinking water. Otherwise this heavy and time consuming task relies on women and young girls.



DEI FOSTERING OUR INCLUSIVE CULTURE,

in workplaces where all Danoners can bring their uniqueness to contribute to business results:

Inclusion Index score of 79% (+2 pts above peers) during 2023 Danone People Survey

Danone Ethics Line and mandatory Anti-Harassment & Discrimination training for employees

Promoting awareness of biases through "Unconscious Bias" training

SUPPORTING WOMEN IN OPERATIONS IN MEXICO

Since 2018, Danone in Mexico designed and homologated a program to increase the number of women in preseller, warehouse and factories fields. Achievements 2023:



20%
women
warehouse
+600 BP vs 2022

22%
women
presellers
+100 BP vs 2022

30.3%
women
FLD*
*FLD: First
Line Danoners

23%
women workers
in our factories
+500 BP vs 2022

38%
women staff &
supervisors in
our factories
+1200 BP vs 2022



SUPPORTING YOUNG GENERATIONS IN SPAIN

Danone Joined the Spanish Association "Escuelas de 2a Oportunidad » (Second Chance School) to support young people in difficult employment situations and won the honor for being a business that supports second-chance colleges.

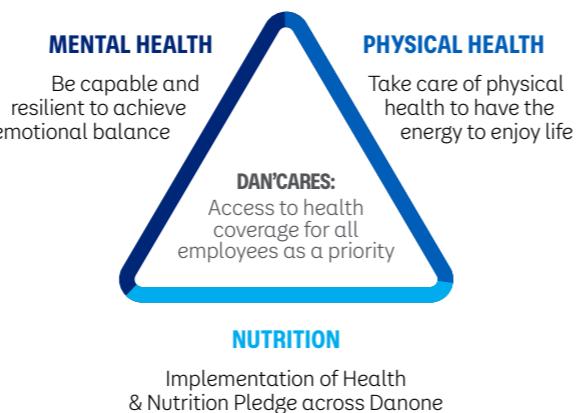
DANONE'S PRIORITIES AND 2023 HIGHLIGHTS

LAUNCH IN 2023

In 2023, Danone launched Be Well, a program designed to support all Danoners to be at their healthiest. The program is built around three key action areas: nutrition, mental wellness, and physical well-being. The objective is to improve the work environment and individual wellbeing, generating a greater awareness of the importance of a healthy lifestyle to improve the quality of life.



THE GLOBAL WELLBEING PROGRAM IS ANCHORED IN DAN'CARES AND FOCUSED ON 3 KEY PILLARS



In 2023, Danone's revisited Culture elements deployment with different toolkits and content to create the awareness and equip teams: face to face training for Executives and Directors, Communication assets & Toolkits displayed in all the Countries, embedding the behaviors as part of some key HR processes. More than 90% of Exec & Directors have been trained through the face to face format. The Group also launched a Culture e-learning with 51% participation rate and a Team leaders workshops to drive Behaviors conversations and action plans at team level.



CELEBRATING DEI EVENTS GLOBALLY IN 2023

live streams accessible to all Danoners and translated in the main languages spoken within Danone



Call to action for our Executives & Directors accelerating equality of women at work



Celebrate diversity and inclusion with focus on global and local commitment



Increase the understanding of disability issues and mobilize support including insights of our partner

SUPPORTING PERSONS WITH A DISABILITY IN BRAZIL

As a way of living the Culture of Inclusive Diversity, unleashing talent and enhancing the benefits of diverse teams, Danone Brazil connected with Specialisterne, an external partner, to design a powerful and inclusive trajectory to support employees with Autism Spectrum Disorder (ASD)

INCLUDING:

Select
neurodivergent people adhering to the requirements of the positions

Design

a training journey for managers and work teams to introduce them to the ASD world

Monitor

consultants to understand and empower their skills and capabilities



IN MARCH 2023

DANONE SIGNED THE WORKING WITH CANCER PLEDGE

The Pledge aims to **abolish any stigma and insecurity** for people diagnosed with cancer in the workplace, and to **provide a more open, supportive, and recovery-oriented culture**. Danone cares deeply about this matter because of Danone's values anchored in its "dual project" and mission of "bringing health through food to as many people as possible." It is also natural for Danone to take a leading role in this topic as a provider of medical nutrition for cancer patients knowing the very positive difference this can make for the

people affected. The first initiative of this framework is to provide a "**job safety net**" to all Danone employees worldwide affected by cancer and/or a critical illness, providing **protection of 100% of salary & benefits for a minimum period of 12 months**, with a guarantee to return to work at the same level and pay after this period by 1st January 2026. Specific program elements around tailored nutrition counselling, coaching framework for individualized support and internal campaign breaking the stigma with educational workshop will be next.

EQUIP AND EMPOWER COMMUNITIES WITH SKILLS AND CAPABILITIES OF THE FUTURE TO THRIVE IN A FAST CHANGING ECONOMY

100% OF OUR ENTITIES DISCUSSED WITH UNIONS OR EMPLOYEE REPRESENTATIVES AND PROPOSED THE FUTURESKILLS PROGRAM TO ELIGIBLE EMPLOYEES

Danone is committed to **supporting employees who need to acquire new skills**. The Group worked with the International Union of Food Workers (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 by Danone and the IUF signed in 2020, available on Danone's corporate website). **FutureSkills aims 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 job market. In 2023, **100% of Danone entities with eligible people have proposed FutureSkills** to employees and/or their representatives and **93% of beneficiaries of FutureSkills have secured their transition to a job** of the future, internally or externally.

CHAMPION A RENEWED SOCIAL CONTRACT BY FOSTERING A PROSPEROUS & INCLUSIVE ECOSYSTEM, UPHOLDING HUMAN RIGHTS AND PURSUING SOCIAL PROGRESS

- The Danone dedicated e-learning training on human rights and fight against forced labor is available** on the Group training platform to the Procurement, Human Resources and General Secretary functions. More than 5,750 Danone employees had completed this training at the end of 2023.

- Danone's** sustainable sourcing approach is currently based on Danone's Sustainability Principles (DSPs). The DSPs are applicable to the Group's value chain including its own operations, the DSPs and were updated in 2022. These will be replaced by the upcoming Sustainable Sourcing Policy, which was approved by the Global Engagement Committee in October 2023, and will be piloted before publication and launch in 2024.

B CORP PROGRESS

 KPI INCLUDED IN THE IMPACT JOURNEY

PERFORMANCE

	2022	2023
% of Danone global sales covered by B CORP™ certification	74.2%	82.5%
% of Danone employees covered by B CORP™ certification	60.3%	68.0%

A key milestone achieved in 2023 towards Danone's ambition to be fully certified globally in 2025



SOME OF DANONE'S ENTITIES THAT ACHIEVED B CORP CERTIFICATION IN 2023



Danone Central Eastern Europe Region

(Romania, Bulgaria, Hungary, Czech Republic and Slovakia – earned the highest score in 2023)



EDP Argentina

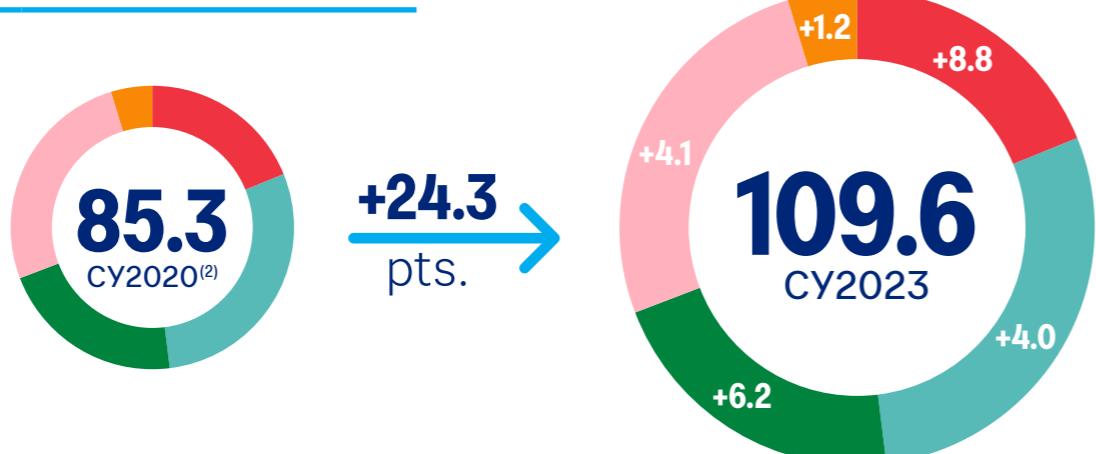


SN India

RECERTIFIED CBUS ARE CONSTANTLY IMPROVING THEIR SCORE

DANONE JAPAN BIA⁽¹⁾ SCORE PERFORMANCE

- GOVERNANCE
- WORKERS
- ENVIRONMENT
- COMMUNITY
- CUSTOMERS



PARTNERED WITH OTHER B CORP TO STRENGTHEN THE COMMUNITY

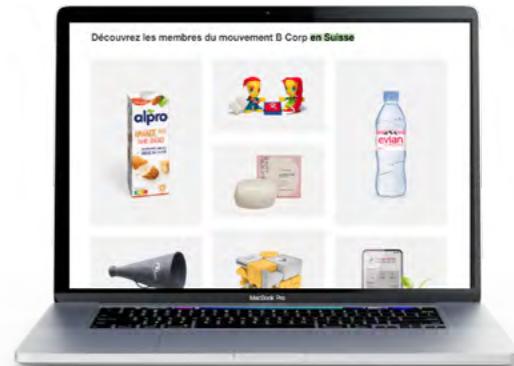
HIGHLIGHTS 2023



Il y a plus de 280 entreprises certifiées B Corp actives en Suisse

Nous avons un Plan B.

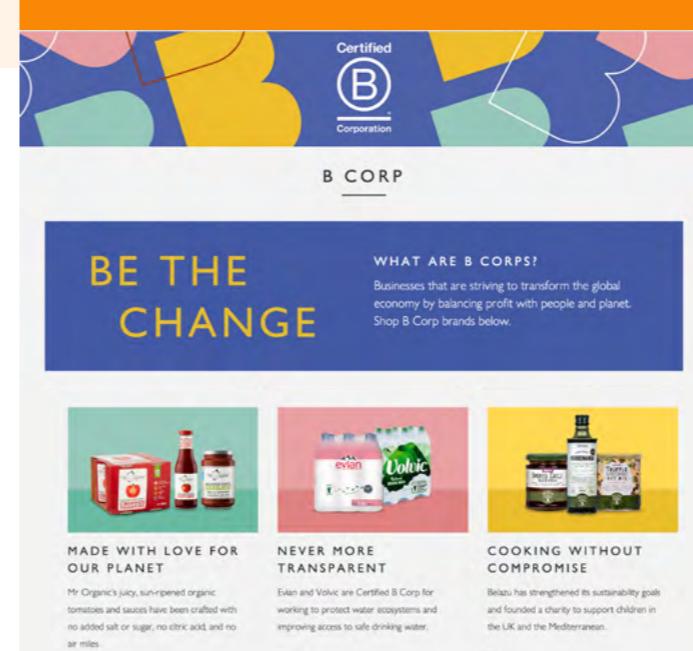
Notre climat est en crise et la biodiversité en déclin. Si nous tenons au bien-être de notre planète et de ses habitant-e-s, il est clair que nous ne pouvons plus pratiquer le «business as usual». Il nous faut donc un plan B, une autre manière de fonctionner. Faire des affaires sans prioriser uniquement le profit.



DANONE SWITZERLAND (WITH BRANDS EVIAN AND ALPRO)

Collaborated with B Lab Switzerland and partnered with other B Corps to increase exposure and brand awareness with the 1st nationwide campaign about B Corp

[LEARN MORE HERE](#)

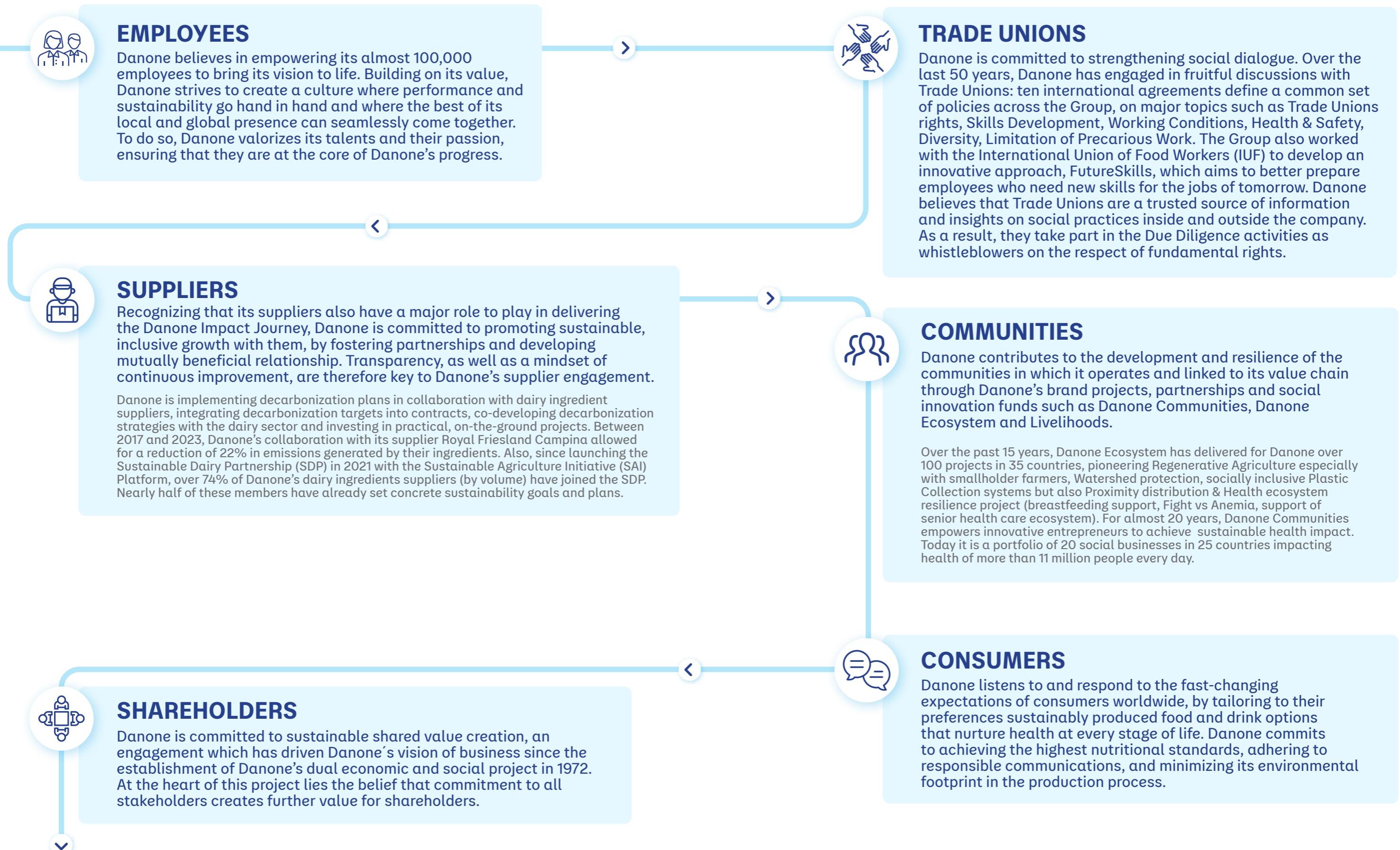


ENGAGED WITH RETAILERS TO ATTRACT CONSUMERS, EDUCATE AND BUILD AWARENESS

E.G., WAITROSE & PARTNERS SUPPORTED THE GROWING COMMUNITY OF B CORPS BY DISPLAYING B CORP PRODUCTS IN STORE AND ONLINE!

WITH AND THROUGH DANONE'S ECOSYSTEM OF PARTNERS

Danone's impact is collective. For over 50 years, since the launch of the Danone Dual Project, Danone has been working with and through a growing ecosystem of stakeholders, ranging from policy-makers, customers, suppliers, farmers, researchers and NGOs, to consumers and shareholders. Strengthening these relationships is part of Danone's responsibility to build a more sustainable future and create value for all Danone's stakeholders.





NGOs/ CIVIL SOCIETY ORGANIZATIONS

Danone has a shared interest – and responsibility – in finding solutions to the public health, social and environmental challenges the world is currently facing. Danone works regularly and partners with civil society partners and NGOs to share best practice and insights, and to maximize positive impact on the environment and communities around. Collaboration with NGOs and civil society organizations is fundamental to tackle large-scale, systemic challenges such as reduction of greenhouse gas emissions or the transition to regenerative agricultural practices.

Some of Danone's key impact partners include B Lab, Ellen MacArthur Foundation, Environmental Defense Fund, the Global Methane Hub, WBCSD, RAMSAR, Food and Agricultural Organization (FAO), OECD, WWF and UNITAR.



RETAILERS/ BUSINESS PARTNERS

Danone is stepping up collaboration and investments with retailers and business partners and growing its distribution channels, in order to reach more consumers and help them make healthier, more sustainable choices, anytime and anywhere. Danone activates its brands in-store and across multiple platform, to match local tastes, lifestyles and shopping preferences.



FOOD TECH/ ENTREPRENEURS

Danone is partnering with food tech startups around the world that share Danone's vision of a healthy and sustainable future for food. Through Danone's corporate venture arm, Danone Ventures, Danone invests in startups developing disruptive tech and science-based solutions for the food industry. Leveraging investment as a tool, the Danone Ventures team helps facilitate strong value-creating partnerships between Danone and those start-ups, with a view to fostering innovative solutions to tomorrow's challenges.

Danone's portfolio includes startups in a wide range of geographies and categories, among which Imagindairy (a food tech startup producing dairy proteins via precision fermentation), Wilk (a biotech company pioneering in the production of cell-based milk) and Symbrosia (an agritech startup developing a seaweed feed additive that reduce livestock methane emissions).



RESEARCHERS/ SCIENTIFIC SOCIETIES/ ACADEMICS

On strategic topics such as food safety, healthy food and drink habits, probiotics, microbiota, healthy hydration, and infant and young child nutrition and medical nutrition, research plays a central role in our growth strategy. By partnering with the academic and scientific world, Danone seeks to improve its understanding of health and nutrition issues at every stage of life and integrate this knowledge in the development of healthy and innovative products, purpose-driven brand strategies, and impactful programs.



FARMERS

Danone favors local sourcing of raw milk from more than 58,000 farms in around 16 countries, both directly and indirectly. Most of the milk sourced by the Group comes from family farms. About 90% of the partner producers own small family farms with fewer than 25 cows and are located primarily in emerging countries in Africa and Latin America. These small farms supply about 14% of Danone's total milk volume.

FOCUS ON DANONE'S COLLABORATION WITH CIVIL SOCIETY AND NGOS:

DANONE HAS A SHARED INTEREST – AND RESPONSIBILITY – IN FINDING SOLUTIONS TO THE PUBLIC HEALTH, SOCIAL AND ENVIRONMENTAL CHALLENGES THE WORLD IS CURRENTLY FACING.

Danone works regularly and partners with civil society partners and NGOs to share best practice and insights, and to maximize positive impact on the environment and communities around. Collaboration with NGOs and civil society organizations is fundamental to tackle large-scale, systemic challenges such as reduction of greenhouse gas emissions or the transition to regenerative agricultural practices.

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TOGETHER WITH DANONE ECOSYSTEM, DANONE AQUA IN PARTNERSHIP WITH SNV AND RECONSAVI BHUMI HAS STARTED THE PAHALA PROJECT IN WEST JAVA (INDONESIA).

It had implemented actions on local governance and set up agroforestry with farmers around 7 factories. In Bali, with Kopernik project together with Danone Ecosystem, we installed infiltration wells in traditional settlements.

DANONE
ECOSYSTEM



SINCE 2015, DANONE HAS PARTNERED WITH B LAB

to help **define a meaningful and manageable path to certification for multinationals** and publicly traded companies while progressively certifying Danone's business and supporting the broader growth of the B Corp movement. **In 2023, 82.5% of Danone global net sales were covered by B Corp certification.** The Danone Impact Journey is in line with **Danone's goal to achieve full B Corp certification by 2025**



ELLEN
MACARTHUR
FOUNDATION

- **Ellen MacArthur Foundation (EMF):** Since 2017, Danone has been a strategic partner of EMF, with collaboration structured primarily around the New Plastics Economy Initiative, and the signature in 2018 of the Global Commitment on Plastics;



The Consumer Goods
FORUM

- **Consumer Goods Forum Plastic Waste Coalition of Action (CGF PWCoA):** The coalition is working to set standards and align industry practices to improve plastic collection, reuse and recycling;



BUSINESS
COALITION
FOR A
GLOBAL
PLASTICS
TREATY

- **The Business Coalition for a Global Plastics Treaty:** Led by EMF and the World Wide Fund for Nature (WWF), it brings together businesses and financial institutions committed to supporting the development of an ambitious, effective, and legally binding UN treaty to end plastic pollution.



- **The Environmental Defense Fund (EDF):** Danone has launched a strategic partnership with EDF to support its methane reduction ambitions. Danone and EDF are working together in areas such as improved science, data and reporting standards, innovative financing models to help farmers of all sizes, and catalyzing industry and policy leadership through advocacy.



- **Global Methane Hub:** In November 2023, the Global Methane Hub (GMH) and Danone announced a partnership to reduce methane emissions and drive scalable solutions in farming. Danone became the first corporate funder of the Enteric Fermentation R&D Accelerator, the largest ever globally coordinated research effort on enteric methane, coordinated by GMH and supported by an alliance of philanthropic organizations and governments.



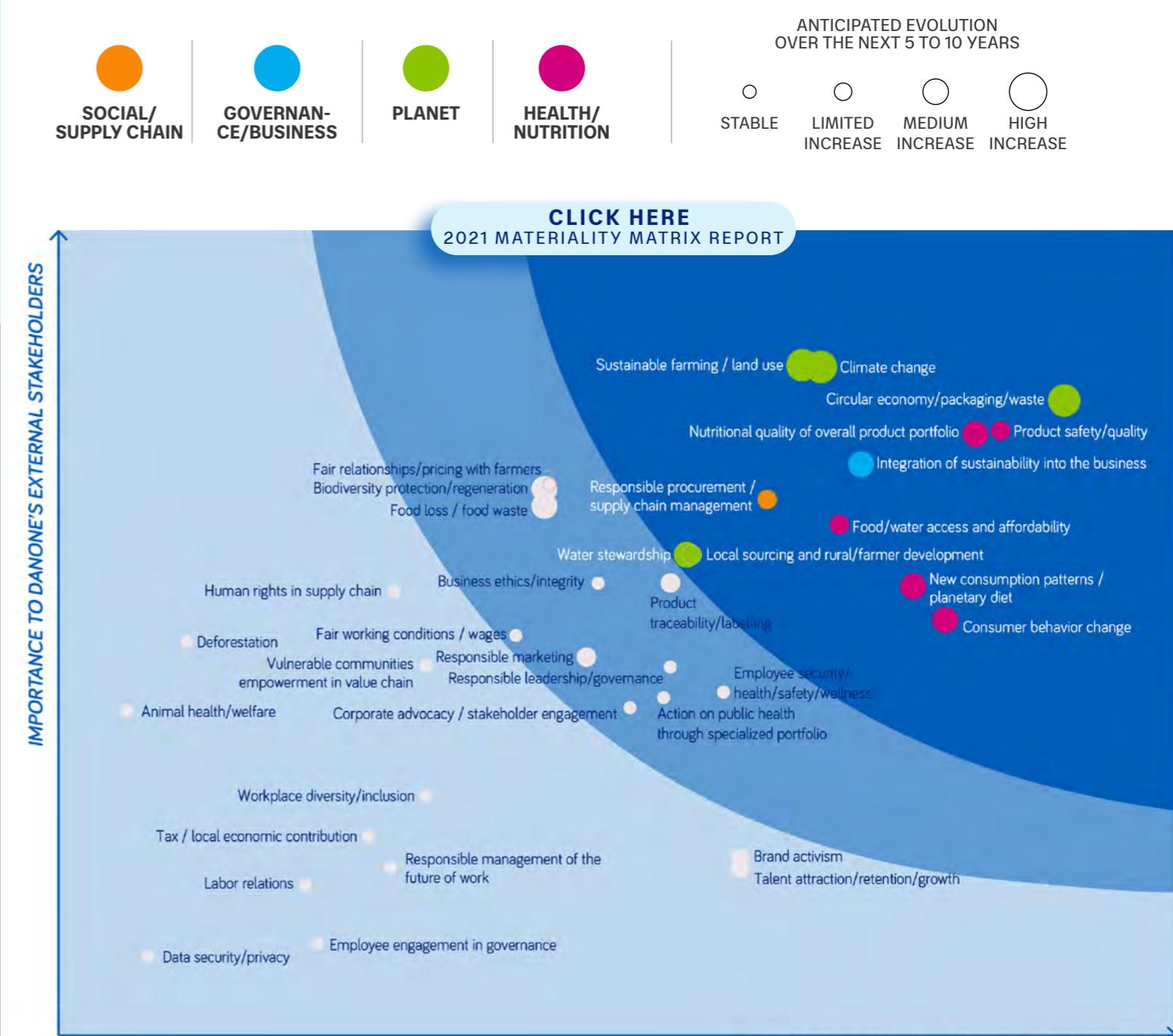
BY BEING BOTH AT THE HEART OF THE HEALTHY AND SUSTAINABLE FOOD MOVEMENT AND ATTUNED TO KEY CONSUMERS' EXPECTATIONS, DANONE KNOWS IT IS INSTRUMENTAL TO CONSTANTLY IDENTIFY AND ANTICIPATE THE CHALLENGES AND OPPORTUNITIES THAT LIE AHEAD.

Engaging with stakeholders is an important way in which Danone strives to do so. As such, Danone relies on two complementary exercises involving the input of its key stakeholders: a materiality assessment and a risk analysis, the former focusing on sustainability issues and the latter being a wider tool to anticipate all types of risks a company is facing for its operations and broader value chain. Both of these provide Danone with an in-depth understanding of the key strategic interlinked sustainability and business topics that Danone must take into account and act upon.

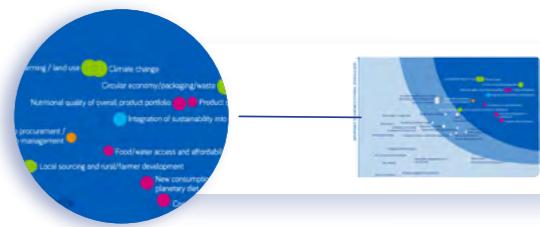
To find out more about Danone's strategic risk analysis, refer to Danone's Universal Registration Document 2023, Chapter 2.

MATERIALITY

With a view to engaging with Danone's stakeholders in building and refining Danone's strategy, Danone renewed its materiality matrix in 2021. This key tool enables Danone to identify its priority issues according to their importance for both internal and external stakeholders, as well as their impact on Danone's business success.



OUR MOST MATERIAL ISSUES



For more information, please [click here](#) and go to the materiality report

SUSTAINABLE BUSINESS

Integration of sustainability into the business Danone believes it has a role to play in society. It was thus logical to further its journey as a sustainable business by adopting the French “Société à Mission” status and aiming for the full B Corp certification, both which contribute to anchoring environmental and social performance in its business model.



HEALTH

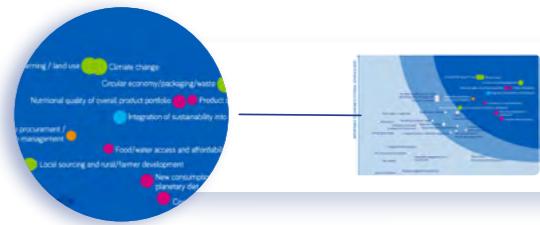
Consumer behavior change As part of its mission, Danone actively promotes consumer education on healthier lifestyles and diets. To do so, Danone notably partners with local authorities and organizations, as well as retailers, in order to provide consumers with better knowledge on health and food, and empower them to choose healthier options.

Nutritional quality of overall product portfolio As a critical health factor, the nutritional value of food products is of growing concern to both consumers and regulators. Danone's everyday products strive to bring key nutrients relevant to their food categories and to limit certain nutrients, with a focus on sugars. As a result, 90.3% of product volumes sold were considered to be from “healthy” categories, and 89.2% of EDP and Waters volumes sold scored ≥ 3.5 stars under the Health Star Rating system. According to this system, any product that scores 3.5 stars or above can be confidently promoted as a healthy choice ⁽¹⁾.

New consumption patterns / planetary diet To answer an ever-rising demand for more climate-conscious and sustainable products, but also to adjust to increasingly specific consumer needs and preferences, Danone is continuously adapting its portfolio. Danone has been at the forefront of these changing consumer preferences to promote more healthy, nutritious and sustainable offerings and ensure that Danone's products answer to local consumer diets and cultural or religious preferences. Integrating more low-carbon and plant-based products into Danone's portfolio has also been key to address these challenges.

Product safety/quality As it relates to production quality, spoilage, contamination, supply chain traceability, and allergy labeling, product safety and quality can materially affect Danone's operations and brand reputation, particularly amid new regulations and increasing transparency requirements. Therefore, Danone has a responsibility to ensure the safety and quality of its products throughout its value chain, through actions such as certifications and supporting its suppliers in this journey.

OUR MOST MATERIAL ISSUES



For more information, please [click here](#) and go to the materiality report

PLANET

Climate change Danone is conscious that the food & beverage industry production value chain is a significant contributor to global greenhouse gas (GHG) emissions, a direct cause of climate change. In return, climate change presents several risks for society and for the business (increased costs of doing business, reduced operational efficiency, supply disruptions, etc.). To try and mitigate these risks, in 2016, Danone updated its climate policy announcing its intention to reach net zero emissions and set intermediate reduction targets to deliver tangible progress. In 2023, Danone also published its Climate Transition Plan.

Circular economy/packaging/waste Throughout its entire lifecycle, packaging materials contribute significantly to our overall environmental footprint. Therefore, Danone has set a number of ambitious targets in line with the Global Commitment on Plastics led by the Ellen MacArthur Foundation. Danone also works hand-in-hand with suppliers, product distributors, retail companies, startups, NGOs and policymakers to find innovative solutions.

Sustainable farming/land use Agriculture is at the center of numerous global challenges today, from economic development and climate change, to water scarcity and biodiversity loss. Encouraging suppliers to transition to more sustainable farming practices, and accompanying them to do so, is at the core of Danone's mission and is key to our business resilience. We have since been working to transform practices on the ground through regenerative agriculture programs in countries across the world.

Water stewardship (incl. bottled water) Because Danone is reliant on water supplies for both its food products and bottled waters, Danone is conscious of the issue of water scarcity, not only in terms of the operational risks it poses to the business, but also in terms of activities' impacts on the availability and quality of water. For these reasons, Danone has designed policies and practices concerning the prevention of risks related to water usage, that include, but are not limited to, preservation of watersheds, water use in agriculture, wastewater discharge, etc. Most notably, Danone's Water Policy lays out Danone's framework to have a positive impact on nature and local communities through a fully circular water management in and around operations, as well as water access programs for vulnerable communities, among other actions.

COMMUNITIES



Food/water access and affordability Making food and water products accessible to as many people as possible, whether geographically or in terms of price point, is at the heart of Danone's mission and responsibility. Making offerings available to low income populations will help combat hunger and malnutrition, inspire healthier and more sustainable eating and drinking practices and address the global issue of access to safe drinking water.

Local sourcing and rural/farmer development Danone works alongside our suppliers to ensure that its sourcing practices are responsible for consumers, producers and farmers alike. This involves sourcing key ingredients locally (i.e. in the country where the products are sold), a practice which Danone is expanding every year, particularly for plant-based products and fruits & vegetables. By doing so, Danone aims to support and strengthen local farming communities.

Responsible procurement/supply chain management Danone sources a wide range of ingredients, particularly dairy inputs, from suppliers globally. In line with due diligence requirements and with its status as a "Société à Mission", Danone works to ensure inputs are responsibly sourced. This means partnering with suppliers to minimize risks of negative impacts. It also means providing direct support to farmers. Danone works with, including technical support, capacity building, capital investments, and innovations that improve farm performance, both environmentally and economically.

GOVERNANCE

BOARD OF DIRECTORS

Pursuant to the Company's by-laws and the Board of Directors' Rules, the Board, a collegial body, exercises the powers attributed to it by law and acts in all cases in the business interest of Danone. It determines the strategic orientations of Danone's activity and ensures their implementation. It seeks to promote long-term value creation by the Group while taking into account the social and environmental challenges of its activities. As part of its work, the Board of Directors has continued to fulfill the purpose and the social, societal and environmental objectives embedded in the Company's by-laws since the adoption of Société à Mission status by the Shareholders' Meeting on June 26, 2020, and takes into consideration the social, societal and environmental impacts of its decisions on the Company's stakeholders.

THE BOARD OF DIRECTORS IN 2023



89%*
INDEPENDENCE RATE

44%*
OF WOMEN

56%*
DIVERSITY/DIRECTORS WITH A NON-FRENCH NATIONALITY

61 YEARS*
AVERAGE AGE OF DIRECTORS

1.4 YEARS*
AVERAGE LENGTH OF THE TERMS OF OFFICE

*Directors representing employees are not included in this calculation

BOARD OF DIRECTORS AS OF DECEMBER 31, 2023:



GILLES SCHNEPP



ANTOINE DE SAINT-AFFRIQUE



FRÉDÉRIC BOUTEBBA



VALÉRIE CHAPOULAUD-FLOQUET



GILBERT GHOSTINE



LISE KINGO



PATRICE LOUDET



SANJIV MEHTA



GERALDINE PICAUD



SUSAN ROBERTS



BETTINA THEISSIG

DIRECTORS REPRESENTING EMPLOYEES

GOVERNANCE

EXECUTIVE COMMITTEE

EXECUTIVE COMMITTEE, COMPOSITION AS OF DECEMBER 31, 2023:



**ANTOINE DE
SAINT-AFFRIQUE**

Chief Executive Officer



**JÜRGEN
ESSER**

Group Deputy CEO in charge of Finance, Technology & Data



**SHANE
GRANT**

Group Deputy CEO, CEO Americas and EVP Dairy, Plant-Based and Global Sales



**VÉRONIQUE
PENCHIENATI-BOSETTA**

Group Deputy CEO, CEO International and EVP Specialized Nutrition, Waters, Global Marketing & Digital



**VIKRAM
AGARWAL**

Chief Operations Officer



**HENRI
BRUXELLES**

Chief Sustainability and Strategic Business Development Officer



CHARLIE CAPPETTI

President CIS and Turkey



BRUNO CHEVOT

President Greater China, North Asia and Oceania



SILVIA DAVILA

President Latin America



**ROBERTO DI
BERNARDINI**

EVP, Human Resources



ISABELLE ESSER

Chief Research, Innovation, Quality and Food Safety Officer



**JEAN-MARC
MAGNAUDET**

President Specialized Nutrition



PABLO PVERSİ

President Europe



LAURENT SACCHI

General Secretary



**CHRISTIAN
STAMMKÖETTER**

President Asia, Africa and Middle East

(A) REPORTING TO VÉRONIQUE PENCHIENATI-BOSETTA,
CHIEF EXECUTIVE OFFICER INTERNATIONAL

(B) REPORTING TO SHANE GRANT, CHIEF
EXECUTIVE OFFICER AMERICAS

CHIEF EXECUTIVE OFFICER COMPENSATION STRUCTURE SUMMARY

Components of fixed compensation

Fixed annual

Fixed depending on experience and level of responsibility

Cash

Variable compensation components

Variable annual

Annual performance conditions

Financial

Managerial

Sustainability

Cash

Long-term (GPS)

Performance conditions and continuous presence condition over 3 years

Financial

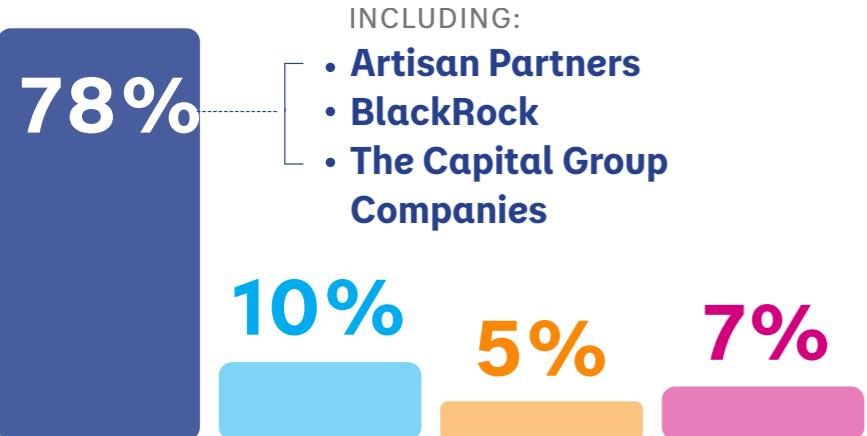
Sustainability

DANONE shares

SHAREHOLDING STRUCTURE



SHAREHOLDING SPLIT (AS OF DECEMBER 31ST, 2023)



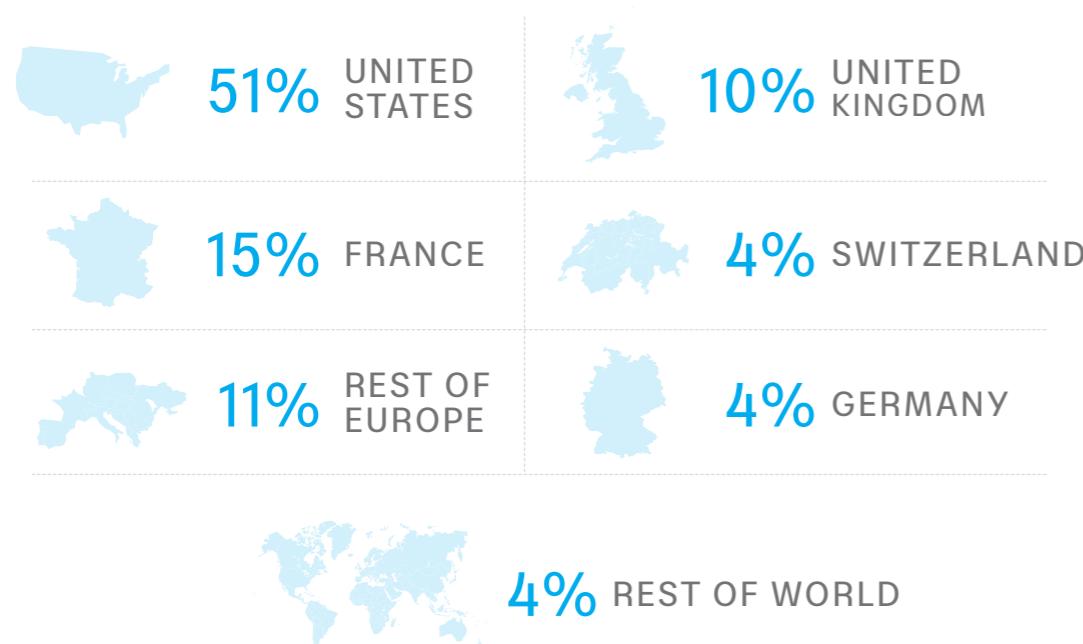
- INSTITUTIONAL INVESTORS
- INDIVIDUAL SHAREHOLDERS AND “FCPE DANONE” (employee ownership fund)
- TREASURY SHARES
- OTHER

DANONE ALSO PROMOTES SHARE OWNERSHIP FOR ITS EMPLOYEES:

- Employees of Danone's French companies can subscribe for an **annual capital increase as part of a Company Savings Plan**.
- At global level, Danone launched in 2019 its first global employee share ownership plan, **enabling its employees in 8 countries to subscribe for new Danone shares**. Since then, the share ownership plan was extended to additional countries. **In 2023, the plan covered 49 countries, representing 85% of Danone employees worldwide.**
- Lastly, **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. Each year, every single new Danone employee receives a Group share.

INSTITUTIONAL SHAREHOLDING BY GEOGRAPHY

(AS OF DECEMBER 31ST, 2023)



As a percentage of the share capital in 2023



METHODOLOGY NOTES

For more information our 2023 extra-financial data and their methodology precisions please refer to the 2023 Universal Registration Document, [click here](#)

B CORP AMBITION

(1) B Impact Assessment is a digital tool that can help measure, manage, and improve positive impact performance for environment, communities, customers, suppliers, employees, and shareholders; receiving a minimum verified score of 80 points on the assessment is also the first step towards B Corp Certification: B Impact Assessment (bcorporation.net)

(2) CY: Certification Year

HEALTH FOCUSED PRODUCT PORTFOLIO

(1) The Health Star Rating system assesses the overall nutritional profile of packaged food and assigns it a rating from ½ a star to 5 stars. It provides a quick, easy, standard way to compare similar packaged foods. The more stars, the healthier the choice. Foods with a HSR of ≥ 3.5 can be confidently promoted in public settings as healthier choices.

(2) This percentage is calculated for all product categories in the Essential Diary and Plant-Based, Waters and Specialized Nutrition Categories. Medical nutrition products are excluded. The products included in this indicator are those whose added sugar content is less or equal to 0.5 grams;

(3) This percentage is calculated on for the categories Essential Dairy and Plant- Based Business and Aquadrinks. It excludes countries where regulations prohibit the publication of this information;

(4) Impact from the social businesses supported or which have been supported by Danone Communities and the Water Access Acceleration Fund (W2AF)

(5) healthy categories corresponds to:

- *Dairy and plant-based products intended for daily consumption.*
- *Specialized Nutrition Category products (except biscuits and beverages for children under three years of age and foods for children over three years of age in the early life nutrition activities).*
- *All plain waters and flavored waters with 0% sugar.*

(6) Fortification can be either an increase of a naturally present nutrient or a full addition of vitamins and minerals; a list of relevant nutrients has been defined, considering potential deficiencies or insufficiencies specific to the target group and region. Each case undergoes individual assessment to confirm relevancy criteria.

NATURE

(1) In terms of reporting entities, the SBT scope of the reporting year is identical to the greenhouse gas emissions Scope. In terms of emission categories, the SBT scope does not include:

- *The indirect emissions linked to the use of sold products at home by consumers, that are included in the Greenhouse Gas Emissions scope.*
- *The emissions linked to the storage in retailers' distribution centers and retailers' stores, that are included in the Greenhouse Gas Emissions scope and were reported in the use of sold products category until 2022, and are reported in the downstream transportation and distribution emission category from 2023 to increase compliance with the GHG Protocol.*

PEOPLE & COMMUNITIES

(1) Global Employees' Survey ("Danone People Survey"), covering all employees worldwide, assessing notably sustainable engagement and well-being in the workplace. Danone employees have higher levels of engagement than the peers in the consumer goods industry (+3 points).

(2) The Dan'Cares program aims to provide all Danone employees with quality healthcare coverage for major risks, while taking account of different market practices. The three main risks are hospitalization and surgery, outpatient care and maternity care.

LEARN MORE:



DANONE 2023 UNIVERSAL
REGISTRATION DOCUMENT



DANONE 2023
COMPANY DASHBOARD



[linkedin.com/company/danone](https://www.linkedin.com/company/danone)



facebook.com/Danone



@Danone



17, bd Haussmann - 75009 Paris- France

Tel: +33 1 44 35 20 20

www.danone.com

Mailing address

15, rue du Helder - 75009 Paris - France

Design

Héctor Chiarri