



INTEGRATED ANNUAL REPORT

2022

DANONE'S SUSTAINABILITY PERFORMANCE

APRIL 2023

ABOUT THE REPORT



FOR 2022, WE DECIDED TO GO FURTHER IN THE INTEGRATION OF BUSINESS AND SUSTAINABILITY WITHIN OUR REPORTING, SO AS TO BETTER DEMONSTRATE HOW THEY ARE INHERENTLY LINKED WITHIN OUR GROUP.

Our 2022 Integrated Annual Report thus provides a comprehensive overview of the Group mission, governance, objectives and performance. It reaffirms our dual commitment to simultaneously achieve economic success and social progress, which has now been enshrined within our by-laws through our “Société à Mission” status. We also focus on the sustainability issues that are central to our business, showing how they are connected to our operations and broader value chain. **Our intention with this report is to be transparent, not only about how we are pursuing our sustainability objectives, but also, about the challenges we are currently facing in pursuing them.**

METHODOLOGY AND ACKNOWLEDGEMENTS

The 2022 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 OUR CEO, **ANTOINE DE SAINT-AFFRIQUE**

DEAR READERS,

2022 was a year like no other. In the midst of unprecedented external challenges, we:

- launched a new strategy, Renew Danone
- celebrated the 50th anniversary of the Dual Project and Antoine Riboud's Marseille speech
- re-emphasized our commitment to healthier and more sustainable lifestyles through our sponsorship of the 2024 Olympic Games, and
- set our sustainability priorities for the coming years, focusing on health, nature, and people and communities

These achievements have one common goal: to deliver on our mission of bringing health through foods to as many people as possible – health for today's generation, future generations, and for our planet.

If you look at the financial results, 2022 was indeed a solid year. Our 2022 net sales increased by 7.8% compared to 2021, on a like-for-like basis. We significantly increased investments in brands and core capabilities, after years of decline. We strengthened our competitive position in many countries such as the U.S., Japan, and China, and we made progress in making our portfolio more resilient and better performing. Finally, we showed disciplined capital allocation.

But 2022 wasn't just about financial performance. We further strengthened our plans to reduce our impact on the climate, and increase the preservation of planetary resources. We became

one of the first companies with a Science-Based Targets initiative (SBTi) certified 1.5°C trajectory, including specific Food, Land, and Agriculture targets. In addition, we continued to push the frontier in regenerative agriculture, with a specific focus on regenerative dairy. Capitalizing on momentum from pilots in methane reduction, we developed absolute reduction targets for fresh milk, to achieve a 30% reduction in methane emissions by 2030 (announced in early 2023). Our leadership in environmental transparency on climate change, forests, and water security was once again recognized in 2022, with Danone achieving a Triple A CDP rating for the fourth year in a row.

We could not have achieved what we did in 2022 without the passion of our employees and their continued engagement. Moving forward, we believe that we have everything it takes to continue to be pioneers in sustainable value creation. We have a robust agenda to ensure long-term growth which is competitive, profitable and sustainable. Through our Impact Journey, which builds on Renew Danone and is rooted in our Dual Project and our mission, we aim to step up our positive impact on health, nature, and people and communities while driving performance.

I hope you will enjoy reading more about our main achievements from 2022 and how we're creating sustainable value through products and innovation, and through our engagement with farmers, food tech/entrepreneurs, public organizations, NGOs/civil society, and Danone Communities.

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

ANTOINE DE SAINT-AFFRIQUE



**“2022 WASN'T JUST ABOUT FINANCIAL PERFORMANCE.
WE FURTHER STRENGTHENED OUR PLANS TO
REDUCE OUR IMPACT ON THE CLIMATE”**

DANONE AT A GLANCE

2022 KEY FIGURES

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

DELIVERING SUSTAINABLE GROWTH

LEADING POSITIONS

WORLDWIDE



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

WORLDWIDE



in packaged
waters and early-life
nutrition

EUROPE

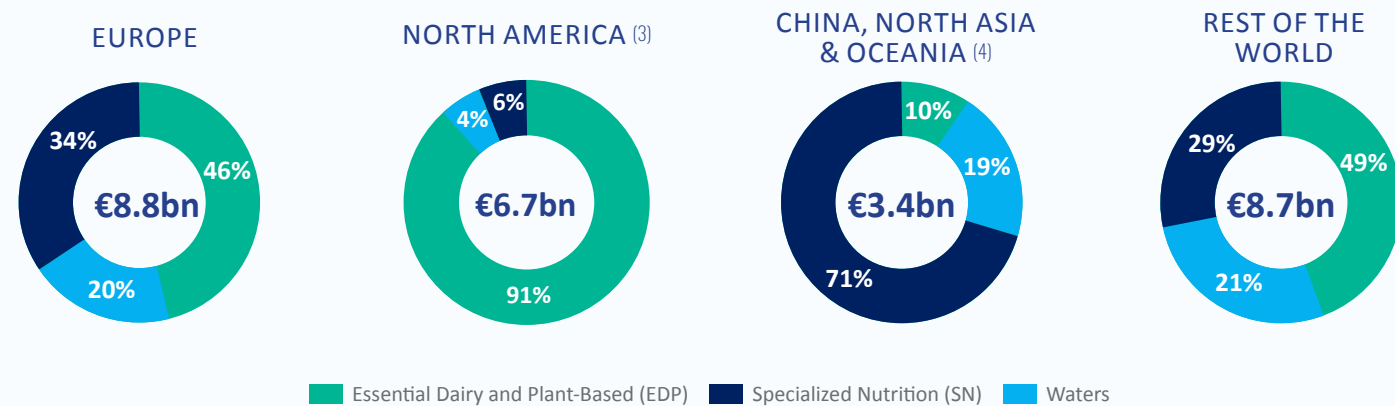


in adult
nutrition

KEY FINANCIAL FIGURES

€27.7 BN +7.8% ⁽¹⁾	12.2% (-154 bps ⁽²⁾)	€3.42 +3.6% ⁽²⁾	€2.1 BN	2.5x	€2.00
SALES	RECURRING OPERATING MARGIN	RECURRING EPS	FREE CASH FLOW	NET DEBT/ EBITDA	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**



CONTINUING OUR 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

74.2%
DANONE'S
GLOBAL NET SALES
covered by B Corp
certification
(vs. 62% in 2021)



FOCUSING ON HEALTH



91%
OF THE GROUP VOLUME
SOLD IS FOCUSED ON
HEALTHY CATEGORIES ⁽⁵⁾

Key figures related to Health are developed on pages 17-24

FOCUSING ON NATURE

**VALIDATION BY THE SCIENCE-BASED
TARGETS INITIATIVE OF DANONE'S 1.5°C**
targets for scope 1, 2 and 3, including
Forest, Land and Agriculture (FLAG)



Key figures related to Nature are developed on pages 25-32

FOCUSING ON PEOPLE & COMMUNITIES



SCORE OF
86% FOR THE
INCLUSION INDEX,
measured through the
Danone People Survey

Key figures related to People & Communities are developed on pages 33-40

In 2022, we also continued our collaboration with several value chain partners, including farmers, entrepreneurs, consumers and communities, (see more in the following sections).

OUR CATEGORIES



ESSENTIAL DAIRY AND PLANT-BASED PRODUCTS (EDP)



• **POSITION:**
IN 2022, DANONE WAS WORLDWIDE **#1** IN DAIRY | **#1** IN PLANT-BASED

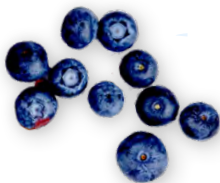
- IN ESSENTIAL DAIRY PRODUCTS, MORE THAN 60% OF DANONE'S REVENUES COME FROM HIGH VALUE-ADDED FUNCTIONAL SEGMENTS SUCH AS IMMUNITY, GUT HEALTH, INDULGENCE, OR PERFORMANCE.

For example, the high-protein platform, spearheaded by brands like YoPro, launched only a few years ago, now has sales exceeding €500M in 2022.

- IN PLANT-BASED, DANONE IS A LEADER WITHIN A CATEGORY THAT CONTINUES TO GROW GLOBALLY, DRIVEN BY THE RISE OF FLEXITARIANISM.

The Group is notably present in Europe (with Alpro) and North America (with Silk), with a portfolio spanning across all key segments, from the established Beverages segment (ingredient-based with Almond or Oat, but also benefit-led with blended products) to Yogurts and more nascent ones such as Cheese or Ice Cream.

• TOP 3 BRANDS IN SALES IN 2022



DANONE



ACTIVIA



SILK

SPECIALIZED NUTRITION (SN)



• **POSITION:**
IN 2022, DANONE WAS WORLDWIDE **#2** IN INFANT NUTRITION | **#4** IN ADULT NUTRITION

- IN SPECIALIZED NUTRITION DANONE HAS STRONG LEADERSHIP PROVIDING BABY FORMULA grounded in our scientific expertise in biotics and 50 years of advanced breastmilk science, with product propositions like Aptamil Cesarbiotik 3 and Aptamil Dairy & Plants Blend which recognize that every family's feeding journey is unique.

IN SPECIALIZED NUTRITION, DANONE ALSO SUPPORTS PATIENTS WITH SPECIFIC NUTRITIONAL NEEDS DUE TO A MEDICAL CONDITION, such as cow's milk allergy, metabolic diseases, and cancer or stroke, through its paediatric and adult medical nutrition portfolio.

• TOP 3 BRANDS IN SALES IN 2022



NUTRISON



APTAMIL



NEOCATE



WATERS



• **POSITION:**
IN 2022, DANONE WAS WORLDWIDE **#2** IN WATERS

- IN WATERS, THE GROUP IS WELL POSTIONED TO BUILD ON A LONG-TERM TREND (water will remain the healthiest hydration option) and, of the recovery of the Category following COVID-19 lockdowns. Danone has a balanced portfolio between countries with safe tap water where it provides natural mineral waters like evian and Volvic, and countries where it provides access to safe drinking water through brands like Bonafont and Aqua.

• TOP 3 BRANDS IN SALES IN 2022



EVIAN



AQUA



MIZONE

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 will be facilitated by a greater alignment between purpose and performance. The Renew Danone plan is designed to restore our performance, competitiveness, and value creation for the long-term.

IT IS ARTICULATED AROUND FOUR STRATEGIC PILLARS:

01

Win where we are

Restoration of Danone’s competitiveness in core Categories and geographies

02

Expand where we should be

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

03

Seed the future

Active seeding of future growth avenues

04

Manage our portfolio

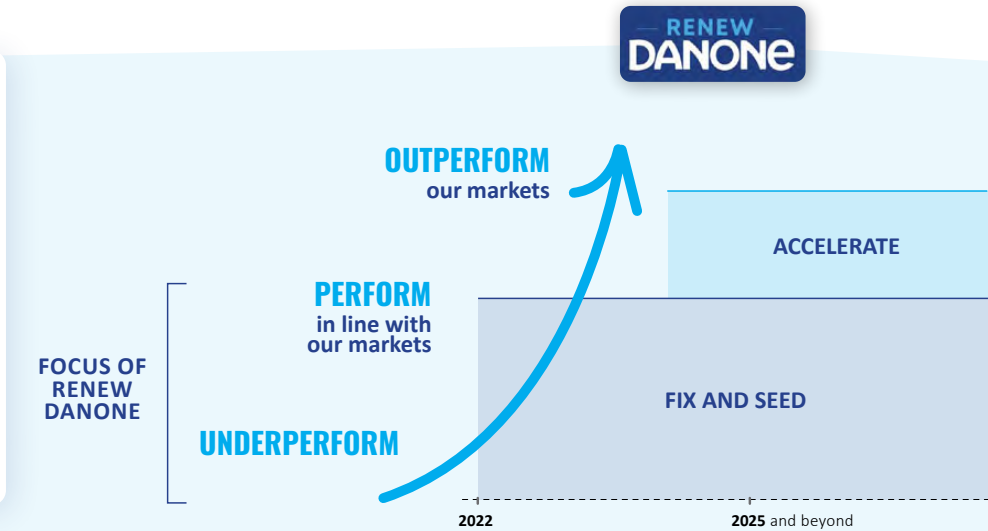
Active portfolio rotation

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, WITH A TWO-PHASE PLAN:

Over the period of the plan, focus is to ensure we restart to perform on a par with our key competitors, reigniting organic growth with a better balance of volume, mix and price while ensuring profitability grows faster than topline. During this time, we will reconnect with sustainable value creation, with financial targets



IN FEBRUARY 2023, WE REFRAMED OUR 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 a simple 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.

This commitment has never wavered. It is enshrined since 2020 in our by laws through our “Société à Mission” status. 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 Impact Journey is a 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.

Our 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



OUR 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 OUR COMMITMENTS TOWARDS FULL B CORP CERTIFICATION AND AS A SOCIÉTÉ À MISSION,

helping us to embed impact into our business structure, management practices, and performance indicators.

- **SINCE 2015, WE HAVE PARTNERED WITH B LAB** to help **define a meaningful and manageable path to certification for multinationals** and publicly traded companies while progressively certifying our business and supporting the broader growth of the B Corp movement. **In 2022, 74.2% of Danone global net sales were covered by B Corp certification.** The Danone Impact Journey is fully in line with what **we believe will help us achieve 100% B Corp certification by 2025.**



SOCIÉTÉ À MISSION



• IN 2022, WE PROGRESSED IN OUR SOCIÉTÉ À MISSION JOURNEY

by setting measurable, quantifiable KPIs for our 2025 agenda as well as annual trajectories to ensure consistent progress. This process was overseen by the Mission Committee. The 2025 KPIs are reflected in the Danone Impact Journey.

For more information, see the [Danone 2022 Mission Committee Report](#).



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 our business model. In the following sections , the most material topics relating to the **Danone Impact Journey priorities will be identified with this symbol.**



KEY 2022 KPIS

DANONE REACHED A SIGNIFICANT MILESTONE IN 2022 WITH

74.2%

OF OUR GLOBAL NET SALES COVERED BY B CORP CERTIFICATION

A 12% INCREASE FROM 2021

Danone is on track to meet its 2025 commitment – an important marker of the Group’s Dual Project of economic success and social progress, as recognized in the Danone Impact Journey.

KEY 2022 MILESTONES



ALPRO AND LA LAITERIE DU BERGER have been recognized as **BEST FOR THE WORLD™** B Lab⁽¹⁾



KEY 2022 LOCAL INITIATIVES

WE ACHIEVED OUR 2022 TARGET WITH THE CERTIFICATION OF NEW ENTITIES, SUCH AS:



KEY 2022 LOCAL INITIATIVES



DANONE SPAIN

launched an Out Of Home campaign in July 2022, highlighting its B Corp certification for yogurts

DANONE NORTH AMERICA

Higher visibility of our commitment in our Danone North America portfolio



DURING THE INTERNATIONAL B CORP MONTH, DANONE UK PARTICIPATED IN A RETAIL POP-UP SPACE, SHOWCASING HUNDREDS OF CERTIFIED BRANDS

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 OUR PRODUCTS, WHICH ARE CONSUMED REGULARLY BY MILLIONS OF PEOPLE ACROSS THE WORLD, WE CAN, AND WANT TO HAVE A POSITIVE IMPACT ON NUTRITION AND HEALTH.

Our ambition is to lead and act by bringing health through food to as many people as possible. We are uniquely placed with our portfolio and products. We are building on decades of research and 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. We fundamentally believe in better health through better nutrition and behaviors for all.



WE NOURISH PEOPLE THROUGHOUT THEIR LIVES:

- **WE OFFER NUTRITIOUS FOOD AND DRINKS**
tailored to all life stages addressing nutritional needs
- **WE SUPPORT PARENTS AND CARE GIVERS**
to provide babies and young children with the best nutritional start in life during their first 1000 days
- **FOR THOSE WITH MEDICAL NEEDS, WE DEVELOP HEALTHY, TAILORED, AND NUTRIENT DENSE PRODUCTS**
to optimize health outcomes and support recovery

To meet our ambitions, we have 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
	> 95% vol Kids dairy and plant-based ≤ 10g total sugars/100g by 2025
	> 95% vol toddlers milk (1-3yo) ≤ 1.25g added sugars /100kcal by 2025
Promote healthier choices	> 95% vol sold of dairy, plant-based and aquadrinks products with on pack/online interpretative nutritional information by 2025
Provide positive nutrition & hydration for healthier life	≥85% vol Kids dairy fortified with relevant vitamins & minerals by 2025
	5 projects to address iron deficiency in children by 2025
Invest in nutrition and hydration science and research	20 M people with access to safe drinking water by 2025
	150 scientific publications in peer-reviewed journals and/or presentations at scientific conferences (from baseline of 2021) by 2025

OUR AMBITIONS AND 2022 HIGHLIGHTS

OFFER TASTIER AND HEALTHIER FOOD AND DRINKS

AMBITION:

We develop delicious and enjoyable products that meet the preferences and changing nutritional needs of consumers throughout the lifespan. Our everyday products strive to bring key nutrients relevant to their food categories and to limit certain nutrients, with a focus on sugars. Thus, in coherence with external nutritional guidelines.

KEY 2022 HIGHLIGHTS

91%

volumes of product sold in healthy categories (all portfolio)

82%

volumes of product sold without added sugars (except medical products)

88%

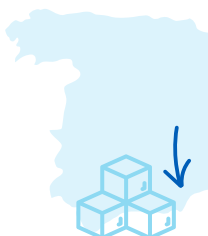
volumes of EDP & Waters rated ≥ 3.5 stars by Health Star Rating

58%

volumes of EDP kids with ≤ 10 g of total sugars /100g



BELGIUM LAUNCHED ACTIMEL KIDS, a product with less than 9 grams of total sugars per 100g



IN SPAIN, all dairy products for children have less than 10 grams of total sugars per 100g

IN POLAND, CZECH REPUBLIC AND SLOVAKIA, FORTIMEL COMPACT PROTEIN OMEGA 3 WAS LAUNCHED

a product especially developed for cancer patients experiencing taste alteration challenges



PROMOTE HEALTHIER CHOICES

AMBITION:

We believe in engaging with consumers, patients, caregivers, and stakeholders to encourage and promote a positive attitude towards nutrition and healthier food habits. We do this by, promoting flexitarian diets, providing transparent and easy to understand labelling, and protecting and promoting breastfeeding⁽¹⁾, among other things.

KEY 2022 HIGHLIGHTS

100%

of Aquadrinks in Spain displayed interpretative nutritional information on-pack



79%

volumes of product sold provided nutritional information on the front of pack (EDP & Aquadrinks)



ALPRO EUROPE EXPANDED ITS RANGE WITH A 100% PLANT-BASED BEVERAGE

made from oats with mild and smooth taste. It is a source of calcium and vitamin D, which is naturally low in saturated fat and low in sugars



Mexico launched a Danone Greek plain yogurt, with **0% ADDED SUGARS** and a good source of calcium

PROVIDE POSITIVE NUTRITION & HYDRATION FOR HEALTHIER LIFE

AMBITION:

We are convinced that our actions can make a difference. Nutrition is about making a positive contribution to health and well-being for consumers and achieving the best possible outcome for patients. We want to materialize those efforts in a number of meaningful areas, such as addressing nutritional deficiencies, specific medical needs, and food and water security.

KEY 2022 HIGHLIGHTS

57%

OF THE DAIRY, PLANT-BASED AND SPECIALIZED NUTRITION

volumes sold were fortified (excluding medical products, baby formula and tailored nutrition)

Danone Communities provided nutritious food to

600,000 PEOPLE

safe drinking water access to

10.9M PEOPLE



ACCESS TO SAFE DRINKING WATER

ACCESS TO HEALTHY NUTRITION



In France, Danone worked with the Programme Malin to ensure more than

100,000

CHILDREN FROM VULNERABLE FAMILIES HAVE ACCESS TO PROPER BABY NUTRITION



Drinkwell in Bangladesh opened 29 new water kiosks giving

500,000

CONSUMERS IN DHAKA ACCESS TO SAFE DRINKING WATER

OUR AMBITIONS AND 2022 HIGHLIGHTS

INVEST IN NUTRITION AND HYDRATION SCIENCE AND RESEARCH

AMBITION:

We believe in research and science to advance the scientific understanding of nutrition and hydration and their impact on health and well-being. We will continue to invest in research and build scientific collaboration to demonstrate how nutrition can contribute to health from early life to healthy ageing, with a specific interest in health through gut.

IMPROVING ACCESS AND INVESTING IN NUTRITION WITH PARTNERS

KEY 2022 HIGHLIGHTS



Following the White House Conference on Hunger, Nutrition and Health,

DANONE NORTH AMERICA COMMITTED TO INVEST \$22 MILLION TO SUPPORT AT LEAST 300 MILLION AMERICANS TO BUILD HEALTHIER DIETARY HABITS

- **BY PRIORITIZING OPTIONS WITH LESS SUGAR IN CHILDREN'S PRODUCTS**



- **BY INVESTING \$15M OVER THE NEXT 7 YEARS** to partner with retailers and educate consumers, shoppers, and health care providers to drive evidence-based healthy eating behaviors and diet-related health outcomes

- **BY INVESTING \$7M TO INNOVATE AND EVALUATE SCALABLE COMMUNITY-BASED IMPACT PROGRAMS** to improve access to nutritious foods, and advance nutrition research on the links between food, the human microbiome, health, and chronic disease

BEST FRAILTY CARE (TOM)

BEST FRAILTY CARE (TOM), A NETHERLANDS-BASED PROJECT, AIMS TO HELP THE AGEING POPULATION TO LIVE INDEPENDENTLY AT HOME FOR AS LONG AS POSSIBLE

through fall and loneliness prevention. It offers a multidisciplinary and integral care path including in-group physical activities, lunches with healthy eating training, and dietician counseling.

It has been co-created and co-financed by Nutricia Benelux, Danone Ecosystem, VeiligheidNL (accident prevention organization mandated by the Ministry of Health, ONVZ (health insurance company), Purpose (Consultancy for social innovation) and gathers multiple stakeholders, such as municipalities.



IMPACT:

- **MORE THAN 7 MUNICIPALITIES IN THE NETHERLANDS HAVE ADOPTED THE PROGRAM**
- **IN TOTAL, 8,000+ PEOPLE HAVE BEEN POSITIVELY IMPACTED BY THE PROGRAM**
- **6 MONTHS AFTER THE PROGRAM, TOTAL FALLS WERE HALVED**
- **THE QUALITY OF DIETS AND PROTEIN INTAKE HAS IMPROVED**
- **THE NET COST OF THE PROGRAM FOR KEEPING A PARTICIPANT IN OPTIMUM HEALTH FOR ONE YEAR IS €17,000** substantially lower than the standard cost of €50,000 for society

HEALTH SPECIAL MENTIONS

RESPONDING TO THE BABY FORMULA SHORTAGES IN THE U.S.

We worked with the White House and the U.S. Food & Drug Administration (FDA) as well as various other U.S. government agencies, to increase the availability of trusted, safe nutritional options for parents formula feeding their babies. As part of these efforts, we brought our Aptamil baby formula to the U.S. a product that was previously not available in the country. All these actions were taken in line with the principles of our Breast-Milk Substitutes (BMS) Policy to protect breastfeeding.



HELPING YOU THROUGH THE BABY FORMULA SHORTAGE

EXTERNAL RECOGNITION



TOP 5 PERFORMING FOOD COMPANIES

#1 IN PRODUCT PROFILE

#1 IN MARKETING FOR BREASTMILK SUBSTITUTES

In the Netherlands, **Danone launched Nutrilon 1+ Dairy & Plants Blend Danone**, the industry's first blended baby formula for healthy babies, above 1 year old:



- **CONTAINING 60% PLANT-BASED AND 40% DAIRY-BASED PROTEIN**
- **MEETING PARENTS' DESIRE FOR FEEDING OPTIONS** suitable for vegetarian and flexitarian, while meeting babies' specific nutritional requirements
- **30% LOWER CARBON FOOTPRINT** compared to the range of Nutrilon brand powdered formulas currently available in the Netherlands (recyclable pack and plant protein source)

PRESERVE AND REGENERATE NATURE



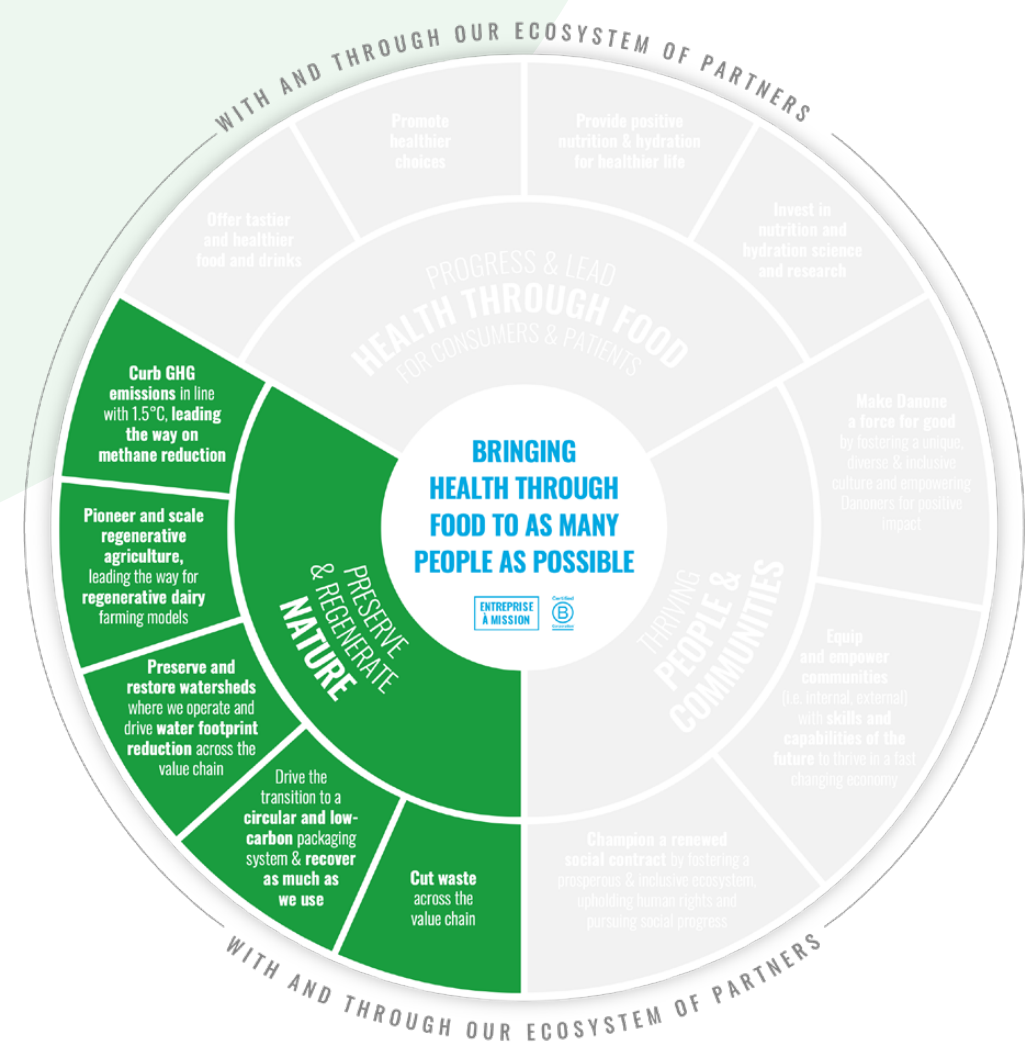
THIS PILLAR RELATES TO DANONE'S FOLLOWING MATERIAL TOPICS:

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



WE ARE 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 on our part, but also working with our ecosystem to push for systemic changes



TO DELIVER ON OUR MISSION, WE DEPEND ON NATURE.

Today, the natural environment on which we depend is facing many interrelated threats, from climate change and nature loss to water scarcity and pollution. As a global leader in the food and beverage sector, our ambition at Danone, is to make food in a manner that respects, preserves and regenerates nature.



To meet our ambitions, we have 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 we operate 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 we use	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

OUR AMBITIONS AND 2022 HIGHLIGHTS

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

AMBITION:

Contributing to roughly a third of global emissions, food systems have an essential role to play in tackling the climate crisis. As a global leader in the food and beverage sector, we are committed to decarbonizing our business, transforming our full value chain in line with a 1.5°C pathway, and strengthening resilience of the communities we touch.

Methane reduction is essential to meeting our 1.5°C ambition. According to the Environmental Defense Fund, methane has more than 80 times the warming power of carbon dioxide over the first 20 years after it reaches the atmosphere. Acting now to reduce methane emissions will provide immediate benefits to the climate that carbon dioxide reductions cannot achieve on their own. Dairy cattle represent an estimated 8% of methane emissions, so as a global dairy leader we can make a meaningful contribution. This is why in 2023, Danone was the first global food company in the world to set a methane target. By 2030, we aim to achieve a 30% reduction in methane emissions from fresh milk.

KEY 2022 HIGHLIGHTS

- **Danone was among the first companies to have its 1.5°C Forest, Land and Agriculture (FLAG) target approved** by the Science Based Targets initiative (SBTi)⁽³⁾
- **Danone is one of only 13 'Triple A' companies worldwide**, out of almost 15,000 companies scored by CDP
- **Danone launched a Global Energy Excellence Program, Re-Fuel Danone**, to transform the energy footprint of its production sites worldwide
- **-8.3% absolute total FLAG emissions reduction since 2020** (2030 science based target:-30.3%)
- **70.5% of renewable electricity**
- **Switch to renewable electricity sources** in Indonesia, Mexico, and in the Steenvoorde Supply Point in France
- In Balclutha (New Zealand), **our biomass boiler is powered by locally-sourced wood residues** from sustainably-managed forests (waste debris, bark and organic matter), supplying the plant with indigenous, renewable energy. **Combined with the use of 100% renewable electricity at the plant, CO₂ emissions will be reduced by 95%**



In early 2023, **Danone announced an ambitious plan to reduce absolute methane emissions from fresh milk** for our dairy products **by 30%** compared to a 2020 baseline, aligning our efforts with the Global Methane Pledge and confirming methane reduction as an essential pillar of our 1.5°C journey.

PIONEER AND SCALE REGENERATIVE AGRICULTURE, LEADING THE WAY FOR REGENERATIVE DAIRY FARMING MODELS

AMBITION:

As a food company, one of the most important ways to deliver positive environmental and societal impact is through the farming model we chose. Agriculture is the largest source of Danone's greenhouse gas emissions, representing 59% of our total emissions in 2022, and 89% of water use. Danone is firmly committed to regenerative agriculture, an outcome-based, holistic approach with three dimensions – people, planet and animals. When adopted under the right conditions, this approach can maximize the benefits of agriculture by protecting and improving soil health, biodiversity, water resources and climate, while promoting animal welfare and supporting farming resilience and long-term profitability. Indeed, regenerative agriculture is a key enabler of progress on other Danone ambitions related to climate action, water preservation, deforestation and conversion, and social progress.

KEY 2022 HIGHLIGHTS

- **Renewed Forest Policy**, with the ambition to continue and amplify efforts in protecting and restoring forests
- **Update of the Danone Regenerative Agriculture Handbook and Scorecard** and launch of associated digital tool
- Action plans to **convert manure into organic fertilizers through compost and biodigesters**, the **traceability of animal feeds in areas with no deforestation risks** and **improved cow productivity in Brazil**

H'LIB BLADI

The H'lib Bladi project's mission is to strengthen a sustainable milk production model in Morocco that will improve the livelihoods of small farmers and their resilience to climate change.

The project was co-designed and launched with the support of Danone Ecosystem, Centrale Danone and GIZ International, non-profit organization governed by German law.



THE PROJECT LAUNCHED IN 2016. ITS FIRST PHASE HAS BEEN STRUCTURED AROUND THE FOLLOWING:

- **1900 farmers took part in collective training** to learn best practices to be implemented at dairy farm level, including herd management, animal health, milking hygiene, cow welfare, feed, nutrition and reproduction
- **The farmers received targeted support** to develop local feed solutions
- **H'lib Bladi supported over 500 farms** in securing free access to water, in order to ensure cows drink sufficiently

THIS PROJECT IS CREATING IMPACT ACROSS SEVERAL DIMENSIONS:

- | | | |
|--|---|--|
| SOCIAL: <ul style="list-style-type: none"> ● 1900 farmers trained, including 327 women ● 71 young people have been trained to develop local self-employment | ENVIRONMENTAL: <ul style="list-style-type: none"> ● CO₂ impact assessed via Cool Farm Tool, a specific tool dedicated to the estimation of greenhouse gas emissions from cattle | <ul style="list-style-type: none"> ● Pilots on biodigesters, planted filters, solar heaters, and the use of sorghum ● Water management in Milk Collection Centers in farms |
|--|---|--|

This project, although already impactful, has shown broader potential. In the context of unprecedented drought and inflation in 2022, a second phase of project will aim to scale up the best practices, in particular feed adaptations to reduce water consumption along the chain and techniques to enhance animal welfare while lowering methane emissions.

OUR AMBITIONS AND 2022 HIGHLIGHTS

PRESERVE AND RESTORE WATERSHEDS WHERE WE OPERATE AND DRIVE WATER FOOTPRINT REDUCTION ACROSS THE VALUE CHAIN

AMBITION:

At Danone, water is essential to our mission and our activity. For decades, alongside local communities, we have been protecting some of the world’s best known natural mineral water sources and their watersheds. We are committed to continuing this stewardship and bringing our expertise in water management to as many communities as possible around the world, while driving water reduction and protection throughout our value chain. This is all the more important given that water pressures are severe and growing. More than two billion people lack access to safe water today, and by 2030, the world will face a 40% shortfall in freshwater supply according to the United Nations. It’s an urgent challenge but also an opportunity: water can drive sustainable economic growth, and help us accelerate solutions to address the climate and biodiversity crises.

— KEY 2022 ACHIEVEMENTS —

- **86% of production sites having implemented water 4R approach⁽⁴⁾**
- Danone’s largest reclaim unit in Wevelgem, Belgium has produced **700 million liters of reclaimed water from treated wastewater**, enabling a plant water intake reduction of 50% and a water discharge volume reduction of 70% compared to 2020 without reclaim



- **evian celebrated the many initiatives** it has developed over the past 30 years with local communities **to ensure the preservation of water resources**, in particular through the Association pour la Protection de l’Impluvium de l’Eau Minérale evian (APIEME)

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

AMBITION:

Packaging is fundamental to providing safe access to food and drinks, minimizing food waste and preserving quality. Yet the global packaging system- dependent on linear, virgin fossil-fuel derived plastic- must be transformed. Danone has embraced the ambition of a circular economy of packaging, in which plastic never becomes waste or pollution, and the value of products and materials is retained in the economy. We have been working with industry, governments and civil society partners to transform our packaging in line with this vision and drive broader systems change. While progress has been slowed by a number of systemic barriers, including underdeveloped reuse schemes, and limited collection and recycling infrastructure, Danone is reaffirming its ambition to help overcome these barriers and accelerate progress towards a circular, low-carbon economy of packaging.

— KEY 2022 ACHIEVEMENTS —

- As of 2022, **84% of Danone packaging is reusable, recyclable or compostable**
- For our Dairy business, **Danone is successfully expanding its dairy dispenser offer for HORECA** (Hotels, Restaurants and Catering) **in Spain**
- In several countries, such as Indonesia, Mexico and Turkey, **Danone sells reusable water containers, as well as reusable glass packaging** for the hotel, cafés and restaurant industry. **In 2022, around 50% of the worldwide sales** volumes by the Water brands **were sold in reusable packaging**
- For our Waters business, **Danone started piloting a mineral water refill model** called “evian comme à la source” in France, **which is expected to reduce both plastic usage and CO2** emissions compared to single-use plastic bottles for restaurants and out-of-home



- **Danone launched its Danacol bottle with no sleeve in Spain, removing around 94 million sleeves per year** (equivalent of 130 tons of plastic)



- **Danone committed \$15M to the Circulate Capital Ocean Fund (CCOF)** for the development of recycling infrastructure in South and South-East Asia. To date, **CCOF has committed more than \$60M. In 2022, its portfolio companies prevented around 100 kilotons of plastic from being leaked and created more than 1,300 safe and stable additional jobs in the collection and recycling sector.** The brand AQUA has also partnered with CCOF to fund and scale up Reciki, one of Indonesia’s leading waste **management companies**
- **Danone has secured a partnership with Loop Industries to enhance closed-loop recycling for polyethylene terephthalate (PET) bottles** and enable the recycling of hard-to-recycle packaging and materials

CUT WASTE ACROSS THE VALUE CHAIN

AMBITION:

More than a billion tons of food is lost or wasted each year, according to the World Food Programme, with major environmental, social and economic consequences. As a food company, we have a key role to play in reducing food waste and maximizing its recovery. At Danone, cutting waste is a key opportunity to help reduce pressure on natural resources while strengthening efficiencies and supporting communities in need.

— KEY 2022 ACHIEVEMENTS —

- **-13.5% reduction in the total quantity of food waste per metric ton of product sold**, excluding waste intended for animal feed and the processing of biomaterials- SDG 12.3, since 2020 on a like-for-like basis
- **Danone is committed to reducing food waste in its end-to-end supply chain.** The Group launched an extensive global program named the **Battle against waste, designed to deliver sustainability and productivity targets.** The project engages end to end supply chain stakeholders, partners externally with suppliers and customers and leverages internal expertise to halve Danone’s food waste by 2030
- Across 2022, **Danone continued to raise awareness of food waste and inform consumers on date labeling and shifting date labels from ‘use-by’ to ‘best-before’ in key European markets.** In collaboration with Too Good To Go Danone is also adding the ‘look, smell, taste, don’t waste’ label on pack
- **In the UK specifically**, to help to amplify this campaign and raise awareness among our consumers, **we partnered with Sainsburys to kick off a food waste reduction campaign in store**
- **TWO GOOD made a partnership with Full Harvest®**, a surplus produce-rescuing organization, that helps us source the ingredients we use to make **GOOD SAVE® yogurt**

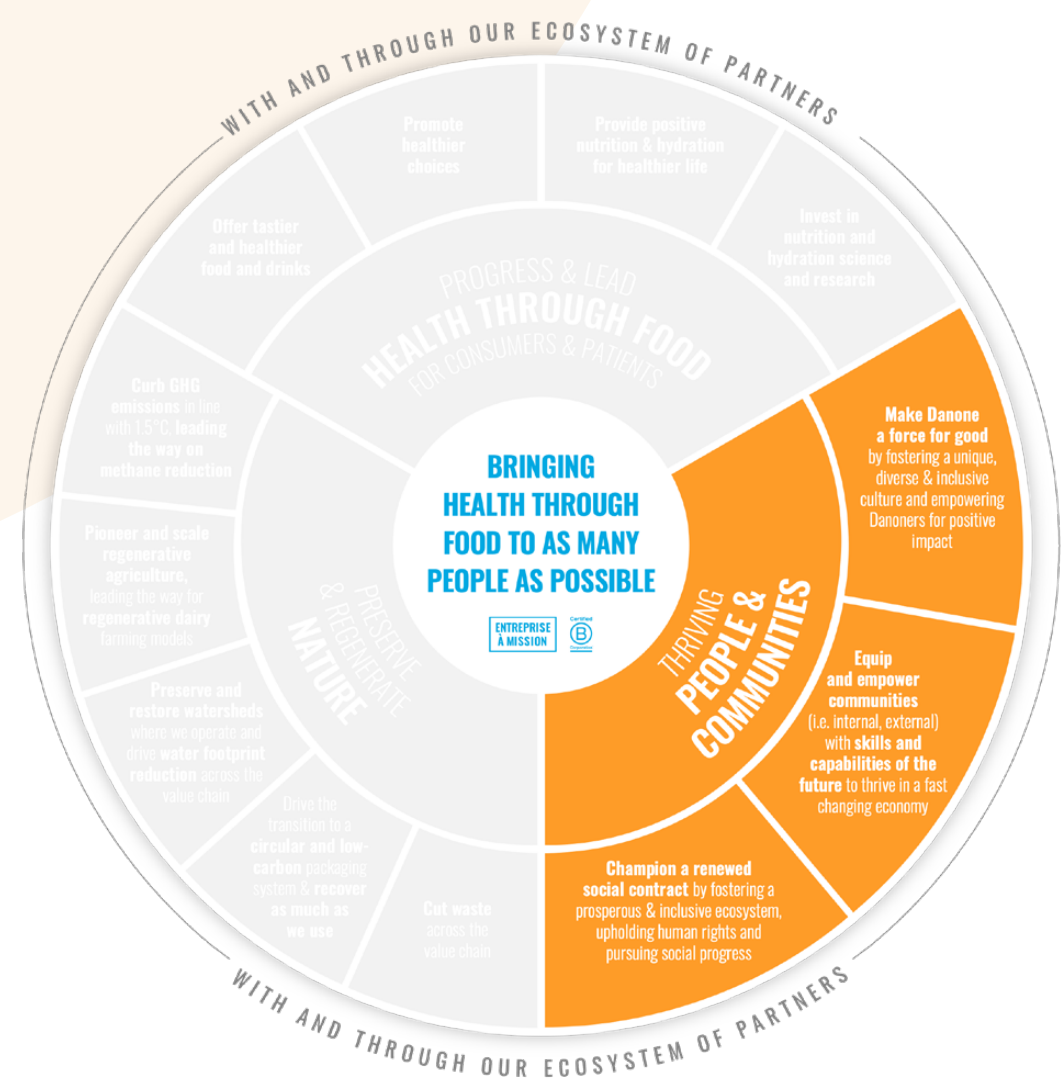


THRIVING PEOPLE & COMMUNITIES



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



THIS HERITAGE IS MORE IMPORTANT THAN EVER AS WE LOOK AT THE SOCIAL LANDSCAPE AHEAD.

The world is experiencing levels of economic uncertainty, technological advancement and social change not seen at a global level for generations. We know the pace of transformation will only accelerate, as we confront 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 our ambitions, we have 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⁾
	All employees covered by Dan’Care by 2030
	Achieve gender balance in management globally by 2030
	Drive equity and close gender pay gap by 2025
	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
	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⁾
	Danone Responsible Sourcing Policy deployed to all suppliers by 2030

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 though Dan’Cares, and the integration of social objectives into our company bylaws as a “Société à Mission”. **Our social heritage has forged a unique culture within Danone, where purpose is deeply integrated into how we do business.**



OUR AMBITIONS AND 2022 HIGHLIGHTS

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

AMBITION:

As a Group with a presence in over 120 countries, we have a unique opportunity for collective impact across countries, cultures and communities. This starts with our people: almost 100,000 Danoners around the world working together to create value for our world. As a Société à Mission and Group evolving towards B Corp certification, this is not just an aspiration, it is coded into our DNA. We are working to embed impact into our governance, management policies and practices, and the cultural fabric of our Group. We aim to enable every Danone employee to be a force for good- in the Group and throughout our communities.

KEY 2022 HIGHLIGHTS



42% of women in senior managers positions (executives and directors)



3.2 points gender pay gap ratio (in manager, directors & executives positions)

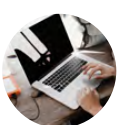


Danone's **parental policy is deployed** in all countries in which we operate



94,761 employees covered by Dan'Cares (fully or partially) ⁽⁴⁾

DANONE PEOPLE SURVEY RESULTS



More than 90% of employees provided their personal view on their day-to-day experience at Danone, their teams, company values and more



Score of 86% of the Inclusion index, measured through the Danone People Survey

SOME OF OUR EXTERNAL RECOGNITIONS:



- Employee networks focus on specific aspects of Inclusive Diversity, such as the local networks Women in Tech, Women of Operations, Pride groups in Benelux, North America, United Kingdom and Ireland or the new This-ability Taskforce



IN 2022, THE HUMAN RESOURCES TEAM FACILITATED AN INTENSE GLOBAL CONVERSATION ON CULTURE. THE FEEDBACK RECEIVED HELPED REFRESH AND UPDATE THE GROUP'S CULTURE IN ORDER TO:

- INCREASE AWARENESS ON THE DANONE HOPE VALUES** (Humanism, Openness, Proximity & Enthusiasm)



- LAUNCH A NEW SET OF DANONE BEHAVIORS**, critical to achieve the Renew Danone strategy objectives: **Put Danone first, Lead with people, Keep it simple, Be accountable and Walk the talk**

Danone's vibrant, value-driven culture is a very powerful asset that inspires employees. It makes them proud, and attracts new talent to the Group.

DANONE BRAZIL SUCCESSFULLY LAUNCHED A PROJECT BY PARTNERING WITH A LOCAL NGO TO DESIGN RECRUITING PROCESSES

and improve the conditions for people with disabilities. The percentage of employees that declare to have some type of disabilities reached 5% of the workforce in Danone Brazil as of December 2022



Inclusive diversity agreement launched in France in 2022 to **support caregivers to have more flexibility** to balance their personal and professional life

ACTIVIA "ACT4CHANGE"

WITH THE ACTIVIA BRAND, DANONE ITALY PROMOTED A MOVEMENT CALLED ACT4CHANGE THROUGH WHICH WE WERE ABLE TO GIVE A VOICE TO MANY WOMEN WHO HAVE BEEN IMPACTED BY PANDEMIC-RELATED JOB LOSSES

At Danone, we consider the loss of talented women in the workplace not only as an opportunity taken away from women, but from the whole community. That is why the adoption of policies that promote women's employment, for example by ensuring equal career opportunities, equal pay and protections, should be considered fundamental in every environment and organization. Therefore, since 2011 we have been supporting inclusive diversity, parents and caregivers. With Act4change we wanted to boost our support for equal opportunities, starting with the awareness of the extent to which the COVID-19 impacted the workplace especially for women, amplifying social inequalities even more. Using the Activia brand, we have become a spokesperson for a socially relevant issue for all: female unemployment. Thanks to the support of Key Opinion Leaders (KOLs), we launched four live events open to all, an online educational workshop dedicated to 250 women and a masterclass to give voice to each of them again.



IMPACT:

- 250 PEOPLE HAD THE CHANCE TO INCREASE THEIR WORK PLACEMENT OPPORTUNITIES** thanks to the chance to work on their references and to get in touch with Adecco's specialists
- THE MASTERCLASS ACHIEVED 2,129 TOTAL VIEWS ON THE LANDING PAGE**, a conversion rate of 26% and the participation of over 160 people, 87% of whom said they had gained awareness of the topic after the meeting
- The four live events posted on Activia's **INSTAGRAM PAGES, ACHIEVED AN OVERALL REACH OF 17,000 PEOPLE**

OUR AMBITIONS AND 2022 HIGHLIGHTS

Danone received the Gender Equality Diversity and Internal Standard - Sustainable Development Goal Award of the Arborus Foundation for the “Alban Baladine” Milk Collection Centers project in Egypt. The project helps to empower small milk producers with a focus on the key role of women in dairy production. The target is to have social impact by opening milk collection centers and providing small milk producers with access to a wide range of services, including milk analysis and storage to increase and maintain their cows’ productivity. **Over 8,500 small farmers, 94% of which are women, have been empowered through sustainable revenue streams.**



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

AMBITION:

According to the World Economic Forum, it is estimated that 50% of job capabilities worldwide will change in the next decade, and the need for adaptation will accelerate. We believe we can play an important role in this context, leveraging our global reach, ecosystem and expertise to support knowledge and skills creation and transfer, among our employees and throughout our ecosystem.

— KEY 2022 HIGHLIGHTS —

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 2022, we continued to deploy this program.

- **Projet Avenir’:** Danone launched a skills development plan that involved 120 people with learning modules for all the operators as part of Villecomtal site (France) evolution towards Plant-Based



- In Fulda, Germany, to support the transition of the plant to a new packaging technology, **the FutureSkills program was deployed in the form of in-depth professional training programs to prepare each team member for jobs of the future**

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

AMBITION:

As a Société à Mission and Group evolving towards B Corp certification, our social impact must extend throughout our business, from suppliers to retailers, and across our communities, from local to global. We hold ourselves to the highest standards for our business practices and stakeholder engagement, fostering relationships with our stakeholders that are grounded in trust and guided by open dialogue. Through this dialogue, we can renew our Social Contract built on a foundation of human rights, dignity, and shared social progress.

— KEY 2022 HIGHLIGHTS —

- **The Danone dedicated e-learning training program on human rights and fight against forced labor is available** on the Group training platform to the Procurement, Human Resources and General Secretary functions. 6,658 Danone employees had completed this training at the end of 2022.
- In 2022, **Danone concluded the salient human right impact assessment and used the learnings to update and upgrade the Danone Sustainability Principles** together with their implementation guidance and to develop its Human Rights Policy. The salient impacts will further inform Danone’s human rights strategy.
- As a member of the Consumer Good Forum (CGF)’s Human Rights Coalition – Working to end forced labour, **Danone pledged to develop and deploy Human Rights Due Diligence (HRDD) systems focusing on forced labor in its own operations**, with the aim of reaching 100% coverage by 2025, including external workers hired by temporary work agencies or by its subcontractors to carry out regular and continuous work at its entities. In 2022, **Danone piloted the first steps of the Coalition due diligence framework in its Polish and Brazil Business Units**, which were selected mainly on the basis of the number of external workers and awareness and engagement of the local teams.

WITH AND THROUGH OUR ECOSYSTEM OF PARTNERS

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



EMPLOYEES

We believe in empowering our almost 100,000 employees to bring our vision to life. Building on our value, we strive to create a culture where performance and sustainability go hand in hand and where the best of our local and global presence can seamlessly come together. To do so, we valorize our talents and their passion, ensuring that they are at the core of our progress.



TRADE UNIONS

We are committed to strengthening social dialogue. Over the last 50 years, Danone has engaged in fruitful discussions with Trade Unions: ten international agreements define a common set of policies across the Group, on major topics such as Trade Unions rights, Skills Development, Working Conditions, Health & Safety, Diversity, Limitation of Precarious Work. The Group also worked with the International Union of Food Workers (IUF) to develop an innovative approach, FutureSkills, which aims to better prepare employees who need new skills for the jobs of tomorrow. At Danone, we believe that Trade Unions are a trusted source of information and insights on social practices inside and outside the company. As a result, they take part in the Due Diligence activities as whistleblowers on the respect of fundamental rights.



SUPPLIERS

Recognizing that our suppliers also have a major role to play in delivering our Danone Impact Journey, we are committed to promoting sustainable, inclusive growth with them, by fostering partnerships and developing mutually beneficial relationship. Transparency, as well as a mindset of continuous improvement, are therefore key to our supplier engagement.

The Group works directly with selected producers further up the supply chain and has developed many collaborative projects that help producers address environmental and labor issues, such as a vanilla plantation project in Madagascar supported by the Livelihoods Fund for Family Farming (L3F). The aim of this project, which involves 3,000 family farms, is to develop solutions that improve the quality and traceability of vanilla production, boost food security for farmers and preserve biodiversity. An impact study performed in 2022 shows that the project has preserved 770 hectares of local biodiversity in the Pointe à Larrée protected area. Overall, according to 88% of producers involved in the project, the human activities that are threatening biodiversity have decreased significantly.



COMMUNITIES

We contribute to the development of communities, people and the environment, mainly through our brands and social innovation funds. Working with Danone Communities, Danone Ecosystem Fund and Livelihood Funds, we also support community-led projects, which have had major impacts on the fight against malnutrition, inclusive business solution and the reduction of carbon emissions.

In 2022, Danone Ecosystem is celebrating 100 projects, benefiting to more than 5.5 million people.



SHAREHOLDERS

We are committed to sustainable shared value creation, an engagement which has driven our vision of business since the establishment of our dual economic and social project in 1972. At the heart of this project lies the belief that commitment to all stakeholders creates further value for shareholders.



CONSUMERS

We listen to and respond to the fast-changing expectations of consumers worldwide, by tailoring to their preferences sustainably produced food and drink options that nurture health at every stage of life. We commit to achieving the highest nutritional standards, adhering to responsible communications, and minimizing our environmental footprint in the production process.



NGOs/ CIVIL SOCIETY ORGANIZATIONS

To facilitate positive impact, we have forged partnerships with civil society partners and other such organizations that share our vision for a more sustainable future. They are also able to give us key insights into, and inputs on, our mission and projects, at both a community level and a more global one. We also work with these partners to actively promote change for the better, whether that be in favor of the adoption of best agricultural practices among our farmers, or through public advocacy for causes we believe in. Some of our key impact partners include B Lab, Ellen MacArthur Foundation, Environmental Defense Fund, RAMSAR, Food and Agricultural Organization (FAO), OECD, WWF and UNITAR.

Danone also believes regulation is critical to unlocking systemic solutions to support dairy farm transformation - from supporting research and innovation, co-financing, to ambition-setting, and driving a level playing field. That is why, in Europe, Danone is supporting the European Commission's Climate Neutral Farms (ClieNFarm) project to co-develop and upscale systemic locally relevant solutions (organisational, financial, technical) to reach climate neutral, resilient and sustainable farms.



RETAILERS/ BUSINESS PARTNERS

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



RESEARCHERS/ SCIENTIFIC SOCIETIES/ ACADEMICS

On strategic topics such as food safety, healthy food and drink habits, probiotics, microbiota, healthy hydration, and healthy aging, research plays a central role in our growth strategy. By partnering with the academic and scientific world, we seek to improve our 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.



FOOD TECH/ ENTREPRENEURS

We are partnering with food tech startups across the world that share our vision of a healthy and sustainable future for food. Through Danone Manifesto Ventures, Danone's corporate venture arm, we invest in high growth and promising companies and entrepreneurs who bring unique products and disruptive models to the market, further helping the acceleration of growth by providing them access to Danone's world-class expertise and resources.

Symbrosia, a Hawai'i-based startup with a seaweed feed additive that reduces livestock methane emissions by over 80%, has closed out its Series A funding round with \$7M. This funding round was led by Danone Manifesto Ventures. After two years of research on seaweed breeding and cultivation technology, Symbrosia has developed strains that are significantly more productive, potent and resilient than wild populations. The company will use the capital to scale production of these breakthrough seaweed strains by orders of magnitude and bring their livestock feed additive, SeaGraze™, to market with the world's most innovative brands and producers.



FARMERS

Danone works with a large number of farmers, including 58,000 dairy farmers, worldwide. About 94% 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. As well as actively supporting our farmers and providing them with equipment and training to adopt more regenerative practices, we have developed innovative long-term contracts with our farmers, which cover 23% of the global milk volume we collect.



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

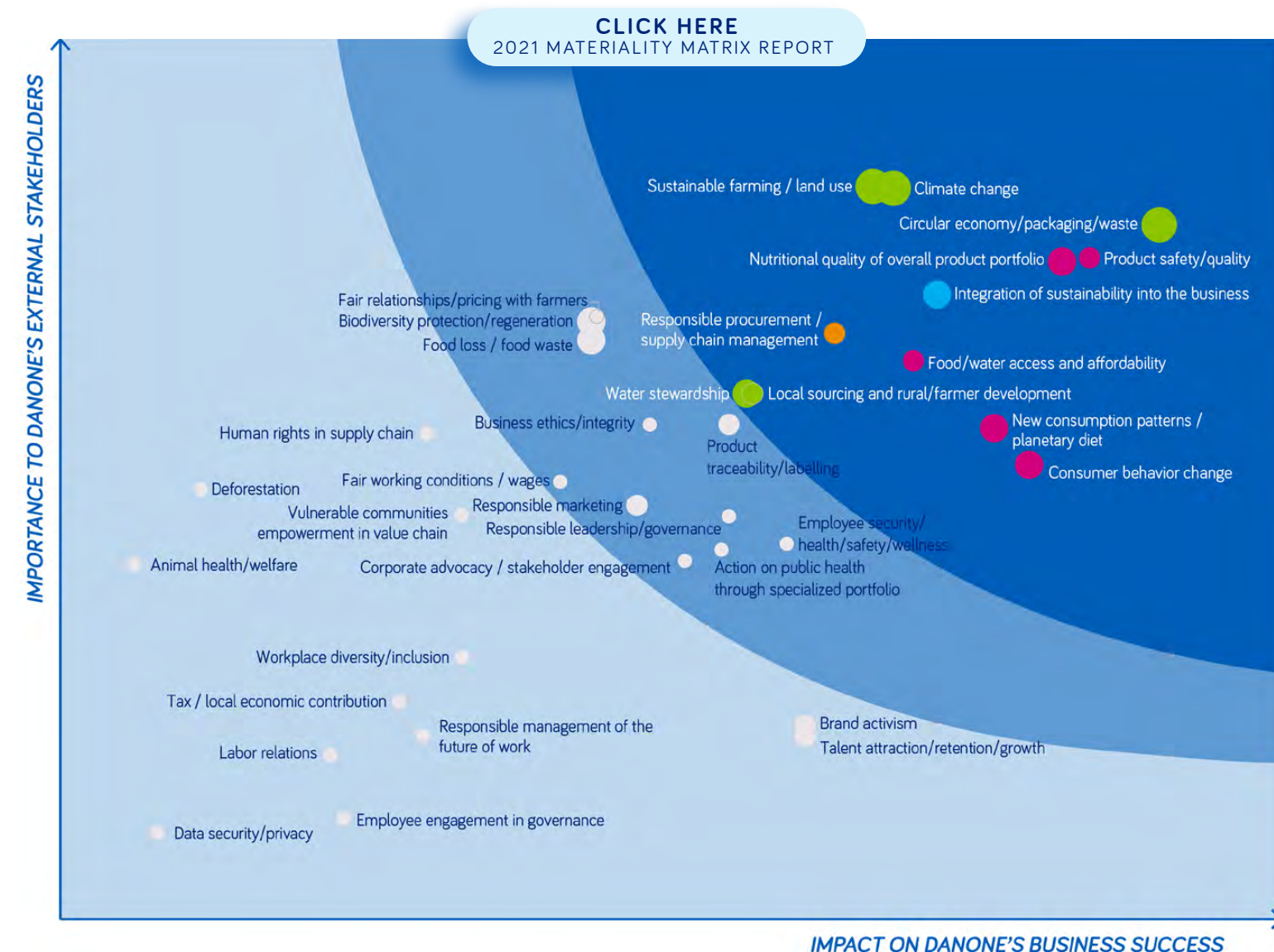
Engaging with our stakeholders is an important way in which we strive to do so. As such, we rely on two complementary exercises involving the input of our key stakeholders: a materiality assessment and a risk analysis, the former focusing on sustainability issues and the latter being a wider tool to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

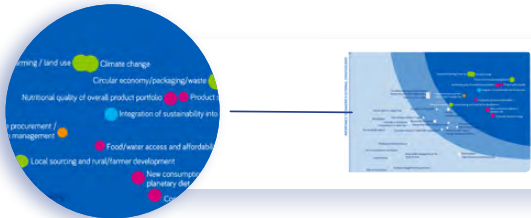
To find out more about our risk analysis, refer to our Universal Registration Document 2022, Chapter 2.

MATERIALITY

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

success. Focusing on health, planet, people and inclusiveness, our 12 most material issues match the four Mission Objectives of our company purpose. This stands as further evidence of our responsibility in addressing these topics as a priority, and as part of our mission.





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

SUSTAINABLE BUSINESS

Integration of sustainability into the business

We believe we have a role to play in society. It was thus logical for us to further our journey as a sustainable business by obtaining the French “Société à Mission” status, and the B Corp certification, both which contribute to anchoring environmental and social performance in our business model.



HEALTH

Consumer behavior change

As part of our mission, we actively promote consumer education on healthier lifestyles and diets. To do so, we notably partner 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

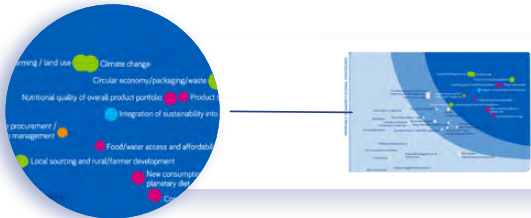
As a critical health factor, the nutritional value of food products is of growing concern to both consumers and regulators. Our everyday products strive to bring key nutrients relevant to their food categories and to limit certain nutrients, with a focus on sugars. As a result, 91% of the product volumes sold are in healthy categories and 88% of the product volumes sold scored ≥ 3.5 stars according to 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, we are continuously adapting our portfolio. Danone has been at the forefront of these changing consumer preferences to promote more healthy, nutritious and sustainable offerings and ensure that our products answer to local consumer diets and cultural or religious preferences. Integrating more low-carbon and plant-based products into our 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. At Danone, we therefore have a responsibility to ensure the safety and quality of our products throughout our value chain, through actions such as certifications and supporting our suppliers in this journey.



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



Climate change

We are 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 our business (increased costs of doing business, reduced operational efficiency, supply disruptions, etc.). To try and mitigate these risks, in 2015, we updated our climate policy announcing our intention to reach net zero emissions and set intermediate reduction targets to deliver tangible progress.

Circular economy/packaging/waste

Throughout its entire lifecycle, packaging materials contribute significantly to our overall environmental footprint. At Danone, we have therefore set a number of ambitious targets in line with the Global Commitment on Plastics led by the Ellen MacArthur Foundation. We also work 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 our suppliers to transition to more sustainable farming practices, and accompanying them to do so, is at the core of our 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 we are reliant on water supplies for both our food products and bottled waters, we are conscious of the issue of water scarcity, not only in terms of the operational risks it poses to our business, but also in terms of our activities' impacts on the availability and quality of water. For these reasons, we designed policies and practices concerning the prevention of risks related to our water usage, that include, but are not limited to, preservation of watersheds, water use in agriculture, wastewater discharge, etc. Most notably, our Water Policy lays out our framework to become 'water positive' and have a positive impact on nature and local communities through our fully circular water management in and around operations, as well as our water access programs for vulnerable communities, among other actions.



Food/water access and affordability

Making our food and water products accessible to as many people as possible, whether geographically or in terms of price point, is at the heart of our company mission and responsibility. Making our offerings available to low income populations will help us 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

We work alongside our suppliers to ensure that our 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 we are expanding every year, particularly for plant-based products and fruits & vegetables. By doing so, we aim 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 our status as a "Société à Mission", we work 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 we work 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 of procedure, 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 2022



90% INDEPENDENCE RATE	50% OF WOMEN	50% DIVERSITY/DIRECTORS WITH A NON-FRENCH NATIONALITY	60 YEARS AVERAGE AGE OF DIRECTORS	1.8 YEARS AVERAGE LENGTH OF THE TERMS OF OFFICE
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BOARD OF DIRECTORS AS OF JULY 1, 2023^(A):

 GILLES SCHNEPP	 ANTOINE DE SAINT-AFFRIQUE	 FRÉDÉRIC BOUTEBBA ^(B)
 VALÉRIE CHAPOULAUD-FLOQUET	 GILBERT GHOSTINE	 LISE KINGO
 PATRICE LOUVET	 SANJIV MEHTA	 GERADLINE PICAUD
 SUSAN ROBERTS	 BETTINA THEISSIG ^(B)	

^(A) SUBJECT TO VOTE AT THE ANNUAL GENERAL MEETING 2023

^(B) DIRECTORS REPRESENTING EMPLOYEES

EXECUTIVE COMMITTEE, COMPOSITION AS OF FEBRUARY 28, 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, End-to-end Design To Delivery coordinator



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
Chief Human Resources Officer



ISABELLE ESSER
Chief Research, Innovation, Quality and Food Safety Officer



JEAN-MARC MAGNAUDET
President Specialized Nutrition



PABLO PERVERSI
President Europe

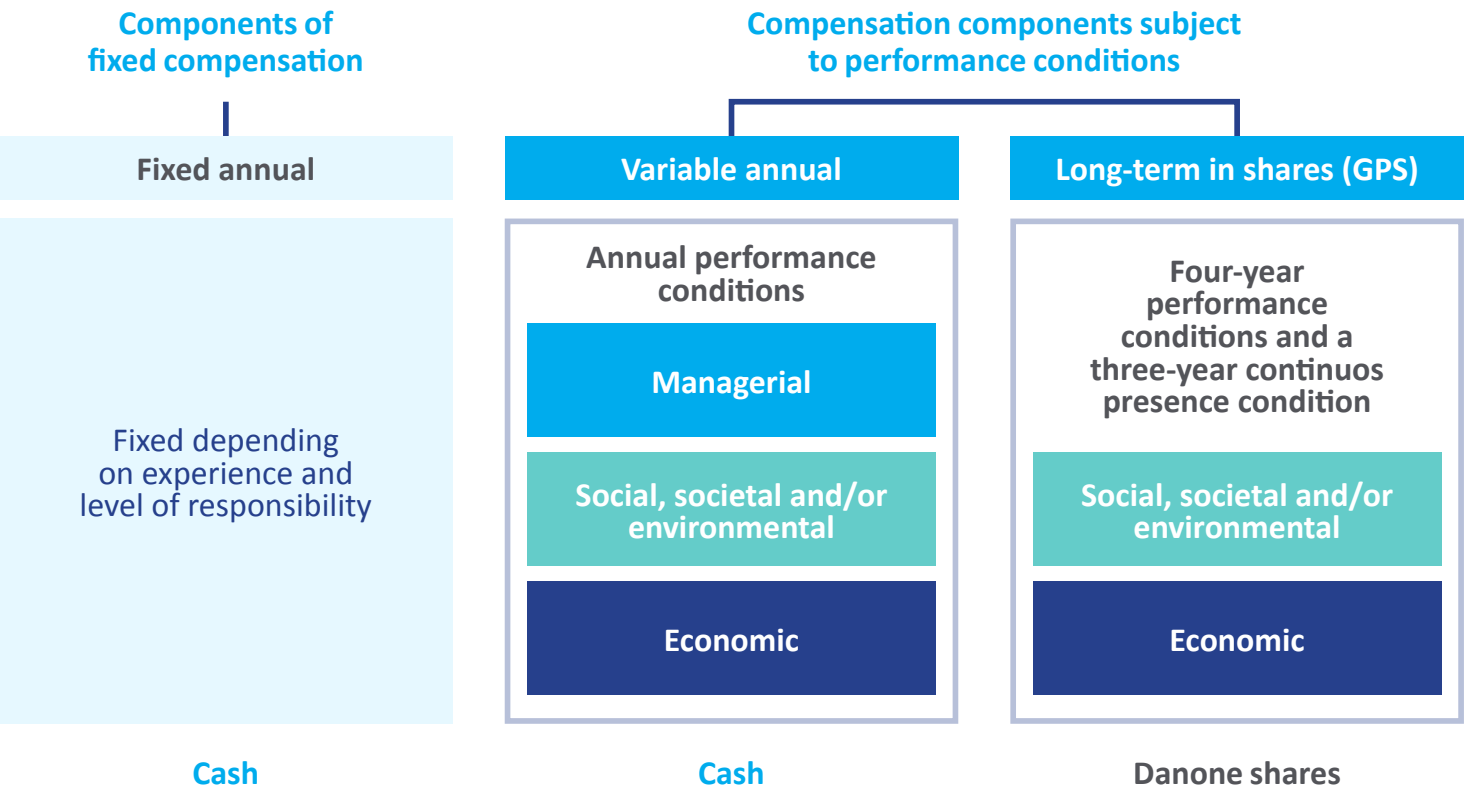


LAURENT SACCHI
General Secretary



CHRISTIAN STAMMKOETTER
President Asia, Africa and Middle East

STRUCTURE SUMMARY OF THE COMPENSATION POLICY
FOR EXECUTIVE CORPORATE OFFICERS FOR 2023



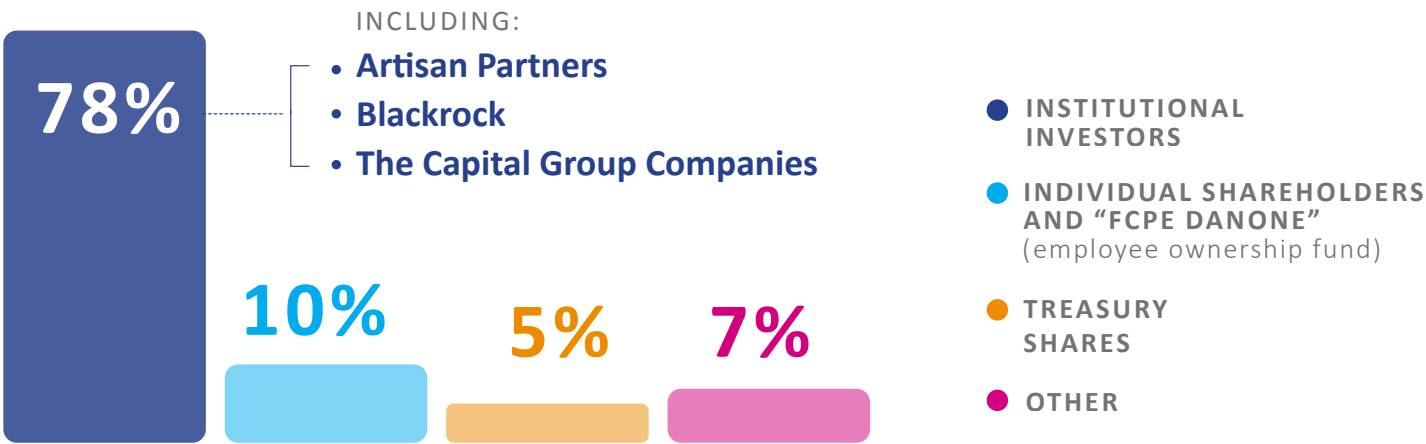
For more information on the Corporate Governance, refer to URD 2022 Chapter 6.

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

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



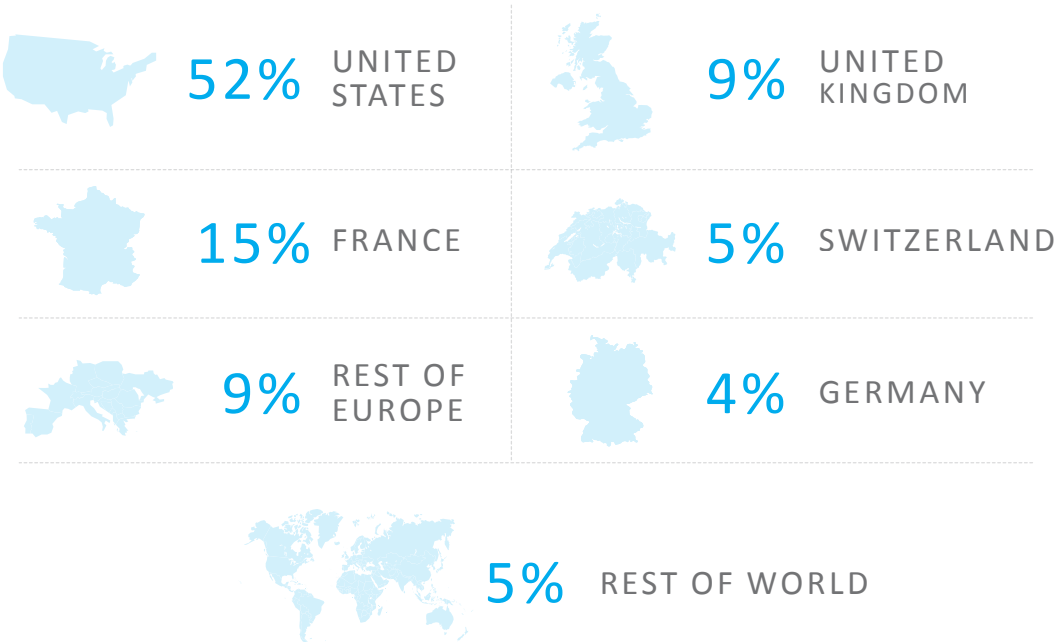
SHAREHOLDING SPLIT (AS OF DECEMBER 31ST, 2022)



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 eight countries to subscribe for new Danone shares. Since then, the share ownership plan was extended to additional countries. In 2022, **the plan covered 46 countries, representing 83% 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, 2022)



As a percentage of the share capital in 2022



METHODOLOGY NOTES

DANONE AT A GLANCE

- (1) Like-for-like
- (2) On a reported basis
- (3) United States and Canada
- (4) China, Japan, Australia and New Zealand
- (5) Volumes sold in healthy categories corresponds to:
 - Dairy and plant-based products intended for daily consumption,
 - Specialized Nutrition Category products (except biscuits and beverages for children under 3 years of age and foods for children over 3 years of age in the early life nutrition activities),
 - All plain and flavored water varieties with 0% sugar

BECOMING A B CORP

- (1) Every year, B Lab recognizes the top-performing B Corps creating great impact through their businesses. These B Corps are named Best for the World™, as their verified scores in the five impact areas evaluated on the B Impact Assessment - community, customers, environment, governance, and workers - are amongst the global top 5% in their corresponding size group.

PROGRESS AND LEAD HEALTH THROUGH FOOD FOR CONSUMERS AND PATIENTS

- (1) To find out more about how we protect and promote breastfeeding, see our [Policy for the marketing of breast-milk substitutes \(BMS policy\)](#)
- (2) Danone's 2021 Global Access to Nutrition Index (ATNI) rank. The ATNI assesses major food and beverages companies on their nutrition-related performance every two years: <https://www.accesstonutrition.org>

PRESERVE & REGENERATE NATURE

- (1) Cf renewed forest policy dec 2022
- (2) 100% Danone production sites and 50% of key raw materials volume
- (3) The three 1.5°C near term science-based targets are monitored on the SBT scope as follows:
 - Scope 1 and 2 energy and industrial: Scope 1 and 2 emissions of factories, vehicles and distribution centers including CH4 and N2O biogenic emissions, but excluding FLAG Scope 1 emissions of the three farms owned by Danone.
 - Scope 1 and 3 FLAG: scope 1 FLAG emissions of the three farms owned by Danone, and scope 3 emissions of purchased goods and services for milk, dairy ingredients and other raw materials.
 - Scope 3 energy and industrial: Scope 3 emissions for purchased goods (packaging and comanufacturing), fuel-and energy-related activities, upstream transportation and distribution, waste generated in operations, downstream transportation and distribution (excluding emissions linked to the storage in retailers' distribution centers and retailers' stores) and end of life treatment of sold products.
- (4) 4R is about reducing, reusing, recycling, reclaiming and ensuring wastewater is released to the environment in full compliance with the Danone Clean Water Standards (internal waste water quality standards developed to define a common, international framework for our operations)

THRIVING PEOPLE & COMMUNITIES

- (1) Over 95% of employees covered by certification, excluding M&A
- (2) Measured through Danone People Survey
- (3) Enabling due diligence deployed in Danone operations
- (4) 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.

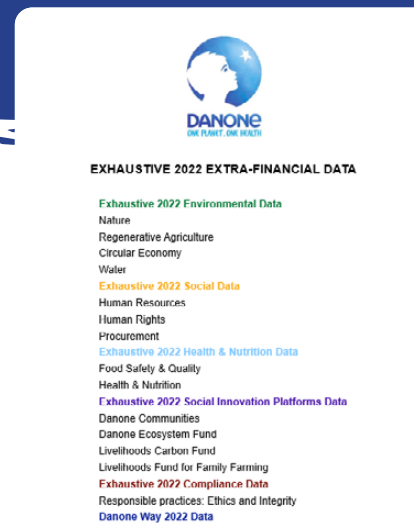
OUR MATERIAL ISSUES

- (1) The percentage of volumes sold from products rated ≥ 3.5 stars by Health Star Rating (HSR) is calculated for the Essential Dairy and Plant-Based and Waters Categories. HSR algorithm considers negative components of the products that could potentially increase some health risks such as energy, saturated fat, sodium and total sugars. It also considers positive components of a product such as the content of fruits, vegetables, nuts, legumes; in some instances, dietary fiber and protein. Taking these components into account, points are allocated based on the composition per 100g or 100 mL of the product. Products are rated between 0.5 stars (least healthy) to 5 stars (most healthy). According to this system, any product that scores 3.5 stars or above can be confidently promoted as a healthy choice.

LEARN MORE:



**DANONE 2022 UNIVERSAL
REGISTRATION DOCUMENT**



**DANONE 2022 EXHAUSTIVE
EXTRA-FINANCIAL DATA**



**DANONE 2022
COMPANY DASHBOARD**



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



[facebook.com/Danone](https://www.facebook.com/Danone)



[@Danone](https://twitter.com/Danone)



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