

5.2 HEALTH THROUGH FOOD

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“Bringing health through food to as many people as possible” is in Danone’s DNA and is at the core of all its activities. Indeed, the Group’s commitment to health is included in its by-laws and embedded in its mission (“raison d’être”), its social and environmental objectives, as well as its portfolio choices. Danone has built a unique, health-focused portfolio and constantly strives to improve it.

In 2021, Danone identified the “nutritional quality of overall product portfolio” and “product safety and quality” as two of its most material topics through an outreach to 380 internal and external stakeholders (see section 5.1 Introduction).

The Group’s 2025 health through food agenda comprises of Danone Impact Journey and *Société à Mission* targets with a focus on sugar reduction and improving nutrition for children.

The Health through Food pillar of the Danone Impact Journey is built on the framework of the Health and Nutrition Pledge defined for internal purposes at the end of 2022.

The Group’s 2025 health through food agenda is composed of four pillars and has ten targets for 2025:

- offer tastier and healthier food and drinks with four targets to maintain product portfolio healthiness and further reduce sugar in our products for children;
- promote healthier choices with one target to increase transparency toward consumers;
- provide positive nutrition and hydration for a healthier life with four targets to expand contribution to relevant areas: fortification, iron deficiency anemia, breastfeeding and access to safe drinking water;

- investing in nutrition and hydration science and research, with one target to invest in advancing and pioneering nutrition and hydration science.

Governance

All topics related to health and nutrition are supervised by the Chief Research, Innovation, Quality and Food Safety Officer, and the Chief Sustainability and Strategic Business Development Officer, both members of the Executive Committee. The Chief Research, Innovation, Quality and Food Safety Officer manages Danone’s science, innovation, quality and product agenda across categories. The execution of the Danone Impact Journey Health through Food pillar is led by the Senior Vice-President Research and Innovation for Medical & Nutritional Science.

In addition, health and nutrition topics are monitored through the global governance of the Danone Impact Journey and committees. For example, the Global Engagement Committee, which tracks and steers the reporting of Danone priorities, and the Executive Committee which reviews the topics twice a year. At local level, specific decision-making bodies oversee the integration of the Health through Food agenda into specific and concrete actions.

Progress toward the health, social and environmental objectives, set out in Danone’s by-laws, is overseen by the Mission Committee composed of independent global experts whose role is to monitor and challenge the Group’s roadmap and progress on sustainability topics, including those related to health and nutrition.

OFFER TASTIER AND HEALTHIER FOOD AND DRINKS

Definition

Danone’s products are consumed regularly by millions of people across the world. Today, the Group is focused on three healthy Categories: Essential Dairy & Plant-Based Products, Waters and Specialized Nutrition.

The Group develops delicious and enjoyable products that meet the preferences and evolving nutritional needs of consumers throughout their lifespan and contribute to a balanced diet. The everyday products strive to bring key nutrients like calcium, protein, vitamins, and fiber, whilst limiting sugar, saturated fats and calories.

5 SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

5.2 Health through food

Policies, action plans and outcomes

Since 2005, the Group has been defining comprehensive nutritional targets to continuously improve the nutritional quality of its products. The *Danone Nutritional Targets* are operational objectives for product development. They include nutrients to limit and nutrients to encourage in alignment with their specific food categories and target population. They are applicable in all geographies. They are published externally and are regularly updated to reflect the changes in nutrition science and dietary guidelines. Each year, the Group measures progress toward the targets.

Improving the nutritional quality of the portfolio through product development

Since 2011, Danone has disclosed the percentage of its portfolio that can be qualified as “healthy”. Since 2019, the Group has also assessed its portfolio against reference indices, such as the Nutri-Score and the Health Star Rating system (HSR).

Currently, the majority of Danone’s portfolio can be qualified as “healthy”. In 2023, as part of the Danone Impact Journey and Société à Mission agenda, the Group set four targets to maintain product portfolio healthiness and further reduce sugar in its products for children. By building on its healthy product portfolio as a whole, Danone aims to continue to make its portfolio of products for children healthier, with reduced sugars. In line with this ambition, Danone monitors the following KPIs:

AMBITION	KPI MONITORED IN 2023	ACTIONS AND 2023 OUTCOMES
Offer tastier and healthier food and drinks	Volumes sold of products correspond to healthy categories	In 2023, 90.3% (compared to 91.0% in 2022) of product volumes sold were considered to be from “healthy” categories. The remaining 9.7% corresponds mainly to low-sugar drinks and occasional indulgence categories. The slight decrease is explained by the change in categorization implemented this year, as well as the increase in the scope of reporting entities, which led to a 3% increase in total volumes reported compared to 2022.
	Volumes sold of products scoring ≥3.5 stars according to the Health Star Rating (HSR) system	In 2023, 89.2% (compared to 88.0% in 2022) of product 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 (See section 5.8 <i>Methodology note</i> for more details). As part of the Danone Impact Journey, Danone aims to have ≥ 85% of the portfolio scoring 3.5 stars or above by 2025.
	Volumes sold of products with Nutri-Score A or B	In 2023, 89.2% (compared to 89.3% in 2022) of product volumes sold had a Nutri-Score of A or B. In this system, the score is translated into a color-coded symbol using the letters A to E. The letters A and B are generally considered as having a healthy score (see section 5.8 <i>Methodology note</i> for more details).
	Volumes sold of products without added sugars	In 2023, 81.2% (compared to 82% in 2022) of product volumes sold had no added sugars. The slight decrease is explained by the increase in the reporting scope.
	Volumes sold of Dairy and Plant-Based products aimed at children with ≤10g of total sugars /100g	In 2023, 62.2% (compared to 58.0% in 2022) of the volume sold of the Group’s Dairy and Plant-Based products aimed at children between 3 and 12 years old had a maximum of 10g of total sugars per 100g. 🌟 As part of the Danone Impact Journey and Société à Mission targets, Danone aims to achieve 95% by 2025.
	Volumes sold of toddler milks (1-3 years) with ≤1.25g added sugars per 100kcal	In 2023, 99.3% of the volume sold of Danone’s toddler milks aimed at children between 1-3 years old had a maximum of 1.25g of added sugars per 100kcal. 🌟 As part of the Danone Impact Journey and Société à Mission targets, the Group aims to achieve 95% by 2025.
	Volumes sold of formula milks (4-5 years) with ≤2g added sugars per 100kcal	In 2023, 94.5% of the volume sold of Danone’s formula milks aimed at children between 4 and 5 years old had a maximum of 2g of added sugars per 100kcal. As part of the Société à Mission agenda, the Group aims to achieve 95% by 2025.
	Volume (as a percentage) of Dairy and Plant Based everyday adults’ products, with total sugars ≤ 10g/100g	In 2022, 72% of the volume sold of Dairy and Plant Based products that are reported as being part of the adult and/or family portfolio, and that are included in the sub-categories: Dairy and Plant-Based Everyday & Functional yogurt, fermented milks, milks, plant-based drinks, dairy and plant-based cheeses, had a maximum of 10g of total sugars per 100g.

In 2023 the reporting scope of the Health & Nutrition scorecard in increased by 3% as explained in section 5.8 *Methodology note*, which can be explained in part by the consolidation of African countries. In 2023, reporting scope of the Health & Nutrition scorecard covered 99.2% of volumes sold.

In the latest Access to Nutrition Global Index (ATNI), Danone was ranked first for the sub-category on Product Profile, recognizing the healthiness of the Group's portfolio in terms of nutritional quality of its products. Danone was also the only group in the list to achieve the healthy threshold of 3.5 stars in HSR at portfolio level.

PROMOTE HEALTHIER CHOICES

Transparency through labelling

The ability to make informed choices about daily food intake is an essential part of long-term healthy living. Therefore, Danone encourages consumers to make healthier choices by providing transparent labelling.

As part of the Danone Impact Journey and *Société à Mission* targets, the Group aims to display interpretative information for consumers whenever possible.

In line with this ambition, Danone monitors the following KPIs:

AMBITION	KPI MONITORED IN 2023	ACTIONS AND 2023 OUTCOME
PROMOTE HEALTHIER CHOICES	Volumes sold of Dairy, Plant-Based and Aquadrinks products with on-pack or online interpretative nutritional information	In 2023, 40.5% of Danone Dairy, Plant-Based and Aquadrinks products displayed interpretative nutritional information online or on-pack 🌈 (see Health and Nutrition scope, in 5.8 <i>Methodology note</i>). As part of the Danone Impact Journey and <i>Société à Mission</i> targets, Danone aims to reach 95% by 2025.

Responsible communication

Definition

By implementing responsible marketing practices, Danone contributes to the promotion of better choices and better nutrition. The Group acknowledges the need to promote healthier lifestyles and choices and believes in harnessing the power of brand and product communication to make healthy products desirable.

Danone is committed to the International Chamber of Commerce Framework for Responsible Food and Beverage Marketing Communications in all of its marketing communications.

Danone is a founding member of the EU Pledge regarding responsible marketing to children. In 2007, the Group launched its Pledge on Marketing to Children, which is publicly available and covers the key principles applying to Danone's marketing communications to children under the age of 13 at global level (see Action Plans below).

Governance

The General Manager of each subsidiary is responsible for ensuring that a specific process for approving communications at local level is in place and is properly implemented, involving relevant functions.

To ensure the greatest transparency and the highest level of compliance, Danone embeds its commitments at local level. In 2023, 88% of entities monitored their compliance with the Marketing to Children pledge. In case of non-compliance, the entities have established a process to rectify their practices in relation to both policies (see Danone Way scope, in 5.8 *Methodology note*).

Responsible Marketing Policy is overseen globally by the Vice President Public Affairs reporting to the General Secretary, who is a member of the Executive Committee.

As a founding member of the EU Pledge (external initiative), Danone also participates in voluntary pledges at local levels, wherever such programs are compatible with the Danone Pledge on Marketing to Children. In most of the countries involved, compliance with this pledge is certified by an external agency.

Policies

In 2023, 89.2% of Danone's global product portfolio was rated as healthy (≥3.5 stars) by the Health Star Rating system. 🌈 The overall marketing spend is broadly aligned with sales, ensuring a clear focus on promoting healthier products.

5 SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

5.2 Health through food

All Danone health and nutrition claims are based on scientific evidence and must comply with the local nutrition and health claims regulations or the CODEX Alimentarius standards, whichever are the strictest. All communications must comply with Danone's Communication Validation Management policy. As published in Danone's Policy on the Nutritional Principles for the Use of Health and Nutrition Claims, Danone only makes nutrition and health claims on products that score ≥ 2.5 stars by the Health Star Rating system (HSR). This criterion is closely monitored throughout the new product development process.

Action plans

Responsible communication and marketing to children

As part of the Danone Pledge on Marketing to Children, the following principles apply globally to Danone marketing communications to children under the age of 13:

- Marketing communications can only be used for products that achieve the nutrition criteria outlined in the Pledge on Marketing to Children. These criteria take precedence over any voluntary local standards that are less stringent. The details of the measures taken, including with respect to the use of influencers and licensed characters on packaging and at points of sale, are set out in the Danone Pledge on Marketing to Children (see Danone's website for more information);
- Through its brands, Danone encourages and promotes healthy hydration habits and endeavors to make plain water more appealing to children. The Group does not direct any marketing communications for aquadrinks to children under the age of 13;
- More generally, Danone is further committed to complying in all of its communications to consumers with the Codes of the International Chamber of Commerce, which includes no undermining of parental authority, no suggestion of a sense of urgency, no encouragement of pester power or unhealthy lifestyles and no misleading of children using fantasy.

The Danone Pledge on Marketing to Children principles and provisions constitute the foundation and the minimum requirements for Danone marketing communications to children under the age of 13. Local Danone commitments can go further. For example, in Spain, Danone marketing communications directed to children below 13 years of age can only be used for dairy products that meet the World Health Organization's nutritional criteria (European region) for total sugars content (total sugars threshold of 10g/100g).

Outcomes

In 2023, a third-party independent audit conducted by Ebiquity for the EU Pledge in France, Germany, Italy, the Netherlands, Romania and Spain, found that 100% of Danone's television advertising was compliant with the EU Pledge criteria regarding responsible marketing to children.

Marketing of breast milk substitutes

Definition

Danone recognizes that the right nutrition during the baby's first 1,000 days of life, from conception up to two years old, are critical for lifelong health. The Group supports the World Health Organization's view of the importance of breastfeeding for infant health, namely the nutritional recommendation for exclusive breastfeeding for the first six months of age and continued breastfeeding up to two years and beyond, combined with the safe introduction of appropriate complementary foods.

Danone has a key role to play in supporting this recommendation while empowering parents and caregivers to make informed feeding decisions for their babies. Having researched the science of breastmilk and breastfeeding as well as its benefits for the health of both the

mother and the child for over 50 years, Danone is convinced that breastfeeding gives babies the best nutritional start in life.

Governance

The ultimate responsibility for the implementation of the Breast Milk Substitute (BMS) Policy lies with the Chief Executive Officer (CEO) of Danone SA. The responsibility for the management, implementation and monitoring compliance with this BMS Policy is delegated by the CEO of Danone SA to the President Specialized Nutrition – who is a member of the Danone Executive Committee, and who delegates day-to-day responsibility for implementation and monitoring of this BMS Policy to the General Managers of subsidiaries in which Danone has operational control. Compliance issues related to breast milk substitutes marketing standards are under the responsibility of the Compliance Department within the Specialized Nutrition category. This department reports to the SVP General Counsel (Legal, Regulatory and Compliance) within the office of the General Secretary, ensuring independence from the operating teams.

Every year, Danone publishes on its website an annual BMS Marketing Compliance report detailing progress made and challenges observed in implementing its global standards based on independent external assessments and internal monitoring systems.

The above report is shared with Danone's relevant governance bodies and executive management teams, including the CSR Committee and the Board of Directors, the Danone President Specialized Nutrition and/or the SVP General Counsel, on an annual basis.

Policies

The Group believes that breastfeeding needs to be protected and promoted and mothers, infants and young children must receive the best possible nutrition.

With its BMS Policy which is publicly available, Danone was the first company to implement strict global standards preventing advertising or promotion of baby formulas for infants under six months, even if allowed by local laws and regulations. In markets classified as Higher-Risk Countries on infant and maternal nutrition (as defined in the FTSE4Good Inclusion Criteria for the Marketing of Breast Milk Substitutes), Danone has voluntarily extended its BMS Policy commitments to infants up to 12 months of age, which may go beyond local legislation. In other words, this BMS Policy is the Group's minimum global standard and Danone follows local legislation whenever the latter is more demanding.

This policy applies to all Danone employees and contracted partners involved in the marketing, distribution, sale, or governance of the affected products and/or related education programs.

Whether working at global or local level, Danone is committed to fostering a proactive, constructive and evidence-based dialogue supporting breastfeeding around the world – not undermining public policy frameworks that serve this purpose – while endorsing the principles of openness, transparency and integrity in Danone's advocacy activities.

Danone is determined to support the design and implementation of advocacy initiatives in every country where it operates, with the aim of helping to create an environment where all parents feel informed and supported on all issues relating to infant nutrition. As this is a shared goal, Danone aims to work with the United Nations, governments, civil society organizations, as well as pediatric/medical societies to develop an evidence-based, shared policy agenda focused on increasing breastfeeding rates, supporting parents and the improved nutritional health of infants and mothers. Danone is ready to take a leadership role, mobilizing industry engagement. Danone will support the adoption, implementation and, critically, enforcement of national legislation to meet the needs of each market in line with the above nutritional commitments to create a level-playing field.

Action plans

As reported in its annual BMS Marketing Compliance report, Danone is committed to continuously monitoring its marketing of baby formulas in line with the BMS Policy and local legislation, through external audits and internal monitoring (internal audits, self-assessments), including by making available to the public a summary of the external audit conclusions, a detailed overview of alleged non-compliance with its BMS Policy framework and related action plans.

Danone also ensures effective communication and provides training for its relevant employees and external partners. This includes the implementation of e-learning training courses on its BMS Policy, available in 13 languages. In 2023, an in-depth online training course specifically designed for employees involved in the marketing of breast milk substitutes was introduced.

Finally, for third-party stakeholders, such as retailers and distributors, a specific toolkit has been created in 2022 and rolled out in 2023 to raise awareness about responsible marketing of baby formula and Danone's BMS Policy standards.

Outcomes

In 2023, 6,349 employees were trained on the BMS Policy (compared to 6,171 in 2022). In 2021, Danone changed its methodology for tracking the number of employees trained. Up to 2020, the Group tracked this indicator over a two-year period. Now it tracks over the corresponding one-year period only (see section 5.8 *Methodology note*). In 2022, Danone continued its journey in progressively rolling out online training, which contributed to the high number of trained employees.

In 2023, 100% of Danone entities involved in the marketing of baby formula monitored their compliance with the BMS Policy.

The latest (2021) Access to Nutrition Index (ATNI) ranked Danone first for the sub-category on marketing of breast milk substitutes and complementary foods, for the second time in a row.

In addition, in 2023, Danone was confirmed a constituent member of the FTSE4Good Index Series, calculated by FTSE Russell, for the seventh consecutive year. FTSE4Good is a global responsible investment index series, measuring performance of companies across environmental, social and governance practices. Danone has met the inclusion of ESG criteria in relation to around 200 indicators and around 25 specific BMS marketing indicators. Danone chose to be included in the index.

PROVIDE POSITIVE NUTRITION AND HYDRATION FOR HEALTHIER LIFE

Danone believes that nutrition is all about making a positive contribution to health and well-being for consumers and achieving the best possible outcome for patients.

As part of the Danone Impact Journey and *Société à Mission* agenda, the Group has defined various targets for 2025, focusing on:

- providing positive nutrition through fortification;
- developing impact-oriented projects to expand Danone's contribution to reducing iron deficiency anemia and to support women's choice of breastfeeding;
- and increasing access to safe drinking water.

5 SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

5.2 Health through food

In line with this ambition, the company monitors the following KPIs:

<p>Providing positive nutrition through fortification</p>	<p>In 2023, 83.2% of the volumes sold of the Group's Dairy portfolio aimed at children was fortified with relevant vitamins and minerals. 🌱 As part of the Danone Impact Journey, Danone set the target of achieving ≥ 85% by 2025.</p>
<p>Developing impact projects to expand our contribution with partners in two important areas:</p> <ul style="list-style-type: none"> ■ addressing iron deficiency anemia ■ supporting women's choice to breastfeed 	<p>Neither products nor training alone are enough to drive positive change in diets and feeding habits. A combination of several levers of action is needed to address public health concerns. As part of the Danone Impact Journey and <i>Société à Mission</i> agenda, Danone has set a target to develop five projects that contribute to addressing iron deficiency in children by 2025. In 2023, two projects met the criteria of impact projects with all key criteria covered. 🌱</p> <p>Danone considers that it plays a key role in ensuring awareness and understanding of the importance of nutrition in the first 1,000 days. As part of the <i>Société à Mission</i> agenda, the Group has set a target to develop three projects by 2025 to support women's choice to breastfeed. In 2023, one project met the criteria of an impact project with all key criteria covered.</p>
<p>Increasing access to safe drinking water</p>	<p>Danone believes access to safe water is a human right. As part of the <i>Société à Mission</i> and Danone Impact Journey agenda, the Group has set a target to help provide access to safe drinking water. Specific focus is being given to vulnerable populations and communities, through Danone Communities as well as the Water Access Acceleration Fund (W2AF), which both support social businesses that provide safe drinking water at an affordable price. These businesses contribute to Danone Impact Journey KPI to provide 20 million people with access to safe drinking water by 2025.</p> <p>Overall, the social businesses that Danone Communities and the Water Access Acceleration Fund (W2AF) are supporting or supported in their early stage provided access to safe drinking water to 12.7 million people around the world in 2023, representing 4.6 billion liters of water. 🌱</p> <p>See section 5.3 <i>Nature</i>, section <i>Preservation of the water resource</i> for more information on the W2AF, and section 5.4 <i>People & Communities</i>, section <i>Social innovation funds</i> for more information on Danone Communities.</p>

Focus – Danone's efforts to make healthy products affordable and accessible

Offering healthy food and drinks that are safe, good value for money, and accessible, whether physically or in terms of price point, is at the heart of the Group's purpose of "bringing health through food to as many people as possible". The Group's healthy portfolio is already being consumed by millions of people across all geographies, populations and income levels, generally in line with population distribution. In 2023, 70% of volumes sold were in countries classified by the United Nations as developing economies and economies in transition.

Affordability and accessibility dimensions are an integral part of business decisions. The Group provides its subsidiaries with relevant market data that can be integrated in brands' value proposition. The two main action areas include:

- understanding local realities: through data on health and nutrition in the countries where the Group operates, and through data about local consumption and pricing dynamics;
- developing distribution channels and supporting projects to enhance the accessibility of healthy products.

In 2023, 54% of entities reporting on this Danone Way practice, had either at least one healthy product into their portfolios targeting low- and middle-income populations or had plans to do so.

A total of 67 entities were included in the scope of this practice as part of the Danone Way self-assessments. For further details regarding the overall coverage rate of the Danone Way self-assessments, please refer to the section 5.8 *Methodology note*.

In addition, food and water access and affordability through brands are complemented by social innovation platforms. These platforms, Danone Communities and Danone Ecosystem, aim to bring nutrition solutions to low and middle-income populations and to those who have difficulty accessing healthy foods and safe drinking water.

To learn more, read the Affordability and Accessibility approach published in October 2023: *Reaching as many people as possible: our efforts to make healthy products affordable and accessible* (danone.com).

INVEST IN NUTRITION AND HYDRATION SCIENCE AND RESEARCH

Research, science and innovation are rooted in the Group's DNA. Investing in innovation and connecting with scientific expertise is key. The Group focuses its research and innovation efforts on specific areas such as gut health, children's growth, immunity and allergy, recovery, energy and physical performance, with the goal of enhancing overall health and promoting the superiority of the Group's products and solutions.

Danone aims to continue to invest in research and contribute to the scientific field to demonstrate how nutrition can impact health throughout all stages of life, from early life to aging.

As part of the Danone Impact Journey and in line with this ambition, Danone monitors the following KPI:

AMBITION	KPI MONITORED IN 2023	ACTIONS AND 2023 OUTCOME
Invest in nutrition and hydration science and research	Number of scientific publications in peer-reviewed journals and/or presentations at scientific conferences	<p>In 2023, the Group issued 108 scientific publications in peer-reviewed journals. 🌱 51% of these publications were in scientific journals with an impact factor of 5 or more.</p> <p>55% of these publications were done in three key areas: Immunity and Allergy, Gut Health, and Children's Growth.</p> <p>The Group also had 92 congress abstracts and/or presentations at scientific conferences.</p> <p>As part of the Danone Impact Journey targets, Danone aims to reach 150 scientific publications in peer-reviewed journals and/or presentations at scientific conferences by 2025.</p>

ENSURING QUALITY AND FOOD SAFETY

Definition

As an active player in the food and beverage industry in many countries, Danone must always guarantee the safety and quality of its products and services to consumers, patients, and customers. The Group believes that people should always trust and enjoy what they eat and drink and, aims to “excel in quality and food safety everywhere, everyday” to honor its promise.

Governance

Globally, the Quality and Food Safety (QFS) strategy is defined and implemented by the SVP QFS, under the leadership of the Chief Research, Innovation, Quality and Food Safety Officer, a member of the Executive Committee.

The SVP QFS is accountable for:

- establishing, maintaining, and managing the Danone Quality Management System (QMS);
- anticipating QFS risks and defining preventive actions and mitigation options;
- delivering scientific and regulatory evaluations to enable informed business decisions;
- defining and deploying across the organization the Danone QFS standards, policies and positions, as well as the end-to-end processes applicable in the value chain;
- driving the development and implementation of new capabilities (resources, trainings, information systems);
- assessing the compliance and effectiveness of the whole system and monitoring the QFS performance;
- strengthening Danone's culture of quality across the organization.

For independence reasons, the Food Safety auditing system falls under the responsibility of the Chief Research, Innovation, Quality and Food Safety Officer.

At local level (regions, countries), General Managers and Country Managers in charge of a Business Unit are accountable for the safety and quality of products placed on the market in their designated businesses.

In Business Units and plants (manufacturing sites, warehouses, etc.), the QFS function is responsible for:

- implementing Danone's QFS requirements and applicable Food Safety regulations;
- managing and escalating QFS non-conformities according to internal applicable rules (i.e., product non-conformities management procedure, or crisis management policy);
- defining and implementing appropriate corrective and preventive actions;
- and monitoring QFS compliance and performance reviews.

Policies

Danone's approach to QFS encompasses the entire value chain, from product-process design and supply to manufacturing, distribution, sales/market, as well as service to consumers and patients. It is reflected in:

- Danone's QFS Commitments based on the four pillars (be trusted, be preferred, be efficient, and be proud);
- Danone QFS Manual, which describes the way the Group operates;
- Danone's Food Safety Policy, which was updated in 2023, and refers to the Danone Food Safety Management System (FSMS), which is embedded in the global QMS and aligned with ISO 22000 and FSSC 22000 operating guidelines.

Management system

The QMS is based on key processes, capabilities, programs and connections to drive sustainable QFS excellence across the whole organization.

A strong process for anticipating and measuring risks:

- A risk anticipation process, involving corporate, business, regional teams and subsidiaries, functions based on an end-to-end approach, identifying new QFS developments (science, analytical methods, regulations, and standards) by leveraging internal and external competencies and connections;
- A risk assessment performed by the Danone Food Safety Center's qualified experts, using the most advanced science risk assessment approaches, which allow informed business decisions;
- Danone goes above and beyond local and international regulations by defining its own QFS requirements based on the latest science and highest international standards and in line with evolving consumer/customer needs and expectations. These standards guarantee application of a single benchmark for all the products and technologies wherever they are sold or produced.

Strengthened management of product non-conformities and processes in place to manage QFS in all value chain activities (from product design to marketing).

A rigorous compliance and performance evaluation of the whole system through:

- QFS audits at manufacturing sites (Danone factories, third party manufacturers) and supplier production sites aiming to prevent and mitigate risks by verifying compliance with internal standards and obtaining external certification through recognized/equivalent schemes;
- QFS end-to-end key performance indicators reported monthly or quarterly;
- QFS quarterly and annual performance reviews of results, projects, and priorities.

A continuous effort to build QFS capabilities (QFS methods and tools, systems, knowledge, competencies, and digitalization) across the organization.

The iCare program to strengthen the Culture of Quality across the whole organization and begin engaging its partners.

Close ties with the scientific and regulatory ecosystem as well as numerous collaborations and partnerships in the different regions (e.g., European Union, United States and China), including standardization and certification organizations, academia, governmental and intergovernmental organizations, industry bodies, or peers.

Action plans

In 2023, a set of actions were put in place to continuously and significantly improve QFS in the following areas:

- overall governance of the QFS function, with the aim of:
 - enhancing end-to-end efficiency, with the QFS corporate departments gathered in the same global organization under the responsibility of the SVP QFS;
 - increasing independence, by placing the Food Safety auditing system under the accountability of the Chief Research, Innovation, Quality and Food Safety Officer;
- risk anticipation, with the Public Positions and Policies Committee led by the VP QFS Standards and Risk Management, which has delivered positions on key topics (Precision Fermentation, Per- and polyfluoroalkyl substances and Ultra-Processed Foods). The Committee is also analyzing the further development of the Group's positions on Plastics and Health, Endocrine Active Substances, and Food Additives use including Sweeteners;
- reshaping and harmonization of cross-category standards with a "risk-based approach", and the delivery of numerous methods and tools to enable safe innovation and manufacturing (work in this area goes beyond the revision/creation of standards and general procedures on management of QFS in design, consumer feedback management and Culture of Quality management);

- measures to make FS Audit governance and respective accountabilities more effective in remedying any non-conformities identified and strengthening of the auditors' teams and skills;
- the global Product Non-Conformity (PNC) Management program, with the implementation of a best-in-class management platform to record and track corrective and preventive action plans (CAPAs) on product non-conformities, and the establishment of a global forum to enhance PNC management processes and learning;
- data and digital roadmap deliveries: data analytics studies and data product development, with the launch of digital solutions (for product non-conformity management and quality inspections in stores), as well as the continuous deployment of laboratory information management systems as well as traceability and consumer service capabilities;
- reinforcement of ties with the scientific and regulatory ecosystem as well as governmental and industry partners, such as:
 - food safety collaborations with the best experts (for instance, one scientific publication has already been issued, with three more in advanced stages for submission late 2023 and early 2024) and 14 speeches/presentations have been given externally at scientific seminars, workshops and conferences;
 - the Annual Scientific Advisory Board (SAB) made up of world-renowned experts.

Outcomes

External certifications: Danone achieved a site certification rate of 96% (95% in 2022). In 2023, 152 FSSC 22000 certification audits were conducted by independent certification bodies (166 in 2022). Russian plants were excluded from the report (see *Production Site Food Safety scope*, section 5.8 *Methodology note*).

Internal audits: in 2023, the Global Food Safety Audit team conducted 67 in-house FS audits (72 in 2022) (see *Production Site Food Safety scope*, section 5.8 *Methodology Note*).